

An Alternate to Friedmanite Free Market Globalized Capitalism

The alternative to **free market globalized Capitalism** is an economic system that is fundamentally about people and their needs not about greed, as **Friedman** believed. For better or worse, the government (we the people) obviously needs to have strict checks and balances on the market because too many humans tend towards greed.

We need to establish a system that ensures a more equitable distribution of wealth with the ultimate aim to ensure wealth circulates. **Friedmanite** Reaganomics ensured that a much smaller cabal of folks, less than 5%, were able to accumulate trillions of dollars with little to no “trickle down effect”. In fact as we know the middle class shrank drastically while the level of the unemployed, underemployed, and poor “class” skyrocketed.

Job Sharing - A sustainable economy in today’s robotic, mechanized industrial age means job sharing. There is no longer and never again will be 35-40 hour paid employment for all. **Tofler**, in his 1970 *Future Shock* predicted the 20-hour or less work week and encouraged us to learn to volunteer and recreate more with our spare time. To survive as a society we need to “consume” fewer resources, less oil, less everything. We must not encourage production simply for the creation of more and cheaper consumer goods as **Friedman** promoted.

We need to increase and expand Luxury VAT type taxes - something **Friedman**, Reagan and most republicans would abhor. Luxury goods, in effect, are relatively exponentially more responsible for what is in effect unnecessary GHG production; therefore excessive accumulation of wealth should be taxed at a much higher rate. I can just hear **Friedman** and Reagan rolling in their graves and the wealthy and Republicans all shuddering right about now.

Globalized **free trade** as it exists today should be eliminated in favour of mandatory worldwide fair-trade for all goods, labour and services because it simply promotes inequities on a global scale like never before. Adam Smith ignored, did not take into account or did not value the human and environmental costs induced by free market **free trade** as he outlined it. Until endemic fair-trade is established, import goods should carry tariffs that negate savings through use of cheaper foreign labour costs and costs to the environment in transportation fossil fuel use and GHG production. Taxes should be used in part then, to help level the playing field overseas and to create jobs closer to home as well as provide at least a livable wage in sustainable, smaller, less fossil fuel dependent, family farm/ food production. These are all things **Friedman** and Reagan would have disdained.

We need an economic system geared more towards fulfilling the basic needs of all citizens - food, clothing and accommodation – both at home and worldwide. **Friedman** did not understand “sustainable economics”. **Friedman** ignored environmental and human suffering costs in his models. He either had no concept of, or completely ignored the mathematical impossibilities in sustaining ‘unlimited wants with limited resources’ while producing massive

amounts of climate warming environmentally damaging carbon emissions and GHGs.

While **Friedmanite** Reaganomics did not result in lifting the poor up, it did result in keeping every segment of society poorer –including the wealthy - whether directly e.g. assault on person and property through robbery or indirectly through increased taxes for prosecution and incarceration of the have-nots, ill and dispossessed.

On a world-wide scale – **terrorism** is a direct result of **Friedmanite** induced economic inequities. In effect, wealthy people and nations are most responsible for self-inflicting this phenomenon – and as a side effect, causing massive amounts of tax dollars to be wasted putting up walls, both militarily and physically as in those along the Mexican border.

Friedmanite promoted greed, played a direct role in the current economic crisis as it led to predatory lending to people that had little or no means to make repayments. It also led to credit ratings agencies in rating investments less risky than they really were.

We the people need to disallow and punish severely those responsible for bull-shite economics made possible through Milton **Friedman**’s free-market models and Ronald Reagan style deregulation. The financial industry created complex financial contracts like derivatives that would securitize and make money from all forms of risk; this included exotic instruments such as Credit Default Swaps and **subprime loans**. Banks continued to sell debt to customers with little ability to repay it.

Friedman promoted a system wherein banks could practice fractional reserve banking whereby they can **create** credit, borrow money from the financial markets and lend to depositors. This creates a problem in the economy where very little, and in some recent cases, no equity can be used as collateral to borrow large sums of money which in turn creates a financial bubble. Government should be the only entity that ever in effect “creates” money.

During this time the speculative frenzy that gripped both the American and European markets in the purchase of real estate sent real estate prices to astronomically unsustainable levels.

Many/ most of those persons financially responsible for the crisis have pretty much been let off scot-free, even while giving themselves huge bonuses.

NB These views are not socialist (or even Communist) they are humanist and realist. Just as the Soviet Union tried a strict form of socialism that failed, the West has now tried globalized Capitalism, which has miserably failed the large majority of the world’s population and our sustainable livable environment. It is time to abandon **Friedman** style economics. The alternative carries dire consequences for all of us, the wealthy and super wealthy included.

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In response to responses to **YouTube** posting:

Uncle Milty Friedman