

On Socialism II

David Friedman had another debate on capitalism and socialism last month, this one with Ben Burgis. They didn't really cover any new ground, and the discussion period was a total disaster; viewer beware. However, Friedman leveled the poignant question to Burgis on what would happen to he and his friends if they practiced capitalism (one of them hiring the others for a wage) under his socialist system. Predictably, Burgis kept dodging the question. If Burgis would have conceded that they'd be left alone, then his entire system falls apart. Capitalism, no doubt, would spread like a virus as more people than not would prefer present consumption to future consumption. There just wouldn't be enough scimpers and savers to make for business builders. Too many would prefer to be paid an immediate flat wage now and forego company equity. And guess what... that's totally fine! We're all different, and we have different time preferences, and at different periods of our lives. Capitalism allows for such dynamism, socialism does not. And that's today's two cents.