

## EVERYONE'S STAKE IN CAPITALISM/PRIVATE OWNERSHIP OF THE MEANS OF PRODUCTION

1. The prevailing view of private property, including private ownership of the means of production, as serving only the interests of the owners.
  - a. The alleged need for redistribution or socialism.
  - b. The views of the Democrats concerning Republican-proposed tax cuts.
  - c. The assumption that the advocacy of capitalism implies that one is a capitalist.
  - d. The media's treatment of voting patterns.
  - e. The belief that fighting communism requires creating capitalists.
2. Prevailing view ignores the division of labor and the fact that under capitalism privately owned means of production *serve the market*, and thus provide a *general* benefit.
  - a. The benefit of the buyers of products served by the means of production—if you can buy the products, you don't have to own the means of production to benefit from them. (The buyers' control over production.)
  - b. The benefit of the wage earners from the demand for labor.
3. The *increasing* general benefit from private capital.
  - a. Profit and loss incentives and the freedom of competition and individual initiative; the chances for new ideas being tried.
  - b. Gains to non-owners greater, the more the property rights of capitalists respected: stronger incentives; higher demand for labor and capital goods relative to consumption; more efficient production of capital goods—all result in capital accumulation and rising productivity of labor and real wages.
4. The special benefits of private ownership of the means of production to the owners: not profits or interest, but limited personal consumption—probably no more than about ten percent of total consumption—and the psychological benefit of the *potential* of personal consumption.
5. The absurdity of “redistributionism.”
  - a. Already have the benefit of almost all the capitalists' wealth without redistribution—the wealth is in means of production; and the benefit steadily growing
  - b. An open demand for capital decumulation and impoverishment.
  - c. If not such a demand, then a demand for at most a one-time, non-repeatable transfer of about ten percent of total consumption; capitalism gives the equivalent over and over again every few years, through economic progress.
6. Consequences of redistributionism:
  - a. Can't achieve even the one shot transfer—the destruction of incentives to maintain and manage capital; collapse into the chaos of socialism.
  - b. The lesser case of isolated nationalized industries: the destruction of profit and loss incentives and the freedom of competition and individual initiative—the Post Office case; nationalization and the destruction of the *special* benefits of ownership: the inability to sell one's “shares”; instead of dividends to consume, taxes to cover losses brought on by the nature of government ownership—no profit and loss incentive, uncontrolled costs, run up costs in vote-buying employment and contracts.
7. Conclusion: the institution of private ownership of the means of production in a division of labor, capitalist society serves everyone—*non*-owners as well as owners; the real self-interests of everyone lie with capitalism, not just the interests of the capitalists; better to be a non-owner under capitalism than an equal owner under socialism.