



The Money of Fools, Part 2

When you are satisfied to accept words, without thinking beyond those words to the things — the tangible realities of the world — you are confirming what philosopher Thomas Hobbes said in the 17th century, that words are wise men's counters but they are the money of fools.

Even in matters of life and death, too many people accept words instead of thinking, leaving themselves wide open to people who are clever at spinning words. The whole controversy about "health care reform" is a classic example.



"Health care" and medical care are not the same thing. The confusion between the two spreads more confusion, when advocates of government-run medical care point to longer life expectancies in some other countries where government runs the medical system.

Health care affects longevity, but health care includes far more than medical care. Health care includes such things as diet, exercise and avoiding things that can shorten your life, such as drug addiction, reckless driving and homicide.

If you stop and think — which catchwords can deflect us from doing — it is clear that homicide and car crashes are not things that doctors can prevent. Moreover, if you compare longevity among countries, leaving out homicide and car crashes, Americans have the longest lifespan in the western world.

Why then are people talking about gross statistics on longevity, as a reason to change our medical care system? Since this is a life and death issue, we need to think about the realities of the world, not the clever words of spinmeisters trying to justify a government takeover of medical care.

American medical care leads the world in things like cancer survival rates, which medical care affects far more than it affects people's behavior that leads to obesity and narcotics addiction, as well as such other things as homicide and reckless driving.

But none of this is even thought about, when people simply go with the flow of catchwords, accepting those words as the money of fools.

Among the many other catchwords that shut down thinking are "the rich" and "the poor." When is somebody rich? When they have a lot of wealth. But, when politicians talk about taxing "the rich," they are not even talking about people's wealth, and what they are planning to tax are people's incomes, not their wealth.

If we stop and think, instead of going with the flow of catchwords, it is clear that income and wealth are different things. A billionaire can have zero income. Bill Gates lost \$18 billion dollars in 2008 and Warren Buffett lost \$25 billion. Their income might have been negative, for all I know. But, no matter how low their income was, they were not poor.

By the same token, people who have worked their way up, to the point where they have a substantial



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income in their later years, are not rich. In most cases, they never earned high incomes in their younger years and they will not be earning high incomes when they retire. A middle-aged or elderly couple making \$125,000 each are not rich, even though politicians will tax away what they have earned at the end of decades of working their way up.

Similarly, most of the people who are called “the poor” are not poor. Their low incomes are as transient as the higher incomes of “the rich.” Most of the people in the bottom 20 percent in income end up in the top half of the income distribution in later years. Far more of them reach the top 20 percent than remain in the bottom 20 percent over the years.

The grand fallacy in most discussions of income statistics is the assumption that the various income brackets represent enduring classes of people, rather than transients who start at the bottom in entry-level jobs and move up as they acquire more experience and skills.

But if we are going to base major government policies on confusions between medical care and health care, or on calling people “rich” and “poor” who are neither, then we have truly accepted words as the money of fools.

[This is part 2 of a multi-part series. Click here to read part 1.](#)

Thomas Sowell graduated magna cum laude from Harvard University (1958) and went on to receive his master’s in economics from Columbia University (1959) and a doctorate in economics from the University of Chicago (1968). He is the author of 28 books including his most recent, *Intellectuals and Society*. Currently he is a senior fellow at the Hoover Institution, Stanford University. His Web site is www.tsowell.com.

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