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A Captive Market Exploitation
An Exception to book, America
By Dinesh D'Souza

While I mainly agree with the powerful anti-progressive arguments D'Souza eloquently puts forth in defense of American exceptionalism as a traditional free and fair society, there is one particular position he takes that I believe is generally true, but that overlooks a certain market abuse of power.

On Page 177, D'Souza states that, ".....the monetary value of a person's contribution (to society) is determined by the consumer". This needs to be qualified, because it sounds as if the decision is always in the consumer's hands. That is generally true with most products and services, probably, but cases of exploitation do commonly occur. Which, I assume D'Souza takes into account.

The sports industry is a major exception to the free market institution. I am not a political liberal, or egalitarian, but a moral, and practical conservative. The abusive market practice I am referring to is the power brokering tactics of the media/sports empire.

Next to Hollywood, which is pretty much consumer choice, the gross inequity I am alluding to is readily apparent simply by realization of the excessive, astronomical salaries of professional athletes. Only within its comparative domain, can such an exorbitant pay scale be justified. And, that of course, is a ridiculous yardstick to measure a player's professional worth by!

A true relative value would be a comparison to other skilled professions, such as: engineering, sales experts, managers, builders, college professors, pilots, realtors, insurance agents, etc. Assuming a range of \$100-200,000, there will always be exceptions for superior skills and talents, but even doubling those figures would seem to be generous compensation.

The media/sports monolith is guilty of insatiable greed, and financial abuse of fans and consumers! "Whatever the traffic will bear", is egregiously practiced by

the "robber barons" of that industry. In other words, the oportunists have hijacked major sports, i.e., baseball, the national pastime. They give laissez faire capitalism a bad name; not that they are alone in it.

Making matters worse than over-valued skills, is the performance factor, which many times is far below expectations, and yet, seldom financially adjusted, accordingly.

For illustration purposes, let's look a the massively obese golden goose that the empire has created. This is where the fan and consumer have little to say about the overly high ticket and concession prices, plus especially the TV advertising revenue-sharing proceeds. It doesn't take much analysis to see what produces the bloated pig.

Rather than working from an honest, fair budget, which incorporates reasonable player salaries, as previously suggested, the powers that be: TV and team owners, and unions set prices, and ad rates at inflated levels, because they can!

The cost of game tickets, and concessions are way out of line with what the average fan can afford. But, the media ad revenue is where the big league gouging takes place. Consumers are a captive market, that are charged for the ad portion of products and services that goes to the TV stations, and teams (owners and players), whether the consumer is involved or interested in sports entertainment, or not! So, it is not consumer consent, but assessment.

And what does all that financial gluttony do to the traditional camaraderie between fans and players? Does the fan dare to say thanks for making me eat macaroni, so you can have prime rib dinners, and Rolls-Royces, and two or more lavish homes?

The players are certainly not blameless., or unable to do anything to correct the injustice. Common sense, and conscience should tell them that their sky high income is extracted from far less fortunate people. Why couldn't they take the initiative and set an example by endeavoring to stop the system from bleeding

their fellow citizens, so that they (the players and their hierarchy) can live high on the hog? The whole thing needs to be scaled back to the reality of the rest of the country!

I wonder how many of that privileged class of neophyte elitists have paid much attention to the plight of consumers, with serious economic (job) problems, foreclosures, bankruptcies, rising food prices, budget strains, and limited recreational opportunities, etc.

Even though there are sometimes considerable amounts donated by players to charities, still, "Man's inhumanity to man" can be seen in many instances that is the result of selfish aggrandizement, often with worthless excuses of attempted justification. Corporate and personal greed and corruption characterize and motivate many elements of our society.

And, while those things can produce prosperity, they are accomplishments without virtue, and merit! But, sadly, those are moral principles which are not seriously considered, and acted upon, by far too many people in our world! Of course, more clean capitalism is ideally, but unrealistically desirable--but, what we have beats any form of socialism, hands down, no contest!

I suppose his being a sports aficionado, is why Obama hasn't moved in to redistribute the tremendous largesse involved! And while I wouldn't agree with any heavy-handed government action to correct the situation, it would result in certain poetic justice!

Anyway, "feed the greed", is a maxim or motto that the sports empire would never want publicized, but that fits their clandestine marketing practices to a tee! By the way, I am a lifelong sports fan, so I have no personal animus, or prejudice in what I have written.

Again, on Page 177 of his book, he states, "The beauty of free markets is that the "value" of each provider (player) is decided precisely by the guy who is going to pay for that provider". That is, the consumer.

That does not hold true, effectively, in my example of the national sports

industry. The makers and shakers (TV stations, and team owners and unions) are charging consumers all over the country for the advertising component of products and services purchased, and the buyer has no voice in the amount decided--only technically to refuse to buy the overpriced product, but which is practically impossible to make happen in a large scale way, that is to mobilize mega-millions of people to boycott a product.

So, if that ad cost is dictated by the end sum of revenue the "empire" wants to raise to pay Joe Baseball an exorbitant, unconscionable \$10,000,000 a year salary, that is how much the captive consumer will pay--because he either doesn't know the math, or it is too hard, if not virtually impossible to fight it!

The free market system partially works to a great extent, but there are too many opportunists and dirty dealers in the business world to give the nation high marks for its integrity! Amazing success and prosperity, yes, but the big fish either dominate and control, or exploit most of the markets.

For example, why are the big insurance companies so rich? Their investments of premium income is massive, defying an honest risk factor, and whether there is collusion, or not, seldom do they adjust premiums downward. I remember working for a company, whose insurer would annually adjust premiums for workmen's compensation, sometimes up, and sometimes down according to their payout experience. I believe the procedure stopped probably forty, or fifty years ago, as if somehow the work world became continually more accident prone, or they could miraculously determine fair rates, every year. And that is only one insurance class, of many.

And, what is really competitive about gasoline prices among the major companies and dealers, especially with buyouts and mergers, and pump prices that are often identical? Yet, recalling a unique example of how a true free market can work, back in the 1960's, Platt's Oilgram, the petroleum industry's daily newspaper, would list Bangor, Maine as having the lowest gasoline price in the nation? This was often true, for a number of years. A nation-leading gas war in the comparatively small market area of Maine, spurred by one particular

undercutting independent dealer?

Transportation costs, often from the gulf of Mexico, and relatively low sales volume, normally operated in the opposite way, nearer to the rest of the area markets. What a company can do for competitive reasons can be perfectly within free market principles, i.e., prices, market share, etc.

A question in general about a free market economy is, If a consumer can only choose between intentionally inflated prices, what is the value-establishing mechanism in that? That is one realistic negative factor among many that could be cited. I realize that D'Souza is writing idealistically which could technically be true, because the ultimate choice or decision rests with the consumer.

But, the practicality of using that potential power is almost nil. Not siding with the liberal progressive philosophy, I would say they are substantially right about the various acts of exploitation that seriously undermine a free market system. The human condition is not very conducive to fair share, or equal rights, on any level. John Wayne illustrated a good example of the greed factor that motivates at least a sizeable minority of mankind. He said, "If you put ten men in a room, with a dollar each, before long some s.o.b. will have it all", or at least try to!

I do not suggest that I have reason, or the ability to take issue, in general, with the conclusions and judgment that D'Souza has presented in his book, "America". With the opposing ideological factions in the world today, threatening, and infiltrating our country as well, he has ably defended America's traditionally successful free market institutions, and is a much needed, and should be welcome voice, proclaiming the fruits of liberty, and resulting industrial progress, and comparative wellbeing of the nation's citizens.

His reasoning is sound, or at least idealistically logical (as in an unfettered scenario), and not merely horn-tooting philosophic rhetoric. He clearly appears to be motivated by promoting the best interests of our country, which he articulates informatively and convincingly for anyone who wants to listen and learn, or be reminded of the truths he puts forth; for which we are all responsible!

