

## **‘Love your Enemies, for they tell your Faults’ Poor Richard Improved, 1756.**

*Robert Walmsley*

The story of Benjamin Franklin can be viewed as the original telling of the ‘American Dream’. The aphorism “Love your Enemies, for they tell your Faults” not only reflects Franklin’s belief in the essential importance of listening to your critics, but also the idea that by listening to your enemies one can improve your own material success.

More than two centuries after his death, the image of Benjamin Franklin continues to be closely tied with American capitalism – not least by the usage of his likeness on the hundred-dollar bill. Franklin’s story closely follows what we expect of a quintessential American figure. Having arrived in London the first time as a penniless young man, Franklin returned triumphantly in 1757 as the agent of the Pennsylvania Assembly and one of the most famous Americans alive. Keeping this association in mind, it is therefore interesting to consider what Franklin would have to say about the faults of capitalism and its enemies today.

On both sides of the Atlantic, far-reaching criticisms of how markets currently operate have attracted significant traction. If it were in government, the Labour Party has said that it would confiscate £300 billion of shares in the 7,000 largest companies and hand them over to workers. Indeed, the Shadow Chancellor of the Exchequer has even claimed that “overthrowing capitalism” is his job. In the ongoing race to be the Democratic Party nominee for president in the 2020 presidential election, Elizabeth Warren has attracted attention by suggesting that she would break up Facebook, Google, and Amazon. Freshman Democratic congresswoman Alexandria Ocasio-Cortez has also labelled capitalism “irredeemable”. Franklin would no doubt disagree that capitalism is irredeemable, but would he believe that its enemies have correctly identified its faults?

It is tempting to characterise Franklin’s *The Way to Wealth* as an eighteenth century version of Donald Trump’s *The Art of the Deal*. Memorable sayings such as “God helps them that help themselves” and “The cat in gloves catches no mice” initially suggest that Franklin would be a supporter today of a particularly cut-throat version of capitalism. However, a closer reading shows that Franklin’s primary concern was in the careful accumulation of wealth, rather than short-term profits. This was reflected in Poor Richard’s comment: “Buy what thou hast no need of, and ere long thou shalt sell thy necessaries”. Franklin was deeply concerned that people should not indulge in consumption for consumption’s sake. To use his words: “If you would know the value of money, go and try to borrow some”. Franklin would therefore be alarmed by the National Audit Office’s estimate that there were 8.3m over-indebted people in the UK in September 2018 and see it as a sign of a much deeper economic problem.

The scale of modern capitalism would be of immense interest to Franklin. The small-scale capitalism that Franklin would have been familiar with was closely identified with the aspirations of the farmers, small entrepreneurs and craftsman of Pennsylvania. The distance that exists between the producer and consumer today would be thoroughly alien to Franklin. Nevertheless, there are calls today to go back towards a more locally orientated form of capitalism. For example, the so-called ‘Preston Model’ named after the decision of Preston City Council to procure as many goods and services as possible from local businesses represents a return to a more community-rooted form of production. These efforts increased the proportion of the Council’s funds being spent locally from 14 per cent in 2012 to 28 per cent in 2016. On the other hand, Franklin would likely admire the gains in consumer welfare brought about by economies of scale in industry and the level of global interconnectedness associated with it.

According to Tim Wu, a Professor at Columbia Law School, the private concentration of wealth and power has meant that we now have an economy that looks like “a knock-off of the Gilded Age”. Franklin would be unlikely to see anything inherently wrong in this, except in cases where powerful

business interests have sought to abuse their dominance. In his own time, Franklin found himself repeatedly clashing with the Penn family who had established Pennsylvania as a proprietary colony in 1681. This made Pennsylvania a strange mix of a colony and one family's personal monopoly. The Penn family had several privileges stemming from this arrangement, such as the exemption of their estates from taxation and the ability to veto the Pennsylvania Assembly's bills. Moreover, Thomas Penn, the chief proprietor of Pennsylvania, was in many ways Franklin's most enduring enemy. Franklin thought that Penn was "proud, avaricious and despicable". Meanwhile, Penn labelled Franklin "a rabble-rousing, contemptible leader of the poor and "lower sort" of people". Franklin's grievances with Penn however were not based on his personal wealth, but rather his unaccountable exercise of power. This leads one to think that Franklin might not be as opposed to Elizabeth Warren's proposed break up of 'Big Tech' as it might first appear. In fact, Franklin would be likely to see government as having an important role in holding private interests democratically accountable.

As the son of a silk dyer, tallow chandler and soap maker from Northamptonshire, social mobility would be another prime concern of Franklin's today. This begs the question: if Franklin were the son of a Deliveroo rider or Uber driver, would he still be able to rise up in society as he did? In his writings, Franklin emphasises the role of individual agency in personal success, in contrast to the statistics-led approach more favoured today. The latter approach is likely to see Franklin's business success as an exception, yet Franklin himself was firmly convinced that his success was firmly of his own making. This is in one sense illustrated by his creation of the Junto – a club dedicated to improving oneself. However, it is possible to overemphasise the role of the individual within Franklin's social framework. While Franklin saw self-improvement as being the responsibility of the individual, he nonetheless viewed it as a dialectic process as demonstrated by the fact that the Junto was a group endeavour. Indeed, Franklin's emphasis on the role of individual interaction in personal development alludes to the underappreciated potential of civil society to act as a driver of social mobility today.

A failure to acknowledge one's faults is closely tied to a refusal to accept any degree of validity to another's point of view. The outcome of this approach is that rather than seeing problems as being complex and multifaceted, one solution instead becomes entirely right or entirely wrong. A choice between these two different approaches lies at the heart of many of the problems that society is grappling with today. The stubborn obstinance of Thomas Penn succeeded in protecting his wealth in the short term, but ultimately contributed to a revolution during which his family lost its lands in Pennsylvania forever. While Franklin would disagree with the enemies of modern capitalism, he would still seek to address some of its faults. On this basis, Franklin would likely welcome the collective statement made in August 2019 by 181 American chief executives, led by the CEO of JPMorgan Chase Jamie Dimon, that corporations should not only be focused on shareholder primacy and should instead demonstrate "a fundamental commitment to all our stakeholders". Foremost of all, as an inventor and astute entrepreneur, Franklin would be focused on finding innovative solutions to issues of wage stagnation, inequality, sustainability and falling living standards in a way that challenges entrenched interests and most encourages competition.