

CAPITALISM IS GOOD

CAPITALISM GOOD

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Capitalism Solves Environment

Capitalism and economic growth are sweet for the environment and save lives in the third world.

Jerry Taylor, Director of Natural Resource Studies at Cato, April 23, 2003,
<http://www.cato.org/dailys/04-23-03-2.html>

Meanwhile, capitalism rewards efficiency and punishes waste. Profit-hungry companies found ingenious ways to reduce the natural resource inputs necessary to produce all kinds of goods, which in turn reduced environmental demands on the land and the amount of waste that flowed through smokestacks and water pipes. As we learned to do more and more with a given unit of resources, the waste involved (which manifests itself in the form of pollution) shrank.

This trend was magnified by the shift away from manufacturing to service industries, which characterizes wealthy, growing economies. The latter are far less pollution-intensive than the former. But the former are necessary prerequisites for the latter.

Property rights -- a necessary prerequisite for free market economies -- also provide strong incentives to invest in resource health. Without them, no one cares about future returns because no one can be sure they'll be around to reap the gains. Property rights are also important means by which private desires for resource conservation and preservation can be realized. When the government, on the other hand, holds a monopoly on such decisions, minority preferences in developing societies are overruled (see the old Soviet block for details).

Furthermore, only wealthy societies can afford the investments necessary to secure basic environmental improvements, such as sewage treatment and electrification. Unsanitary water and the indoor air pollution (caused primarily by burning organic fuels in the home for heating and cooking needs) are directly responsible for about 10 million deaths a year in the Third World, making poverty the number one environmental killer on the planet today.

Capitalism can save more lives threatened by environmental pollution than all the environmental organizations combined.

Capitalism Solves Environment

Government control of the environment gives companies MORE incentive to avoid protection at all – free market reform solves through recreational markets.

Terry L. Anderson and Donald L. Lea, Political Economy Research Center, Spring 1994, <http://www.cato.org/pubs/regulation/reg17n2-anderson.html>

Those who wave the banner of environmental statism cling to the notion that the stick is better than the carrot when it comes to the rights of private property owners. They ignore the enormous growth over the last decade in recreational markets, especially for fee hunting and fishing, that have led landowners such as International Paper Company, a major industrial forest owner, to nurture its environmental assets. Instead, their first line of defense against landowners always seems to be regulation. No wonder private landowners see endangered species and wetlands as liabilities instead of valuable assets. Not surprisingly, ranchers in northwest Montana, for the sake of their own financial survival, say in private that the remedy for grizzly bears or wolves on their property is "to shoot, shovel, and shut up." Meanwhile, the clamor goes on for more restrictive legislation, more lawsuits, more government intrusion.

Capitalism Solves Environment

Property rights solve pollution – eliminates waste and creates punishment for trespass of materials to other areas.

Fred L. Smith, Jr., Founder/President of Competitive Enterprise Institute, and Kent Jeffreys, Senior Fellow at the National Center for Policy Analysis, 1993, Market Liberalism: A Paradigm for the 21st Century, Ed. Ed Crane and David Boaz, p. <http://www.cato.org/pubs/chapters/marlib23.html>

Free-market environmentalism, like capitalism itself, is dependent on private property rights. Those rights must be well defined, well defended, and voluntarily transferable. When those prerequisites exist, competitive capitalism becomes a remarkable efficiency generator. The desire for profit leads directly to the elimination of waste. Pollution is generally some form of waste, but even if pollution were unavoidable in certain manufacturing processes, strongly enforced property rights would force polluters to either clean up or close shop. By definition, pollution is a trespass against someone's property or person. If the trespass is so minor that it creates no impact or inconvenience for the property owner, it will normally be tolerated, even under common law rules. Today's pollution dilemma is the result of what is essentially a universal "easement" granted by the state to polluters, even producers of significant and damaging pollution. The debate now revolves around how best to gradually restore their original right (to be free of the trespass of pollution) to citizens. The first question that should be asked is not, Why does capitalism destroy the environment? It is, Why isn't everything already polluted or destroyed? The answer is that the same private property rights that form the basis for capitalism also stand as a bulwark against environmental degradation.

It should be remembered that property rights are basically a voluntary ordering system for resources in a human society. Whenever private property rights have been respected within a society, the ecological outcome has been superior to that under state ownership of resources. Even vaunted state "successes," such as Yellowstone National Park, are rarely as successful as claimed. Consider that state policies led directly to the disastrous forest fires of 1988 and the quiet devastation of continuing management practices.

Capitalism Solves Environment

Capitalism solves biodiversity – protection of the environment will set precedents, whereas the government balances ecology about as well as its budget.

Fred L. Smith, Jr., Founder/President of Competitive Enterprise Institute, and Kent Jeffreys, Senior Fellow at the National Center for Policy Analysis, 1993, Market Liberalism: A Paradigm for the 21st Century, Ed. Ed Crane and David Boaz, p. <http://www.cato.org/pubs/chapters/marlib23.html>

One of the major criticisms of free-market policies is that the private sector will never protect the diversity found in nature. In fact, there are numerous examples of successful private efforts to preserve environmental amenities, and they deserve far greater attention than they have received to date.⁴ The argument against private-sector protection of natural diversity is also weakened by the fact that few governments have displayed an ability to balance their fiscal budgets. It would seem that balancing the ecology is an even more complex undertaking. However, if the state performs its proper role and protects the private liberties we all hold individually, the environment will greatly benefit. Whenever one individual succeeds in protecting his property (with its associated environmental aspects), a precedent is established. Those precedents strongly influence the subsequent actions of others, even of parties unrelated to the original dispute. Relying on centralized government to address environmental problems may also establish precedents, but they are likely to be bad ones. Election year politics, budgetary constraints, conflicting agency agendas, special-interest influences, and political selection of priorities all work to make centralized environmental policy ineffective.

Capitalism Solves Environment

Capitalism is necessary for environmentalism – it's a luxury non-capitalist nations can't afford.

Jerry Taylor, Director of Natural Resource Studies at Cato, April 23, 2003,
<http://www.cato.org/dailys/04-23-03-2.html>

Indeed, we wouldn't even have environmentalists in our midst were it not for capitalism. Environmental amenities, after all, are luxury goods. America -- like much of the Third World today -- had no environmental movement to speak of until living standards rose sufficiently so that we could turn our attention from simply providing for food, shelter, and a reasonable education to higher "quality of life" issues. The richer you are, the more likely you are to be an environmentalist. And people wouldn't be rich without capitalism.

Wealth not only breeds environmentalists, it begets environmental quality. There are dozens of studies showing that, as per capita income initially rises from subsistence levels, air and water pollution increases correspondingly. But once per capita income hits between \$3,500 and \$15,000 (dependent upon the pollutant), the ambient concentration of pollutants begins to decline just as rapidly as it had previously increased. This relationship is found for virtually every significant pollutant in every single region of the planet. It is an iron law.

Capitalism Solves Environment

Capitalism helps the environment – protection becomes a luxury good with higher demand as income increases.

Terry L. Anderson and Donald L. Leal, Political Economy Research Center,
Spring 1994, <http://www.cato.org/pubs/regulation/reg17n2-anderson.html>

Free-market environmentalism is based on two premises, the first of which is that free markets provide the higher incomes that in turn increase the demand for environmental quality. Few would deny that the demand for environmental quality has increased dramatically in the past 25 years, and there is growing consensus that the cause of that increased demand is rising incomes. New studies show that the relationship between per capita income and environmental quality follows a "J-curve" pattern. At very low levels of income, environmental quality may be high because no effluent is produced. As incomes rise above some minimum, pollutants increase and the environment deteriorates. But then at per capita incomes of approximately \$5,000 per year, environmental quality begins to become a luxury good. Above that income level, estimates by Don Coursey of Washington University in St. Louis show that for every 10 percent increase in income there is a 30 to 50 percent increase in the demand for environmental quality. We may all be environmentalists now, but the cause is not a born-again experience at Walden Pond; it is increasing wealth generated by free markets that has given us the wherewithal to afford environmental luxuries.

Capitalism Solves Environment – Modeling

Capitalism is key to environmental modeling – Developing nations cannot successfully model U.S. top-down environmental regulations.

Fred L. Smith, Jr., Founder/President of Competitive Enterprise Institute, and Kent Jeffreys, Senior Fellow at the National Center for Policy Analysis, 1993, Market Liberalism: A Paradigm for the 21st Century, Ed. Ed Crane and David Boaz, p. <http://www.cato.org/pubs/chapters/marlib23.html>

In contrast, the successes of capitalism are so ubiquitous and taken for granted that they are rarely acknowledged. Efficiencies and improvements in resource use, dramatic increases in life spans and living standards, and the vast private wealth that undergirds the massive governmental structure are key examples. Unfortunately, many of the accomplishments of capitalism are touted as the results of state manipulation of the economy. Failure to recognize the primary importance of capitalism is not of interest only to historians. Unless it is understood that capitalism must come first, other nations may adopt American-style environmental policies-with disastrous consequences. Some, especially the nations of Eastern Europe, are already being encouraged to do so. Yet the U.S. approach to environmental policy cannot possibly be exported to most countries. It relies on legions of experienced management personnel and tremendous amounts of capital to meet the high costs of the mandated technologies. In addition, a highly trained and fairly honest bureaucracy must be in place. Watchdogging the entire apparatus are nongovernmental organizations, especially environmental lobbying groups and the print and broadcast media. If that is to be the initial paradigm for the developing countries, they may have to wait decades to deal successfully with ecological questions. However, they are unlikely to wait that long before they implement environmental programs. Thus, it is vitally important that accurate information and workable solutions, tailored to local conditions, be made available to policymakers. The current sense of urgency created by the constant barrage of environmental scare stories is likely to produce the same types of inappropriate policies across the globe that it has here at home.

Local Capitalism Solves Environment

Local capitalist action is best for the environment – free markets are self-correcting.

Fred L. Smith, Jr., Founder/President of Competitive Enterprise Institute, and Kent Jeffreys, Senior Fellow at the National Center for Policy Analysis, 1993, Market Liberalism: A Paradigm for the 21st Century, Ed. Ed Crane and David Boaz, p. <http://www.cato.org/pubs/chapters/marlib23.html>

For public agencies to deal with the full range of ecological niches and changing circumstances found in nature, constant fine-tuning of the bureaucratic mechanism is needed, yet bureaucracies are notoriously difficult to fine tune. In contrast, free markets are naturally self-correcting and every transaction is an act of fine-tuning. Unfortunately, because of the prevalent myths, the actual results of capitalism are compared with the stated intentions of government policies. The risks to future generations arise not from exposure to capitalism but from exclusion from it.

Capitalism Solves Environmental Rethinking

Free market environmentalism allows us to rethink our view of the environment as a product of the market.

Terry L. Anderson and Donald L. Leal, Political Economy Research Center,
Spring 1994; <http://www.cato.org/pubs/regulation/reg17n2-anderson.html>

Free-market environmentalism challenges the status quo by offering a way of "rethinking the way we think" about environmental problems. Most of us accept that food, housing, and the production of other basic necessities are best left to the marketplace. Why not the environment? Even environmental problems offer profit niches to the environmental entrepreneur who can define and enforce property rights. Political solutions may be called for in cases where the costs of establishing property rights are presently insurmountable, but there is no reason to begin with the premise that only command and control can produce environmental quality. To the contrary, free-market environmentalism points out that it is often "bureaucracy versus the environment" and that political solutions become so entrenched that they often stand in the way of innovative market solutions. Overcoming the mindset of environmental statism is no small task because this has been the dominant paradigm for environmental policy formulation for nearly a century. Moving beyond the status quo will require forming new coalitions and abandoning the anti-market mind-set.

Capitalism Solves Deep Ecology

Capitalism solves deep ecology – free market environmentalism allows us to reconcile humankind with Nature.

Fred L. Smith, Jr., Founder/President of Competitive Enterprise Institute, and Kent Jeffreys, Senior Fellow at the National Center for Policy Analysis, 1993, Market Liberalism: A Paradigm for the 21st Century, Ed. Ed Crane and David Boaz, p. <http://www.cato.org/pubs/chapters/marlib23.html>

Fortunately, free-market environmentalism is not limited to a sterile discussion of economic efficiency, contracts, or private property rights. In essence, free-market environmentalism is a reconciliation of man and nature. Rather than practice ecological apartheid-the separation of man from nature-political policy should rely on the natural incentives of private individuals cooperating through voluntary associations. Policy should empower millions of individuals to protect their environment, rather than thousands of bureaucrats to protect their political turf. It is beyond question that if the billions of individuals on the earth do not desire to protect it, the planet is beyond hope. No amount of coercion will save the planet if the average person truly wants to destroy it. The simple fact is that people everywhere desire a better life, and a better life includes a sound and safe environment.

AT: Wealthy Don't Want Environmental Protections

Capitalism doesn't just cater to the goals of the wealthy – if enough people want something, like environmental protection, they will get it.

Terry L. **Anderson** and Donald L. **Leal**, Political Economy Research Center, Spring 1994, <http://www.cato.org/pubs/regulation/reg17n2-anderson.html>

Here two criticisms usually are forthcoming, one raised by Kellogg and one not. The one not raised has to do with wealth distribution. Since the rich have more wealth than the poor, they will outbid the poor, it is said, in a market system. But the fact is that the rich do not always prevail. Rich people may prefer fancy cars like the Lexus over the Geo, but the latter gets produced. Indeed, Henry Ford got rich by producing for the masses, not for the elite, wealthy market. If environmental quality is demanded by lower- and middle-income consumers, suppliers will get rich supplying it. Of course, if that is not what people actually want (as opposed to what coercive environmentalists believe they should want), the market will "fail." Moreover, distributional problems as they relate to the environment are no different than with food. If there are poor people, it is surely better to give them money and let them decide whether they want wilderness areas or water parks. If they chose the latter, free-market environmentalists have no worry. Coercive environmentalists, however, generally conclude that they have the wrong preferences.

AT: Humans Make Wrong Choices

Humans don't make "wrong" choices, governments do – capitalism solves things like ocean marine resources.

Fred L. Smith, Jr., Founder/President of Competitive Enterprise Institute, and Kent Jeffreys, Senior Fellow at the National Center for Policy Analysis, 1993, Market Liberalism: A Paradigm for the 21st Century, Ed. Ed Crane and David Boaz, p. <http://www.cato.org/pubs/chapters/marlib23.html>

Regardless of the nomenclature employed by the market socialists, the goal remains the same; to direct human behavior through state action. The justification of a centralized decisionmaking process is the assumption that individual humans will often make "wrong" choices, which will eventually create widespread ecological catastrophe. That argument more accurately applies to the governments of the world. Only governments possess the coercive force necessary to collect revenues for money-losing "development" schemes. Thus, capitalism has scarcely touched the great river systems of the world. Most major hydropower projects have been state sponsored. Even the pollution that flows into rivers has been the result of the state's neglect of its duty to defend private rights. Similarly, capitalists mostly ignored the tropical rain forests until state subsidies for clearing them were introduced. In fact, in those nations with secure property rights, capitalism plants far more trees than it cuts. The oceans' living marine resources are at risk precisely because governments deny private property rights to wildlife and fish. Those are not examples of the failure of existing markets; they are examples of the failure to allow markets to exist.

Capitalism Good – Laundry List

Capitalism is sweet – ensures survival of the species, rights, and prevention of state control leading to war and genocide.

Llewellyn H. Rockwell, Jr., President of Ludwig von Mises Institute, July 19, 2002,
p. <http://www.mises.org/fullstory.asp?control=1005>

In the absence of the capitalist economy and all its underlying institutions, the world's population would, over time, shrink to a fraction of its current size, with whatever was left of the human race systematically reduced to subsistence, eating only what can be hunted or gathered. Even the institution that is the source of the word civilization itself--the city--depends on trade and commerce, and cannot exist without them.

And this is only to mention the economic benefits of capitalism. It is also an expression of freedom. It is not so much a social system but the natural result of a society wherein individual rights are respected, where businesses, families, and every form of association are permitted to flourish in the absence of coercion, theft, war, and aggression.

Capitalism protects the weak from the strong, granting choice and opportunity to masses who once had no choice but to live in a state of dependency on the politically connected and their enforcers.

Must we compare the record of capitalism with that of the state, which, looking at the sweep of this past century alone, killed hundreds of millions of people in its wars, famines, camps, and deliberate starvation campaigns? And the record of central planning of the type now being urged on American enterprise is perfectly abysmal.

Let the state attempt to eradicate anything--unemployment, poverty, drugs, business cycles, illiteracy, crime, terrorism--and it ends up creating more of it than would have been the case if it had done nothing at all.

Capitalism Good – Laundry List

Capitalism is key to solve democracy, sanitation, and end poverty.

Radley Balko, freelance writer living in Arlington, Virginia, October 20, 2002, p.
<http://capmag.com/article.asp?id=1981>

At about the same time a hodgepodge of protesters descended on Washington, D.C. last month to protest capitalism, globalization and free trade, the United Nations and the Institute for International Studies released a triad of studies declaring that humanity is, for the most part, in the best condition it's ever been.

World poverty is down. And the reasons for all of this are, to the protesters' chagrin, none other than capitalism, globalization, and free trade.

The first study is the 2002 edition of the United Nations' annual "Human Development Report." The report informs us that as of 2002, 140 of the world's 200 countries -- 70 percent -- now hold multi-party elections. Eighty-two countries representing 57 percent of the human population are fully democratic, the highest percentage in human history. After a century in which totalitarianism -- Nazism, fascism and communism -- killed more than 170 million people, a clear move toward universal political freedom is afoot.

The numbers on world economics are good, too. World poverty fell more than 20 percent between 1990 and 1999, a decade of aggressive globalization. The number of world Internet users is expected to double by 2005 to one billion. In those regions of the world most sympathetic to liberal reform, the news is even better. In ten years, poverty halved in in East Asia and the Pacific regions.

Since 1990, 800 million people have gained new access to improved water supplies, and 750 million to improved sanitation. In the last 30 years, infant mortality rates have dropped from 96 deaths per 1,000 live births to just 56.

Capitalism Good – Laundry List

Free economies are key to solving poverty, longer life spans, and the environment.

Robert A. Lawson, Prof of Economics at Capital University in Ohio, July 3, 2002,
p. <http://www.cato.org/dailys/07-03-02.html>

The study also shows that economic freedom is strongly linked with both higher levels of income and faster rates of economic growth. The people living in the top one-fifth of the most free countries enjoy an average income of \$23,450 and a growth rate in the 1990s of 2.56 percent per year; in contrast, the bottom one-fifth in the rankings had an average income of just \$2,556 and a -0.85 percent growth rate in the 1990s.

That economic freedom leads to more and faster wealth creation is no longer a controversial argument. But what of the argument that market capitalism leaves the poor behind? In fact, the poor gain a lot from economic freedom. The share of income going to the poorest 10% of the population is completely unrelated to economic freedom. But poor people are much better off with economic freedom. The poorest 10% of the population have an average income of just \$728 in the least free countries compared with over \$7000 in the most free countries. Simply put, it is much better to be poor in a free, rich country than an unfree, poor country.

Free people live longer too. The life expectancy of people living in the most free nations is fully 20 years longer than for people in the least free countries. This is quite literally the difference between knowing your grandchildren or not.

Other studies confirm that environmental quality is likely to be enhanced as poor countries become wealthy enough, through economic freedom, to invest in environmental amenities like water treatment plants.

Capitalism Key Freedom

Capitalism is key to freedom

Aaron Lukas, Analyst at Center for Trade Policy Studies, April 20, 2001, p.
<http://www.cato.org/dailys/04-20-01.html>

Trade is also a matter of freedom here at home; the freedom to spend your own money on whatever you wish, regardless of the skin color or language of the person you decide to buy from; the freedom to invest your savings where you choose, even if that choice is on the other side of the planet. We have no more right to tell our fellow citizens what brand of clothing or car they must buy any more than we have the right to tell them what they can say or think.

Capitalism Key Feeding Africa

Capitalism can feed Africa – Europe proves.

Andrew Bernstein, adjunct professor of philosophy at Pace University and at the SUNY and senior writer for the Ayn Rand Institute, March 1, 2003, p.
<http://capmag.com/article.asp?id=2342>

A specter is haunting Africa-the specter of starvation. At least 2.5 million Zambians currently face famine, as do millions more across southern Africa-in Lesotho, Mozambique and Zimbabwe. The United Nations estimates that more than 14 million Africans face possible starvation this March.

According to the comprehensive 2001 Index of Economic Freedom, sub-Sahara Africa "remains by far the poorest area in the world." In Ethiopia, per capita GNP is estimated at \$108. In Sierra Leone the figure is \$146; in Mozambique \$178; in Tanzania \$180. By contrast, the per capita GNP in the United States exceeds \$30,000.

Most people forget that pre-industrial Europe was vastly poorer than contemporary Africa and had a much lower life expectancy. Even a relatively well-off country like France is estimated to have suffered seven general famines in the 15th century, thirteen in the 16th, eleven in the 17th and sixteen in the 18th. And disease was rampant. Given an utter lack of sanitation, the bubonic plague, typhus and other diseases recurred incessantly into the 18th century, killing tens, sometimes hundreds of thousands at a time.

The effect on life expectancy was predictable. In parts of France, in the middle of the 17th century, only 58 percent reached their 15th birthday, and life expectancy was 20. In Ireland, life expectancy in 1800 was a mere 19 years. In early 18th century London, more than 74 percent of the children died before reaching age five.

Then a dramatic change occurred throughout Europe. The population of England doubled between 1750 and 1820, with childhood mortality dropping to 31.8 percent by 1830. Something happened that enabled people to stay alive.

What did that early period lack that the later period had? Capitalism. What does Africa lack that the West has? Capitalism. It is capitalism that enabled the West to rise to great prosperity. The lack of capitalism is responsible for Africa's crushing poverty.

Capitalism Key Punk Rock

Capitalism is key to punk rock.

Greg Newburn, Koch Fellow at the Institute for Humane Studies, 2/3/02,
http://www.anti-state.com/article.php?article_id=206

In each example above, millions of people cooperate with one another, each knowing no more than very few of the others. Not one person in the entire creation process has enough knowledge to make a guitar completely by himself. Further, no one in the process performs his singular task because he wants the final product. Each may want it less than the future guitarist of a punk band. Most in the guitar-making process will likely never even play a guitar seriously. But their motivation is different. Each person in the process exchanges his specialized knowledge for the goods and services he needs or wants.

The most astounding fact in the process of making an instrument is the lack of any planner dictating or forcibly directing the creation of the instrument. There is no central planning board or "benevolent dictator" directing the different materials and labor into making a certain number of guitars each year. In fact, the entire process is simply the combination of natural resources coupled with free, uncoerced human energy—a vast network of specialized knowledge spontaneously coordinated in response to some consumer desire—in the complete absence of any human master-minding. It is in the truest sense "anarchy of production" that gives us the instruments required to play our music.

One would be hard-pressed to argue that any one person, or small group of people, has enough knowledge to direct how many resources should be used to create musical instruments? In what quantity? What style, and shape? Electric, or (gaspl!) acoustic only? How many potential musicians will be allowed to purchase equipment? Who decides how many instruments one can buy or learn to play? Planning and socialism cannot answer these questions. Under capitalism, young punks looking to start a band can be certain that at any time, entrepreneurs will be there to sell them exactly what they want.

Imagine a scenario under which the means of production have been turned over to the state. A production board determines how resources will be allocated, for what purpose each natural resource will be used, and in what quantity each item will be produced. Some may believe there are more "socially important" ways to use wood, metal, and plastic than making guitars. Perhaps the planning board will want to use the wood once allocated for guitars for building houses, boats, or some other purpose they see as more noble.

Capitalism Key Fast Food

Capitalism is key to fast food – yummmm...

Llewellyn H. Rockwell, Jr., President of Ludwig von Mises Institute, July 1997,
p.http://www.mises.org/freemarket_detail.asp?control=131

If you love bad news, devote your life to studying government. You'll learn about the colossal waste of NASA, the diseases spread by the school-lunch program, the lies of the FBI, the corruption subsidized by foreign aid, and the debauchery of the military base.

So where can we turn for good news? To private enterprise, of course, where efficiency, hard work, and creativity still count for something. In markets, the old ideals of public service still survive, with people working hard to bring us great products and services at prices we can pay, and without waste. Here the average guy is sovereign, and people fall over each other to put excellence first.

The glories of private enterprise are most evident in the marvels we take for granted. For example, free enterprise created the marvelous, if much derided, institution of fast food. If there were a bureau of hamburger production, they'd be as scarce as budget cuts. As it is, citizens of every social and economic standing have daily access--in minutes--to a balanced meal denied to kings only two centuries ago.

This is no small feat, but one of many millions of miracles of the marketplace. The great challenge of economies from the earliest times was to get all people, not just the rich, access to food. Otherwise, a large and growing population could not be sustained. Only the advent of capitalism, particularly in America, made this possible, and fast food has played a key role in our times in making it so.

Anthropologists note that throughout human history, one key sign of prosperous times is the wide consumption of beef (which requires far more land and other resources than crops). It's no surprise that America distinguished itself in world history for being the first society in which beef was available to one and all, no matter how poor, especially through the hamburger.

And what a glorious thing the hamburger is. It combines meat, grains, cheese, and vegetables into a simple, delicious package for quick and enjoyable consumption. It seems so easy, yet the efficient production of the hamburger, in all its details, is of infinite complexity. Only the coordinative powers of a market economy could possibly produce it.

Without the freedom of contract and capital accumulation, the right of private property, stock markets, and the price system, there would be no way to bring together the thousands of production processes needed to make a hamburger, from farming, ranching, and the manufacturing of thousands of individual capital goods from branding irons to refrigerators.

Globalization Solves Poverty

Destruction of older industries is inevitable – movement towards globalization is key to end Third World poverty.

Doug **Bandow**, Senior Fellow at Cato, April 25, 2001, p.
<http://www.cato.org/dailys/04-25-01.html>

The process of development, of moving traditional, agricultural societies into the Industrial and Information age, is extraordinarily painful. It was difficult enough for Western societies, which took hundreds of years to develop. It is even harder for today's developing states, which are attempting to telescope the process into a few decades.

But that pain must be endured to achieve a better life. Economist Joseph Schumpeter termed capitalism "creative destruction." Every innovation creates losers: automobiles ruined the buggy industry, computers destroyed the typewriter industry.

It is fair to encourage the development of social institutions to ease the transition. It is not fair to shut off development.

Some trendy Western activists wax eloquent on the wonders of rural living. Presumably they have never visited a poor country, let alone a poor countryside.

For instance, when I traveled the hills of eastern Burma with the relief group Christian Freedom International, I found ethnic Karen villagers living in wooden huts open to rain and insects. There was neither electricity nor running water. People lacked latrines and let their livestock run loose; filth was everywhere.

In such circumstances, life is hard, disease is rampant, and hope is nonexistent. No wonder people flee to the city. Not one Quebec protestor would likely choose such a "dignified" way of life.

Globalization Solves Poverty

Globalization is good – it improves wages for people in the Third World and increases growth.

Doug Bandow, Senior Fellow at Cato, April 25, 2001, p.

<http://www.cato.org/dailys/04-25-01.html>

Their alternative is not a Western university education or Silicon Valley computer job, but an even lower-paying job with a local firm or unemployment. The choice is clear: according to Edward Graham of the Institute of International Economics, in poor countries, American multinationals pay foreign citizens an average of 8.5 times the per capita GDP.

Overall, the process of globalization has been good for the poor. During the 1980s, advanced industrialized countries grew faster than developing states. In the 1990s, as globalization accelerated, poor nations grew at 3.6 percent annually, twice that of their richer neighbors.

Globalization Key World Economy

Free trade is key to world economic prosperity.

Doug **Bandow**, Senior Fellow at Cato, April 25, 2001, p.
<http://www.cato.org/dailys/04-25-01.html>

That remains the case today. Resource endowment, population level and density, foreign aid transfers, past colonial status none of these correlate with economic wealth. Only economic openness does.

The latest volume of the Economic Freedom in the World Report, published by the Cato Institute and think tanks in 50 other countries, finds that economic liberty strongly correlates with economic achievement. Policies that open economies strongly correlate with economic growth.

By pulling countries into the international marketplace, globalization encourages market reforms. With them comes increased wealth.

Globalization Key Political Freedom

Globalization and free trade are key to ensure political freedom.

Doug Bandow, Senior Fellow at Cato, April 25, 2001, p.
<http://www.cato.org/dailys/04-25-01.html>

Globalization also has important political ramifications. Freedom is indivisible; economic liberty tends to undercut political controls. Countries such as South Korea and Taiwan threw off authoritarian dictatorships once their burgeoning middle classes demanded political rights to match economic opportunities.

International investment and trade also help dampen nationalism and militarism. Globalization is not enough: rising levels of foreign commerce did not prevent World War I, for instance.

Yet investment and trade create important economic incentives for peace. They also put a human face on people who might otherwise seem to be the enemy. The result is a better environment in which to promote international harmony.

Anti-Globalization Protesters Bad

Anti-globalization protests are comparable to terrorism – they restrict freedoms and use violence to achieve their goals.

Terry L. **Anderson** and Donald L. **Leal**, Political Economy Research Center, Spring 1994, <http://www.cato.org/pubs/regulation/reg17n2-anderson.html>

For the anti-globalization faithful, however, America, and the economic freedom she defends, has always been the villain, to be opposed at all costs. Like terrorists, the anti-globalization movement is disdainful of democratic institutions. When elections don't go your way, then maybe hurling a fire extinguisher at a policeman will get your message across. The belief among many activists is that the rules of civilized society don't apply to them.

Forget the propaganda about "peaceful" demonstrations. Terrorism, if not so heinous as what we witnessed last week, has always been part of the protesters' game plan. In Seattle, thousands were held hostage in their hotel rooms; denied the freedom of movement that all Americans should take for granted. Vandalism was rampant. In D.C. last year, angry mobs surrounded downtown buildings, trapping the inhabitants as part of their declared goal of "shutting down" the global economy.

And those are the actions of moderates; the radical protesters do far worse. "As dangerous as arson is," reads one activist primer, "it is also by far the most potent weapon of direct action... A simple way to burn a vehicle is to place a sheet or blanket on top or underneath and soak it in flammable liquid...If not using a time-delay device, try to light it from as far away as possible."

It would be morally disingenuous, of course, to place the protesters -- who at worst are merely thugs -- on the same level as the monsters that attacked us. But in the terrible clarity of war, it is apparent who is on one side and who is on the other. In the struggle between civilization and barbarism, those who torch a McDonald's and those who ram airplanes through skyscrapers are releasing their destructive energies in a common cause.

Anti-Globalization Protesters Bad

Anti-Globalization protesters are bad people – they further traumatized the nation after September 11th by furthering their own political agenda.

Aaron Lukas, Analyst at Cato's Center for Trade Policy Studies, Sept 21, 2001,
<http://www.cato.org/dailys/09-21-01.html>

The IMF and the World Bank have cancelled their meetings that were scheduled in Washington, D.C. at the end of this month. Despite that change, the word on anti-globalization Web sites is that, incredibly, protesters are still coming to town to demonstrate not only against the "evils" of global capitalism, but also against the "danger posed by increased racism and the grave threat of a new war." (If you want to feel angry, just take a look at www.beatbackbush.org/index1.html). Americans should not forget that when this country faced its greatest threat in recent memory, the anti-globalization crowd chose to condemn their government even before it acted...

It's true that Washington, relative to New York, suffered less on September 11. Police here can certainly deal with the activists, however frustrating the experience may be. But the symbolism of the protests is sickening. Even as Washingtonians honor their fallen, the enemies of capitalism and modernity have no qualm with further traumatizing a city still reeling -- mentally, if not physically -- from foreign attack. At the least, D.C. police forces have been stressed and deserve not to work long hours baby-sitting disgruntled college students and left-wing extremists seeking to disrupt the government in a time of crisis.

New Yorkers should be especially outraged, as the upcoming protests directly mock their loss. The late Minoru Yamasaki, architect of the World Trade Center, once remarked that his creation "should ... because of its importance, become a living representation of man's belief in humanity, his need for individual dignity, his belief in the cooperation of men, and through this cooperation his ability to find greatness." Until last Tuesday, he was correct: The seemingly-mighty edifice was a symbol of American free enterprise, of the marvels that can be achieved by people working together voluntarily, free from the edicts of kings, ayatollahs, or lords. Capitalism equals freedom, and the building was, in many ways, capitalism's monument.

AT: Multinational Corporations Bad

Multinational capitalism is democratic – it is an example of contracts between sovereign nations to mediate disputes.

Aaron Lukas, Analyst at Center for Trade Policy Studies, April 20, 2001, p.
<http://www.cato.org/dailys/04-20-01.html>

The institutions that govern trade, like the Free Trade Area of the Americas to be discussed in Quebec, are no threat to sovereignty or democracy. Such agreements are nothing but contractual arrangements between sovereign nations to mediate trade disputes according to rules agreed upon by consensus. And despite the talk of "secret" negotiations, the Summit of the Americas is more democratic than the people it drives to apoplexy. After all, the negotiators at Quebec represent elected governments from throughout the hemisphere. Who elected the purple-haired sign-waver on the street in the black mask? The disruption and damage left in the wake of these protests are more akin to mob rule than democracy.

AT: Capitalism Causes War

Capitalism doesn't cause war – war is antithetical to capitalist goals and predates market economies.

D. W. **MacKenzie**, Grad Student in Economics at George Mason University, April 10, 2003, p. <http://www.mises.org/fullstory.asp?control=1201>

Capitalism neither requires nor promotes imperialist expansion. Capitalism did not create imperialism or warfare. Warlike societies predate societies with secure private property. The idea that inequity or underspending give rise to militarism lacks any rational basis. Imperialistic tendencies exist due to ethnic and nationalistic bigotries, and the want for power. Prosperity depends upon our ability to prevent destructive acts. The dogma of destructive creation fails as a silver lining to the cloud of warfare. Destructive acts entail real costs that diminish available opportunities.

The idea that we need to find work for idle hands in capitalism at best leads to a kind of Sisyphus economy where unproductive industries garner subsidies from productive people. At worst, it serves as a supporting argument for war. The more recent versions of the false charges against capitalism do nothing to invalidate two simple facts. Capitalism generates prosperity by creating new products. War inflicts poverty by destroying existing wealth. There is no sound reason to think otherwise.

AT: Sweatshops Bad

Sweatshops provide equal or better economic opportunities to workers in the Third World than other jobs available.

Robert W. Tracinski, Senior Writer for Ayn Rand Institute, 2000, p.
<http://www.aynrand.org/medialink/op-eds/sweat.txt>.

In actual practice, the term "sweatshop" is used to attack factories in which workers voluntarily accept jobs with longer hours, more primitive conditions, and lower wages than we are used to in America. The activists' real complaint is that wages and working conditions in Third World factories do not match those in advanced industrial countries.

But why should we expect them to? The anti-"sweatshop" complaints ignore a crucial fact: the people who agree to work in these factories live in countries plagued by abject poverty. For them, 60 cents an hour or a 12-hour work day — terms that seem terrible to an educated American — actually represent a step forward. These factories are an important economic opportunity for the people who work in them.

And that brings us to the second mark of a dishonest campaign: the refusal to mention facts that don't fit one's prejudice. A group called Students Against Sweatshops, for example, complains that baseball caps sold by several major universities are made in a factory in the Dominican Republic where "the base pay for a typical worker is 69 cents per hour." What they don't tell you is that in the Dominican Republic, per capita GNP — the amount of wealth produced each year per person — is only \$1,770 (according to the World Bank). At 69 cents an hour — the base level of pay — the workers making these caps would roughly match that amount. In other words, these workers are paid in accordance with the prevailing wages in that country.

Bear in mind that the vast majority of people in the Third World have little education or specialized skills; they own no investment capital or natural resources. As recently as a few decades ago, most had to eke out their subsistence through back-breaking labor in the fields. Were these people victimized by being offered jobs in clothing factories? Quite the contrary: they now have more economic opportunities than were available before — and that's why so many of them voluntarily choose to work in these factories.

AT: Marxism Solves Environment

You silly Marxists, you can't solve – you have to realize human nature in order to help the environment.

Fred L. **Smith**, Jr., Founder/President of Competitive Enterprise Institute, **and** Kent **Jeffreys**, Senior Fellow at the National Center for Policy Analysis, 1993, Market Liberalism: A Paradigm for the 21st Century, Ed. Ed Crane and David Boaz, p. <http://www.cato.org/pubs/chapters/marlib23.html>

There is one environmental vision, and only one, that is compatible with all other human values. Only a vision that recognizes and responds to universal human traits will be successful in the long run. Only a vision that accounts for the reality of individual self-interest can be applied in the real world. Only a vision that sees value in human diversity as well as ecological diversity can capture the entrepreneurial potential of the human race. That vision is free-market environmentalism. America has long been known as a nation where private homes and backyards are beautiful but politically managed parks and streets are a mess. For some the answer is to raise taxes to better support the "cash starved" public sector. For others the answer will be found in stringent regulations covering every aspect of modern society. A better approach would be to discover what makes homes and backyards beautiful and apply the lessons to problem areas. Rather than bureaucratize the environment, we should privatize our efforts to protect the environment. In other words, environmental values must be fully integrated into the free-enterprise system. One might say that trees should not have legal standing, but behind every tree should stand a private steward, a private owner, willing and legally enabled to protect that resource.

AT: Environmental Movements Solve Capitalism

Environmental movements are capitalist.

Fred L. **Smith**, Jr., Founder/President of Competitive Enterprise Institute, **and** Kent **Jeffreys**, Senior Fellow at the National Center for Policy Analysis, 1993, Market Liberalism: A Paradigm for the 21st Century, Ed. Ed Crane and David Boaz, p. <http://www.cato.org/pubs/chapters/marlib23.html>

For similar reasons, a strong incentive exists for environmental groups to find a crisis within each issue, from the nonexistent health risk to children from pesticide residues on vegetables to the greatly exaggerated effects of so-called acid rain on forests and lakes. By constantly claiming that the sky is falling, the environmentalist Chicken Littles have become geese that lay golden eggs. Contributions from philanthropic foundations and sincerely concerned individuals are used to purchase political power and to support massive bureaucratic empires. A mutually beneficial arrangement has been created among some industries and the environmental lobbying elite. Presiding over it all is the permanent political class.

AT: Market Socialism

Market socialism under the guise of sustainable development is a joke – it's advocates cause political backlash and fail to address ecological problems.

Fred L. Smith, Jr., Founder/President of Competitive Enterprise Institute, and Kent Jeffreys, Senior Fellow at the National Center for Policy Analysis, 1993, Market Liberalism: A Paradigm for the 21st Century, Ed. Ed Crane and David Boaz, p. <http://www.cato.org/pubs/chapters/marlib23.html>

To be fair, ecological market socialists also have a vision. It bears various names, such as "sustainable development" or "ecological economics." Oddly enough, proponents of those approaches claim to seek the same goal as free-market environmentalism, that is, a reconciliation of man and nature. It is more likely, given their heavy reliance on state-controlled economies, that those approaches would result in greatly reduced economic performance, reduced standards of living, and, eventually, a political backlash. The UN-sponsored Earth Summit in Rio de Janeiro was a perfect example of how the advocates of the market-socialist approach are becoming more detached from the average citizen as they spend more and more of their time meeting and talking with one another at world-renowned resorts. Little was said in Rio about the problems confronting the people of the world: unsafe drinking water, lack of respect for property rights, government distortion of markets for food and other commodities, and a "tragedy of the commons" in forests and oceans. Instead, world "leaders" shared a platform with Fidel Castro, who was welcomed as an honestly concerned ecologist.

AT: Capitalism Hurts Culture

Capitalism isn't the cause of cultural problems – Stupid and bad people are inevitable.

Llewellyn H. Rockwell, Jr., President of Ludwig von Mises Institute, October 1995,
p. http://www.mises.org/freemarket*detail.asp?control=220

In modern times, the confusion usually starts this way. Someone flips on the television to find the usual rotten show and offensive commercials. He concludes that's the market at work: base, vulgar, and insulting to our intelligence.

Once on this track, the anti-capitalist mentality runs wild. The decadence of the cash nexus appears everywhere. Strip malls and yellow M's in the sky. Boxing, moshing, tabloids, rap, and low pay for intellectuals. It's all horrible, sniffs this person, and it's all capitalism's fault.

If this theory were correct, the prophets, saints, and ancient philosophers were wasting their breath. They called on people to abandon sin and adopt virtue, when they could have taken the fast-track to social salvation by condemning free exchange and private property.

What the great moralists knew, and we've forgotten, is that people and cultures are products of human choice. Good lives can flourish in any social setting, whether the prison camp, the Wild West, or Washington, D.C. (hard as the latter is to believe). Sin and stupidity will, of course, always be with us. From an economic perspective, our goal should be to make sure that sinners pay for their sins, and that minimal resources are used to cater to them. In this process, capitalism is our ally. In addition to making prosperity possible, the whole point of economics and markets is to make sure the minimum amount of resources is used to satisfy any particular demand of any particular group.

AT: Russia Proves Capitalism Fails

Russia's model isn't true capitalism – there's no real currency, rule of law, property rights, or experience with capitalism.

Stephen **Moore**, Director of Fiscal Policy at Cato; and James Carter, Former Economist of Republican National Committee, Oct. 23, 1998,
<http://www.cato.org/dailys/10-23-98.html>

Whatever the cause of the Russian economic free fall, it is absurd to blame the free market. There has never been anything resembling capitalism in Russia. It is a nation that has no rule of law, no property rights, no culture of capitalism and a currency of no value. Trying to engage in normal commerce in Russia today is like trying to drink chicken broth from a fork. The lawless economic environment is virtually the antithesis of Adam Smith's notion of free-market capitalism.

At the root of virtually every national economic crisis -- whether in Asia, Europe, Africa or Latin America -- is a collapse of the currency. So it is with the ruble today. After several years of monetary prudence, the Russian government has committed the age-old sin of trying to inflate its way out of its economic woes. After the devaluation this summer, the ruble lost half its value relative to the dollar. Latest reports are that inflation is running at nearly 40 percent a month. Russian peasants standing in lines at stores complain that prices rise three times before they reach the checkout counter. Hyperinflation appears to be right around the corner.

AT: Argentina Proves Capitalism Fails

Argentina doesn't prove capitalism fails – Argentina wasn't true capitalism.

Ana I. **Eiras**, Economic Policy Analyst for Latin America, Jan 5, 2002, p.

<http://capmag.com/article.asp?id=1339>

But that was long ago, well before it was racked by a lengthy recession and a climbing unemployment rate. Today, Argentina is a shell of its former self. The street riots that broke out just before Christmas left more than two dozen people dead and forced President Fernando de la Rúa's government to resign.

And the new leaders, members of the Peronist political party, say they know what's to blame for their woes: free-market reforms. They claim that U.S.-backed capitalism, supposedly forced upon the developing world throughout the 1990s, has failed. But it could not have failed in Argentina -- because it's never really been tried.

Things looked a little brighter more than 10 years ago, when President Carlos Menem took office. He aligned his government with the U.S. free-market philosophy and executed an aggressive economic liberalization plan. He privatized state-owned enterprises, discarded price controls, deregulated the banking system and removed restrictions on foreign investment. These steps brought high economic growth and helped cut the number of families living below the poverty line from 38 percent in 1989 to 13 percent in 1994.

But these reforms alone, good as they were, could never have created an adequate environment for capitalism to flourish in Argentina. To achieve prosperity on a long-term basis, Menem's government should have reduced, first, the cost of doing business in Argentina. Argentina's stubborn 18 percent unemployment rate is deeply rooted in the rigidity of its labor market. Every thing that in the United States is a negotiable benefit -- vacations, health coverage, bonuses -- is a legal mandate in Argentina. In addition, all businesses, from large corporations to the street-side booths that sell ties, face high taxes and burdensome regulations. And by keeping trade barriers high, Argentina supports a few inefficient local industries at the expense of consumers.

Topicality Natural Resource = Mind

The most important natural resource is the mind.

Fred L. Smith, Jr., Founder/President of Competitive Enterprise Institute, and Kent Jeffreys, Senior Fellow at the National Center for Policy Analysis, 1993, Market Liberalism: A Paradigm for the 21st Century, Ed. Ed Crane and David Boaz, p. <http://www.cato.org/pubs/chapters/marlib23.html>

Perhaps the most pernicious aspersion cast on capitalism is the claim that it will leave a desolate world as an inheritance for today's children. That assertion is breathtaking in its boldness. Any rational assessment of history would declare capitalism the savior of the world's children. Present, and future, generations have benefited, not merely in the material goods provided by capitalism, but in every category of health care and in quality of life. The only subtle aspect of the depleted-inheritance myth arises when its proponents occasionally admit that capitalism has improved the situation too much. World population is growing because far more children live to adulthood and bear offspring of their own. Eventually, it is claimed, capitalism will run out of "natural" resources to "deplete," and the whole system will come crashing down in cataclysmic fashion. That view is as inaccurate as it is apocalyptic. The most important "natural" resource is the human mind. As long as a liberal society exists, that resource is inexhaustible and can readily replace or find substitutes for all other "natural" resources.