
BASIC THINKING

On Beginning at the Beginning
in Thinking about Social and
Economic Problems

WILMER MACNAIR

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Wilmer MacNair

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Preface

The collapse of Communism in the former Soviet Union and the countries of Eastern Europe has pleased people of the West. They have taken the breakdown to be proof that Communism does not work. In their view, flaws inherent in the idea of the planned economy became evident as time went by, and as the people of those nations worked hard but without ever achieving a level of living like that enjoyed by peoples of the Western capitalist countries.

This failure to "work," was assumed to explain why the collapse occurred. Presumably Russians, Hungarians and others knew that they were not getting what they wanted, that peoples of Western Europe and North America had what they were lacking, and they therefore wanted to change their economic system to one that was more like the systems of their neighbors to the West. They thought that such a change held out promise of more automobiles, televisions and in general all of the things that people think will make life good.

In the meantime, however, all is not well in the lands of the "free market" to which the former Communists looked with such longing and expectancy. Epidemic lay-offs and "downsizing" afflict most sectors of the economy, from industry, to health-care institutions to schools and colleges. Organizations of all kinds are engaged in an orgy of proving that they can get along with fewer people. The assumption seems to be that people are no problem. They can "retrain" and get jobs elsewhere (but where?). Or they can simply disappear. There is in any case no need to worry about them. A lot is said about the economy working well, but little inquiry is made about whether it is working well *for people*.

If the situation is grim for many residents of the industrial nations, it is more so for their neighbors in other parts of the world. Poverty has deepened in Latin America and elsewhere as "structural adjustment" takes hold and has its effects. The hope for a better life

for most people that was held twenty years ago seems to have dimmed as real wages go down and unemployment rises to incredible levels. The technological wonders produced by modern science are very much in evidence in these countries, but they do not benefit most of the people, many of whom spend their time in vain efforts to sell blankets and fruits on the streets while others labor in factories under horrible conditions and for very low wages.

Assuming that Communism "collapsed" because it did not work, we might expect capitalism to suffer a similar fate. It too is failing to work. It too is failing to use the productive potential of modern technology to benefit people. So why does it not collapse and fall?

Perhaps its overthrow is prevented by promises that a great increase in jobs and in prosperity is going to take place any day now. NAFTA, among other things, keeps hopes high. We who have not been able to sell our wares will now have customers south of the border, and we will be able to sell to them and so become prosperous and happy. But there are logical problems here. How can *selling* make us prosperous? We are well off economically when we get things, not when we get rid of them. Shipping off more apples and other items to Mexico can benefit us only if we need what Mexicans will give us in return. But our problem is that we produce too much of almost everything already. If Mexicans give us more goods as payment for the increased volume of merchandise we sell them, we will be right back where we started.

To put it bluntly, we have a serious problem, but the problem is not that we lack foreign markets or need to do more trading with other peoples. Rather, we suffer an infirmity that is *internal* to our nation and its economy. We are not organized here and now to produce, trade with one another, and so to possess the things we need to make life good. Trading more abroad would not solve our problem. At the most, it would increase the sphere within which the problem exists. And talk about "competing" and finding markets elsewhere is nothing more than a digression from the real problems which beset us. If we want solutions, we have to talk about our economy here and now and ask how it can be rearranged or reordered so that the people who live within it can live well.

But how do we address the matter of the internal organization of our nation (or any nation) as it pertains to making it possible for people to live and to have what they need to enjoy life? This is what

basic thinking seeks to do. It undertakes to pull back from the usual ways in which we think about our economy and its problems in order to ask fundamental questions. The questions have to do with how people can produce and trade and so enjoy the good life. Stated this way, the analysis would seem quite simple, and indeed it is. What is not so simple is the process of pulling back from our usual way of thinking to get to this basic level.

Our concept of *money* is central to the usual thinking that is such as impediment to seeing things as they are. Money is itself nothing. It exists only because we say it does. George will give me something in exchange for money, but he does so because he thinks others will give him things for it. And these others do so for the same reason: they think still others will give them things for it. Money is a circular or consensual reality.

— Actually, there is nothing wrong with money itself. It would be hard to manage an industrial society without it. The problem arises from the way we think about it. We reify or make it more real than it is. We think that whatever amount of it we have, we will be "better off" with more. And we think that if people give it to us for the goods we give them, we are "well off" regardless whether we want the goods that those people can give us. Also affecting our thought patterns is the prevailing individualism of our society. We assume that each of us should, as we say, "take care of himself." In thinking this way, we fail to see that we are in our basic nature social or communal creatures. If we are to enjoy the good life, we will do so because we cooperate with each other in building that life. If we are free, it is because we join with others in making decisions jointly with others, that is, in making *community decisions*. This is not to say that individual rights are not important. It is only to say that one of the most important of an individual's rights is the ability to join with others in making community decisions.

So Communism, at least as practiced in the former Soviet Union does not work. And capitalism, as it has unfolded since 1970, does not work, at least not for people. So what does work? *Basic Thinking* will not provide a full answer to that question. Much more than can be written between the covers of a book will be required for that. But hopefully it will make a beginning. It will undertake the kind of analysis will get the process of providing answers started.

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Chapter 1

What Basic Thinking is

Basic thinking is thinking that begins at the beginning. It, like any thinking, is concerned with events, with what happens, and it wants to understand these events. But it does so in a special way. Basic thinking strives to get back to a beginning, to a point of origin where the first causes of what is happening are to be found. It is not content to look only at the surface of events or at the obvious "buttons" which, when pushed, make things happen. Rather, basic thinking intends to begin analysis with the first and basic causes and to proceed from there.

As an example, imagine a person who is working very hard in order to get important things done. As he works and struggles, he has a bad feeling that makes continuing his work difficult. That feeling, he learns, has a name. It is called "being tired." The person then discovers, or someone advises him, that drinking strong coffee will make the feeling go away. Delighted to have learned this, he pours a cup every time the feeling comes upon him. The coffee is the "button" that he pushes. In time, however, someone advises him that he has not noted the root of his problem. The root, the adviser suggests, is fatigue; its cause is excessive or prolonged exertion, and its cure is sleep. What a wonderful discovery! Sleep deals with the beginning cause of the problem, and for this reason affords a far better solution than repeated doses of caffeine. And the person will find he fares better when he takes up that practice.

By itself, this example seems silly. Everyone knows about fatigue and rest. But there are cases that are not so silly, such as the economy, unemployment, poverty, and the like. Here also, there are

problems, and here also, people suggest solutions to the problems. But often the solutions are like those cups of coffee: they might help, at least a little bit and in the short term, but they provide no long-term solutions. Among them are "free trade," "managed competition" health care, enacting "tough" anti-crime legislation and others. These may (and may not) make us--or some of us--feel better for a while, but for real and long-lasting solutions, we need to look elsewhere.

Thinking is, of course, always about something. We have a problem or a pain; something is not right with us, and we focus our reflections upon our unhappiness. Perhaps there are things we feel we need but do not have. Without these things, life is drab or full of anguish. It certainly is not as good as it should be. Or we may have things we do not want--burdens lie on our shoulders, and obstacles stand in our way. When confronted with these lacks and burdens, the first thing we tend to do is reflect upon them. We *think*. In due course we may want to do something, but reflection comes first. We have to image or define what it is that bothers us. The project which this book undertakes is to begin such thinking--at the beginning.

This book labels thinking that is *not* basic as "usual thinking." It is the kind of thinking in which people engage most frequently. In contrast to basic thinking, usual thinking begins with "surface" events, those that are in the middle between the beginning and the end. People usually start their thinking at this mental place. When they do, their thought processes proceed along familiar courses; it is a comfortable terrain in which they simply continue to think.

People commonly think in terms of money and ideas associated with it, such as the concepts of debts, being able or not able to "afford" things, exchange rates and the like. Such thinking is by its nature usual rather than basic. To think "money" is to land in the middle of the process of thinking and to move from that point. Actually, money is an abstruse and difficult concept. If it were not for the fact that we have thought in terms of money all of our lives, we would find it difficult to do so. We would not readily envisage our world as the give and take of money as we do. Money does not, we may note, satisfy any need or afford any pleasure. By itself, it is nothing. Things, not money, fill our empty spots and make us feel good. The state of being fascinated, or perhaps even mesmerized, with money that grips people in our society and dominates their minds provides a good example of usual thinking. It is by its nature mistaken thinking. The thesis of this book is that we, as people

concerned about the world, need to get back to the beginning. We need to talk about how we organize to get from nature the things that we want (production) and how to get those things to the people who will use or consume them (distribution).

Also, this discussion has to do with "us." When people do basic thinking, they are thinking as members of a community. Each person is a participant in a very large "we." This "we" can be a group of any kind: a tribe, community, region, or nation. And the group invariably suffers problems. Troubles of various kinds beset it, and these difficulties are those of the group as such. The members of the group think of the problems as being "ours"--as community problems. The group as a whole addresses its problems in terms of a unified plurality--the troubles belong to "us", and "we" must think about what "we" will do to solve them. It is similar to what people do when they discuss politics. The focus of attention in "talking politics" is not on an individual and what he can do independently to make his own life better, but on what "we" can do to make "our" lives better.

Certainly, any individual has problems that are uniquely his, and he does things himself to solve them. But at that point, basic thinking is not an option for him. He must begin in the middle because he *is* in the middle. He finds himself in a situation, and he must decide how to make the best of it. He is surrounded by things, by specific lacks and obstacles. He did not choose his present dilemmas; he was, rather, thrust into the midst of them. Finding himself there, he must now try to manipulate what is at hand in order to make his bed a comfortable one.

So this discussion is concerned with a "we," not an "I." It is clear that all human groups and the world as a whole do have trouble. Right here, we Americans, together with the rest of the world, are not doing well. Things are bad in our cities, our nation, and our world. People are hurting; they are beset by lacks, pains, and anxieties. A sadness afflicts people, striking them at all levels of society. And worse, it is a sadness that is difficult to identify. No one can name it or label it, much less indicate what its origins, causes, and cures might be. People can express only that things are not going well. They hurt.

Pain encompasses many aspects of human existence. When people do not have what they need to make them happy, they are distressed. There is a lack or an empty space that is painful. Because of this, they feel that life would be good and pleasant if they just had more--

of something. Yet the word "have" here is a bit fuzzy. It clearly means that things are available to someone, or that he has access to them. But this access can take more than one form. It can mean owning a thing, either grasping it in one's hand or having a deed to title to it. In this case access is exclusive. Or access can mean having the right to use something alongside others who also may use it. In this case, there is shared access. Regardless whether the access is exclusive or shared, people are hurting because life, in its unkindness, has not provided them what they think they need and deserve.

Even if some have enough--or a lot--at the moment, they remain anxious about the future. They sense, even if they cannot articulate the matter, that the ground beneath them is slippery and that all of the having-of-things could collapse as one day yields to another. Humans love security, but security is never more than partial. For instance, every time the newspapers report that thousands of workers are being laid off, businesses are failing, or corporations are reorganizing, people wonder if they too will soon come under the ax.

As people see it, all of the different kinds of "have's," combined with anxiety about the future, are like a whirl-pool pulling everyone into one central point, which is *money*. No one seems to have enough of it. Whatever the amount is, it is not sufficient. That is the nice thing--or perhaps the awful thing--about money; there is no such thing as "enough." The only sufficient amount is an amount greater than that which a person presently has. Certainly, he thinks, money in greater abundance would enable him to do all and to have all that he wants, and it would also set up protection for the future. Or at least so he thinks, since his reflections have not been chastened by the runaway inflation that people elsewhere have experienced.

Closely associated with the pain of not having is the shame of not being respected or honored. We hurt because other people do not esteem us to the degree to which we feel they should. We have a problem as individuals and as members of a group. The people who fail to honor us, those who negatively stereotype us, are difficult to identify. These people include a distant and awesome "they" which exists out on the horizon. They are like the tall buildings which form a city skyline, having eyes that gaze at us. Under the force of this stare, we become certain *things*; we are labeled as "successful" or "unsuccessful," "in style" or "out of style." But among people is also the much smaller group of those with whom we are more familiar and

intimate. These too look at us and either give us respect and affection or do not. The term "people," by its nature, embraces both those who are many and distant and those who are few and close. We want positive regard from both. When we fail to get it, we hurt.

"Having" and being respected, though seemingly different, are actually similar. Although the former connotes material issues and the latter suggest emotional matters, the two cannot be separated. "Having" and being respected go together. Certainly there are people who have little but are still respected (Baptist ministers, for example), and people who have much but are given little honor (such as gangsters). Nevertheless, having things usually brings respect and not having things brings humiliation. Poverty means both having to make do without and being denied dignity. On the other hand, a wealthy person whom people disdain for any reason vindicates himself with his money. When the wealthy and talented pianist Liberace was told that some spoke ill of him, he reportedly said, "I cried all the way to the bank." His remark, presumably, was a definitive and effective rebuff to his detractors. Money and honor do not necessarily go together, but people usually link the two. Gaining respect and having money are tied up closely together in people's experience--and in their reflection on that experience.

Once the hurting is identified, questions about why hurting occurs and what causes it arise. Some may find that the causes and reasons inhere in their own personal choices. These people assume that they have not worked well enough or hard enough, or that they have made bad decisions about their educations and careers. Others may perceive themselves as neurotic and thus forced into an interior, psychological unhappiness. In contrast, others many see the causes of their distress as residing in the external environment, something over which they have little or no control. Perhaps they have unpleasant co-workers, or bosses who do not appreciate their efforts and enjoy making life difficult for them. Going farther into the "out there," many people see the causes of their pain in the larger realms of society--economics and politics. Members of minority groups feel victimized by discrimination; the dominant group feels threatened by the minorities; the unemployed are haunted by the lack of jobs, or of good jobs, and the heavily taxed feel burdened by governmental greed and by whatever or whomever they can blame for that greed, such as welfare cheaters ("baby producers"), bureaucratic inefficiency, the military, and so on. Members of various groups feel threatened by

others whom they take to be their foes, which can be drug dealers, big business, government bureaucracy, corrupt politicians, the Chinese, Black people, White people, males, feminists, liberals, conservatives, and the list goes on. For example, just recently, some in Brazil blamed street children for the country's economic difficulties.¹ Some of these "out there" explanations are, of course, fanciful. Others merit further inquiry. In some cases, people have valid reasons to affix blame as they do, while in other cases, distressed people point their fingers at certain causes simply because they do not know where else to point. Their objective, in every case, is to account for the hurt.

This book is about such efforts. It attempts to explain why all is not well in the world and why we humans suffer as we do. The discussion centers on explaining things basically, by engaging in basic thinking. Thus, the book begins the process of thinking--at the beginning.

Beginning in the Middle

Well, how else could one begin to think? One could begin in the middle as is done in usual thinking. This is the way people think most of the time. Usual thinking is the kind of thinking that seems normal and respectable. When one engages in it, he seems able to express his thoughts readily and gain assent from those around him. Heads nod; listeners gesture in agreement; and others, also beginning in the middle, add further comments to what the individual has expressed. An air of dignity and seeming wisdom pervades the whole process, and everyone present feels that matters have been discussed. In actuality, for matters to be properly discussed, it is necessary to begin at the beginning.

Consider the following analogy. A person is setting out on a trip. He has a thousand miles to go to reach his destination. To get there quickly, he simply gets in his car and goes. He drives and drives. But after traveling five hundred miles, he realizes that he ought to pay some attention to what route he is following and to whether it leads to his destination. Since he paid no attention to this problem initially, what results is very much a matter of chance. If he is lucky, the route he has been traveling will lead him to his goal, his city of Oz. He will have five hundred fewer miles to go than he had at the beginning; he can subtract the miles he has driven from the total length of the trip. However, if he is unlucky, he has traveled five

hundred miles in the wrong direction. He now has fifteen hundred miles to travel in order to reach his goal; he must add the five hundred miles he has driven to the length of the trip. However, chances are that he has traveled at an angle, neither straight towards nor completely about face from his destination. Thus, he must add or subtract a distance less than five hundred miles to or from the total distance. The probability that he had to add or subtract is fifty-fifty; he really would have done well to look at the map before departing.

When reflecting upon the causes of pain and hurt, the individual who engages in ordinary thinking, and who begins in the middle, is like the man who sets out without first consulting a map. In such thinking, setting out without first looking at a map and without paying attention to which route leads to where one wishes to go is called *making assumptions*. People commonly base their thinking upon certain assumptions, without questioning those assumptions or even being aware of them. They certainly do not consider alternative assumptions they could have made. A person just makes them or, we could say, has them made for him.

In the United States, there exists a certain public discourse, a set of things being said and regarded by all and sundry as normal to say. Moving within this realm of talk, people simply take for granted many understandings of the world. Because they do so without critically examining their starting-points, whether the assumptions are good, bad, or indifferent becomes a matter of pure chance. People could be lucky and think the right thing, but this is not likely, given the high-voltage complexity of the world. It is much more common that they think the wrong thing, and are even unaware of having reasoned on the basis of assumptions that are doubtful and to which there are alternatives. The task for us as people who wish to understand things rightly, therefore, is first to acknowledge that we are in the middle of the process of thinking and then to find our way back to the beginning.

The Case of America's "Need to Compete"

Since the 1980s and early 1990s, people have often asserted that America has a serious problem about competing in international market places. While Americans produce all kinds of goods, the country does not do well selling them. The Japanese and other producers have proved to be better at persuading buyers to purchase

their products. Sale of American goods has lagged both at home and abroad. For example, though the United States is the land of the automobile, at least one fourth of the automobiles sold in the country are foreign, whether manufactured abroad or put together in foreign factories on American soil. And automobile buyers throughout the rest of the world show marked preference for Japanese and European vehicles. In a free market economy, competition is the name of the game, and the American players are not doing at all well at playing it.

The reasons for the weakness of the American sales are twofold. First, American products are believed to be of inferior quality. Second, American manufacturers charge higher prices, either because they desire profits or because costs are higher. Labor costs significantly figure into the equation, since American employers pay workers higher wages than employers in non-European countries.

To improve America's ability to compete, observers propose several measures. One of the most prominent among them puts the emphasis on education. The argument here is that Americans are ill-trained at all levels from kindergarten to the university, and that improving instruction should have priority in our national agenda. Better education, it is said, will generate better workers. These workers will work more efficiently, and will produce products which are better and/or which may be offered at lower prices and which will therefore fare better in global competition.

Also among the suggestions for improving America's competitive edge are devices which reduce the costs of production. The most significant of these costs is labor. Some strategies by which labor costs may be made more economical include inducing workers to settle for lower wages, establishing plant sites in areas where people accept low wages, and building plants outside of the United States in countries where laborers work for a fraction of what it takes to satisfy the American laborer. Also, since labor costs do not consist only of wages but also of features of the work site that make the working day safe and pleasant, money can be saved by reducing expenditures on these items. Further, things which corporations are required to do to protect the environment are an expensive part of production. Getting environmental legislation repealed or not adhering to environmental laws can reduce costs for corporations.

When we look at these efforts to improve education and reduce costs of production, we would normally think that there are reasons

for them. Activities are *interpreted* in ways that are appropriate in view of their contents. If, for example, a man appears at a lady's door with flowers in his hand, we think he wishes the lady's favor. If another man is running frantically, we assume he needs to get somewhere in a hurry, and so on. The activity suggests, so to speak, an interpretation of itself, though of course there are cases where more than one interpretation is reasonable.

Efforts to compete in the global market suggest that it is very important to the people involved to ship goods abroad, or, as we say, to export. And this in turn suggests an interpretation. It suggests that we Americans have a *need to import*. It implies that there are things which we want, but which we cannot or do not produce, or that we do not produce in sufficient quantity. To have them, therefore, we must obtain them from other countries. These other countries, however, are not going to give us coffee, bananas, petroleum or tin out of the goodness of their hearts. They will deliver these items to us only as an exchange, as payment, in effect, for what we give them. Since we want what they have to give, therefore, we mobilize to send them things that they want but do not or cannot produce. These would be, of course, goods that we Americans are able to produce in excess and which would be useless to us unless exchanged for something else. The value of surplus television sets is that we can change them into bananas and coffee. These are items that, like television, make life worth living. We need, that is, to import some things and to the end of doing so, we export some things.

Important about this interpretation--and it is only an interpretation--of competitive behavior is that the need to import is primary. It is, indeed, the only true need. The effort to export--to sell our products--is simply a means to that end. Exporting has no value in itself, but instead makes it possible to import. We produce as well as sell such items as farm machines because we want things that others can give us. We want to participate in an international divisions of labor, one in which we trade with peoples who have specialties complementary to ours.

The reasons for this complementarity are twofold. First, there are the climate and the resources that certain nations have and which others do not have. The United States has petroleum, but not in the quantity in which it is found in the Near East, Mexico and elsewhere. Americans grow oranges, but in limited supply, and there are virtually no bananas or coffee grown north of the Rio Grande. Second, there