

Long live freedom!



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Javier Milei gave an important **speech** at Davos that I think every American needs to hear and digest. Milei is an economist and the new conservative President of Argentina. He explains, in simple terms, why the West and free-market capitalism is worth fighting for. Here is an edited, abbreviated transcript of his speech, that I prepared, that you can read in 10 minutes.

Good afternoon. Thank you very much.

Today I'm here to tell you that the Western world is in danger. And it is in danger because those who are supposed to defend the values of the West are co-opted by a vision of the world that inexorably leads to socialism and thereby to poverty.

Unfortunately, in recent decades, the main leaders of the Western world have abandoned the model of freedom for different versions of what we call collectivism.

[Collectivism is known by many names - socialism, Communism, fascism, stakeholder capitalism, NAZIism, Globalism, progressivism, etc.]

Some have been motivated by well-meaning individuals who are willing to help others, and others have been motivated by the wish to belong to a privileged class.

We're here to tell you that collectivist experiments are never the solution to the problems that afflict the citizens of the world. Rather, they are the root cause.

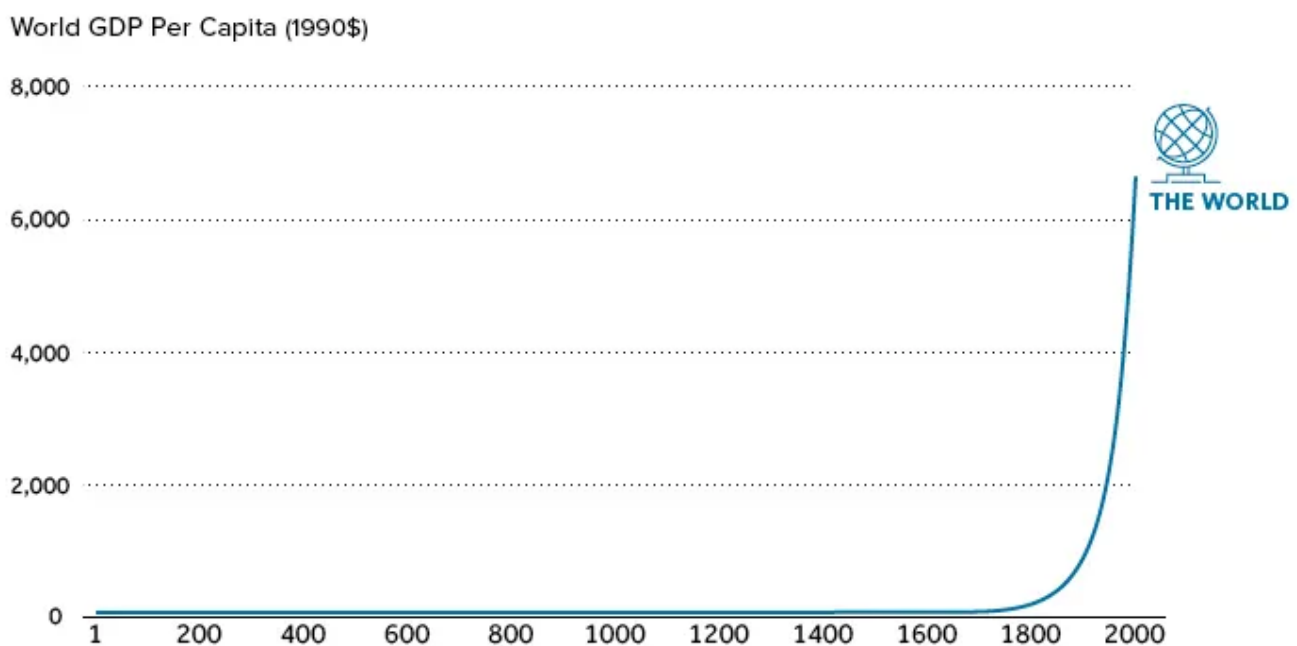
Trust me: no one is in better place than us, Argentines, to testify to these two points.

35 years after we adopted the model of freedom, back in 1860, we became a leading world power. When we embraced collectivism over the course of the last 100 years, we saw how our citizens started to become systematically impoverished, and we dropped to 140th globally.

Let's look at the data that demonstrate why free-market capitalism is not just the only possible system to end world poverty, but also that it's the only morally desirable system to achieve this.

If we look at the history of economic progress, we can see how between the year zero and the year 1800 approximately, world per capita GDP practically remained constant throughout the whole reference period.

If you look at a graph of the evolution of economic growth, you would see a hockey stick graph, an exponential function that remained constant for 90% of the time and which was exponentially triggered starting in the 19th century.



SOURCE: "Statistics on World Population, GDP, and Per Capita GDP, 1-2008 AD", Angus Maddison; IMF

After the Industrial Revolution, global per capita GDP multiplied by over 15 times, which meant a boom in growth that lifted 90% of the global population out of poverty.

In the year 1800, over 90% of the world's population lived in extreme poverty. That figure dropped to 5% by the year 2020. The conclusion is obvious.

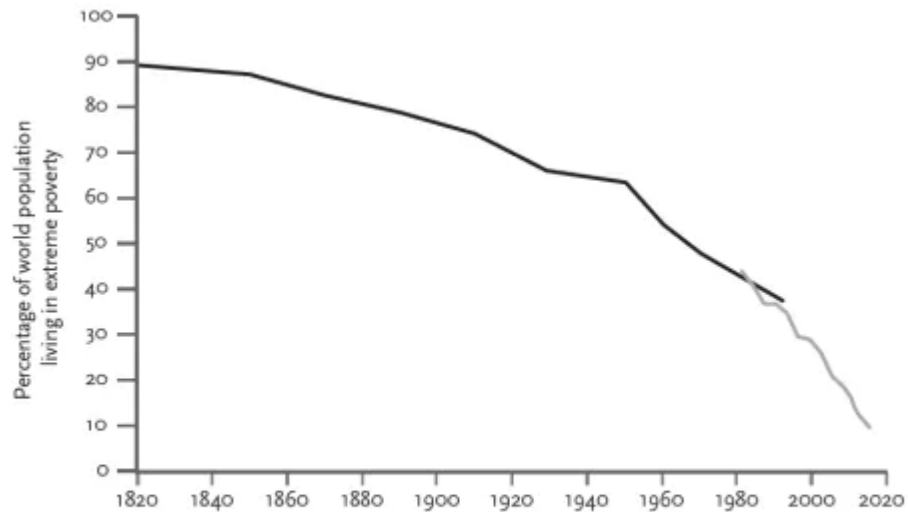


Figure 8-4: Extreme poverty (proportion), 1820–2015

Sources: *Our World in Data*, Roser & Ortiz-Ospina 2017, based on data from Bourguignon & Morrison 2002 (1820–1992), averaging their “Extreme poverty” and “Poverty” percentages for commensurability with data on “Extreme poverty” for 1981–2015 from the World Bank 2016g.

Far from being the cause of our problems, free-market capitalism, as an economic system, is the only instrument we have to end hunger, poverty and extreme poverty across our planet. The empirical evidence is unquestionable.

Therefore, since there is no doubt that free-market capitalism works, and is superior to left-wing socialism, in productive terms, the left has attacked capitalism as “unjust.”

They say that capitalism is evil because it's individualistic and that collectivism is good because it's altruistic. Of course, it's easy to spend the money of others. So they therefore advocate for social justice [as a means to try to destroy free-market capitalism.]

But this concept, which in the developed world has become fashionable in recent times, in my country of Argentina has been a constant in political discourse for over 80 years. The problem is that “social justice” is not just, and it doesn't contribute to general well-being.

Quite on the contrary, “social justice” an intrinsically unfair idea because it's violent. It's unjust because the state is financed through tax and taxes are collected coercively.

Can any one of us say that we voluntarily pay taxes? This means that the state is financed through coercion and that the higher the tax burden, the higher the coercion and the lower the freedom.

Those who promote social justice start with the idea that the whole economy is a pie that can be shared differently. But that pie is not a given. It is wealth that is generated by a free-market discovery process. That wealth is not generated by socialism.

In a free-market, if the goods or services offered by a business are not wanted, the business will fail unless it adapts to what the market is demanding. They will do well and produce more if they make a good quality product at an attractive price that the market wants. So the market is a discovery process in which capitalists will find the right path as they move forward.

But if the state punishes capitalists when they're successful and gets in the way of the discovery process, they will destroy their incentives, and the consequence is that they will produce less. [I would also add that if the state gives capitalist subsidies so they can pick and choose winners and control them - that's equally as bad.]

Ultimately, once the state gets involved, the pie will be smaller, and the pie will be distorted, and this will harm society as a whole.

Collectivism, by inhibiting the discovery process and distorting the appropriation of discoveries, ends up binding the hands of entrepreneurs and prevents them from offering better goods and services at a better price.

So why does academia, international organizations, economic theorists and politicians demonize an economic system (capitalism) that has not only lifted 90% of the world's population out of extreme poverty but has continued to do this faster and faster?

Thanks to free-market capitalism, the world is now living its best moment. Never in all of mankind or humanity's history has there been a time of more prosperity than today. This is true for all. The world of today has more freedom, is rich, more peaceful and prosperous. This is particularly true for countries that have more economic freedom and respect the property rights of individuals.

Countries that have more freedom are 12 times richer than those that are repressed. The lowest percentile in free countries is better off than 90% of the population in repressed countries. And citizens in free countries live 25% longer than citizens in repressed countries.

In other words, capitalist successful business people are social benefactors who, far from appropriating the wealth of others, contribute to the general well-being. Ultimately, a successful entrepreneur is a hero. [Now you know why Communists want to put President Trump in jail. Because he's a successful entrepreneur who has contributed immensely to society!]

Why do I say that the West is in danger? Because Western countries are opening up the doors to socialism and potentially condemning us all to poverty, misery and stagnation.

Socialism is always and everywhere an impoverishing phenomenon that has failed in all countries where it's been tried out. It's been a failure economically, socially, culturally and it also murdered over 100 million human beings.

The essential problem of the West today is, that despite empirical evidence, many continue to advocate for impoverishing socialism.

Our own leaders, thinkers and academics are relying on a misguided theoretical economic framework [that was developed around 1900.] Their economic policy doesn't work in the real world - so when it fails they introduce "regulations" to try to make it work. That makes it worse!

Under the pretext of "market failures" - that they created themselves - regulations are introduced. These regulations create distortions in the pricing system and also hinder saving, investment and growth.

A "market failure" is an oxymoron. There are no market failures. If transactions are voluntary, the only context in which there can be market failure is if there is coercion and the only one that is able to coerce generally is the Government (state.)

If there is a market failure, I would suggest you they check to see if there is state intervention involved. Market failures do not exist without state intervention.

However, faced with evidence that state intervention is harmful - the solution proposed by collectivists is not greater freedom but rather greater regulation, which creates a downward spiral of regulations until we are all poorer and our lives depend on a bureaucrat sitting in a luxury office.

Given the dismal failure of collectivist models, socialists were forced to change their agenda: they had to replace their previous strategy of pushing “class struggle” with “social justice.”

The first of these new battles was the ridiculous and unnatural fight between man and woman. We already provide for equality of the sexes. All humans are created equal and we all have the same inalienable rights granted by our Creator, including life, freedom and ownership.

All that the radical feminism agenda has led to is greater state intervention to hinder economic progress, giving jobs to bureaucrats who have not contributed anything to society. [Not to mention ridiculous pronouns, transgenderism, gender confusion, castration and men in women’s sports!]

Another conflict presented by socialists is that of humans against nature, claiming that we human beings damage a planet [climate change propaganda] which should be protected at all costs, even going as far as advocating for population control mechanisms, [green new deals] or the abortion agenda.

Unfortunately, these harmful ideas have taken a stronghold in our society.

Socialists have managed to co-opt the common sense of the Western world, and they have achieved this by appropriating the media, culture, universities and international organizations.

These institutions have enormous influence on the political and economic decisions of their member states.



Fortunately, there are more and more of us who are daring to make our voices heard, because we see that if we don't truly and decisively fight against these ideas, the only possible fate is for us to have increasing levels of state regulation, socialism, poverty and less freedom, and therefore, worse standards of living.

The West has unfortunately already started to go along this path.

To many, it may sound ridiculous to suggest that the West has turned to socialism. But it's only ridiculous if you limit yourself to the traditional economic definition of socialism, which says that it's an economic system where the state owns the means of

production. This definition in my view, should be updated in the light of current circumstances.

Today, states don't need to directly control the means of production to control every aspect of the lives of individuals. With tools such as printing money, debt, subsidies, controlling the interest rate, price controls, [stakeholder capitalism] and regulations to correct so-called “market failures” - they can control the lives and fates of millions of individuals.

[Stakeholder capitalism is where corporations simply do the bidding of Governments because it's illegal for the state to do it themselves. This is otherwise known as fascism. It's NOT real free-market capitalism. It's socialism and it's coercive.]

This is how we come to the point where, by using different names or guises, a good deal of the generally accepted ideologies in most Western countries are collectivist variants, whether they proclaim to be Communist, fascist, Socialist, social Democrats, national Socialists, [stakeholder capitalists,] Christian Democrats, neo-Keynesians, progressives or Globalists.

Ultimately, there are no major differences. They all believe that the state should control all aspects of the lives of individuals by whatever means possible. They all defend a model contrary to the one (free-market capitalism) that led humanity to the most spectacular progress in its history.

We invite the Western world to get back on the path to prosperity. Economic freedom, limited government and unlimited respect for private property are essential elements for economic growth. The impoverishment produced by collectivism is not a fantasy, nor is it an inescapable fate. It's a reality that we Argentines know very well.

We have lived through this. Ever since we decided to abandon the model of freedom that had made us rich - we have been caught up in a downward socialist spiral - a spiral by which we are poorer and poorer, day by day.

This is something we have lived through and we are here to warn you about what can happen if countries in the Western world, that became rich through the model of freedom, stay on this path of servitude.

The case of Argentina is an empirical demonstration that no matter how rich you may be, how much you may have in terms of natural resources, how skilled your population may be, how educated, or how many bars of gold you may have in the central bank - if socialist measures are adopted that hinder the free functioning of markets, competition, price systems and ownership of private property, the only possible fate is poverty.

Therefore, in conclusion, I would like to leave a message for all business people here and those who are not here in person but are following from around the world.

Do not be intimidated by the political class or by parasites who live off the state. Do not surrender to a political class that only wants to stay in power and retain its privileges. You are social benefactors. You are heroes. Entrepreneurs are the creators of the most extraordinary period of prosperity we've ever seen.

Let no one tell you that your ambition is immoral. If you make money, it's because you offer a better product at a better price, thereby contributing to general wellbeing.

Do not surrender to the advance of the state. The state is not the solution. The state is the problem itself. You are the true protagonists of this story and rest assured that Argentina is your staunch and unconditional ally.

Thank you very much and long live freedom!



BTW - not only was Milei's speech given glowing reviews by President Trump & almost every other conservative influencer in the world - Klaus Schwab, the head of the WEF, got up and **walked out of the room** during Milei's speech - that's how powerful it was!

