



STUDY GUIDE

Capitalism Wins

KEY TERMS:

capitalism
founding ideals

socialism
politically correct

successful
profits

Detail Focus: Complete this section <u>during</u> the video.	Main Summary Focus: Complete this section <u>after</u> the video.
<p>1. What remains the only chance for the least fortunate in the world to make life better for themselves and for their children?</p> <p>2. How much in investment money did Governor Haley’s free-market policies bring in to her state?</p> <p>3. How many Venezuelan families have been destroyed by the country’s socialist policies?</p>	<p>1. What’s so great about Capitalism?</p> <p>2. Why do some people want to replace Capitalism with Socialism, and why wouldn’t it work if they did?</p>

Discussion & Review Questions

1. At the beginning of the video, Governor Haley who contends that, “There are many in the West, including many who should know better, who find it difficult, unpopular, or just plain embarrassing to defend capitalism. I take the opposite view. We should double down on it. For a very simple reason: It remains not just the best, but the only, chance for the least fortunate in the world to make life better for themselves and their children.” Why do you think that some Westerners have difficulty defending Capitalism? Explain. What is it, specifically, about Capitalism that makes it the only chance for people to make life better for their families? Explain.
2. Further along in the video, Governor Haley shares with us that, “My mom started a small shop selling clothes and gifts that grew into a successful business. She showed my brothers, my sister, and me what it meant to live the American dream. As my mother’s story so vividly illustrates, America is a country where people can find jobs that match their talents and passions. Some Americans take this for granted. The rest of the world envies it.” What is so important about being able to find jobs that match one’s talents and passions? Why do you think that some Americans take this condition for granted and that the rest of the world envies it? Explain.
3. Governor Haley goes on to share with us that, “I was reminded that not every country enjoys the same freedom and prosperity as America. More than one and a half billion people still suffer under socialist regimes. ...I watched thousands of Venezuelans cross into Colombia for the only meal they might have that day. I held a beautiful baby girl. Her mother told me all she wanted for her daughter was a future of freedom. They were one of millions of Venezuelan families whose lives have been destroyed by the country’s socialist policies. So, imagine my dismay to find that socialism has become trendy here in America.” In what ways, specifically, are socialist policies destroying so many lives? Explain. Why do you think that Socialism has become ‘trendy’ in America? Explain.
4. Later in the video, Governor Haley points out that, “The results are in: socialism, however you want to define it, has failed everywhere it’s been tried. A handful of elites sitting in a government office can never out-think millions of business owners and consumers making millions of individual choices every moment of every day. You’d think we’d have gotten the message by now.” What do you think Governor Haley means by this last statement regarding a cabal of elites not being able to out-think capitalist constituents? Explain. Why do you think that Socialism, in literally every historical iteration, has failed? Explain.
5. Towards the end of the video, Governor Haley explains that, “Profits are what keep a business going and allow it to thrive. They generate the funds needed for more job creation. You don’t need an advanced economics degree to understand this. So why are these CEOs so anxious to embrace this ‘in name only’ capitalism? Probably because they think they need to placate the noisemakers on the Socialist Left. But that’s a fool’s game. The Left is never satisfied.” Do you agree with Governor Haley’s guess on why those CEOs are embracing ‘in name only’ capitalism? Why or why not? Why would CEOs care about the ‘noisemakers’ on the Left? Why do you think that the Left is never satisfied? Explain.

Extend the Learning:

Case Study Free Markets

INSTRUCTIONS: Read the article “Walter Williams: Morality of free markets,” then answer the questions that follow.

1. Who is Richard Ebling, and what is his article’s importance enhanced by? What is the hallmark of a truly free market? What are the rules of a free market? What is the only way to improve your own position? What do many believe is the source of mankind’s troubles? What is the true villain? What happens to income in a free market? Why are free markets morally superior to other economic systems? Who does Professor Ebling claim deserves condemnation, and why? Who does Professor Williams say our protest should be against?
2. In the article, Professor Williams states that, “For many people, profit has become a dirty word.” Why do you think that this is the case? Explain. At the end of the article, Professor Williams laments, “ ...I’m all too afraid that anti-capitalists just want their share of the government loot.” What do you think he means by that? Do you agree with him? Why or why not?
3. Which specific points made by Governor Haley in the video are supported by the article? What is the main point being made by Professor Williams in the article? Do you agree with his thesis? Why or why not?

Walter Williams: Morality of free markets

Walter Williams | Friday, December 13, 2019 7:00 p.m.



PIXABAY

Richard Ebeling, professor of economics at The Citadel, The Military College of South Carolina, and my longtime friend and colleague, has written an important article, “Business Ethics and Morality of the Marketplace,” appearing in the American Institute for Economic Research. Its importance and timeliness is enhanced by so many of America’s youth, led by academic hacks, having fallen prey to the siren song of socialism.

In a key section of his article, Ebeling lays out what he calls the ethical principles of free markets. He says: “The hallmark of a truly free market is that all associations and relationships are based on voluntary agreement and mutual consent. Another way of saying this is that in the free market society, people are morally and legally viewed as sovereign individuals possessing rights to their life, liberty, and honestly acquired property, who may not be coerced into any transaction that they do not consider being to their personal betterment and advantage.”

Ebeling says that the rules of a free market are simple and easy to understand: “You don’t kill, you don’t steal, and you don’t cheat through fraud or misrepresentation. You can only improve your own position by improving the circumstances of others. Your talents, abilities, and efforts must all be focused on one thing: what will others take in trade from you for the revenues you want to earn as the source of your own income and profits?”

For many people, profit has become a dirty word. Many believe the pursuit of profits is the source of mankind's troubles. However, it's often the absence of profit motivation that's the true villain.

For example, contrast the number of complaints heard about profit-oriented establishments such as computer stores, supermarkets and clothing stores to the complaints that one hears about nonprofit establishments such as the U.S. Post Office, the public education system and departments of motor vehicles. Computer stores, supermarkets and clothing stores face competition and must satisfy customers to earn profits and stay in business. Postal workers, public teachers and department of motor vehicles employees depend on politicians and coercion to get their pay. They stay in business whether customers are satisfied with their services or not. In a free market society, income is neither taken nor distributed. Income is earned by serving one's fellow man. Say I mow your lawn and when I'm finished, you pay me \$50. Then, I go to my grocer and demand, "Give me two pounds of sirloin and a six-pack of beer that my fellow man produced." In effect, the grocer asks: "Williams, what did you do to deserve a claim on what your fellow man produced?" I say, "I served him." The grocer says, "Prove it." That's when I pull out the \$50. We might think of dollars as "certificates of performance," proof of serving our fellow man.

Free markets are morally superior to other economic systems. To have a claim on what my fellow man produces, I'm forced to serve him. Contrast that requirement to government handouts, where a politician says to me: "You don't have to get out in that hot sun to mow your fellow man's lawn. Vote for me and I'll take what your fellow man produces and give it to you."

Ebeling says that those deserving condemnation are those who use government coercion to gain at the expense of others. There are thousands of such examples: government subsidies at taxpayers' expense, paying farmers not to grow crops or guaranteeing them a minimum price paid for through tax dollars and higher prices for consumers, regulations that limit entry into various professions and occupations, regulations that limit consumer choice, and corporate handouts and bailouts.

In a word or so, our protest should not be against capitalism. People should protest crony capitalism, where people use the political arena to buy government favors. If millennials and others want to wage war against government favors and crony capitalism, I'm with them 100%. But I'm all too afraid that anti-capitalists just want their share of the government loot.

Walter Williams is a professor of economics at George Mason University.



QUIZ

Capitalism Wins

- 1. What remains the only chance for the least fortunate in the world to make life better for themselves and for their children?**
 - a. Socialism
 - b. Capitalism
 - c. Communism
 - d. Marxism

- 2. America is a country where people can find jobs that match their _____.**
 - a. gender
 - b. ethnic limitations
 - c. talents and passions
 - d. unrealistic and impossible expectations

- 3. Governor Haley's pro free-market policies helped bring in more than \$20 billion in investment and created jobs in every county of South Carolina.**
 - a. True
 - b. False

- 4. How much has Denmark cut its corporate tax rate since the 1990's?**
 - a. 5%
 - b. 15%
 - c. 35%
 - d. more than 50%

- 5. Prior to the shut down of the economy as a response to the coronavirus, unemployment in the U.S. was at a _____.**
 - a. 10-year low
 - b. 20-year low
 - c. 30-year low
 - d. 50-year low



QUIZ: ANSWER KEY

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