

Capitalism vs Altruism

Monart Pon – July 2022

Capitalism is based on the free trade of capital from production, profit, and savings. It is a socio-politico-economic system founded on the recognition of individual rights to one's own life, liberty, and property. Capitalism fosters and protects each individual's need and desire to think and work to achieve the values that sustains human life – freely collaborating, cooperating, and conducting commerce for the good of each individual in the venture.

Capitalism's productivity and progress to ever higher standards of living is the cumulative result of each individual's making one's best livelihood for mutual benefit by mutual consent. Capitalism promotes a society of individuals choosing lives of reason and purpose, achievement and joy. Capitalism creates a benevolent, romantic, noble, and just society.

Altruism opposes capitalism. Altruists condemn capitalists for seeking selfish profit. The morality of altruism, selflessness, and self-sacrifice is contradictory to, and incompatible with, the freedom and rights, the productivity and prosperity, of an individualist, capitalist society – where living for the goodness of oneself is the ethos and the means to creating and saving capital for free trade.

Some altruists tolerate capitalists for the goods capitalists produce that altruists want. Some timid capitalists mix in some altruism to their morality, and, feeling guilty, seek altruist virtue and redemption by feeding altruistic (and collectivist/statist) ends, such as the altruist welfare state. A welfare state is the pretext and bribery of welfare for a statist tyranny.

In a compromising mixture of capitalist freedom and altruist welfare, tyranny will reign – but not if rational selves fight back consistently and intelligently for individual rights on the basis of reason and reality to establish a pure, laissez-faire, capitalist society.

Here are excerpts from works by the foremost champion of capitalism and the hated enemy of altruism – Ayn Rand:

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Capitalism is a social system based on the recognition of individual rights, including property rights, in which all property is privately owned.

The recognition of individual rights entails the banishment of physical force from human relationships: basically, rights can be violated only by means of force. In a capitalist society, no man or group may *initiate* the use of physical force against others. The only function of the government, in such a society,

is the task of protecting man's rights, i.e., the task of protecting him from physical force; the government acts as the agent of man's right of self-defense, and may use force only in retaliation and only against those who initiate its use; thus the government is the means of placing the retaliatory use of force under *objective control*.

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... The moral justification of capitalism lies in the fact that it is the only system consonant with man's rational nature, that it protects man's survival *qua* man, and that its ruling principle is: *justice*.

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The action required to sustain human life is primarily intellectual: everything man needs has to be discovered by his mind and produced by his effort. Production is the application of reason to the problem of survival

Since knowledge, thinking, and rational action are properties of the individual, since the choice to exercise his rational faculty or not depends on the individual, man's survival requires that those who think be free of the interference of those who don't. Since men are neither omniscient nor infallible, they must be free to agree or disagree, to cooperate or to pursue their own independent course, each according to his own rational judgment. Freedom is the fundamental requirement of man's mind.

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It is the basic, metaphysical fact of man's nature—the connection between his survival and his use of reason—that capitalism recognizes and protects.

In a capitalist society, all human relationships are *voluntary*. Men are free to cooperate or not, to deal with one another or not, as their own individual judgments, convictions, and interests dictate. They can deal with one another only in terms of and by means of reason, i.e., by means of discussion, persuasion, and *contractual* agreement, by voluntary choice to mutual benefit. The right to agree with others is not a problem in any society; it is *the right to disagree* that is crucial. It is the institution of private property that protects and implements the right to disagree—and thus keeps the road open to man's most valuable attribute (valuable personally, socially, and *objectively*): the creative mind.

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"What Is Capitalism?" in *Capitalism: The Unknown Ideal*

Capitalism demands the best of every man—his rationality—and rewards him accordingly. It leaves every man free to choose the work he likes, to specialize in it, to trade his product for the products of others, and to go as far on the road of achievement as his ability and ambition will carry him. His success depends on the *objective* value of his work and on the rationality of those who recognize that value. When men are free to trade, with reason and reality as their only arbiter, when no man may use physical force to extort the consent of another, it is the best product and the best judgment that win in

every field of human endeavor, and raise the standard of living—and of thought—ever higher for all those who take part in mankind's productive activity.

"For the New Intellectual", in *For the New Intellectual*

What is the moral code of altruism? The basic principle of altruism is that man has no right to exist for his own sake, that service to others is the only justification of his existence, and that self-sacrifice is his highest moral duty, virtue and value.

Do not confuse altruism with kindness, good will or respect for the rights of others. These are not primaries, but consequences, which, in fact, altruism makes impossible. The irreducible primary of altruism, the basic absolute, is *self-sacrifice*—which means; self-immolation, self-abnegation, self-denial, self-destruction—which means: the *self* as a standard of evil, the *selfless* as a standard of the good.

. . . The issue is whether you must keep buying your life, dime by dime, from any beggar who might choose to approach you. The issue is whether the need of others is the first mortgage on your life and the moral purpose of your existence. The issue is whether man is to be regarded as a sacrificial animal. Any man of self-esteem will answer: "No." Altruism says: "Yes."

Now there is one word – a single word – which can blast the morality of altruism out of existence and which it cannot withstand -- the word: "Why?" Why must man live for the sake of others? Why must he be a sacrificial animal? Why is that the good? There is no earthly reason for it -- and, ladies and gentlemen, in the whole history of philosophy no earthly reason has ever been given.

It is only *mysticism* that can permit moralists to get away with it. It was mysticism, the unearthly, the supernatural, the irrational that has always been called upon to justify it—or, to be exact, to escape the necessity of justification. One does not justify the irrational, one just takes it on faith. What most moralists—and few of their victims—realize is that reason and altruism are incompatible.

. . .

If you want to prove to yourself the power of ideas and, particularly, of morality—the intellectual history of the Nineteenth Century would be a good example to study. The greatest, unprecedented, undreamed of events and achievements were taking place before men's eyes—but men did not see them and did not understand their meaning, as they do not understand it to this day. I am speaking of the industrial revolution, of the United States and of capitalism. For the first time in history, men gained control over physical nature and threw off the control of men over men—that is: men discovered science and political freedom. The creative energy, the abundance, the wealth, the rising standard of living for every level of the population were such that the Nineteenth Century looks like a fiction-Utopia, like a blinding burst of sunlight, in the drab progression of most of human history. If life on earth is one's standard of value, then the Nineteenth Century moved mankind forward more than all the other centuries combined.

Did anyone appreciate it? Does anyone appreciate it now? Has anyone identified the causes of that historical miracle?

They did not and have not. What blinded them? The morality of altruism.

Let me explain this. There are, fundamentally, only two causes of the progress of the Nineteenth Century—the same two causes which you will find at the root of any happy, benevolent, progressive era in human history. One cause is psychological, the other existential—or: one pertains to man's consciousness, the other to the physical conditions of his existence. The first is reason, the second is freedom. And when I say "freedom," I do not mean poetic sloppiness, such as "freedom from want" or "freedom from fear" or "freedom from the necessity of earning a living." I mean "freedom from compulsion—freedom from rule by physical force." Which means: political freedom.

These two—reason and freedom—are corollaries, and their relationship is reciprocal: when men are rational, freedom wins; when men are free, reason wins.

Their antagonists are: faith and force. These, also, are corollaries: every period of history dominated by mysticism, was a period of statism, of dictatorship, of tyranny. Look at the Middle Ages—and look at the political systems of today.

The Nineteenth Century was the ultimate product and expression of the intellectual trend of the Renaissance and the Age of Reason, which means: of a predominantly Aristotelian philosophy. And, for the first time in history, it created a new economic system, the necessary corollary of political freedom, a system of free trade on a free market: capitalism.

No, it was not a full, perfect, unregulated, totally laissez-faire capitalism—as it should have been. Various degrees of government interference and control still remained, even in America—and this is what led to the eventual destruction of capitalism. But the extent to which certain countries were free was the exact extent of their economic progress. America, the freest, achieved the most.

Never mind the low wages and the harsh living conditions of the early years of capitalism. They were all that the national economies of the time could afford. Capitalism did not create poverty—it inherited it. Compared to the centuries of precapitalist starvation, the living conditions of the poor in the early years of capitalism were the first chance the poor had ever had to survive. As proof—the enormous growth of the European population during the Nineteenth Century, a growth of over 300 per cent, as compared to the previous growth of something like 3 per cent per century.

Now why was this not appreciated? Why did capitalism, the truly magnificent benefactor of mankind, arouse nothing but resentment, denunciations and hatred, then and now? Why did the so-called defenders of capitalism keep apologizing for it, then and now? Because, ladies and gentlemen, capitalism and altruism are incompatible . . . capitalism and altruism cannot coexist in the same man or in the same society.

Tell it to anyone who attempts to justify capitalism on the ground of the "public good" or the "general welfare" or "service to society" or the benefit it brings to the poor. All these things are true, but they are

the by-products, the secondary consequences of capitalism—not its goal, purpose or moral justification. The moral justification of capitalism is man's right to exist for his own sake, neither sacrificing himself to others nor sacrificing others to himself; it is the recognition that man—every man—is an end in himself, not a means to the ends of others, not a sacrificial animal serving anyone's need.

This is implicit in the function of capitalism, but, until now, it has never been stated explicitly, in moral terms. Why not? Because this is the base of a morality diametrically opposed to the morality of altruism which, to this day, people are afraid to challenge.

There is a tragic, twisted sort of compliment to mankind involved in this issue: in spite of all their irrationalities, inconsistencies, hypocrisies and evasions, the majority of men will not act, in major issues, without a sense of being morally right and will not oppose the morality they have accepted. They will break it, they will cheat on it, but they will not oppose it; and when they break it, they take the blame on themselves. The power of morality is the greatest of all intellectual powers—and mankind's tragedy lies in the fact that the vicious moral code men have accepted destroys them by means of the best within them.

So long as altruism was their moral ideal, men had to regard capitalism as immoral; capitalism certainly does not and cannot work on the principle of selfless service and sacrifice. This was the reason why the majority of the Nineteenth Century intellectuals regarded capitalism as a vulgar, uninspiring, materialistic necessity of this earth, and continued to long for their unearthly moral ideal. From the start, while capitalism was creating the splendor of its achievements, creating it in silence, unacknowledged and undefended (morally undefended), the intellectuals were moving in greater and greater numbers towards a new dream: socialism.

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The [original] socialists had a certain kind of logic on their side: if the collective sacrifice of all to all is the moral ideal, then they wanted to establish this ideal in practice, here and on this earth. The arguments that socialism would not and could not work, did not stop them: neither has altruism ever worked, but this has not caused men to stop and question it. Only reason can ask such questions—and reason, they were told on all sides, has nothing to do with morality, morality lies outside the realm of reason, no rational morality can ever be defined.

The fallacies and contradictions in the economic theories of socialism were exposed and refuted time and time again, in the Nineteenth Century as well as today. This did not and does not stop anyone: it is not an issue of economics, but of morality. The intellectuals and the so-called idealists were determined to make socialism work. How? By that magic means of all irrationalists: somehow.

It was not the tycoons of big business, it was not the labor unions, it was not the working classes, it was the intellectuals who reversed the trend toward political freedom and revived the doctrines of the absolute State, of totalitarian government rule, of the government's right to control the lives of the citizens in any manner it pleases. This time, it was not in the name of the "divine right of kings," but in the name of the divine right of the masses. The basic principle was the same: the right to enforce at the

point of a gun the moral doctrines of whoever happens to seize control of the machinery of government.

There are only two means by which men can deal with one another: guns or logic. Force or persuasion. Those who know that they cannot win by means of logic, have always resorted to guns.

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“Faith and Force: The Destroyers of the Modern World”, in *Philosophy: Who Needs It*

It is your *mind* that they want you to surrender—all those who preach the creed of sacrifice, whatever their tags or their motives, whether they demand it for the sake of your soul or of your body, whether they promise you another life in heaven or a full stomach on this earth. Those who start by saying: “It is selfish to pursue your own wishes, you must sacrifice them to the wishes of others”—end up by saying: “It is selfish to uphold your convictions, you must sacrifice them to the convictions of others.”

“This is John Galt Speaking”, in *Atlas Shrugged*

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A shortened version of the essay, “What is Capitalism?”, from *Capitalism the Unknown Ideal*, by Ayn Rand, is available for reading and for listening (of this, her 1967 speech) at <https://courses.aynrand.org/works/what-is-capitalism/>

The full essay, “Faith and Force the Destroyers of the Modern World”, from *Philosophy Who Needs It*, by Ayn Rand, is also available for listening as a recorded speech (delivered at several universities in 1960-61), at <https://courses.aynrand.org/works/faith-and-force-the-destroyers-of-the-modern-world/>

