The Case for Capitalism

A Research Paper submitted to the Department of Engineering and Society

Presented to the Faculty of the School of Engineering and Applied Science

University of Virginia * Charlottesville, Virginia

In Partial Fulfillment of the Requirements for the Degree

Bachelor of Science, School of Engineering

Paul Deaton

Spring 2023

On my honor as a UVA student I have neither given nor received unauthorized aid on this assignment as defined by the Honor Guidelines for Thesis-Related Assignments

Advisor

Joshua Earle, Department of Engineering and Society

Introduction:

The purpose of this paper is to respond to a social belief that has been embraced by my peers and teachers at the higher levels of education. They regularly decry Capitalism and anyone who has benefited from it, and state the solution to all problems is the abandonment of Capitalist policies to be replaced with Communist policies. I have had many conversations with both my peers and teachers about why they decry, and I daresay hate, the system that they live in and benefit from daily. Their responses were varied. What I found in common was a lack of definitions and answers to any questions I posed about what Capitalism is, what Communism is and what exactly they were proposing.

A typical debate with my classmates and teachers would begin with them declaring that Capitalism, or anyone who benefits from Capitalism, is fundamentally corrupt in some form. Furthermore the only way people succeed in Capitalist societies is if they abuse their power or authority in some way. My professors and peers would consistently frame the world as the oppressed vs the oppressors and give various anecdotal evidence to prove their points.

Invariably their anecdotes would come down to someone breaking the law. I would then point out that we have laws on the books against the corruption they decry. I would also point out that companies have HR departments that let people report these problems. And Whistleblower laws and courts that companies can be tried in if they violate the laws of the land or their employees contracts. I would also say anyone who tries to succeed in life by stealing ideas from others and disrespecting their co-workers or clients, will not make it in the world of commerce. The people who are promoted are those who have a good work ethic and team skills. In a Capitalist society, you can only half ass things for so long until you fail.

This is where debates would usually end. My opponents either didn't answer my questions, would say I'm "just wrong" or would change the topic of the argument. These were not really productive conversations, but I did gain a better understanding of their arguments and their basic objections to Capitalism through my questions.

Since I am consistently the only person in any of my classes willing to offer a different perspective, I thought it would be prudent for my last paper for UVA to be a final defense of Capitalism. I hope to show to other silent Capitalists that they are not alone and to provide an alternative view to future students. I plan to provide examples to demonstrate that, not only is Capitalism a just and fair system, but that we should maintain it for future generations. I will also show how damaging Communism, the popular alternative of my peers, can be. Finally I will propose some ways professors can return to the idea of a true university, where all ideas are considered and we can compare and contrast the two ideas fairly so students have a chance to learn rather than marinate in the current echo chamber.

Definitions:

Every reasonable argument must begin with a definition of terms.

Capitalism is an economic system that allows for the private ownership of property, goods, and services. Basically people must decide for themselves how they will benefit their fellow man in order to make money. They decide what to make, or do and how much their time or property is worth, then customers can buy what they want from whomever they want. This competition increases quality while decreasing prices. As Adam Smith, an 18th century father of modern economics said it best, "It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own interest." IMF further

clarifies, "Both parties to a voluntary exchange transaction have their own interest in the outcome, but neither can obtain what he or she wants without addressing what the other wants. It is this rational self-interest that can lead to economic prosperity" (Jahan, S., & Mahmud, A. S. 2015, June). This is what Capitalism relies on; mutually beneficial transactions, the freedom to choose where to work and what to buy, self-interest, competition, private property, a limited role of government, and an inventor friendly patent system.

Capitalism has a defined set of beliefs and structures that everyone discussing Capitalism understands and supports. Communism does not.

In discussions with my peers and professors, there are many and varied colloquial definitions of Communism. There is a general consensus on some things such as the elimination of property, government control over businesses, work based on ability and wages based on needs rather than performance. (Encyclopædia Britannica, inc., 2023, February 23,Encyclopædia Britannica, inc., ,Ganti, A., 2022, December 7, Encyclopædia Britannica, inc. 2023, March 27). This makes up the colloquial definition of Communism. Scholars define Communism more distinctly. The Encyclopedia Britannica defines Communism (2023, March 27) as the, "political and economic doctrine that aims to replace private property and a profit-based economy with public ownership and communal control of at least the major means of production (e.g., mines, mills, and factories) and the natural resources of a society," while also quoting Marx, "from each according to his ability, to each according to his needs".

To quote from the source directly, Karl Marx, who is considered the father of Communism. Along with Frederick Engels, he wrote the Communist Manifesto. Their definition of Communism states,

"In the most advanced countries, the following will be pretty generally applicable.

1. Abolition of property in land and application of all rents of land to public purposes. 2.

A heavy progressive or graduated income tax. 3. Abolition of all right of inheritance. 4. Confiscation of the property of all emigrants and rebels. 5. Centralisation of credit in the hands of the State, by means of a national bank with State capital and an exclusive monopoly. 6. Centralisation of the means of communication and transport in the hands of the State. 7. Extension of factories and instruments of production owned by the State; the bringing into cultivation of waste-lands, and the improvement of the soil generally in accordance with a common plan. 8. Equal liability of all to labour. Establishment of industrial armies, especially for agriculture. 9. Combination of agriculture with manufacturing industries; gradual abolition of the distinction between town and country, by a more equable distribution of the population over the country. 10. Free education for all children in public schools. Abolition of children's factory labour in its present form. Combination of education with industrial production, &c., &c." (The Communist Manifesto quotes)

Absent in this initial definition, is Marx's full explanation of the role of labor and wages.

In the highest phase of Communist society. Marx states,

In a higher phase of communist society, after the enslaving subordination of the individual to the division of labor, and therewith also the antithesis between mental and physical labor, has vanished; after labor has become not only a means of life but life's prime want; after the productive forces have also increased with the all-around development of the individual, and all the springs of co-operative wealth flow more abundantly – only then can the narrow horizon of bourgeois right be crossed in its entirety and society inscribe on its banners: From each according to his ability, to each according to his needs! (Marx K.)

Another, easier definition is this summary by Marx, himself, "The theory of the Communists may be summed up in the single sentence: Abolition of private property." (Nair, S. S., 2017, May 5)

In summary, the generally accepted Communist ideal includes these two main ideas.

One, state owned property and production, see the quote above as well as the Communist

Manifesto #1 and #7. Two, that everyone works for the good of the state so that the laborer sees

work as "life's prime want," see the Gotha Critique above and Communist Manifesto #8. This

would eliminate the class society of owners vs. laborers making society, and therefore everyone,
equal owners of the means of production. And since everyone owns an equal share of the means
of production then to make things fair, everyone gets paid based on their needs.

These two ideals are included in every definition of Marx and every style of self-described communist governments. The Communists' ideal is that the state owns everything and everyone will work together for the common good, be satisfied as their needs are met and create a utopian society. Importantly, this utopia is a state in which everyone is equal.

Complicating matters is the question of whether Communism is Socialism. Some say

Communism and Socialism are the same thing. Some say Socialism is the transition phase

between Capitalism and Communism, and others claim Communism is actually forced

Socialism. The Encyclopedia Britannica continues their above definition by noting,

"Communism is thus a form of socialism—a higher and more advanced form, according to its
advocates. Exactly how communism differs from socialism has long been a matter of debate, but
the distinction rests largely on the communists' adherence to the revolutionary socialism of Karl

Marx. Like most writers of the 19th century, Marx tended to use the terms *communism* and

socialism interchangeably." (2023, March 27)

Furthermore, Communism has gone through multiple revisions and changes through its long career, both in written definition and self-declared communist governments. It began with the original Karl Marx's "Das Kapital" and "Communist Manifesto" style of Communism, the next iterations was Mao Zedong's "Moaist Communism," then Cambodia under the Khmer Rouge, the USSR of Stalin, and the Hermit Kingdom of North Korea. Communism has many self-declared governments, written definitions and styles, making it hard to talk about since there are so many possible definitions and views on what Communism actually is.

For the purpose of this paper, we will focus on the two things that all the definitions and styles above include. Referencing Marx above, Communism always calls for the "abolition of property in land…and inheritance," (The Communist Manifesto quotes) while Capitalism calls

for the preservation of all types of personal property. Secondly, Communism calls for "equal liability of all to labour." Everyone who can work, must work at their maximum capacity. Or, to overuse the quote, "From each according to his ability, to each according to his needs" (The Communist Manifesto quotes). Capitalism calls for free choice in labor and earned wages. The one commonality between these two is that they both promise prosperity to those who implement their policies.

Critiques:

Despite this mutual promise of prosperity, there have been multiple complaints regarding these two systems. As with any system, there are benefits and detriments to each. It seems reasonable to embrace the system that brings the most prosperity to the most people. Some ideas of prosperity include, not being killed, the ability to provide for one's family, opportunities for advancement, and freedom to innovate. In other words life, liberty and the pursuit of happiness.

The next step is to discuss the common critiques of each system using the above definitions and benefits as a standard of measurement.

Beginning with a common critique of Communism, this system does not give people personal incentive to work hard. It takes away private property and seizes the means of production, so citizens don't have the chance to make their own career or their own product. If a comrade invents something, the patent belongs to the state. If a comrade works hard in their given job, they will be paid the same as every other worker no matter how hard they work or how difficult their job is. Everyone is paid according to their needs. In this world a doctor, after studying for eight years to become a doctor, working longer hours and under more stress, will make the same as the hospital janitor who has no pre-requisite skills and can reasonably limit his

work to eight hours. Furthermore, a good doctor is paid just as much as a bad doctor. In a perfect world, this would not matter, but in reality, eventually people need external motivation. This is why there is very little, if any, medical tourism to Russia, China, Cuba or North Korea. (Medical Tourists, Health.)

The idea behind Communism itself is fundamentally flawed. This habit inherently corrupts society and the products that come out of it. This is why there are no high-end imports from Communist countries. While there are imports, they usually come from foreign industries who are taking advantage of the low cost labor wages that are set by the Communist governments (Bajpai, P., 2022, December 19,Pang, A., 2022, January 5). While sweat shops might be found in America, they are illegal and quickly shut down, however in communist countries, they are legal and managed by the government. This is why all the stuff from China is very inexpensive and more than likely, you are reading this while wearing clothing manufactured in a sweatshop in China (The Jamestown Foundation, Pang, A., 2022, January 5).

Communist governments are also inherently prone to corruption because absolute power corrupts absolutely. The government controls all means of production and sets all prices, in effect holding a monopoly on every facet of life. Ironically, this is much like the industry/company store dichotomy that was present in early America (Magazine, S., 2021, August 25). Ironically, the claim that Capitalism causes a small minority to prosper at the expense of the many, happens more often and to a greater extent under Communism. While Capitalist countries now have laws against monopolies like The Sherman Antitrust Act of America, Communist governments are a monopoly, and have no laws limiting their scope. Their governments will inevitably become corrupt since they have absolute power over all property, including intellectual property, land,

housing, workers' wages, healthcare and food production. Absolute power corrupts absolutely. The only way to combat this is to spread power over as large an area as possible.

This has been proven time and time again by the history of Communist regimes. The leaders of Cuba and North Korea live in palaces while their citizens barely have electricity (Mailonline, M. H. F., 2022, August 25, Sanchez, J. R., 2015, May 11). The leaders of North Korea, China and Russia live in unreasonable luxury (Mailonline, M. H. F., 2022, August 25,Name., 2020, October 11, Russia Beyond., 2019, July 16, Stevenson, A., & Forsythe, M., 2020, August 12). All the leaders of these nations are privileged while the workers have to settle for a far more stark "utopia."

Meanwhile, Communist leaders impose harsh and random mandates on their people, from limiting how many children they are allowed to have (Encyclopædia Britannica, inc., 2023, March 28), to draft their citizens into useless wars, confiscating all intellectual property, and arresting all those who speak freely (Freedom and restriction, Freedom of expression in China, Treisman, R., 2022, March 7). While not all Communist leadership impose all of these mandates, the sad truth is that under the Communist system, Communist leaders have the right and ability to do so. This is not the case under Capitalist systems.

The most blatant example of Capitalism vs Communism was the West and East Berlin Wall where armed guards, mines, and fences were required to keep people on the Eastern/Communist side. And the most drastic example of Communist brutality is the 80 million unarmed citizens killed while the comrades implement their idea of utopia (China's bloody century, Communisterimes.org, Human rights, Victims of Communism., 2020, June 18). Starting with Hitler who had between 11 and 12 million non-combatant deaths (NAZI was the National

Socialist German Workers Party) and ending with Russia killing Ukranians and kidnapping their women and children (Farberov, S., 2023, March 6).

It is necessary to digress here to establish that the NAZI party was, in fact, Socialist/Communist both in word and deed. Even though Hitler was known to target Communists and send them to concentration camps, he followed their policies almost to the letter. Starting with the Reichstag Fire Decree, which ironically was in response to Communists allegedly setting fire to the Reichstag. This decree, among other things, restricted freedom of the speech and press to government control (see Marx definition of Communism #6). The trend toward Communist/Socialist policies was continued with the policy of "Gleichschaltung" which gave the Nazi party complete control over economic life in Germany. Gleichschaltung absorbed all labor unions into the nationally run Deutsche Arbeitsfront (DAF), took control of factories and industry and forced farmers into the Reich Food Estate (United States Holocaust Memorial Museum, United States Holocaust Memorial Museum). This is the opposite of Capitalism and aligns with the common tenets of Communism that were noted in the above definition by Karl Marx, the "abolition of property in land and application of all rents of land to public purposes" (#1) "extension of factories and instruments of production owned by the State" (#7) and "equal liability of all to labor" (#8). Hitler also threw in a good dose of Marx's racism, "Confiscation of the property of all emigrants and rebels," (#4), which Hitler called "Aryanization" (The Communist Manifesto quotes).

Furthering the legacy of Communist brutality, Stalin murdered 16 million (killed by guns or forced famine) and sent millions more into forced labor, the Chinese Communist Revolution, killed 38 Million by the army and 10 million by nationalists, the Khmer Rouge, communist revolutionaries in Cambodia killed two to three million, North Korea killed an unknown number

and regularly kill and imprison any dissidents or those who might expose them (remember UVA student Otto Warmbier?). These numbers along with those killed in South American revolutions (Venezuela, Columbia, Nicaragua etc.) and the South Pacific (Viet Nam, Korea) add up to a total of over 100 MILLION people killed by Communist Utopians in this Red Holocaust (China's bloody century, Communisterimes.org, Human rights, Victims of Communism., 2020, June 18).

In an effort to get rid of a classed society of the bourgeoisie (bosses) vs. the proletariat (workers), Communists create an even more classist and entrenched society of tyrants vs. citizens. This classed society is even harder to overcome since the governments also control the press, the laws, the land, the military, the industry and set the wages. Those who feel this was an adulterated for of Communism should see Marx's definition of Communism #1, #6, #7, and #8 above. Contrast this with Capitalism where there is a free press, a patent system, freedom to leave one's work or country and a separation between the land/factory/landlords and the government which creates and enforces the law. Which system is going to be more fair to the worker? Even a cursory glance at the results of Communism reveals the world's biggest example of the truth that "The road to hell is paved with good intentions."

That is not to say that Capitalism is perfect. A fair treatment of both systems should include Marx's concerns as well as common critiques of Capitalism. Common critiques of Capitalism include that Capitalism is inherently exploiting, unsustainable, and causes massive economic inequality. Let's examine these claims. Marx stated,

"within the capitalist system all methods for raising the social productiveness of labour are brought about at the cost of the individual labourer; all means for the development of production transform themselves into means of domination over, and exploitation of, the producers; they mutilate the labourer into a fragment of a man, degrade him to the level of an appendage of a machine, destroy every remnant of charm in his work and turn it into a hated toil; they estrange from him the intellectual potentialities of the labour process in the same proportion as science is incorporated in it as an independent power; they distort the conditions under which he works, subject him during the labour process to a despotism the more hateful for its

meanness; they transform his life-time into working-time, and drag his wife and child beneath the wheels of the Juggernaut of capital. But all methods for the production of surplus-value are at the same time methods of accumulation; and every extension of accumulation becomes again a means for the development of those methods. It follows therefore that in proportion as capital accumulates, the lot of the labourer, be his payment high or low, must grow worse. The law, finally, that always equilibrates the relative surplus population, or industrial reserve army, to the extent and energy of accumulation, this law rivets the labourer to capital more firmly than the wedges of Vulcan did Prometheus to the rock. It establishes an accumulation of misery, corresponding with accumulation of capital. Accumulation of wealth at one pole is, therefore, at the same time accumulation of misery, agony of toil slavery, ignorance, brutality, mental degradation, at the opposite pole, i.e., on the side of the class that produces its own product in the form of capital."

— Karl Marx, Capital: A Critique of Political Economy, Volume 1 (Goodreads)

To summarize Marx's concern, the laborer is the loser in Capitalism. He sacrifices everything to his job and receives only, "misery, agony of toil slavery, ignorance, brutality, mental degradation" in return. Meanwhile, the Capitalist business owner enjoys the benefit since, "methods for the production of surplus-value are at the same time methods of accumulation; and every extension of accumulation becomes again a means for the development of those methods." The factory owner alienates the laborer and keeps the profits for himself, rather than giving the workers their fair share of those profits. Thus the business owner continues to benefit while the laborer suffers all the more.

It is also commonly argued that Capitalism is inherently exploiting. It is true that slavery has been a consistent evil in Capitalist societies. There is no excuse for the enslavement of one human in order to benefit another. While slavery is the most extreme exploitation, other forms of exploitation exist. In America, these have included mining and other industries who kept generations of families in constant debt as they paid low wages for labor, tolerated poor and even deadly working conditions and then compelled their workers to buy their goods from the self-same company. This brought about phrases like, "I owe my soul to the company store" as well as the labor riots and unions of the 18th and 19th centuries. (Our labor history timeline)

Another critique is that Capitalism is unsustainable because prosperity is damaging to the planet. To support the needs of the Capitalist system, resources are gathered at continually rising levels, fossil fuels are burned to provide the energy for their refinement into products and more fossil fuels are used for transportation of both goods and people. Subsequently the environment has suffered in response through pollution and climate change due to these activities (IPCC climate report).

A final common critique is that Capitalism causes massive economic inequality. Even a casual glance at any city in America will prove this point. The top earners in America make vast amounts of money at unprecedented levels, there is a middle class and then a consistent minority of approximately 10 to 12% of people living in poverty. (Lee, J., 2023, March 7, Poverty rate by race/ethnicity)

The Capitalist Response

In response to Marx's concerns I would argue that Capitalism is the solidity of human rights and freedom. It runs on the idea of private property and right of ownership, core tenets of our Republic. It can be exploitative when the laws of the land allow it to be. Thankfully we live in America where the people (who make the laws) have both created laws and fought wars to prosecute exploitation. When you promise to pay a worker a wage and don't follow through with payment you can be sued for violating a contract, decided by a jury of your peers or elected judge (Staff, F. L., 2022, September 27). If the wage is too low, laborers can easily resign from their position or they can negotiate and even strike legally to acquire a reasonable wage. Please note that the "Right to Work" states only stopped coercive union membership, not all unions (National Right to Work Foundation., 2023, March 28). If you provide an unsafe workplace, you

will receive an OSHA violation and any whistleblower would be protected by whistleblower protection laws (Workers' rights). Not so, when there are no OSHA laws in the first place. When you are provided with a faulty product you can file a product liability lawsuit, again decided by a jury of your peers or elected judge, or judge appointed by an elected official if one is inclined to split hairs (Adam S. Kutner, Injury Attorneys., 2023, February 20). Not so, when the faulty product was made by the government who also runs the courts. In America, laws are on the books that protect workers, citizens, and providers and these same laws are upheld by workers, citizens and providers.

One such law is our patent system. Marx argued that Capitalism separates the laborer from his work. The truth is that this happens to a greater extent under Communism. For example, innovators' ideas are owned by Communist governments. In America, innovators can patent their ideas and own their own intellectual property for twenty years or more. While it is true that Corporations will hold a patent designed in their company on company time, the laborer will have his name on the patent and he has the freedom to leave the company at any time and develop his idea on his own. Not so under Communism.

Regarding unsustainability, most opponents of Capitalism point to the environment. The truth is that Capitalist countries are comparatively cleaner than communist countries. If global warming is caused by carbon emissions then the nation we need to look at to fix this trend is China. That country produces over twice the emissions of the United states and nearly triple for every other nation in the world. China is also expected to increase their emissions while the U.S. is expected to decrease theirs (Center for Climate and Energy Solutions., 2022, December 1). To use an argument from absentia, there are no Communist organizations as effective as groups like

the EPA, Nature Conservancy, Sierra Club, or Environmental Defense Fund, evidenced by their dismal record and expected lack of progress in this area.

Freedom is also the reason there is financial inequality in America. People are free to succeed or fail on their own. Capitalism rewards those who are innovative. These innovations benefit everyone, and the free market ensures that these new goods will be available at lower and lower prices. Consider the evolution of computers, flat screen TV's and cell phones. Once available to only the elite, they are now commonplace.

Unfortunately, not everyone is innovative, but everyone, barring the disabled, can work hard. Embracing Capitalism should not be confused with abandoning Social Services.

Obviously, there are those who can not work and need to be taken care of. I have two adopted brothers from Ukraine and three adopted sisters from China. Both of these countries have Soviet/Communist roots. Believe me, you do not want to be in Social Services in those countries. There is NO COMPARISON. All of them came to us neglected, underweight, small for their age, with curable yet untreated medical conditions and obviously mal-nourished. It is also fair to note that there are no Communist adoption agencies seeking out disabled children in Capitalist countries. It only goes one-way for a reason.

Again, barring the disabled, everyone can and should work. This is actually a communist value, but Capitalists reward hard work more than laziness. At this point in most arguments, people call me cruel since I say I do not believe it's the government's job to make sure everyone is successful in life. People should be responsible for themselves and their own families. In America, when father's leave, our government comes to the rescue with aid programs, thus reducing the social pressure on fathers to care for their own and depriving them of the self agency that comes with it. When aid comes from the government, there is no accountability

because the source (taxes) is essentially anonymous. I've told my peers if they really want to help others they should put their own money and time into helping rather than spending other peoples' tax dollars.

Poverty is a reality in both systems. Again, we are looking for a system where the most people enjoy the most prosperity. In America, the war on poverty has not eliminated all poverty. It has remained largely stagnant hovering around 10-12% despite the 22 Trillion dollars spent to combat it. This is three times what America spent on all the military wars it has been involved in since the revolution (Sheffield, R.).

The same trends can be seen in healthcare. People who are forced to take care of themselves and pay their own bills are more likely to be conscientious and healthy. Healthcare costs are skyrocketing everywhere, but that is largely due to innovation. The scientists and researchers advancing medical cures need to be paid as well as the doctors. The truth is that Capitalist countries pay for their own innovations and then disperse the knowledge to other countries who benefit without paying for the research. The subject is broader than the scope of this paper will allow for, but the point remains that places with universal healthcare services are looking at longer and longer wait times, for example, Canada (Fraser Institute., 2022, December 8, Understanding Medicaid Waitlists and How They Work., 2023, April 19) and medical tourism, which is another form of free-choice Capitalism, is largely to Capitalist countries. (Medical Tourists, Health)

We are looking for the system that allows the most people to prosper the most often, in other words, Capitalism. If anyone wants to help others they can donate or volunteer at Goodwill, Salvation Army, etc. or make a new company to help those in need. There are systems already in place to help those who cannot help themselves, and I believe it works best if

we let individual communities help their own citizens. Individual communities have a better understanding of what is going on in their sphere of influence and can help the specific problems.

Another common argument against Capitalism is that the top one percent are too rich and don't pay their fair share, without ever defining "fair share." This brings up the point, "how much is fair." In America, our tax system is a graduated system. Higher earners pay higher taxes. The top one percent of earners are actually financing our government, providing 40% of tax revenues for the government (Federal Budget in Pictures., 2023, March 9). How much is enough? Since the word "fair" is hard to define, we have a system in which the taxpayers vote to elect representatives that decide this issue, which seems to be the most equitable way to define it.

What this really seems to come down to, I believe, is class envy. For example, my opponents argue that the multimillionaires who have access to their own private jets, mansions, and who own multiple successful businesses are obscenely rich. However, I would argue that they are rich because they worked hard to provide a necessary and wanted service that people were freely able and willing to pay for. Again, Bill Gates would not be rich if people like us did not buy computers, Jeff Bezos would not be rich if people like us did not buy stuff on Amazon. One way to level the playing field would be to stop buying goods, but no one seems to want to do that. Would America and the world really be better off without our innovators?

I would argue we should be grateful for multimillionaires. It is those same top one percenters who fund multiple private charities, government programs and even begin charities of their own making (Team, F. W., 2022, May 6).

However this is still not enough for the vast majority of college students and the lawmakers in left leaning states and on capitol hill who push for even more taxation and more

government programs (Katedore., 2023, March 9). One only needs to look at the recent taxation policies of Governor Gavin Newsom in California to see the end result of these policies (Antoni, E. J.). The overtaxed populace simply move away (Antoni, E. J.). We have seen this happen with companies like Apple and Nike whose manufacturing plants were taxed and regulated to the point that they moved to China, where the government was more than willing to host their factories. This resulted in the exploitation of millions of workers in Communist China (Bajpai, P., 2022, December 19, Pang, A., 2022, January 5), where these businesses can benefit from cheap labor and minimal oversight, while still owning their business and selling their goods in Capitalist countries where they are worth more money. Thus subverting one of the core beliefs of Capitalism, where the worker is worthy of his wages, crony Capitalists are using the Communist system to their own benefit and in the end it's the people under the Communist system who are suffering.

What we should be doing:

To continue being a successful economy and making sure employers and employees don't take advantage of each other, I have a few proposals. Promote the core values of Capitalism, strictly enforce the laws we already have on the books, and make ways for lower income demographics to succeed on their own and rise above their socioeconomic class. This would begin with financial policies to encourage rather than punish marriage (O'Brien, S., 2023, February 13), school choice for all income levels, not just the rich, so everyone has the chance to attend proper schools, and social policies that encourage people to take responsibility for themselves rather than see themselves as constant victims.

I mentioned in the beginning that we have laws on the books that protect workers from being exploited. This includes OSHA standards so worker safety is not compromised, whistleblower protection, and lawsuits for contract violations and faulty products. We need to enforce these laws. Every single critique my peers have of Capitalism is rooted in the fact that laws were broken. And instead of stating that "this man should be punished," they advocate for the complete destruction of the system in preference for Communism. In other words, "this bad thing happened" so we must tear down the entire system. They don't acknowledge that people would break laws under Communism as well.

We need to start teaching kids that Capitalism is an effective form of commerce and not teaching the disastrous system of Communism. I honestly have no idea how we can have history teachers who talk about the atrocities of the Berlin Wall, Nazi's, North Korea, USSR, and China, then have students walk out of school and still parrot Communist mottos and believe it is a force of good. Why did it take this research paper for me to find out that the Nazi party's full name was "The National Socialist German Workers Party?"

Furthermore, how can history teachers overlook the over one hundred million people killed by Communism since its founding and let any student have the belief that it's a good idea (China's bloody century, Communisterimes.org, Human rights, Victims of Communism., 2020, June 18). In contrast to Capitalist nations who fight wars against other countries, these deaths were Communist countries killing their own unarmed citizens. Every nation has a history of war and both Capitalist and Communist countries have a history of expansionism, the difference is that Capitalist countries don't kill their own unarmed citizens, nor send them to Gulags and concentration camps, nor keep them entrapped in their own country. Some exceptions include the

American civil war, which was armed soldiers fighting to end slavery, not for expansion, and the Japanese internment camps, which, while inexcusable, are not comparable to the Gulags.

In the present we can see South American countries who are becoming Communist and then becoming failed states like Venezuela (Schrager, A., 2023, April 4), and thus the massive border crossing as people flee TO our Capitalist nation (Martinez, M. A., 2023, February 4,incent, I., 2022, September 24). How do we ignore the actions of China forcing Uighurs into concentration camps (Amnesty International) and Russia kidnapping and relocating Ukrainian children and forcing them to undergo "re-education" (Farberov, S., 2023, March 6). I will never understand how my peers and teachers can look at what happens every time Communism is implemented, and say "No we can make it work this time."

Students often come out of public school with the belief that Capitalism is a corrupt system and that there are people "out to get you" who want to stop you from succeeding. The American dream has always been "success through hard work and perseverance." That's why everyone wants to come to America. Our border problem exists because people want to come IN to our country not out. Meanwhile, the Berlin Wall existed to keep people from leaving Communism, as did the wall between North and South Korea and North and South VietNam. Apparently everyone understands that people thrive in America when compared to other countries.

We need to show students examples of immigrants and poor people who came to live in America and "made it big" through Capitalism. There is a long list of people who have come to America or came from nothing in America and end up succeeding by any metric. The owner of Starbucks, Howard Schultz grew up in a housing complex for the poor and is now worth 2.9 billion dollars, Oprah Winfrey who famously overcame her trauma in life to become a beloved

celebrity icon and worth 2.6 billion dollars, Do Won Chang who moved to America from Korea founded Forever 21 and is now worth 3.3 billion dollars, Shahid Khan who moved to America from Pakistan and is now the one of the richest people in the world worth 7 billion dollars, Ken Langone the founder of Home Depot, Ralph Luaren who founded Ralph Luaren, Acton and Koum of Whatsapp, and Larry Ellison, the founder of Oracle is worth a whopping 60.2 billion dollars (Cain, Á)! America has always been the land of financial opportunity and we should never forget that this is because of our Capitalist policies. This will not happen in any Communist country because it is not designed to happen there. Most of us will not end up like these entrepreneurs. However, we do benefit from their ingenuity and business sense. Once again would you rather live a life without their contributions?

I would also like to promote policies to help people to succeed and rise above their current socioeconomic class. I don't believe government handouts help the poor and needy but I do believe the poor need help. The three basic moves to escape poverty are 1. Graduate High school, 2. Get a Job and 3. Don't have kids unless you are married (Parkerwww.urbancure.org, S., 2020, August 31). I would like to promote policies to encourage these ideals.

Regarding High School, graduation is fundamental to success in life. Statistically, children in private schools graduate more and with better test scores. That is why school choice should be allowed to ALL income levels, not just the rich. Currently, many communities are seeing success with government voucher programs that allow students to choose which school to attend (EdChoice study guide). I am always surprised when people on the other side of the political aisle don't support school choice. It is always better for the parents of the children to have a say in their education, since they are the ones most closely connected to their children and in tune to their emotional, social, educational and financial situations.

Secondly, people who want to succeed need to work. I really don't think I need to argue this point. People who don't work are always at the mercy of those who do work. Employment is the key to self sufficiency.

Finally, there is an endless array of statistics from every country and every income level that can prove without a doubt that marriage is the safest, healthiest and most lucrative state of commitment (University, U. S., 2021, May 17).

Conclusion:

The purpose of this paper is to demonstrate what these two worldviews actually stand for and how they are manifested in the world. The fundamental difference between Capitalism and Communism has to do with the purpose of government. A Capitalist will say the government exists to defend our freedoms, Communists believe the government exists to take care of the people. I showed that these two systems of commerce are fundamentally against each other since, once again, one calls for private ownership and the other calls for the abolition of private property. However the one thing they both promise is a better society if their policies are implemented.

History has shown that only one of these systems can deliver on this promise. Every successful nation on this earth has implemented only one of these systems. Capitalism has been consistent in providing economic prosperity, keeping the most people in the best economic situation, in every nation where it is practiced. Including but not limited to: The United States, The UK, France, Singapore, Australia, Norway, Sweden, etc.

In Contrast, the only nations that are Communist today are China, Cuba, Laos, Vietnam, Russia, and North Korea. I would also point out that all of the above Communist countries

constantly have people leaving to flee to America (U.S. Customs and Border Protection, Martinez, M. A., 2023, February 4, Vincent, I., 2022, September 24).

In fact, if the evidence I have shown you does not sway you on your opinion of Communism, then I invite you to visit the nations above that are Communist and those that are Capitalist. The Capitalist country that you are living in right now should look pretty good in comparison. I invite you to ask yourself this question, would you rather live in one of those Communist nations or continue living in America? Because how many people do you know that are dying to immigrate to a Communist nation?

Bibliography:

Antoni, E. J. (n.d.). Why are so many residents fleeing California? The Heritage

Foundation. Retrieved April 7, 2023, from

https://www.heritage.org/progressivism/commentary/why-are-so-many-residents-fleeing-ca lifornia

Bajpai, P. (2022, December 19). China will continue to dominate world production.

Investopedia. Retrieved April 7, 2023, from

https://www.investopedia.com/articles/investing/102214/why-china-worlds-factory.asp

Barua, B. (n.d.). Lessons from the Canadian Health Care System. The Heritage Foundation.

Retrieved April 7, 2023, from

 $\underline{https://www.heritage.org/health-care-reform/report/lessons-the-canadian-health-care-syste}$

<u>m</u>

Block, F. (2023, January 24). America's top 25 billionaires gave \$27 billion in 2022,

outpacing previous years. Barron's. Retrieved April 7, 2023, from

https://www.barrons.com/articles/americas-top-25-billionaires-gave-27-billion-in-2022-out

pacing-previous-years-01674598791

Border crisis: CBP's response. U.S. Customs and Border Protection. (n.d.). Retrieved April

7, 2023, from https://www.cbp.gov/frontline/border-crisis-cbp-s-response

Cain, A. (n.d.). 21 billionaires who grew up poor. Business Insider. Retrieved April 7,

2023, from

https://www.businessinsider.com/billionaires-who-came-from-nothing-2013-12#ralph-laure n-was-once-a-clerk-at-brooks-brothers-dreaming-of-mens-ties-12

The causes of the Great Depression. The Causes of the Great Depression | Texas Gateway. (n.d.). Retrieved April 7, 2023, from

https://www.texasgateway.org/resource/causes-great-depression#:~:text=The%20causes%2 0of%20the%20Great%20Depression%20included%20the%20stock%20market,half%20of %20American%20banks%20closed.

Chen, J. (2023, April 1). *What is communism? learn its history, Pros, and cons*. Investopedia. Retrieved April 7, 2023, from https://www.investopedia.com/terms/c/communism.asp

China's bloody century. China's Bloody Century. (n.d.). Retrieved April 7, 2023, from https://www.hawaii.edu/powerkills/NOTE2.HTM#:~:text=Just%20consider%20that%20al one%2061%2C911%2C000,militarists%20during%20World%20War%20II.

Communisterimes.org. (n.d.). *Timeline: Soviet occupation of the Baltic States*. Timeline: Soviet occupation of the Baltic states | Communist Crimes. Retrieved April 7, 2023, from https://communisterimes.org/en/timeline-soviet-occupation-baltic-states

The Communist Manifesto quotes. The 20 Best Communist Manifesto Quotes. (n.d.). https://bookroo.com/quotes/the-communist-manifesto

Do the rich pay their fair share? Federal Budget in Pictures. (2023, March 9). Retrieved April 7, 2023, from

https://www.federalbudgetinpictures.com/do-the-rich-pay-their-fair-share/#:~:text=In%202 020%2C%20the%20latest%20year,percent%20combined%20(37%20percent).

Draining the swamp chicago style, Milton Friedman and when government is the problem.

Big Think. (2022, April 19). Retrieved April 7, 2023, from

https://bigthink.com/the-present/draining-the-swamp-chicago-style-milton-friedman-and-w hen-government-is-the-problem/

EdChoice study guide. (n.d.). Retrieved April 8, 2023, from

https://www.britannica.com/topic/one-child-policy

https://www.edchoice.org/wp-content/uploads/2021/06/2021-EdChoice-Study-Guide.pdf

Encyclopædia Britannica, inc. (2023, March 27). *Communism*. Encyclopædia Britannica. https://www.britannica.com/topic/communism

Encyclopædia Britannica, inc. (2023, February 23). *Das Kapital*. Encyclopædia Britannica. Retrieved April 7, 2023, from https://www.britannica.com/topic/Das-Kapital

Encyclopædia Britannica, inc. (2023, March 28). *One-child policy*. Encyclopædia Britannica. Retrieved April 7, 2023, from

Encyclopædia Britannica, inc. (n.d.). *Trotskyism*. Encyclopædia Britannica. Retrieved April 7, 2023, from https://www.britannica.com/topic/Trotskyism

Farberov, S. (2023, March 6). *Inside Russia's harrowing 're-education' camps - where they send kidnapped Ukrainian kids*. New York Post. Retrieved April 7, 2023, from

https://nypost.com/2023/03/06/ukrainian-kids-kidnapped-by-russia-sent-to-re-education-camps/

Freedom and restriction of speech in the context of counter-terrorism in Russia. Wilson Center. (n.d.). Retrieved April 7, 2023, from

https://www.wilsoncenter.org/event/freedom-and-restriction-speech-the-context-counter-ter rorism-russia

Freedom of expression in China: A privilege, not a right. Freedom of Expression in China: A Privilege, Not a Right | Congressional-Executive Commission on China. (n.d.).

Retrieved April 7, 2023, from

https://www.cecc.gov/freedom-of-expression-in-china-a-privilege-not-a-right

Ganti, A. (2022, December 7). What is the Chicago School of Economics? definition and aspects. Investopedia. Retrieved April 7, 2023, from https://www.investopedia.com/terms/c/chicago-school.asp

Global emissions. Center for Climate and Energy Solutions. (2022, December 1). https://www.c2es.org/content/international-emissions/

Goodreads. (n.d.). *Capital quotes by Karl Marx*. Goodreads. Retrieved April 7, 2023, from https://www.goodreads.com/work/quotes/345846-das-kapital

Guide to defective product lawsuits. Adam S. Kutner, Injury Attorneys. (2023, February 20). Retrieved April 7, 2023, from

 $\underline{https://www.askadamskutner.com/product-defects/guide-to-defective-product-lawsuits/\#:\sim:}$

text=Defective%20Product%20Lawsuits-,What%20Is%20a%20Defective%20Product%20Lawsuit%3F,because%20of%20goods%20that%20malfunction.

Human rights in China. Amnesty International. (n.d.). Retrieved April 7, 2023, from https://www.amnesty.org/en/location/asia-and-the-pacific/east-asia/china/report-china/

Human rights. Victims of Communism. (2022, April 7). Retrieved April 7, 2023, from https://victimsofcommunism.org/programs/human-rights/

IPCC climate report: Capitalism is unsustainable. Systems Change Alliance. (2021, November 10).

https://systemschangealliance.org/ipcc-climate-report-capitalism-is-unsustainable/

Jahan, S., & Mahmud, A. S. (2015, June). What is capitalism? - back to Basics - Finance & Development, June 2015. Retrieved April 6, 2023, from https://www.imf.org/external/pubs/ft/fandd/2015/06/basics.htm

The Jamestown Foundation. (n.d.). Retrieved April 7, 2023, from https://jamestown.org/wp-content/uploads/2021/03/Coercive-Labor-and-Forced-Displacem https://en.april.org/wp-content/uploads/2021/03/Coercive-Labor-and-Forced-Displacem https://en.april.org/wp-coercive-Labor-and-Bor-and-Bor-and-Bor-and

Katedore. (2023, March 9). President Biden's proposed 2024 budget calls for top 39.6% tax rate. CNBC.

https://www.cnbc.com/2023/03/09/president-bidens-proposed-2024-budget-calls-for-top-39 point6percent-tax-rate.html

Keep the flame of liberty alive. Victims of Communism. (2020, June 18). Retrieved April 7, 2023, from https://victimsofcommunism.org/

Larkin, M. (2022, November 18). Canadian Healthcare System Crisis Continues.

Medscape. Retrieved April 7, 2023, from

https://www.medscape.com/viewarticle/984289#:~:text=Lengthy%20waiting%20lists%20f or%20cancer,other%20category%20of%20healthcare%20worker.

Lee, J. (2023, March 7). 37.9 million Americans are living in poverty, according to the U.S. Census. but the problem could be far worse. CNBC.

https://www.cnbc.com/2023/03/07/why-poverty-might-be-far-worse-in-the-us-than-its-reported.html#:~:text=There%20are%2037.9%20million%20Americans,to%20the%20U.S.%20 Census%20Bureau.

Magazine, S. (2021, August 25). What made the battle of blair mountain the largest labor uprising in American history. Smithsonian.com.

https://www.smithsonianmag.com/history/battle-blair-mountain-largest-labor-uprising-american-history-180978520/

Mailonline, M. H. F. (2022, August 25). *Kim Jong Un builds eight new luxury mansions 'so enemies won't know where to strike'*. Daily Mail Online. Retrieved April 7, 2023, from https://www.dailymail.co.uk/news/article-11144591/Kim-Jong-builds-EIGHT-new-luxury-mansions-enemies-wont-know-strike.html

Martinez, M. A. (2023, February 4). Russian, Chinese migrants showing up at US-mexico border after South Americans banned. New York Post. Retrieved April 7, 2023, from

https://nypost.com/2023/02/03/russian-and-chinese-migrants-showing-up-at-us-mexico-bor der/

Marx, K. (n.d.). I. https://www.marxists.org/archive/marx/works/1875/gotha/ch01.htm

Medical tourists: Incoming and outgoing - The American Journal of Medicine. (n.d.). https://www.amimed.com/article/S0002-9343%2818%2930620-X/fulltext

Medical Tourism Statistics and facts. Health. (n.d.).

https://www.health-tourism.com/medical-tourism/statistics/

Merriam-Webster. (n.d.). *Communism definition & meaning*. Merriam-Webster. Retrieved April 7, 2023, from https://www.merriam-webster.com/dictionary/communism

Nair, S. S. (2017, May 5). 20 inspiring quotes from the Karl Marx, author of Communist Menifesto & the founder of marxism. YourStory.com.

https://yourstory.com/2017/05/quotes-by-karl-marx#:~:text=%E2%80%9CWhile%20the%20miser%20is%20merely,least%2C%20lays%20golden%20eggs.%E2%80%9D

Name. (2020, October 11). *China's political elite still hold luxury property in Hong Kong*. Radio Free Asia. Retrieved April 7, 2023, from

https://www.rfa.org/english/news/property-10112018120802.html

Otto. (1936, October 31). Commissar to fix all German prices; decree empowers Wagner to set "just" rates "justified by the national economy." The New York Times.

https://www.nytimes.com/1936/10/31/archives/commissar-to-fix-all-german-prices-decree-empowers-wagner-to-set.html

Our labor history timeline: AFL-CIO. AFL. (n.d.). https://aflcio.org/about-us/history

O'Brien, S. (2023, February 13). Some newlyweds may face a higher tax bill due to a "marriage penalty." what to know. CNBC.

https://www.cnbc.com/2023/02/13/some-newlyweds-may-face-a-higher-tax-bill-due-to-a-marriage-penalty-.html

Pang, A. (2022, January 5). *The China Challenge: The stain of forced labor on Nike Shoes*. Discourse. Retrieved April 7, 2023, from

https://www.discoursemagazine.com/economics/2022/01/05/the-china-challenge-the-stain-of-forced-labor-on-nike-shoes/#:~:text=In%20March%202020%2C%20a%20damning,Taekwang%20factory%20in%20Laixi%20City.

Parkerwww.urbancure.org, S. (2020, August 31). *Star parker: BLM suppresses the truth about poverty*. The Tribune-Democrat. Retrieved April 7, 2023, from https://www.tribdem.com/news/editorials/star-parker-blm-suppresses-the-truth-about-poverty/article/4d7807ba-e95c-11ea-8848-7b0fe7d46612.html

Poverty rate by race/ethnicity. KFF. (2022, October 28).

https://www.kff.org/other/state-indicator/poverty-rate-by-raceethnicity/?currentTimeframe =0&sortModel=%7B%22colId%22%3A%22Location%22%2C%22sort%22%3A%22asc% 22%7D

Press, M. B. Z. (2023, March 1). *Opinion* | *it doesn't make sense to blame crime on poverty*. The Wall Street Journal. Retrieved April 7, 2023, from

https://www.wsj.com/articles/it-doesnt-make-sense-to-blame-crime-on-poverty-eric-adams -new-york-bail-reform-shoplifting-public-safety-61209f0b

Rieger, M. (2019, April 19). Were the Nazis really socialists? it's complicated: Michael Rieger. FEE Freeman Article. Retrieved April 7, 2023, from https://fee.org/articles/were-the-nazis-really-socialists-it-depends-on-how-you-define-socialism/

Russia Beyond. (2019, July 16). 8 official residences of Russia's president, Vladimir Putin.

Russia Beyond. Retrieved April 7, 2023, from

https://www.rbth.com/lifestyle/330666-official-residences-russia-president-vladimir-putin

Sanchez, J. R. (2015, May 11). *Inside Fidel Castro's luxurious life on his secret island getaway*. New York Post. Retrieved April 7, 2023, from https://nypost.com/2015/05/10/inside-fidel-castros-luxurious-life-on-his-secret-island-getaway/

Schrager, A. (2023, April 4). *How socialism destroyed Venezuela*. |. Retrieved April 7, 2023, from https://economics21.org/how-socialism-destroyed-venezuela

Sheffield, R. (n.d.). *The War on Poverty after 50 years*. The Heritage Foundation. Retrieved April 7, 2023, from

https://www.heritage.org/poverty-and-inequality/report/the-war-poverty-after-50-years?gclid=Cj0KCQjw_r6hBhDdARIsAMIDhV8rb8vgYNaYZ3ABJ1aZckq1u1wzDCEXTcKcTXBa84tkLjmumESOVe4aAhBBEALw_wcB

Staff, F. L. (2022, September 27). *Breach of contract and lawsuits*. Findlaw. Retrieved April 7, 2023, from

https://www.findlaw.com/smallbusiness/business-contracts-forms/breach-of-contract-and-lawsuits.html

Stevenson, A., & Forsythe, M. (2020, August 12). *Luxury homes tie chinese Communist elite to Hong Kong's fate*. The New York Times. Retrieved April 7, 2023, from https://www.nytimes.com/2020/08/12/business/china-hong-kong-elite.html

Team, F. W. (2022, May 6). *America's top givers 2022: The 25 most philanthropic billionaires*. Forbes. Retrieved April 7, 2023, from https://www.forbes.com/sites/forbeswealthteam/2022/01/19/americas-top-givers-2022-the-25-most-philanthropic-billionaires/?sh=1526ca1e3a6c

Treisman, R. (2022, March 7). *Russia arrests nearly 5,000 anti-war protesters over the weekend*. NPR. Retrieved April 7, 2023, from https://www.npr.org/2022/03/07/1084967986/russia-arrests-more-protesters

Trickle-down economics: The basics of trickle-down theory - 2023. MasterClass. (n.d.). Retrieved April 7, 2023, from

https://www.masterclass.com/articles/trickle-down-economics

Understanding medicaid waitlists and how they work. Understanding Medicaid Waitlists and How They Work. (2023, April 19).

https://www.medicaidlongtermcare.org/how-to-apply/wait-lists/#california

United States Holocaust Memorial Museum. (n.d.-a). United States holocaust memorial museum. https://encyclopedia.ushmm.org/content/en/article/nazi-rule

United States Holocaust Memorial Museum. (n.d.-b). United States holocaust memorial museum.

https://encyclopedia.ushmm.org/content/en/timeline-event/holocaust/1933-1938/reichstag-f ire-decree

United States Holocaust Memorial Museum. (n.d.-c). United States holocaust memorial museum.

https://encyclopedia.ushmm.org/content/en/article/gleichschaltung-coordinating-the-nazi-st ate

University, U. S. (2021, May 17). *Preparing children for a healthy marriage*. USU. Retrieved April 7, 2023, from

https://extension.usu.edu/relationships/research/preparing-children-for-a-healthy-marriage

Vincent, I. (2022, September 24). *Migrants from 'failing' communist countries*overwhelming Texas Border Agents. New York Post. Retrieved April 7, 2023, from

https://nypost.com/2022/09/24/migrants-from-communist-countries-overwhelming-texas-b

order-agents/

Waiting your turn: Wait times for health care in Canada, 2022 report. Fraser Institute. (2022, December 8). Retrieved April 7, 2023, from https://www.fraserinstitute.org/studies/waiting-vour-turn-wait-times-for-health-care-in-can

ada-2022#:~:text=Specialist%20physicians%20surveyed%20report%20a,25.6%20weeks%20reported%20in%202021.

What is keynesian economics? - back to Basics - Finance & Development, September 2014. (n.d.). Retrieved April 7, 2023, from

 $\frac{https://www.imf.org/external/pubs/ft/fandd/2014/09/basics.htm\#:\sim:text=Keynesians\%20bel}{ieve\%20that\%2C\%20because\%20prices,constant\%2C\%20then\%20output\%20will\%20increase}.$

Workers' rights - occupational safety and health administration. (n.d.). Retrieved April 7, 2023, from https://www.osha.gov/sites/default/files/publications/osha3021.pdf

[:en]right to work states[:es]estados con derecho al trabajo[:]. National Right to Work Foundation. (2023, March 28). https://www.nrtw.org/right-to-work-states/