

Commentary

Dan Popeo: Capitalism's critics are special interests

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Welcome to show time for American democracy — where it's once again rhetorically useful to demonize [U.S.](#) free enterprise as sinister "special interests." Leading the charge are legions of self-styled public interest activists, with pundits, professional politicians and the media harmoniously singing along.

To paraphrase the chorus from an old [Eric Clapton](#) song: Before you accuse them, take a look at yourself.

Activists' phony populist pitches ring rather hollow when one considers the vast power and influence they wield, and the destructive nature of their ideological agenda. Is there really any doubt that plaintiffs' lawyers, Naderite consumer advocates and others who make up a huge and well-organized anti-business activist movement are every bit the "special interests" they accuse businesses of being?

These profit populists work more effectively with elected officials and are far better organized than their corporate opponents. Activists with multimillion-dollar budgets employ hundreds of lobbyists, lawyers, and PR spin experts who agitate and sue to advance their causes.

We certainly don't take issue with activists, U.S. companies, or anyone else exercising their First Amendment right to "petition the government." We are deeply troubled, however, by this elitist notion that only professional activists can speak for the "the public" and that businesses' interests are directly contrary to those of their own employees and shareholders.

Americans must look behind activists' transparent "public interest" veil, for behind it lies an agenda that is hostile to many of the institutions and freedoms we hold dear. That agenda advocates direct attacks on America's economy and competitiveness which, in turn, jeopardizes everyone's jobs, investments and future financial health.

In the midst of our current economic uncertainty, how exactly do Americans benefit from the costly regulatory and legal minefields that activists have set out? Plaintiffs' lawyers' excessive litigation has destroyed companies, robbed pensioners of retirement funds and degraded stock values.

Activists are quick to defend violent criminals' rights while they champion stiff criminal penalties for those who unintentionally run afoul of complex business regulations. Their pressure campaigns and scare tactics have affected Americans' access to new medical treatments and cheaper energy. And if they have their way, control over such basic consumer decisions as what to eat and drink will be eventually transferred to activists' brethren in government bureaucracies.

All of this certainly does nothing to help the American public, but anti-business activism certainly provides aid and comfort to our economic competitors overseas. [U.S. Supreme Court Justice Anthony Kennedy](#), along with four of his colleagues, identified this concern in their recent [Stoneridge Investment Partners](#) ruling.

In rejecting plaintiffs' lawyers' attempts to vastly expand lawsuits under securities laws, Justice Kennedy wrote "Overseas firms with no other exposure to our securities laws could be deterred from doing business here. This in turn, may raise the cost of being a publicly traded company ... and shift securities offerings away from our domestic capital markets."

Recent studies sponsored or endorsed by leaders as diverse as [New York City Mayor Michael Bloomberg](#), [U.S. Sen. Charles Schumer, D-N.Y.](#), and [Treasury Secretary Henry Paulson](#) have echoed Justice Kennedy's message — America cannot regulate and sue its way to economic success.

There's an even deeper hypocrisy at work here — like all Americans, self-righteous activists profoundly benefit from free enterprise. Plaintiffs' lawyers, as well as fat-cat ideologues like billionaire businessman [George Soros](#) and investor [Ralph Nader](#), who have megabucks in corporate holdings, have made a very substantial living off capitalism. And many activist nonprofit groups seek and gladly accept businesses' donations and opportunities to partner with them.

Recklessly smearing free enterprise and labeling businesses as “special interests” may fill politicians’ and activists’ coffers, but such tactics deeply fail all hard-working Americans. Empty words and an oppressive regulatory climate will not solve any of the pressing problems facing the U.S. economy.

They do, however, strip away economic rights and our confidence in free enterprise, two key factors that must continue to provide America with an edge in the brutally competitive international market.

If those who claim to represent the public interest act so harshly toward successful companies, why would anyone want to invest in America’s future or create a new business?

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