

The Politics of Resentment and Debt

by Theodore Dalrymple



France's Jean-Luc Mélenchon gives a speech in the European Parliament.

Populism—the politics of resentment—is generally regarded as a right-wing phenomenon. Populists supposedly appeal to the lowest prejudices of the unintelligently disgruntled, such as unskilled workers who believe that the immigration of large numbers of people from poorer countries than theirs suppresses their wages or destroys their jobs altogether. Other beliefs ascribed to these workers are an aversion to how immigrants look, speak, smell and behave, and disgust at the food the immigrants eat. This, of course, contrasts very unfavorably with the attitudes of properly enlightened people.

But the negative connotations of the word “populism” ought to be associated with left-wing demagogues as well, though they rarely are. For example, in France, the leader of the Left

opposition to President Macron, Jean-Luc Mélenchon, recently spoke to a crowd demonstrating against Macron's proposed changes to France's labor laws, and recited the fact (if it was indeed a fact) that France had more millionaires than any other country in Europe.

In the context, this was clearly an appeal to envy and hatred—the kind of envy and hatred that has provoked at least as much mass murder as racial hatred. (The two have often been closely associated, for what anti-Semite ever fails to draw attention to the economic success of Jews?)

The word “millionaire” as M. Mélanchon uttered it was supposed to conjure up within his hearers, by a kind of Pavlovian reflex, an exploitative, parasitic, fat, lazy, cynical, privileged, dishonest, heartless and undeservedly lucky person, possibly still wearing a black tail coat and silk top hat, with a cigar stuck firmly between his fat and sybaritic (or very thin and cruel) lips.

No doubt there are many unpleasant millionaires. (By some definitions, of course, M. Mélenchon is one himself.) There are unpleasant people in all human groups, however classified. Some millionaires will have made their money in a disreputable or extremely ruthless way, or by appeal to the low tastes of part of the general population; many others will have performed valuable services for mankind and have used much of their fortune for philanthropic purposes.

So Mélanchon's rhetoric was every bit as crude as that of the populists who are deemed to be right-wing (though their economics are usually collectivist). Even so, his name will not come to the forefront of the minds of those who decry populism.

Across the Channel, things are even worse. The opposition Labor Party constantly appeals to those who want something for nothing, and want to believe six impossible things before

breakfast. The latest scheme of the party, recently announced, is to cap the interest charged on credit-card debt.

It is true that in Britain interest on credit-card debt is eye-wateringly high, considering the rate of inflation and compared with other kinds of borrowing. No doubt part of the reason is that many cardholders now have so little sense of personal honor in paying their contracted debts that those who extend credit must seek compensation elsewhere. There has in my lifetime been a 180-degree change in popular attitudes to indebtedness. Credit, moreover, is often extended by banks and others to people who are not creditworthy and whose desire to spend is greater than their ability to earn.

One could not accuse lenders of hiding the conditions of their loans. In contrast to many contracts, the ones signed by credit-card customers state the conditions quite clearly, in particular with regard to the rates of interest that lenders are charging. They have at least the courage of their interest rates.

All the same, two arguments might be used to exculpate those who find themselves in what the Labor politicians call the debt trap. The first and better is that the people in the debt trap have so little money that they must resort to credit in order to keep body and soul together. The second and worse is that people are so ill-educated in modern Britain that they do not realize that compound interest at, say, 20 per cent a year soon exacerbates a debt.

No one could deny that being at the lower end of the economic spectrum in a modern society is discomfiting and even humiliating, especially if it is a permanent condition (which often it is not). But personal incompetence in managing finances, and a distorted sense of priorities and entitlements, combined with an intuition that, in the last resort, debts can be contracted with impunity—an intuition which the proposal to cap debt can only reinforce—must in

modern circumstances explain much of the high rate of indebtedness. There is not much popularity to be gained, and few votes to be won, by pointing this out, though. Better to point the finger at the evil usurers.

As to the notion that people are too ill-educated to understand the natural consequences of high rates of compound interest, this does little honor to a state education system that spends at least \$100,000 on each pupil during his compulsory schooling. The same goes for our representative democracy in general, for if people cannot understand that high rates of compound interest rapidly increase the amount owed, surely it is absurd for them to have a say in deciding who should govern them?

If there is any lack of understanding, I believe that it is an induced, or artificial, one in a situation where there is little motive to understand and every motive to misunderstand. Such people as indebt themselves on credit cards apply their intelligence (which is not lacking) in other ways and to other matters. Indeed, to indebt yourself when you know that, ultimately, you face no very severe consequence for doing so, other than intermittent anxiety, could be interpreted itself as a form of intelligence or rational calculation.

Everyone would like to have his debts cancelled at a stroke, and it is not in human nature to love one's creditors. The proposal to cap credit-card debt is therefore likely to appeal to those who will profit by it, though it can lead only to further degeneration of their own character. What it will not do is attract any derogatory epithet such as "populist." For some reason, left-wing hatred of usurers is never that.

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