

Chapter 1 : The Politically Incorrect Guide to Capitalism | Mises Institute

Most commonly accepted economic "facts" are wrong Here's the unvarnished, politically incorrect truth. The liberal media and propagandists masquerading as educators have filled the world--and deformed public policy--with politically correct errors about capitalism and economics in general.

Mises Review 14, No. Murphy includes standard material, e. Though it was once controversial to point to the inadequacies of these measures, now even mainstream textbooks hasten to condemn them. Murphy goes far beyond this. He takes on the most difficult and controversial challenges to the free market, and offers convincing responses to them. Few matters excite critics of the market to rage as the high salaries of corporate CEOs; Paul Krugman, e. Critics are often invited to found their own corporations. But is not this defense of the high salaries open to objection? The claim is that financial success justifies the high salaries: Surely one cannot here appeal to market efficiency. Murphy accepts the challenge: Unlike routine managerial work, the task of a CEO often involves bold innovation. When a new CEO comes in with ambitious plans, he knows that failure is entirely possible. This is because the type of person who gets picked to head a major corporation could easily make hundreds of thousands, if not millions, for certain by consulting or offering other services less glamorous than being CEOs. The free market cannot be blamed, an often-repeated argument tells us, for racial discrimination. Quite the contrary, those who discriminate pay a penalty. If an employer refuses to hire people of a certain race or religion, he will pay a penalty. The argument relies on the fact that businessmen aim at maximizing profits; but to do so, must they not endeavor to satisfy consumers? Here precisely the problem arises. What if the consumers themselves hold discriminatory views? Will it not be to the interest of businessmen to satisfy them? Why would a restaurant owner interested in profit risk the loss of his business by hiring black waitresses? Murphy again responds in convincing fashion to this difficult problem. But in cases like this the free market "still punishes discrimination" only this time the customer pays the "racist fee": One might object that this does not cover the case of a black waitress who is an equally good server as her white competitor; in this situation, will not consumers be able to satisfy their prejudiced tastes without penalty? But here the owner has an incentive to hire the black waitress by offering her a lower salary. So long as his loss of business is outweighed by his lower costs, he will do so. Another objection to the free market has enticed even some economists of libertarian views, though not of the strict observance, Tyler Cowen not least among them. How could the market on its own have gotten us to the moon? What private corporation could have supported the Apollo Mission, or the rest of the space program? If one counters that a consortium of corporations could eventually have financed a space program, would not the inevitable difficulties of coordination mean that our progress into space would have been much slower? Murphy responds by challenging the argument at its suppressed premise. Why should we think that the space program should have proceeded faster than consumers on an unhampered market were willing to support? Following Bastiat, he notes: To understand if a program is sensible, we must compare the benefits with the costs. By using up scarce resources in the space program or building a sports stadium, the government delivers tangible benefits, but also destroys unseen possibilities of the alternative products and services that those resources could have created. Critics of capitalism think wrongly that the profit and loss test is arbitrary and crude. Many who should know better complain that free trade takes away the jobs of American workers. Are not supporters of the free market willing to sacrifice the interests of Americans to their single-minded pursuit of profit? The view here sketched is a common fallacy, many times refuted; but Murphy, displaying a remarkable ability for apt illustration, responds exceptionally well. Tariffs, he notes, may help particular groups of workers, but they hurt the whole population: Such a measure would certainly boost sales and wages in the restaurant industry. Yet does anyone think it would be a good idea for America as a whole? Would such a tax on home cooking make us all richer? What if free trade depletes our entire manufacturing sector? Consumers may be better off, but our greatness as a nation depends on large-scale manufacturing. Even if free trade is generally a good idea, it must be practiced with restraint. Murphy will have none of this: Even if the claims about the alleged crisis in manufacturing were true, the ultimate response is a big "So what? Can America continue indefinitely to

increase its deficit, already at an unprecedented height? A standard response, which Murphy makes, is to point out that a trade deficit is nothing to be feared: But Murphy also has another answer. What the mercantilists overlook is that the trade balance must always balance. This is not an economic theory but an accounting truism. Ironically, often the same people who complain about the deficit also complain about foreign investment: Murphy conforms to his usual pattern. He refutes not only the standard antimarket fallacies, but new and difficult arguments as well. Paul Craig Roberts, for one, has claimed that the standard economic argument for free trade is outmoded. Free trade, David Ricardo long ago showed, will be beneficial even if one country is superior in all lines of production to its trading partner. The more productive nation should specialize in what it does best: If capital can freely migrate from country to country, as it now can, the general case for free trade is undermined. To this Murphy has an insightful reply: What the view of Roberts and others overlooks is that capital mobility enhances the productivity of the capital. By passing laws that prevent drill presses from being shipped to Bangladesh, yes, the U. But at the very same time, the artificial constraints reduce the earnings of the American owners of the drill presses, and moreover their losses outweigh the temporary benefits to the workers. On net, the government restriction makes America poorer — government restrictions on capital export destroy wealth by preventing the most efficient organization of global production. It is all well and good to say, in the usual fashion, that workers displaced by imports can find jobs elsewhere; but does not outsourcing change matters entirely? If a corporation ships its entire factory abroad, in order to staff it with low-paid foreign workers, does this not mean that these foreigners have in effect joined the American labor pool? How can our American level of wages be maintained at all close to its present level in these circumstances? Murphy replies in a similar way as he does to the case of capital export. It would have been more profitable to simply cut the wages of the U. But why should this sort of efficiency be the test of policy? To this Murphy could answer that those who demand restrictions on capital exports often claim that the measures they favor will promote efficiency. Precisely the reverse is the case. If it is then said that the welfare of the displaced workers trumps economic efficiency, then suitable taxes on the corporation and subsidies to the workers can rectify matters. Murphy of course does not favor such efforts to "correct" the market. This would not be *The Mises Review* if I failed to find fault with the book, but Murphy has made my task difficult. In a quiz that begins the book, he asks, "If you are a car producer, how many deaths should your product cause per year? He has in mind an entirely valid point: Car buyers in a free market may choose to purchase less expensive cars that are inferior to other cars in their standard of safety. But I think it a misuse of language to say that in this situation, car producers "cause" a certain number of deaths. To cause a death connotes an action aiming at that outcome: Murphy wrongly conflates cause and foreseen consequence. In one place, his language wrongly suggests that Ricardo, and possibly Bastiat as well, defended free trade in the 18th as well as the 19th century p. Otherwise, I have no complaints. Murphy has written an outstanding contribution to economics. See my review in *The Mises Review* January For a defense of protectionism that stresses the importance of manufacturing, see Patrick J. Buchanan, *Day of Reckoning* St. *The Mises Review* 14, No.

Chapter 2 : Robert P. Murphy - Wikipedia

Most commonly accepted economic "facts" are wrong. Here's the unvarnished, politically incorrect truth. The liberal media and propagandists masquerading as educators have filled the world-and deformed public policy-with politically correct errors about capitalism and economics in general.

Politically Incorrect Guide to Capitalism: A Review Book Report Pages: The book is written from a conservative standpoint, and pushes the idea that free-market capitalism is the best economic option for America. Some very divisive subjects are discussed and broken down, bit by bit, through the lens of a conservative free market capitalist. Some of these topics include outsourcing, central planning, minimum wage, the IMF and Welfare. They are fact-based and the references and experts used in the writing of the book all check out as legitimate. Murphy breaks his book down as a twelve step plan for understanding free market capitalism. That is to say, he makes it easy for people who are unfamiliar with the idea of true capitalism, and makes his arguments clear and concise. Throughout the book, He dispels the wrongs of communism and socialism , and tells the reader why great care needs to be taken to steer clear of these two economic structures. This is where there is a little bit of politically-charged edge to the book. This may or may not be a bad thing, given that many people pick up a book because they wish to have their side of the argument validated. I would say that anyone looking to learn more about free market economics from a conservative platform should read this book. Murphy assumes, as his reader would have to, that labor unions , rent control, and raising taxes are all socially irresponsible, sometimes bordering on socialist things to do. If the reader accepts these basic arguments as truth, then they will benefit greatly from having some economic and intellectual ammunition with which to defend their position. Workers and Outsourcing The book delves into the issue of outsourcing and free market economies with great passion. I found the first couple of sections on these topics went by fairly quickly, as Murphy established that he was a knowledgeable expert right away. His argument that outsourcing is good for the U. He argues that outsourcing, while labeled as a major threat to the U. In a free market economy , prices are set based on pure supply and demand, not based on government regulation, restrictions, and tariffs. Therefore, in a purely free market economy, prices are free to fluctuate, assuming no company or corporation would dare to try to defraud people of their hard earned cash. I suppose his argument holds water, theoretically, but I wonder exactly how realistic it is. Further into his book, Murphy begins to outline why outsourcing is not as bad as people sometimes say it is. If jobs are outsourced, and move overseas, the initial argument is people are now out of work. But Murphy goes a step beyond this widely-accepted "falsehood" and illustrates that those who were working jobs that were outsourced now have better opportunities to better their education or job situation, and in this way, everyone benefits. Another advantage to outsourcing is the fact that it helps the companies doing the outsourcing by keeping costs as low as possible. Murphy argues that by keeping costs low, products would have lower prices and not have to conform to so many government restrictions are rules. As they do now. Even the tariffs on certain products, when made in America, can cost companies more than the cost of the entire product itself. Murphy argues that this is a very bad thing, and has been hurting businesses. To Murphy, the need to outsource is clearly spelled out in a free market capitalist society. The ability for a company to seek out and find the cheapest labor in order to produce a cheaper product is required of the capitalist model. The movement toward a free market form of labor and labor restrictions or lack of restrictions are another argument that Murphy feels necessary to discuss. His feelings regarding minimum wage fall on the same side as most of the rest of the book, and are articulated well, from the right side of the isle. To Murphy, raising minimum wage hurts a free market capitalist economy because it raises the cost of everything else in that society. They are not just going to absorb that extra cost as may "liberals" would expect the company to do, according to Murphy. The system, according to Murphy, is flawed. What good is a raise in the minimum wage if prices rise accordingly? Murphy also argues that minimum wages hurt companies because they handicap them financially. If a company is required to pay a minimum wage, they are at a distinct disadvantage to one who does not. Each time minimum wage goes up, so does the price of everything else. Inflation via minimum wage increases is also a major

systemic flaw according to Murphy. He believes that in a true free market, both the price of the product and the cost of the product should never be regulated by the government. If labor unions are allowed to organize, they can become the bullies of the economic landscape by demanding outrageous pay and benefits, independent of the true cost or value of their product. To Murphy, labor unions are only a few steps away from socialism.

Chapter 3 : The Politically Incorrect Guide to Capitalism by Robert P. Murphy

Breezy and witty but always clear, precise, and elegantly reasoned, The Politically Incorrect Guide to Capitalism is a solid and entertaining guide to why conservatives should resist the new attempts to socialize America further, and fight spiritedly for the free market.

The past century has made it clear that socialism is simply inconsistent with how the world works, which makes its advocates either arrogant or naive or both. Oct 06, Elizabeth rated it did not like it I think I hated this book. While I am no socialist or even a democrat, Williamson makes even the choice to drive a Prius instead of a Hummer a socialist choice because to do so is to reduce the amount of oil you consume personally. A person is generally going to spend their money on something, that has been make clear. Spending it on oil is not necessarily I think I hated this book. Spending it on oil is not necessarily the only place to spend it. I prefer to buy food, straight from the farmer, not Wallstreet. The farmer and the hungry is dependent on the good will of the mega rich. When is the price of grain high enough that the profits are enough? After half the country is starving and the other half is desperate? Wallstreet does not engage in supply and demand. They engage in profits by withholding the supply even if the supply starts to rot while they are holding it. While Wallstreet ownership of all grain may not be Socialism, it certainly is not capitalism. It is something far more corrupt and evil. These are not his only points and some of what he says is very interesting but overall, while he seems very studied on socialism in the world, past and present, his opinions come across as very naive. As with his opinion on socialism, socialism in a perfect world may work perfectly, capitalism without greed and corruption may also work perfectly. He seems to attribute any positive environmental workings in capitalism to the good intentions of the corporation and talks about accountAbility. That accountability is not the doing of the corporations, that is the EPA. Another hated, big government organization. Maybe socialists are even worse when the government is heartless and thoughtless but last time I checked, all of Europe was not poluted beyond repair.

Chapter 4 : The Politically Incorrect Guide to Socialism by Kevin D. Williamson

Politically incorrect guide to the capitalism is an attempt to refute some of the popular myths propounded by anti-capitalists. Each chapter is devoted to a slightly different subject. The author discusses such topics as ecology, banking, the profits of the capitalists, slavery, international trade and others.

Chapter 5 : Politically Incorrect Guide to Capitalism, The

The Politically Incorrect Guide to Capitalism is a book by Austrian school economist Robert P. Murphy. It is the ninth book in the Regnery Publishing The Politically Incorrect Guides (P.I.G.) series.

Chapter 6 : Clip Politically Incorrect Guide to Capitalism

The Politically Incorrect Guide to Capitalism I listened to a radio interview of the author between November 10 - 26th () either on WFAE-FM or WBT-AN in Charlotte and have serached to find it on the Internet -- alas, in vain.

Chapter 7 : The Politically Incorrect Guide to Capitalism - Robert P. Murphy - Google Books

The Politically Incorrect Guide to Capitalism is a solid and entertaining guide to free market economics written from the perspective of the Austrian School. Note: The views expressed on blog.quintoapp.com are not necessarily those of the Mises Institute.

Chapter 8 : The Politically Incorrect Guide to Capitalism, by Robert P. Murphy | Mises Institute

DOWNLOAD PDF THE POLITICALLY INCORRECT GUIDE TO CAPITALISM

In The Politically Incorrect Guide(tm) to Capitalism, myth-busting professor Robert P. Murphy, a scholar and frequent speaker at the Ludwig von Mises Institute, cuts through all their nonsense, shattering liberal myths and fashionable socialist cliches to set the record straight.

Chapter 9 : The Politically Incorrect Guide to Socialism (Audiobook) by Kevin D. Williamson | [blog.quintoap](#)

The Politically Incorrect Guide to Capitalism. likes. Participating in the economy is a part of everyday life, yet much of what is commonly accepted.