

## **Anti-Capitalist Bias in the Media**

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Before examining three major types of anti-capitalist bias in the U.S. media, it will be instructive to analyze what the 20<sup>th</sup>-century's greatest economist, Ludwig von Mises, termed "the anti-capitalist mentality."<sup>1</sup>

### **A Brief History of Anti-Capitalist Thought**

Anti-capitalism, as the name suggests, is a reaction against capitalism. Those Americans old enough to have lived through at least part of the Cold War, as well as those who have studied 20<sup>th</sup>-century history, may regard anti-capitalism as primarily an ideology held by America's socialist enemies. While the Soviet Union and other communist/socialist regimes were (and in some cases still are) fierce enemies of capitalism, the more long-lived and, I believe, dangerous anti-capitalist ideology and bias have grown here at home—the enemy within the gates, so to speak. Anti-capitalism has been a virulent, persistent ideology almost from the very beginning of the Age of Capitalism. Anti-capitalist ideology arose in Europe. Much of it was of English origin. When entrepreneurial capitalists organized new forms of production in early 19<sup>th</sup>-century England, antagonism toward them arose, not so explicitly from the employees who toiled long hours at low wages, but from the gentrified, well-to-do segment of the population. These prominent critics included William Blake, the poet whose famous poem "Jerusalem" referred to "those dark, satanic mills" in which workers labored for textile entrepreneurs; Blake's fellow

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<sup>1</sup> Ludwig von Mises, *The Anti-Capitalist Mentality* (Princeton NJ: Van Nostrand, 1956). Note: quotes in this paper will correspond to the pagination of the 1972 reprint of Mises' book, the copyright to which belongs to Libertarian Press, now based in Spring Mills, PA.

poet, Elizabeth Barrett Browning; the novelist, Charles Dickens. Early on, anti-capitalism became a staple among the intellectual class.

A much more aggressive condemnation of capitalism was articulated by another writer based in England—Karl Marx—who, though not a gentleman in class, conduct, or affluence, nonetheless was spared from having to engage in manual labor due to the financial assistance he received from his partner, Friedrich Engels, whose family ties and business interests supported them both.

The criticisms of capitalism made by Blake, Browning, Dickens, Marx, and other writers is tragically flawed in at least two ways: First, they manifest an acute lack of comprehension of how the emergence of capitalism was affecting lives of poor workers and transforming society at large; second, they often rested on facile assumptions and hearsay.

Shoddy thinking and faulty assumptions have undergirded anti-capitalist ideology from the outset. The recorded criticisms of the early capitalists were factually correct in certain important particulars, such as the long work hours, often unpleasant, if not deplorable, conditions, and meager wages, but they suffered from two significant defects: These critiques were sorely lacking in context and lacked hard evidence or the credibility that comes from first-hand witnessing.

Typical of the latter was Lord Shaftesbury, who (much like Marx and Lenin later on) energetically criticized the factory system while declining invitations to visit mill factories to observe working conditions first-hand.<sup>2</sup> In another stereotypical anecdote, six of nine doctors summoned to testify about child labor and factory conditions before the 1816 Peel Commission

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<sup>2</sup> W.H. Hutt, “The Factory System of the Early Nineteenth Century” in F.A. Hayek, ed., *Capitalism and the Historians*, (Chicago: The University of Chicago Press, 1954), fn. 51, 175.

(chaired by Robert Peel, the elder, not his son, the eventual Prime Minister) admitted that they had no personal knowledge of factories, but formed their opinions based on hearsay.<sup>3</sup>

Individuals who actually had first-hand knowledge of the factories had a more benign sense of them: Physicians with actual experience with factory conditions testified that children working in the factories “were at least as healthy as children not employed in factories.”<sup>4</sup> The wages paid to workers in cotton textile factories, “with proper economy and forethought, would enable them to live comfortably... and the labor of children in those factories generally is light that falls to their share.”<sup>5</sup>

In terms of context, the genteel critics of early English capitalists often accused them of taking people away from happy lives in the countryside and plunking them down in noxious factories. In fact, according to a contemporary observer, William Cooke Taylor, “Compared to the factory workers, the agricultural laborers lived in abject poverty, and the work to which country children were put was far more exhausting than factory labor”; furthermore, many children in the countryside starved.<sup>6</sup> The economist Ludwig von Mises explained the actual situation thusly:

The factory owners did not have the power to compel anybody to take a factory job. They could only hire people who were ready to work for the wages offered to them. Low as these wage rates were, they were nonetheless much more than these paupers could earn in any other field open to them. It is a distortion of facts to say that the factories carried off the housewives from the nurseries and the kitchens and the children from their play. These women had nothing to cook with and to feed their children. These children were destitute and starving. Their only refuge was the factory. It saved them, in the strict sense of the term, from death by starvation.<sup>7</sup>

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<sup>3</sup> Hutt, “Factory System,” 163.

<sup>4</sup> Hutt, “Factory System,” 164.

<sup>5</sup> Dr. Philip Gaskell, a firsthand observer writing in the 1830s, quoted in Hutt, “Factory System,” 167-8.

<sup>6</sup> Hutt, “Factory System,” 176.

<sup>7</sup> Ludwig von Mises, *Human Action* (The Scholar's Edition), (Auburn, AL: The Ludwig von Mises Institute), 615.

Population data from that era tend to corroborate Mises' assertion. The death rate of London children under the age of five was 74% from 1730 to 1750, before the advent of the factory system. Two generations later, from 1810 to 1830 when the factory system was well established, that death rate had fallen below 32%. The population of England doubled from 1752 to 1820—striking evidence of longer life expectancy.<sup>8</sup>

In what hindsight shows to have been a momentous strategic error, the early capitalists did not mount a vigorous defense against the lurid, fallacious charges of their critics. The economist W.H. Hutt thought that the reason for this was that “the mill owners were, if anything, apathetic toward the anti-factory propaganda” because they didn't think it was possible that people would be gullible enough to believe the absurdly exaggerated claims.<sup>9</sup>

Apart from the propensity for anti-capitalists to rely on hearsay and willingly believe the worst and jump to faulty conclusions, the most striking aspect of the anti-capitalist ideology is its apparent obliviousness to reality—an astounding blindness to the actual economic impact of capitalism. Throughout the history of humankind, the masses of people have been miserably poor. Only with the dawn of capitalism did standards of living (and along with it, human longevity) break age-old economic limits to production and wealth, eventually creating an unprecedented social phenomenon—increasing and spreading prosperity for the masses. Instead of gratitude for the manifold benisons capitalism has wrought, anti-capitalists maintain a churlish ingratitude. Rather than give credit where credit is due, they habitually adopt a pessimistic view, seeing only the part of the glass that is empty.

The readiness to condemn capitalism for its perceived shortcomings has been manifest among anti-capitalist intellectuals from the beginning. Oddly, as each succeeding generation of

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<sup>8</sup> Christopher Crennen, “The Wealth of Nations: An Inquiry into the History and Morality of Socialism and Capitalism,” DVD, Cinematic Creations, LLC, 2005, Chapter 2 “The Industrial Revolution.”

<sup>9</sup> Hutt, “Factory System,” 177.

capitalists produced more wealth and raised standards of living, instead of placating the anti-capitalists, new heights of economic progress seemed to inflame them even more and elevate the intensity of the anti-capitalist animus. Historian Bertrand de Jouvenel noted this irony, writing, “Strangely enough, the fall from favor of the money-maker [i.e., the portion of entrepreneurs who proved capable of using capital to earn profits] coincides with an increase in his social usefulness.”<sup>10</sup> Apparently, anti-capitalists delight in condemning capitalists for not ushering in the kingdom of heaven on earth.

Indeed, anti-capitalism spread from a relatively small number of critics at the outset to become a major movement in Britain by the turn of the 20<sup>th</sup> century. Originally inchoate, anti-capitalism eventually evolved into well-organized political movements, such as the Britain’s socialist Fabian Society, spearheaded by prominent intellectuals such as Sidney and Beatrice Webb (later titled Lord and Lady Passfield), the Irish playwright, George Bernard Shaw, the historian/writer H.G. Wells as well as many members of Parliament and Labor Party prime ministers.

Here in the States, anti-capitalism—a key component of the “progressive” movement that dominates the Democratic Party—has metastasized into outright socialism. (Senator Sanders, for one, has the decency to explicitly vow his socialist orientation.) How amazing that today’s Democratic politicians and their media cheerleaders are ideologically to the left of that wily old Chinese Communist, Deng Xiaoping, who adopted the pragmatic and more-capitalist-than-communist “We should let some people get rich first.”<sup>11</sup>

It is astonishing that anti-capitalism remains a fashionable ideology among intellectuals, who seem to take pleasure in biting the hand that feeds the poor. What can explain the obtuse

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<sup>10</sup> Bertrand de Jouvenel, “The Treatment of Capitalism by Continental Intellectuals,” in *Capitalism*, 109.

<sup>11</sup> Quoted in *International Socialist Review* 1, (Summer 1997), [www.isreview.org/issues/01/mao\\_to\\_deng\\_1.shtml](http://www.isreview.org/issues/01/mao_to_deng_1.shtml) (accessed November 24, 2015).

blindness to capitalism's abundant benefactions for the human race? Perversely, the more people capitalism lifted out of poverty, the more it has been vilified for not yet having lifted everyone out of poverty. The more people capitalism has raised into an affluent middle- or upper-class lifestyle, the more vehement has been the demonization of capitalists—the very entrepreneurs whose great wealth came from the goods that give the masses such materially comfortable lives with amenities far beyond anything that Queen Victoria and her contemporary monarchs even dreamed of. The larger the GDP has grown under capitalist production (i.e., the wealthier the society has become in general), the more insistent have become the anti-capitalists' shrill declamations against the “horrible injustice” of this hitherto unknown cornucopia of wealth.

Although the anti-capitalist movement has been growing in size and strength for two centuries, the last half-century in particular has seen a huge cultural shift take place. The media have played a crucial role in a momentous transformation.

The reputation of businessmen has been one of the major casualties of the countercultural movement that took off in the late '60s. People alive then can remember when businessmen were highly regarded. They were the pillars of society. This general respect for businessmen was reflected in the television shows of the '50s and '60s. In the half-hour family dramas of the era—shows like “Ozzie and Harriet” and “Leave it to Beaver”—the husband/father character was the wise, benevolent leader of the family at home and a respected man of business in the community. We never really knew exactly what Ozzie Nelson or Ward Cleaver did for a living, but generically, they were businessmen. Ozzie, Ward, and dozens of other TV dads were invariably portrayed as honest, honorable, upright, just, moral men whose conduct was impeccable, whether at home or in their work.

The tide turned in the '60s. The squeaky clean, ever-trustworthy businessman often gave way to strongly negative depictions. A 1986 survey by the Rothman-Lichter team found that, on television shows, “businessmen are more than three times as likely to be criminals than are members of other occupations” and commit 40% of the murders.<sup>12</sup> Ozzie Nelson and Ward Cleaver were forgotten; the new businessmen on the block often were the bad guys. The poster boy for the new man of business in movies and TV was Gordon Gekko, the “greed-is-good” sleazeball lead in Oliver Stone’s quintessential anti-capitalist movie, “Wall Street” (1987). Clearly, the anti-capitalist ideology had become dominant in popular culture in America.

Journalists, like the TV industry, lean left. In their 1986 book, *The Media Elite*, social scientists S. Robert Lichter, Stanley Rothman, and Linda S. Lichter surveyed 238 journalists, and found their political values and attitudes to be to the left of business executives and the general public on virtually every issue. The psychological profile of these journalists, as indicated by their answers to a “Thematic Apperception Test,” suggested that these liberal individuals scored higher on “need for power, fear of power, and narcissism” and lower on “need for achievement” than their counterparts in business.<sup>13</sup>

The Media Research Center has published detailed reports, such as “The Liberal Media Exposed”<sup>14</sup> and “Media Bias 101,” which collected over 40 scholarly articles documenting the overwhelming liberal bias in the American media, including 18 surveys of journalists. In elections going back to 1964, the highest percentage of votes for a Republican candidate in any election was 26% for Ronald Reagan during his landslide re-election in 1984. The Pew Research

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<sup>12</sup> Michael Fumento, “Why Hollywood Hates Business,” *Investors Business Daily*, January 3, 1992, [www.fumento.com/crime/hollywood.html](http://www.fumento.com/crime/hollywood.html) (accessed September 10, 2015).

<sup>13</sup> Terry Teachout, “The Media Elite, by S. Robert Lichter, Stanley Rothman, and Linda S. Lichter,” *Commentary*, January 1, 1987, [www.commentarymagazine.com/articles/the-media-elite-by-s-robert-lichter-stanley-rothman-and-linda-s-lichter/](http://www.commentarymagazine.com/articles/the-media-elite-by-s-robert-lichter-stanley-rothman-and-linda-s-lichter/) (accessed November 21, 2015).

<sup>14</sup> Media Research Web site, Media Research Center, <http://archive.mrc.org/biasbasics/pdf/BiasBasics.pdf> (accessed Nov. 10, 2015).

Center found that the percentage of journalists who consider themselves conservative remains stubbornly stuck in single digits.<sup>15</sup> In our most recent presidential election, the Pew Center found that the evening news programs cast Mitt Romney in a negative light twice as often as they did President Obama and that employees of the three major TV networks donated \$1,020,816 to the president compared to only \$142,863 for the GOP challenger.<sup>16</sup>

Similarly, a 2005 report by two political scientists at UCLA scored 20 major media outlets on their ideological orientation and found that 18 of them scored more liberal than the average U.S. voter.<sup>17</sup> In 2014 Indiana University survey featuring in-depth interviews with 1,080 journalists found that only seven percent identified themselves as Republicans.<sup>18</sup>

Anecdotally, as long ago as 1971, the late Supreme Court Justice Lewis F. Powell, Jr., “wrote a memo for the U.S. Chamber of Commerce in which he charged that much of our news media, especially television, were allowing the enemies of our free enterprise system to use their facilities to destroy free enterprise.” Similarly, the late NBC News anchorman Chet Huntley, wrote in 1973, “One general characteristic of the American press...is the basic antipathy towards business and industry which I believe exists in our journalism.”<sup>19</sup> Fast forward 41 years: Former *Forbes* managing editor, CNBC media editor, and Fox Business news anchor Dennis Kneale

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<sup>15</sup> Rich Noyes, “Updated for 2012: The MRC’s ‘Media Bias 101’ Links to Scores of Studies Showing Journalists’ Liberal Views” (April 22, 2012), [www.newsbusters.org/blogs/rich-noyes/2012/04/22/udaetd-2012-mrc-s-media-bias-101-links-scores-studies-showing-journalis](http://www.newsbusters.org/blogs/rich-noyes/2012/04/22/udaetd-2012-mrc-s-media-bias-101-links-scores-studies-showing-journalis) (accessed November 21, 2015).

<sup>16</sup> Caleb Galoozis, “Media Bias, Alive and Well,” *Harvard IOP*, [www.iop.harvard.edu/media-bias-alive-and-well](http://www.iop.harvard.edu/media-bias-alive-and-well) (accessed November 29, 2015).

<sup>17</sup> Tim Groseclose and Jeffrey Milyo, “A Measure of Media Bias,” *The Quarterly Journal of Economics*, CXX: 4 (November 2005), [www.sscnet.ucla.edu/polisci/faculty/groseclose/pdfs/MediaBias.pdf](http://www.sscnet.ucla.edu/polisci/faculty/groseclose/pdfs/MediaBias.pdf) (accessed November 29, 2015).

<sup>18</sup> Media Research Web site, Media Research Center “Exhibit 1-19: Indiana University Polls of Journalists” (May 19, 2014), [www.mrc.org/media-bias-101/exhibit-1-19-indiana-university-polls-journalists](http://www.mrc.org/media-bias-101/exhibit-1-19-indiana-university-polls-journalists) (accessed November 21, 2015).

<sup>19</sup> Reed Irvine, “NBC Zaps the Oil Companies,” *AIM Report* (April A, 1976), [www.aim.org/publications/aim\\_report/1976/04a.html](http://www.aim.org/publications/aim_report/1976/04a.html) (accessed November 29, 2015).



stated in 2014, “I have never seen the American press be more anti-wealth creation, anti-capitalist, anti-business, than it is today.”<sup>20</sup>

In the most data-packed, concise summary of media bias that I have found, Discoverthenetworks.org listed 31 bullet points containing such telling information as, an *Investors Business Daily* study that found journalists donating 15 times as much money to Democrats as to Republicans. Also featured were a couple of findings showing a pronounced anti-capitalist orientation, including: “57% [of journalists] say that America’s disproportionate consumption of the world’s natural resources is ‘immoral.’”<sup>21</sup>

### **The Motives for Anti-Capitalist Bias**

A less empirical question than the fact that the media leans strongly to the anti-capitalist left is the question, “Why?” What motivates them? What impels journalists, screenwriters, etc. to denigrate and attack capitalism, the economic system that has done more to alleviate poverty and uplift standards of living than any other system in history? Are they misanthropes? Well, perhaps in a few extreme cases they are, but the more common reasons are ignorance and other human weaknesses. Psychologists know that humans have a great capacity for self-deception and rationalization, and so anti-capitalists convince themselves (erroneously) that capitalism hurts more people than it helps and that it is the cause of people remaining poor rather than the cure for poverty. From a religious standpoint, one of the most common obstacles to personal reform and redemption is self-justification; another is self-righteousness.

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<sup>20</sup> Examiner.com Web site, September 15, 2014, “Ex-Fox Business anchor charges news media with ‘anti-business’ bias,” [www.examiner.com/article/ex-fox-business-anchor-charges-news-media-with-anti-business-bias?CID=examiner\\_alerts\\_article](http://www.examiner.com/article/ex-fox-business-anchor-charges-news-media-with-anti-business-bias?CID=examiner_alerts_article) (accessed November 29, 2015).

<sup>21</sup> Discover the Networks Web site, “Research on Media Bias,” [www.discoverthenetworks.org/viewSubCategory.asp?id=207](http://www.discoverthenetworks.org/viewSubCategory.asp?id=207) (accessed November 21, 2015).

Ludwig von Mises is the most notable scholar who studied the anti-capitalist ideology in depth—enough so that he published a book devoted to diagnosing *The Anti-Capitalist Mentality*. Mises thinks that some of the major factors underlying anti-capitalism are psychological. Members of the intelligentsia, such as journalists, tend to resent highly successful men and women of business because the latter have earned far more than the journalists themselves have. Mises explains that in pre-capitalist societies, where one's economic status was predetermined by what caste or class he was born into, a person can simply blame the system for not excelling. "It is quite another thing under capitalism," Mises states, "Here everybody's station in life depends on his own doing."<sup>22</sup> Under capitalism, by contrast, one's economic status rewards the most economically productive. Capitalism "handles everybody according to his contribution to the well-being of his fellow men. The sway of the principle, to each according to his accomplishments, does not allow for any excuse for personal shortcomings.... Mises continues, "There are always before his eyes people who have succeeded where he failed. There are fellows who have outstripped him and against whom he nurtures, in his subconsciousness [sic], inferiority complexes."<sup>23</sup>

In order to console himself and to restore his self-assertion [what we would call 'self-esteem' today], [the anti-capitalist] is in search of a scapegoat. He tries to persuade himself that he failed through no fault of his own. He is at least as brilliant, efficient and industrious as those who outshine him. Unfortunately this nefarious social order of ours does not accord the prizes to the most meritorious men; it crowns the dishonest unscrupulous scoundrel, the swindler, the exploiter, the 'rugged individualist.' What made himself fail was his honesty. He was too decent to resort to the base tricks to which his successful rivals owe their ascendancy. As conditions are under capitalism, a man is forced to choose between virtue and poverty on the one hand, and vice and riches on the other. He, himself, thank God, chose the former alternative and rejected the latter.<sup>24</sup>

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<sup>22</sup> Mises, *Anti-Capitalist Mentality*, 11.

<sup>23</sup> Mises, *Anti-Capitalist Mentality*, 12.

<sup>24</sup> Mises, *Anti-Capitalist Mentality*, 14.

Having convinced himself of his moral superiority to the money-grubbing person of business, the fool releases these feelings in slander and defamation. The more sophisticated do not indulge in personal calumny. They sublimate their hatred into a philosophy, the philosophy of anti-capitalism, in order to render inaudible the inner voice that tells them that their failure is entirely their own fault.<sup>25</sup>

Mises tells the anti-capitalist grumblers that instead of envying the wealth of others, they are free to compete in the marketplace and acquire great wealth of their own by finding ways to serve the wants of the masses. He informs them that wealth earned in “the capitalistic democracy of the market” is not about individuals’ “inherent worth and moral eminence,” but simply the result of having served the wants and desires of others, however mundane or ultimately worthless the intellectual may believe them to be. In the capitalist marketplace, “the entrepreneurs who provide in the best and cheapest way all the things required for the satisfaction of these wants succeed in getting rich. What counts in the frame of a market economy is not academic judgments of value, but the valuations actually manifested by people in buying or not buying.”<sup>26</sup>

Mises then tells his readers that, under capitalism, they are free to write poetry or philosophy if they prefer that to business, although (as Mises himself knew from personal experience) writers, college professors, and other intellectuals “will not make as much money as those who serve the majority.... Those who satisfy the wants of a smaller number of people only collect fewer votes—dollars—than those who satisfy the wants of more people. In money-making the movie star outstrips the philosopher; the manufacturers of Pinkapinka [a soft drink] outstrip the composer of symphonies.”<sup>27</sup>

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<sup>25</sup> Mises, *Anti-Capitalist Mentality*, 15.

<sup>26</sup> Mises, *Anti-Capitalist Mentality*, 9.

<sup>27</sup> Mises, *Anti-Capitalist Mentality*, 10.

The anti-capitalist writer often believes that he is entitled to society's esteem due to his (supposed) intellectual and/or moral superiority. Mises addresses these intellectuals pointedly: "The vain arrogance of the literati...dismisses the activities of the businessmen as unintellectual money-making.... The inferiority of many self-styled intellectuals manifests itself precisely in the fact that they fail to recognize what capacity and reasoning power are required to develop and to operate successfully a business enterprise."<sup>28</sup>

Indeed, journalists speaking or writing glibly and condescendingly about men of business often are like theater critics who, never having succeeded in getting one of their own scripts produced, lash out viciously and superciliously at plays with which others have gained far more success than the critics ever have. Teddy Roosevelt could have been contrasting successful businessmen with armchair anti-capitalist journalists when he uttered the memorable lines,

It is not the critic who counts; not the man who points out how the strong man stumbles, or where the doer of deeds could have done them better. The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood; who strives valiantly; who errs, who comes short again and again;...who at the best knows in the end the triumph of high achievement, and who at the worst, if he fails, at least fails while daring greatly, so that his place shall never be with those cold and timid souls who neither know victory nor defeat.<sup>29</sup>

In sum, many contemporary media figures—journalists, movie and TV writers, etc., and the owners and executives who employ them, and therefore, are seen as endorsing, if not preferring, their ideological orientation—have an anti-capitalist bias. Whether the anti-capitalist bias of particular individuals is due to ideological conviction, economic illiteracy, naïve gullibility, or an unquestioning willingness to follow whatever happens to be the present ideological fashion of the major networks and studios—or whether the bias is driven by

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<sup>28</sup> Mises, *Anti-Capitalist Mentality*, 107.

<sup>29</sup> Theodore Roosevelt, "Citizenship In A Republic," (speech delivered at the Sorbonne, Paris France, April 23, 1910), [www.theodore-roosevelt.com/trsorbonnespeech.html](http://www.theodore-roosevelt.com/trsorbonnespeech.html) (accessed November 24, 2015).

psychological factors, such as envy, intellectual pride, feelings of either inadequacy or self-importance—is beyond the scope of this paper. Let us turn instead to several topics in which the anti-capitalist bias is plainly evident.

### **The Bias Against Profits**

Undoubtedly you have heard the term “obscene profits” hurled about. Anti-capitalist journalists love to employ this term when they are targeting private businesses. The fact is, though, this emotionally charged term is nonsensical in a free market. If profits are extraordinarily high, it must be because buyers voluntarily pay a high enough price for a good or service in order for a company to earn a large profit. This may be because of the perceived added value to the customer (e.g., the Apple brand) or perhaps because a diminution of supply somewhere in the market has caused prices to spike. As long as there are no government-erected barriers to entry, the market is working properly. For anyone to charge that profits are obscenely high is for them to presume to tell buyers how highly they are permitted to value something, but that is entirely the prerogative of the buyer and not of the sideline commentator.

Economic ignorance combines with envy to stir up an unjustified enmity against business profits. Such commentators need to learn four basic points from Economics 101:

1) Every dollar of profit mirrors the value of benefits that customers received by voluntarily giving dollars to the business for providing a product that the consumer valued more highly than the dollar amount paid. This is contrary to the ignorant, and sometimes malicious, anti-capitalist dogma that alleges that profits represent a gain to business and a loss to consumers—a fallacy that dates back to the 16<sup>th</sup> century.<sup>30</sup> Sometimes the “consumer surplus”

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<sup>30</sup> The French philosopher, Montaigne, articulated the philosophical keynote of the Age of Mercantilism in his essay “That the Profit of one Man is the Damage of Another.” See Mark Hendrickson, “Today’s Progressives Want to Take us Back to the 16<sup>th</sup> Century,” Forbes.com Web site (September 4, 2015),

(the amount of value the consumer receives above the price the consumer actually paid) is considerable; in any case, billions of dollars of corporate profits are evidence that the business has supplied even more value (perhaps billions more) to others.

2) If those profits remain untaxed, this doesn't hurt society, but helps, because those profits—which result from businesses using some of society's limited supply of economic resources valued at  $x$ , have converted them into things worth  $x$ -plus—represent the creation of new, additional wealth that didn't exist before. That's how a society gets richer—by creating more value. An added bonus is that much of that wealth constitutes capital that can fund the next wave of economic expansion, whereas when government taxes business profits, it immediately liquidates that capital by consuming it for immediate expenditures.

3) Thriving i.e., profitable businesses can create more jobs than unprofitable businesses. Some on the Left would say that government can always “provide jobs” by putting people on the government payroll, but they never stop to consider where the money comes from for the government to hire anybody. The answer to that question, of course, is the money must first be made by profitable ventures in the private sector. Public wealth is nothing other than private wealth that the government appropriates. Indeed, one of the tragic, pernicious lunacies of our era is the tendency on the left to profess to be “pro-jobs” while simultaneously badmouthing businesses and laying heavier burdens of taxation and regulation upon them.

4) Businesses don't pay taxes; they merely collect them. Ultimately, the economic burden of business taxes is borne by flesh-and-blood human beings. There is an ongoing debate among economists as to what percentages of corporate taxes are ultimately paid by consumers, employees, and owners/investors, but undoubtedly in today's hypercompetitive markets, it is

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[www.forbes.com/sites/markhendrickson/2015/09/04/the-pernicious-16th-century-fallacy-that-suffuses-contemporary-progressivism/](http://www.forbes.com/sites/markhendrickson/2015/09/04/the-pernicious-16th-century-fallacy-that-suffuses-contemporary-progressivism/) (accessed November 25, 2015).

difficult to shift the tax costs onto consumers. Thus, worker compensation must grow more slowly than otherwise, and, to the extent that the tax falls on capital, it diminishes the return to capital, and thus, the supply of capital, resulting in slower long-term growth in jobs and wages.<sup>31</sup> In other words, the war against corporate profits inflicts major collateral damage on innocent workers, many of them of modest means.

Despite the clear social benefits of profitable businesses, and the fact that profits are virtuous because they are only earned if one succeeds in doing something economically valuable for somebody else, anti-capitalist journalists insist on attacking profits and impugning the character of those who earn them. Profits are not wealth that has been sucked or extracted unjustly from innocent members of society, but are the just reward for having effectively served and enriched the lives of others. The desire to impose punitive taxes on society's economic benefactors—its most successful wealth creators, i.e., those who have supplied the most value to large numbers of people—is more obscene than any free-market profit.

The media's anti-capitalist bias against business has been evident during the last two years in regard to the issue of corporate inversions. This is the practice by which American corporations merge with a foreign corporation and then adopt the homeland of the foreign firm as the legal domicile for the new combined firm. American corporations take this step to escape the USA's highest-in-the-developed world's corporate tax rate.

The Obama Administration has questioned the patriotism of these firms. As far back as 2004, Democratic presidential candidate John Kerry called CEOs of American companies that moved offshore "Benedict Arnold CEOs." Anti-capitalist journalists readily picked up the verbal assault against CEOs who move offshore—a classic case of doing what the Left calls "blaming

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<sup>31</sup> Howard Gleckman, "Who Pays the Corporate Income Tax? Workers Bear the Burden, Too," September 13, 2012, [www.forbes.com/sites/beltway/2012/09/13/who-pays-the-corporate-income-tax-wrokers-bear-the-burden-too/](http://www.forbes.com/sites/beltway/2012/09/13/who-pays-the-corporate-income-tax-wrokers-bear-the-burden-too/) (accessed November 25, 2015).

the victim.” The reason businesses are fleeing America is because first, the government’s heavy regulatory burden on businesses (the World Economic Forum ranks us in the bottom half of economies in terms of regulatory burdens and impediments<sup>32</sup>) makes it difficult to earn profits, and then those businesses that manage to succeed, then face a punishingly high tax rate.

I have made the point for years (a view shared by the majority of economists, liberal or conservative) that the corporate profits tax makes no economic sense.<sup>33</sup> One would think that with American businesses trying to escape the clutches of the IRS that Americans would wake up and realize that there is something fundamentally disturbing, even un-American, about the U.S. having evolved from the Land of Opportunity, where people were invited to come and make their fortune by creating wealth for others in free markets, to a different kind of place—one from which, like the Communist-occupied lands of central Europe after World War II, people are fleeing to greener pastures.

In the summer of 2014, I wrote on my *Forbes* blog how I would not only halt the migration of businesses out of America, but even reverse it: by shifting from the highest corporate income tax rate to the lowest. We would see such an influx of new businesses that job opportunities and pay would soar, and we would enter a new era of vigorous growth and rapidly rising prosperity. That the anti-capitalist media didn’t share this goal was made crystal-clear to me when I was invited on to National Public Radio’s Los Angeles-based news show one day.

The host opened the program by reading excerpts from a letter that Thomas Jefferson wrote two centuries ago, in which the former president treated merchants with great scorn. Then she played a recording of President Obama scolding the minority of corporations that have moved abroad, saying, “You know, some people are calling these companies ‘corporate

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<sup>32</sup> World Economic Forum, *The Global Competitiveness Report, 2014-15*, 430.

<sup>33</sup> Mark W. Hendrickson, “Rethinking the Corporate Income Tax,” Center for Vision & Values Web site, August 9, 2010, [www.visionandvalues.org/2010/08/rethinking-the-corporate-income-tax/](http://www.visionandvalues.org/2010/08/rethinking-the-corporate-income-tax/) (accessed November 10, 2015).



deserters,’” and they are “stick[ing] you with the tab to make up for what they’re stashing off-shore through their evasive tax policies.” Then the host herself commented, these companies move to where they “have a lower tax rate, and still keep their operations in this country and pay the lower taxes; can they still be American companies, still call themselves American companies? President Obama, as you heard, said this is essentially unpatriotic. She then aired a strong denunciation of businesses undertaking corporate inversions by the billionaire Mark Cuban. Then she asked her other on-air live guest, Harry Stein from the progressive Center for American Progress’ to pile on. Only then, after five voices (including two presidents and a billionaire!) was I given an opportunity to present a different viewpoint. (By the way, Mr. Stein was also given the last word in the discussion.) If a five-to-one ratio of anti-business to pro-business speakers are heard from on a news program, doesn’t that seem like an obvious bias?

### **A Particularly Virulent Animus Against the Oil Industry**

For decades, major media figures have cast oil company profits in a negative light. The inflammatory adjective “obscene” has been used repeatedly: “ABC’s Jon Karl on Monday railed against the ‘obscene’ profits of the oil companies”; “World News Anchor Diane Sawyer alerted viewers that ‘the five behemoths of the oil industry’ are announcing record profits this week”<sup>34</sup>; “As consumers paid record-high springtime gas prices, Exxon posted first quarter profits of \$9.45 billion”<sup>35</sup>; “Big Oil is laughing all the way to the bank” as “Obscene Second Quarter

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<sup>34</sup> Scott Whitlock, “ABC Bemoans ‘Obscene’ Profits of Oil Company ‘Behemoths,’” *MRCNewsBusters*, April 26, 2011, [www.newsbusters.org/blogs/scott-whitlock/2011/04/26/abcs-jon-karl-bemoans-obscene-profits-oil-company-behemoths](http://www.newsbusters.org/blogs/scott-whitlock/2011/04/26/abcs-jon-karl-bemoans-obscene-profits-oil-company-behemoths) (accessed November 29, 2015).

<sup>35</sup> Rebecca Leber, “Exxon Makes \$104 Million in Profit per Day...” on ThinkProgress.org Web site, April 26, 2012, [www.thinkprogress.org/climate/2012/04/26/471469/exxon-takes-104-million--per-day-so-far-in-2012-while-americans-are-stuck-with-a-higher-gas-bill/](http://www.thinkprogress.org/climate/2012/04/26/471469/exxon-takes-104-million--per-day-so-far-in-2012-while-americans-are-stuck-with-a-higher-gas-bill/) (accessed November 29, 2015).

Profits Prove Once Again That Big Oil has Americans Over a Barrel”<sup>36</sup>; “Some calling profits obscene.”<sup>37</sup>

I can personally recall quite vividly how TV news anchors reported the increase in oil company profits that resulted when global tensions (especially those resulting from Iran holding 52 American citizens hostage) pushed up the price of oil in 1979. One oil giant’s profits increased something like 106% over the same quarter from the previous year. Another’s rose perhaps 112%. Those numbers sound high, and there probably were millions of viewers who erroneously thought that oil companies were making over 100% profits. The mathematical truth, though, is much less jarring: The profits of the major oil companies approximately doubled from their normal range of about seven percent to around 14 percent—and not due to any greed on their part, but simply as a result of the market price of oil soaring due to geopolitical factors beyond the oil companies’ control.

The networks’ reporting was not only misleading, sensationalistic, and manipulative, it was also hypocritical. They failed to announce their own profit figures for the same period, which, according to figures published in the financial press, had risen over 130%. It turns out that the hostage crisis did even more for the networks’ profits than the oil companies.

Another trick the media use in their ongoing attempt to delegitimize oil company profits is to cite the admittedly large dollar figures involved. For example, the progressive Center for American Progress published an article with a long sarcastic title that started, “With Only \$93

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<sup>36</sup> Rainforest Action Network (July 29, 2011), [http://www.ran.org/obscene\\_second\\_quarter\\_profits\\_prove\\_once\\_again\\_that\\_big\\_oil\\_has\\_americans\\_over\\_a\\_barrel](http://www.ran.org/obscene_second_quarter_profits_prove_once_again_that_big_oil_has_americans_over_a_barrel) (accessed November 29, 2015).

<sup>37</sup> William Bunch, “Some Calling Profits Obscene,” *Philadelphia Daily News*, September 9, 2005, [www.consumerwatchdog.org/story/some-calling-profits-obscene](http://www.consumerwatchdog.org/story/some-calling-profits-obscene) (accessed November 29, 2015).

Billion in Profits....”<sup>38</sup> When you think about how ubiquitous energy is in our \$17 trillion economy, for the oil and gas industry’s profits to comprise about 1/170<sup>th</sup> of our economy hardly seems exorbitant. And when you compare the \$93 billion to the \$401 billion of after-tax profits earned by U.S. manufacturers in the same year,<sup>39</sup> what oil companies earned does not seem outlandish.

Using another metric, the profit margin of the American oil and gas industry is rather average. The year 2007 was a good one for oil, with an average profit margin of 8.3%. That same year, the profit margin for beverage companies was 19.1 percent; pharmaceutical companies, 18.4 percent; and manufacturers, 8.9 percent.<sup>40</sup> A few years later, in the first quarter of 2011, the oil industry’s average profit margin was 6.1%, placing it 112<sup>th</sup> after industries as diverse as publishing, restaurants, chemicals, software, biotech, and steel.<sup>41</sup>

Perhaps most ludicrous of all are the attempts to turn people against Big Oil by citing figures, such as this headline from *U.S. News & World Report*: “Exxon Mobil’s 2008 Profits—\$1,400 per Second.”<sup>42</sup> That is true, but it also paid \$4,000 per second in taxes,<sup>43</sup> so if anyone is dangerously large, it is the government that takes none of the risk and incurs almost no expenses (just a few relatively minuscule subsidies that deserve to be eliminated), yet takes the lion’s share

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<sup>38</sup> Daniel J. Weiss and Miranda Peterson, americanprogress.org Web site, February 10, 2014, [www.americanprogress.org/issues/green/news/2014/02/10/83879/with-only-93-billion-in-profits-the-big-five-oil-companies-demand-to-keep-tax-breaks/](http://www.americanprogress.org/issues/green/news/2014/02/10/83879/with-only-93-billion-in-profits-the-big-five-oil-companies-demand-to-keep-tax-breaks/) (accessed November 29, 2015).

<sup>39</sup> Government Census Web site, [www.census.gov/econ/qfr/mmws/current/mmw\\_mg.jpg](http://www.census.gov/econ/qfr/mmws/current/mmw_mg.jpg) (accessed November 29, 2015).

<sup>40</sup> Mark W. Hendrickson, “Big Oil vs. Big Congress: Another Witch Hunt,” The Center for Vision & Values Web site, May 29, 2008, [www.visionandvalues.org/2008/05/big-oil-vs-big-congress-another-witch-hunt/](http://www.visionandvalues.org/2008/05/big-oil-vs-big-congress-another-witch-hunt/) (accessed January 30, 2012).

<sup>41</sup> Mark W. Hendrickson, “My Congressman’s Tough Job,” The Center for Vision & Values Web site, June 24, 2011, [www.visionandvalues.org/2011/06/my-congressman-s-tough-job/](http://www.visionandvalues.org/2011/06/my-congressman-s-tough-job/) (accessed December 5, 2012).

<sup>42</sup> *U.S. News & World Report* Web site, February 2, 2009, “Exxon Mobil’s 2008 Profits—\$1,400 Per Second,” <http://usnews.rankingsandreviews.com/cars-trucks/daily-news/090202-Exxon-Mobil-s-2008-Profits-1-400-Per-Second/> (accessed November 29, 2015).

<sup>43</sup> Mark J. Perry, “Carpe Diem” blog, American Enterprise Institute Web site, August 28, 2008, [www.aei.org/publication/exxon-mobil-per-second-1400-in-profits-but-it-pays-4000-in-taxes-15000-in-operating-costs](http://www.aei.org/publication/exxon-mobil-per-second-1400-in-profits-but-it-pays-4000-in-taxes-15000-in-operating-costs) (accessed November 29, 2015).

of the profit. (According to ExxonMobil’s Annual Reports for 1999-2011, the corporation kept \$352 billion in profits during that period while paying \$1.075 trillion in taxes.)

The problem with this steady drumbeat of resentment against Big Oil is that many anti-capitalists are urging us to forgo the benefits of oil even before we have affordable alternative sources for energy in place. Predictably, various environmental groups are anti-oil. The Sierra Club runs a “Beyond Oil” campaign.<sup>44</sup> World Resources Institute seeks “to transform the global energy system” by drastically curtailing the consumption of oil.<sup>45</sup> The Union of Concerned Scientists says, “It is time to set the country on a path toward half the oil.”<sup>46</sup>

Arguably the most visible proponent of rejecting oil usage is an environmentalist named Bill McKibben. A large number of prominent media outlets—including *The New York Times*, *Rolling Stone*, *Salon*, *The New Republic*, *National Geographic*, *The Washington Post*, and the reliably anti-capitalist *Mother Jones*—provide a platform from which McKibben can advance his anti-fossil fuel agenda.<sup>47</sup> McKibben is perhaps most famous for waging a campaign promoting oil disinvestment as a way to wean the world (or at least the U.S.) from using oil as a major source of energy.

McKibben explicitly states that his goal is to “turn oil and gas and coal companies into pariahs.”<sup>48</sup> It seems rather draconian to want to banish oil companies from polite society when modern society itself owes its unprecedented prosperity to those very companies. Choking off supplies of affordable energy would dampen economic growth, yet the anti-capitalists

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<sup>44</sup> Sierra Club Web site, <http://content.sierraclub.org/beyondoil/> (accessed November 29, 2015).

<sup>45</sup> World Resources Institute Web site [www.wri.org/our-work/topics/energy](http://www.wri.org/our-work/topics/energy) (accessed November 29, 2015).

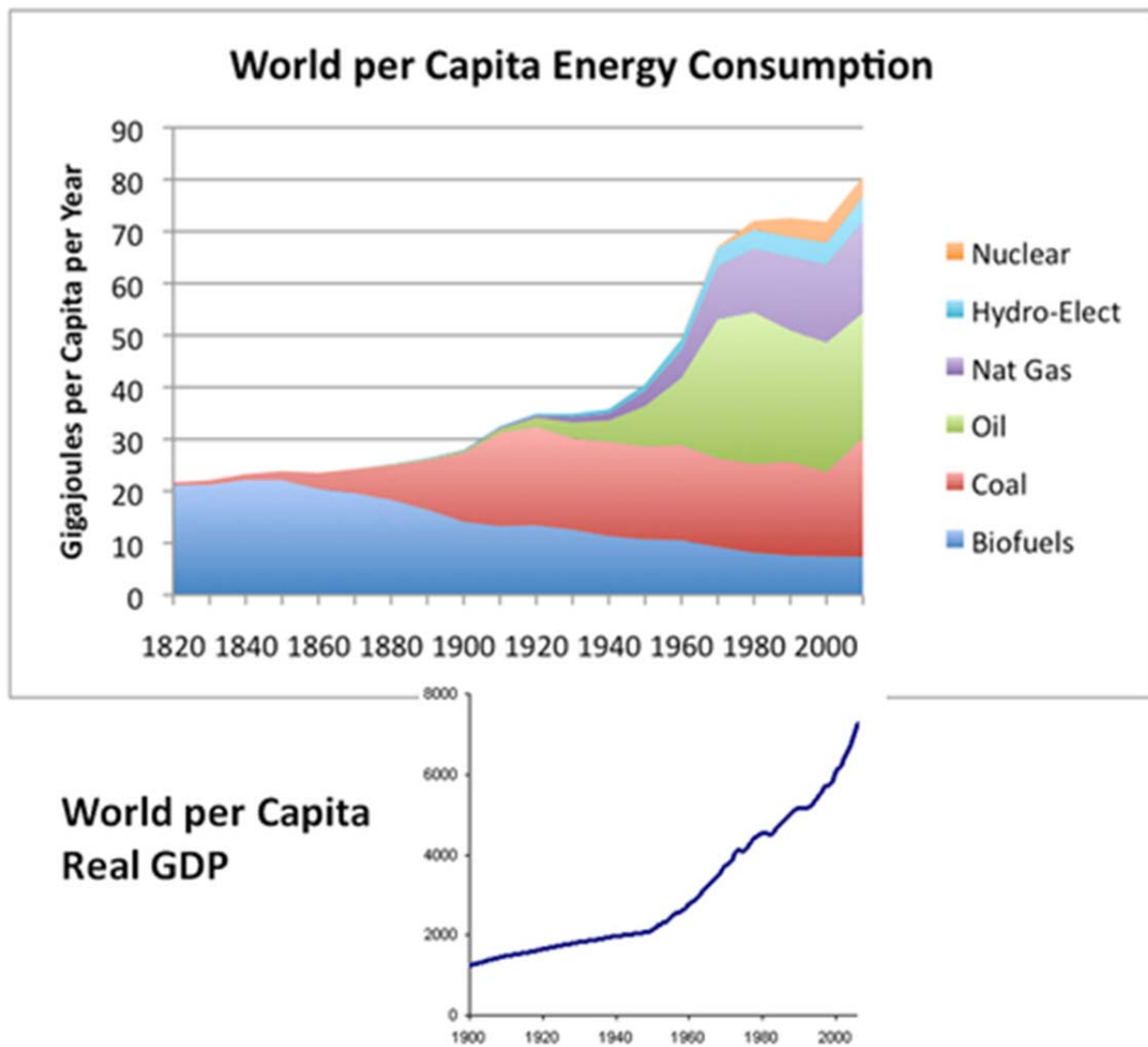
<sup>46</sup> Union of Concerned Scientists Web site, June 2013, “Fueling a Better Future,” [www.ucsusa.org/clean-vehicles/fuel-efficiency/benefits-of-reducing-us-oil-use#.VluePXv94u0](http://www.ucsusa.org/clean-vehicles/fuel-efficiency/benefits-of-reducing-us-oil-use#.VluePXv94u0) (accessed November 29, 2015).

<sup>47</sup> Bill McKibben Web site [www.billmckibben.com/articles.html](http://www.billmckibben.com/articles.html) (accessed November 29, 2015).

<sup>48</sup> Mark Hendrickson, “The Lame-Brain Oil Divestment Campaign” July 18 2013, [www.frontpagemag.com/fpm/196960/lame-brain-oil-divestment-campaign-mark-hendrickson](http://www.frontpagemag.com/fpm/196960/lame-brain-oil-divestment-campaign-mark-hendrickson) (accessed November 29, 2015).

enthusiastically urge us to rush down that path. The two graphs below show how closely human economic progress has been intertwined with the availability of affordable energy.

*World per Capita Real GDP vs World per Capita Energy Consumption by Type*



(Credit for graphs goes to Quora.)<sup>49</sup>

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<sup>49</sup> Forbes Web site, April 3, 2013, <http://www.forbes.com/sites/quora/2013/04/03/what-are-the-top-five-facts-everyone-should-know-about-oil-exploration/> (accessed October 3, 2015).

The time-honored tradition of anti-capitalists striving to demonize some of the greatest benefactors of the human race reflects a self-destructive impulse. It just doesn't make a lot of sense. Since not making sense is what the anti-capitalists specialize in, it shouldn't be surprising that McKibben doubles down on silliness with his grandiose divestment scheme. He somehow seems to think that if American colleges and other holders of stock in oil companies were to sell all those shares, then the oil companies would be ruined and no longer torment human society by supplying abundant, affordable energy. Wrong.

If somehow McKibben were to convince American investors to dump their oil company stocks en masse and crash the price of the stock, then opportunistic investors (China perhaps?) would jump at the opportunity to buy up highly valuable assets at bargain basement prices. I'm not sure what satisfaction the McKibbens of the world would derive from such an event, but it would do nothing at all to alter patterns of energy consumption. It is mind-boggling that large media outlets provide a megaphone for such a bizarre message, but maybe it's the extreme oddity of the proposal that titillates the public, and therefore, makes it good business for media outlets to publish such rubbish.

Being an economist, I can't predict what the pattern of energy usage will be in the future. If solar and wind energy become economically competitive without government subsidies, then the free market will adopt them as welcome replacements to fossil fuels. If they remain relatively costly, though, then it will require political organization to force those less economical sources upon us. To compel Americans to use more costly forms of energy would unnecessarily lower standards of living—an outcome that would weigh disproportionately upon the poor. Once again, the anti-capitalists seem to abhor policies and practices that improve the lives of the poor and advocate policies and practices that would negatively impact the poor.

## The Bias Against “Manmade Climate Change” Skeptics

Public opinion is divided over the question as to whether the human race is altering earth’s climate in dangerous ways. Indeed, the scientific uncertainty that shrouds climate change is of breathtaking scope. The alarmists—those who charge that human activity indeed is warming the earth dangerously—get most of the press (and by far most of the federal grants)<sup>50</sup> but there are thousands of scientists on the other side of the issue, including over 31,000 who signed the Oregon Institute for Science and Medicine’s petition urging the government to refrain from taking any dramatic actions due to the lack of scientific evidence demonstrating a need for such action.<sup>51</sup>

Here are just a few of the unanswered questions about climate change: First, the global climate is, in scientific jargon, a “coupled, nonlinear, chaotic system.” In other words, there are too many factors, some of them as yet unknown, and too much complexity in the incompletely understood interrelationships between those myriad factors for anyone to be able to predict the future. Second, we don’t know what the “right” (optimally beneficial) global temperature is. Third, we don’t know what the “right” concentration of carbon dioxide in the atmosphere is. Fourth, we don’t really know exactly how much of the greenhouse effect is attributable to carbon dioxide,<sup>52</sup> how much the greenhouse effect fluctuates over time, nor whether the greenhouse effect is as influential on global temperatures as such uncontrollable natural factors as changes in

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<sup>50</sup> As of 2007, the federal government had given close to \$50 billion to scientists who leaned toward the alarmist side while only giving \$19 million to skeptics—a disparity of over \$2500 to one; Roger Aronoff, “Newsweek Burns Truth in Global Warming Story,” *Accuracy in Media, Special Report*, August 10, 2007.

<sup>51</sup> Oregon Institute for Science and Medicine Web site, [www.oism.org/pproject/](http://www.oism.org/pproject/) (accessed November 25, 2015).

<sup>52</sup> The afore-mentioned Brian Sussman, an experienced meteorologist, calculates it at a fraction of one percent, with the overwhelming majority of the greenhouse effect attributable to water vapor.

the sun's energy output, changes in the earth's orbit or axis, albedo (cloud cover), the venting of heat from the earth's core, volcanic activity, etc.

Given these manifold uncertainties, the real alarm is the climate change alarmists' pell-mell rush to radically alter human energy consumption. As an economist, I am concerned about the cost-benefit tradeoff. Even the proponents of radical action project that drastically reducing human carbon dioxide emissions would, at the most, shave only about a tenth of a degree off the average global temperature. For this change—a change within the range of natural climate variability—the cost would be in the trillions of dollars. Since the most lethal environment for human beings is poverty, expending trillions of dollars of wealth in an already financially strapped world for a potential minuscule reduction in temperature (when it's possible that earth would be better off warmer than colder) would effectively sentence millions of human beings to death and billions more to unnecessary deprivation.

Further compounding the folly of such an expensive course of action, the vast amounts of wealth that would be consumed by forsaking fossil fuels before economically competitive substitutes are available would make it harder to fund much more affordable initiatives that the Copenhagen Consensus of forty top economists has identified for helping the world's poor—things like lessening malnutrition, malaria, and HIV.<sup>53</sup> (Indeed, Bjorn Lomborg, the organizer of the Copenhagen Consensus, and who believes that humans are contributing to global warming, argues that fossil fuels are humanitarian—that they have the potential to save the lives of many of the world's poorest people.)<sup>54</sup>

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<sup>53</sup> Matt Ridley, "Smart Aid for the World's Poor," *The Wall Street Journal*, July 25, 2014, [www.wsj.com/articles/smart-aid-for-the-worlds-poor-1406326677?alg=y](http://www.wsj.com/articles/smart-aid-for-the-worlds-poor-1406326677?alg=y) (accessed November 25, 2015).

<sup>54</sup> Bjorn Lomborg, "Saving Lives With Fossil Fuels," *Forbes.com* August 22, 2014, [www.forbes.com/sites/bjornlomborg/2014/08/22/saving-lives-with-fossil-fuels/](http://www.forbes.com/sites/bjornlomborg/2014/08/22/saving-lives-with-fossil-fuels/) (accessed November 25, 2015).



One would think, or at least hope, that journalists would want to get it right about such a momentous issue. Unfortunately, instead of impartiality, we often see a pro-alarmist bias in the media. The hyped-up apocalyptic hysteria of the global warming alarmists would naturally appeal to journalists regardless of their ideological persuasion, for scary news sells. In the case of the anti-capitalists in the media, however, global warming is a dream come true. With the future of the human race allegedly at stake, journalists feel that they are morally justified to wage a righteous crusade against the “greedy” businessmen of Big Oil, Big Coal, etc., who are jeopardizing the earth’s future for the sake of vulgar profits. In this self-justifying morality tale, journalists are the good guys waging the uphill battle against the evil titans of capitalism.

In this momentous struggle, some journalists drop all pretense of objectivity and candidly admit their bias (although, since they claim that they are saving the world, they would bristle at any characterization that such a noble desire could possibly be described as an objectionable bias). Here are a few examples of media bias in the greens-versus-energy-industry clash:

“The planet is at the end of the rope” and “I want to be the little subversive person in television.”—Barbara Pyle, CNN’s environmental editor.<sup>55</sup>

“I’ve become even more crafty about finding the voices to say the things I think are true.”—Diane Dumanoski, *Boston Globe* reporter, speaking at a conference on the environment and the media.<sup>56</sup>

“On this issue, we have crossed the boundary from news reporting to advocacy.”—Charles Alexander, head of science reporting for *Time* at the 1989 conference on environmentalism.<sup>57</sup>

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<sup>55</sup> Quoted in Micah Morrison, “The Ozone Scare,” *Insight*, June 1992, 35.

<sup>56</sup> Morrison, “Ozone Scare,” 35.

<sup>57</sup> Morrison, “Ozone Scare,” 35.

“Clearly the networks have made that decision now, where you’d have to call it advocacy.”—Andrea Mitchell, NBC News.<sup>58</sup>

The anti-capitalist media have an organized strategy for turning public opinion against the fossil fuel companies. In his book *Climategate*, Brian Sussman exposed the Society of Environmental Journalists (SEJ), a group that provides lists of scientists that either are recommended for interviews (alarmists) or not recommended (skeptics). In preparing this paper, I decided to visit the SEJ’s website to see if Sussman might have exaggerated the bias of the group. I don’t think he exaggerated it at all: In a section with the heading “Staying Up-To-Date on Climate News: Publications to Follow,” SEJ’s editors explain, “In choosing [“the best” news sources for climate-related news] we have limited the selection for the most part to sources that are reliably accurate and reality-based.” Included in the list was Anthony Watt’s popular blog “Watts Up With That,” which is described as “not reliable as a source of factual information.”<sup>59</sup> The obvious indication of bias here is that, since even the scientists themselves haven’t agreed on these issues, then for journalists to tell other journalists where to go to get “the facts” is presumptuous and inappropriate.

The Environmental Protection Agency (EPA) often works hand-in-hand with the media, spoon-feeding them reports that purport to give the final word on scientific issues. For example, in 1989, the EPA handed out to hype-starved reporters, producers, and editors the journalistic equivalent of raw meat—a booklet with the enticingly juicy title *Reporting on Radon: A Journalist's Guide to Covering the Nation's Second-Leading Cause of Lung Cancer*.<sup>60</sup> Journalists—particularly those who already are in the anti-capitalist camp—love such handouts,

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<sup>58</sup> “Requiem for Acid Rain,” *AIM Report*, October-A 1990, 1.

<sup>59</sup> Society of Environmental Journalists Web site, [www.sej.org/library/climate-change/staying-up-to-date-publications-follow](http://www.sej.org/library/climate-change/staying-up-to-date-publications-follow) (accessed September 6, 2015).

<sup>60</sup> AIM, “EPA Gulls Media on Radon,” *AIM Report*, August-A 1991, 1.

just as some high school kids like it when their friends do their homework for them. Jim Sibbison, who worked as a press officer for the EPA from 1970 through 1981, later wrote, “One of the first things I learned in the job is that reporters take too much on faith what the government tells them. In those days, the idea was to get the media to help turn the EPA into an enforcer that struck fear into the hearts of polluters.... Few handouts, however, can be completely honest, and ours were no exception.”<sup>61</sup>

Another governmental source that many reporters rely on are the press releases issued by the UN’s Inter-Governmental Panel on Climate Change (IPCC). I have detailed some of the manipulations of those reports elsewhere, but the salient fact for present purposes is to point out that many of the scientists who worked for IPCC flatly disagree with the claims put forth in IPCC’s policy summaries and press releases. The document setting forth the rules for IPCC allow the political policymakers who oversee IPCC to alter and revise what the scientists who did the actual research submit to them.<sup>62</sup> For journalists to accept the policymakers’ summary uncritically is a dereliction of duty. It is another reminder that the cozy relationship between government officials and members of the media should be of great concern to all of us.

As stated before, I am a so-called “skeptic” about manmade climate change. As such, I have had first-hand encounters with an anti-capitalist media bias about this issue. More than once, major media outlets have made a point of asking me a question that they routinely ask any skeptic: “Do you receive or have you ever received payment from a fossil-fuel-producing company?”

The insinuation embedded in this question is glaring: If someone has received payment from one of those misanthropic, ruthless, to-hell-with-the-world, profit-at-all-costs fossil fuel

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<sup>61</sup> AIM, “The Real Asbestos Horror Story,” *AIM Report*, September-A 1990, 3.

<sup>62</sup> Mark W. Hendrickson, “A Closer Look at the IPCC,” The Center for Vision & Values Web site, May 22, 2009, [www.visionandvalues.org/2009/05/a-closer-look-at-the-ipcc/](http://www.visionandvalues.org/2009/05/a-closer-look-at-the-ipcc/) (accessed November 29, 2015).

companies, that person cannot be trusted to be objective; indeed, his honesty is to be doubted, his integrity held suspect, and his reputation unalterably tainted by contact with those evil oil companies.

As you can imagine, it is very insulting to be subjected to such an inquiry. I've never been asked about a possible conflict of interest on any other questions of general public policy. As for the question of bias, journalists never ask those on the other side of the issue—those who claim that humans are dangerously altering the climate—any questions about who funds them.

When asked this question, whether by an editor at one of the national newspapers that has published a number of my articles over the years or during an interviewer for one of Uncle Sam's radio broadcasts overseas, I suppressed my indignation and calmly answered with approximately these words: "My reply comes in two parts: First, no, I have never received a penny of compensation from any energy company whatsoever; second, if you want to be fair in your coverage of this issue, then you need to ask those on the alarmist side of the issue if they have ever received funds from the government for their work on climate change."

To my knowledge journalists have not yet leveled the table by asking proponents of the alarmist scenario if they have received significant government funding. My experience has been that alarmists overwhelmingly have received government funding, while many of the "skeptics" in the science community are retired or otherwise not entangled with government.

In sum, the alarmist scenario of climate change is tailor-made for those who hate oil, and since those who hate oil tend to be enemies of the economic system of capitalism that has benefited billions of human beings, the climate change movement is one of the leading anti-capitalist movements active today. I have a long list of public statements made by politicians and environmentalists to the effect that capitalism needs to be replaced and wealth needs to be

redistributed from richer countries to poorer ones. Typical is this comment by Christiana Figueres, the executive secretary of the UN's Framework Convention on Climate Change: "This is probably the most difficult task we have ever given ourselves, which is to intentionally transform the economic development model for the first time in human history."<sup>63</sup>

## **Conclusion**

The anti-capitalist mentality is thriving in America today. Economic knowledge, common sense, and reason are potential antidotes. Changing people's belief systems, though, is a difficult challenge at any time. Because many of the people on the other side believe that they will accomplish good by jettisoning free-market capitalism, it will require more than logic and lectures on economics to reach them. I am open for suggestions.

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<sup>63</sup> IBD Editorials, Capital Hill blog, [http://news.investors.com/blogs-capital-hill/100815-774738-another-climate-  
alarmist-admits-what-warming-scary-is-all-about.htm](http://news.investors.com/blogs-capital-hill/100815-774738-another-climate-alarmist-admits-what-warming-scary-is-all-about.htm) (accessed October 28, 2015).