

Prayer University's podcast entitled: The Market Will Set You Free ... Why?

In Prager's Video, it pulls up graphs, facts, and history to show that Free Market Capitalism is responsible for the rise of wealth and the decline of poverty worldwide. It does a great job!

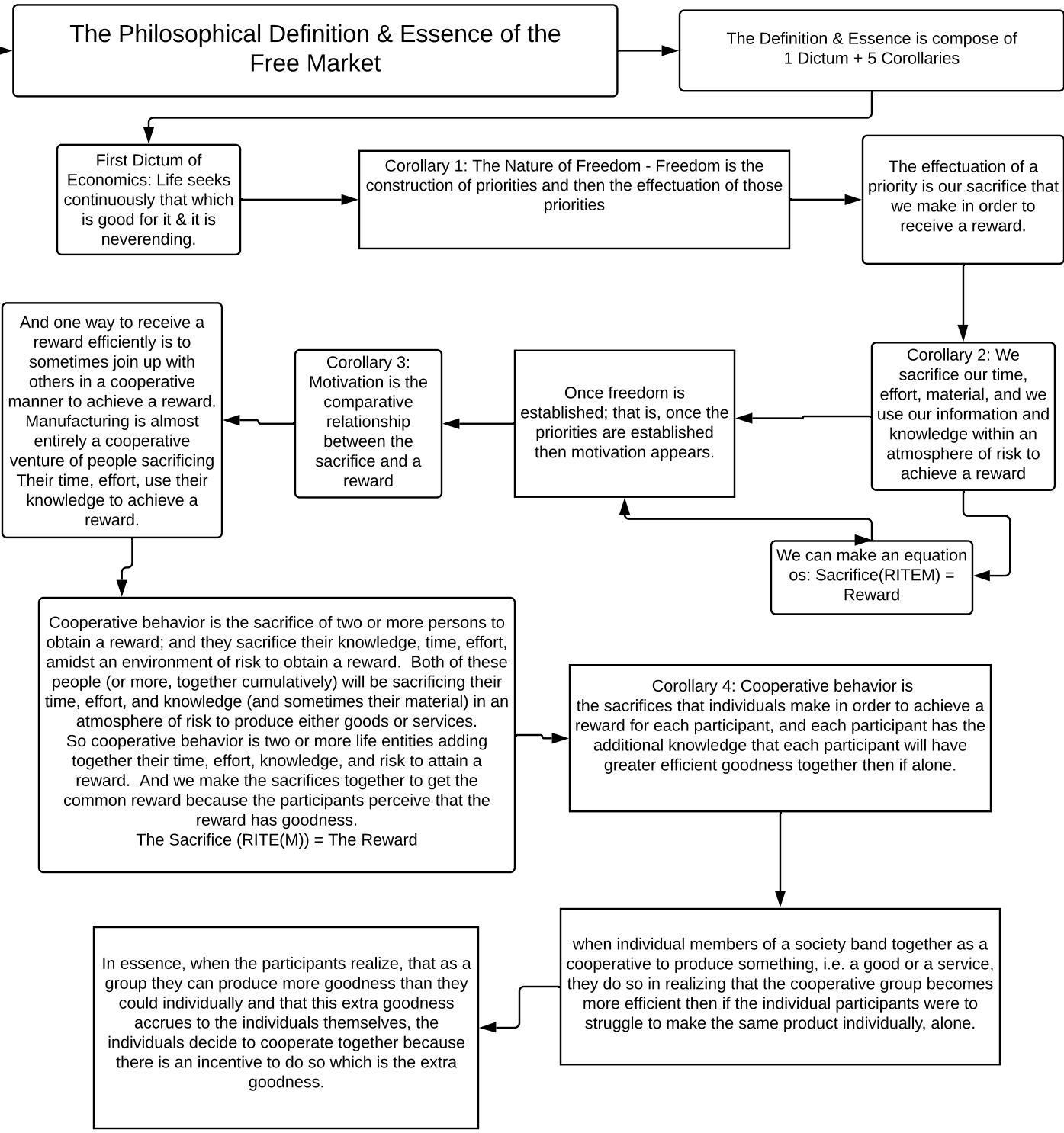
It also talks about the reason that the U.S. was the first to embrace Adam Smith's Wealth of Nations, free market capitalism and consequently the first nation to rapidly increase its wealth and reduce its poverty. Why? What does the U.S. Constitution have to do with it? Well, let's pick up where the video ends its cogent story.

Well the first step to understand why capitalism raises prosperity and eliminates poverty is to comprehensively define capitalism, the free market system and prosperity.

FMC is defined by 1 dictum and 5 corollaries

Prosperity is generated by the generation of efficiencies .

And the nature of an efficiency is that it takes less sacrifice to make a reward, product, service, result etc. after all the the economic transaction is that the sacrifice to make or do something = the reward, product, service , result



The Philosophical Definition & Essence of the Free Market

The Definition & Essence is compose of 1 Dictum + 5 Corollaries

First Dictum of Economics: Life seeks continuously that which is good for it & it is neverending.

Corollary 1: The Nature of Freedom - Freedom is the construction of priorities and then the effectuation of those priorities

The effectuation of a priority is our sacrifice that we make in order to receive a reward.

And one way to receive a reward efficiently is to sometimes join up with others in a cooperative manner to achieve a reward. Manufacturing is almost entirely a cooperative venture of people sacrificing Their time, effort, use their knowledge to achieve a reward.

Corollary 3: Motivation is the comparative relationship between the sacrifice and a reward

Once freedom is established; that is, once the priorities are established then motivation appears.

Corollary 2: We sacrifice our time, effort, material, and we use our information and knowledge within an atmosphere of risk to achieve a reward

We can make an equation os: Sacrifice(RITEM) = Reward

Cooperative behavior is the sacrifice of two or more persons to obtain a reward; and they sacrifice their knowledge, time, effort, amidst an environment of risk to obtain a reward. Both of these people (or more, together cumulatively) will be sacrificing their time, effort, and knowledge (and sometimes their material) in an atmosphere of risk to produce either goods or services. So cooperative behavior is two or more life entities adding together their time, effort, knowledge, and risk to attain a reward. And we make the sacrifices together to get the common reward because the participants perceive that the reward has goodness.
The Sacrifice (RITE(M)) = The Reward

Corollary 4: Cooperative behavior is the sacrifices that individuals make in order to achieve a reward for each participant, and each participant has the additional knowledge that each participant will have greater efficient goodness together then if alone.

when individual members of a society band together as a cooperative to produce something, i.e. a good or a service, they do so in realizing that the cooperative group becomes more efficient then if the individual participants were to struggle to make the same product individually, alone.

In essence, when the participants realize, that as a group they can produce more goodness than they could individually and that this extra goodness accrues to the individuals themselves, the individuals decide to cooperate together because there is an incentive to do so which is the extra goodness.

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And in order to produce cooperative behavior which is the Knowledge that working together with other people will result in the greater ability to produce goods and services (which is good and which allows us to live better), we consider others with whom we cooperate important to our lives; and thus, we make Instruments of cooperation, such as, agreements, covenants, contracts.

Examples:
Individuals/individuals
Companies/Companies
Society/Government

And within any contract or agreement there are rights and obligations. There is a right to receive something and there's an obligation to give something for each party involved.

Contract =
Participant A
Obligation + Right
Participant B
Obligation + Right
and so on ...

For example if you're in a store and you go to the cash out register, your obligation is to give the price of the object you want to buy to the cashier, and it is your right to receive that object. Across from you is the cashier whose obligation is to give you the object that you wish to purchase and their right is to receive your money.

There is a by-product of societal freedom and that is the convergence of priorities which is the nature of competition. That is, others often have the same priorities. And so competition emerges through the convergence of priorities. That is, it naturally emerges from 2 factors: 1) from the existence of freedom & 2) from St. Augustine's Principle of Libido Dominandi (the lust for dominion; the desire to dominate).

Reason why we have to include this principle into the nature of the free market is because competition is the convergence of priorities and converging priorities are inimical to the health of the life entity. All companies, individuals, societies know that direct competition can take away from available resources. In the economic arena it makes it harder to get customers. But yet competition exists.

Well, competition exists: it exists because within human nature this will to compete evolved back when our predecessors came out of the trees into due to a drying up the environment and landed themselves on the Plains of Africa. Suddenly they had to live and travel in groups.

Anthropologists have studied similar species that have lived in the same manner and they have noted that the similar species, such as wolves and baboons, live in packs with one leader, a dominant alpha male.

The younger males, as they grow and learn, come into eventual competition with the alpha male. This will to compete becomes genetically inherent within the species.

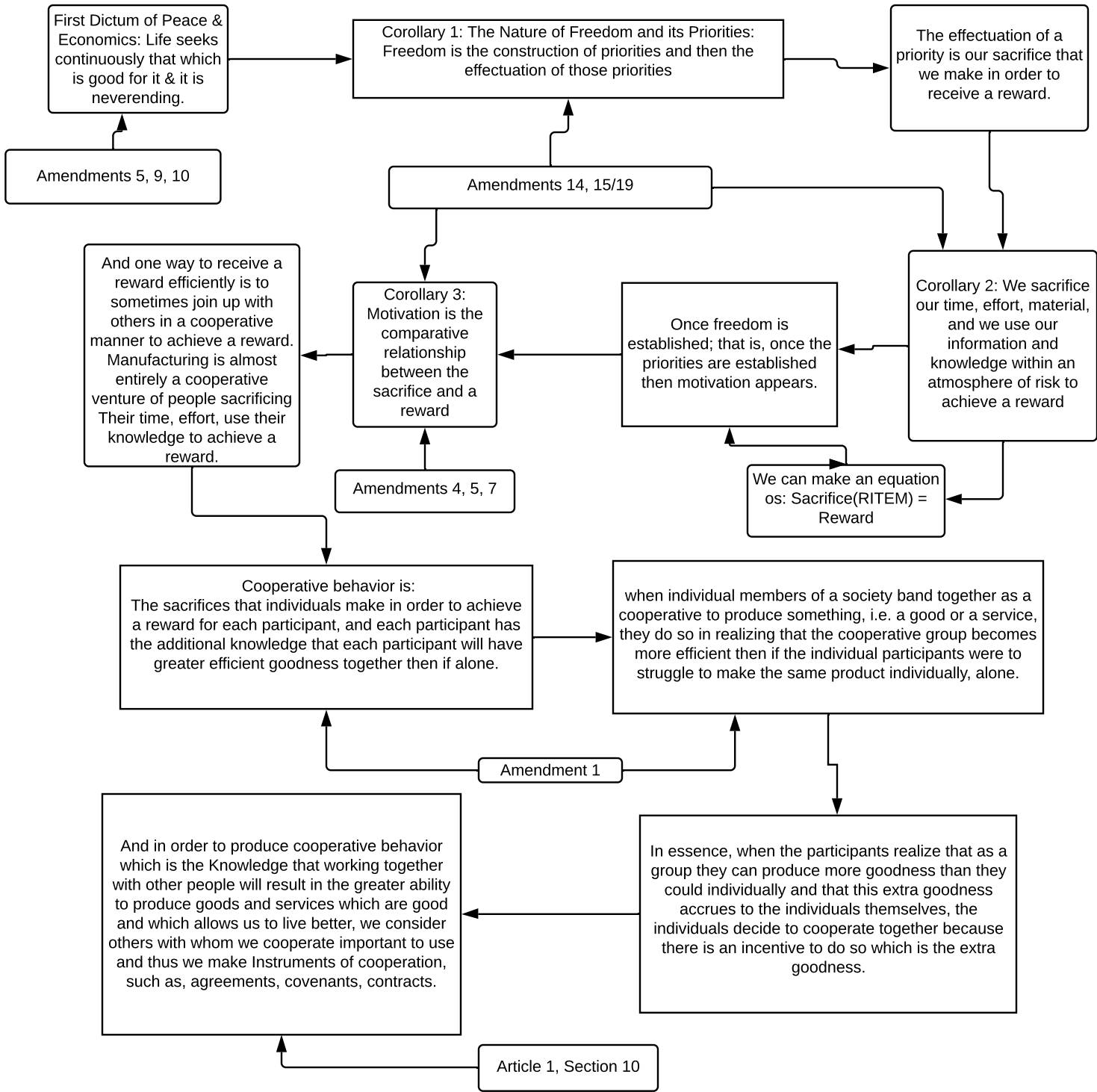
And so it is that this will to compete has evolved within the human species and Saint Augustine noted this proclivity of the human species and deemed it principle of Libido Dominandi.



Corollary 5 - Competition & the Law of differentiation: the convergence and divergence of the priorities by two or more entities.
Law of differentiation: divergence from the market priorities fulfilling new demand to deliver new goodness.
All life knows that direct competition is inimical to one's health; so it attempts to diverge away through differentiation.



Free Market Enterprise =
The Good + Freedom (S = Rwd) + Motivation (S:Rwd) + Cooperation + Competition (Law of Differentiation)



Article 1, Section 10:

No State shall enter into any Treaty, Alliance, or Confederation; grant Letters of Marque and Reprisal; coin Money; emit Bills of Credit; make any Thing but gold and silver Coin a Tender in Payment of Debts; pass any Bill of Attainder, ex post facto Law, or Law impairing the Obligation of Contracts, or grant any Title of Nobility.

Amendment 1: Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press, or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances.

A4: The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no Warrants shall issue, but upon probable cause, supported by Oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized.

A5: No person shall be held to answer for a capital, or otherwise infamous crime, unless on a presentment or indictment of a Grand Jury, except in cases arising in the land or naval forces, or in the Militia, when in actual service in time of War or public danger; nor shall any person be subject for the same offence to be twice put in jeopardy of life or limb; nor shall be compelled in any criminal case to be a witness against himself, nor be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation.

A7: Excessive bail shall not be required, nor excessive fines imposed, nor cruel and unusual punishments inflicted.

A9: The enumeration in the Constitution, of certain rights, shall not be construed to deny or disparage others retained by the people.

A10: The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

A14: All persons born or naturalized in the United States and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside. No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.

A15: The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of race, color, or previous condition of servitude.

A19: The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of sex.

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