

LibertyNation

Swamponomics: The Brewing Disdain for Capitalism

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Tell Us How You Really Feel

If there is one thing clear about this class of Democrats, it is that the state is our lord and savior. Everything that the socialist, center, or liberal wings of the Democratic Party propose is just more government, from health care to education to guns. Well, except abortion. For this, the left will decry any government intervention to prevent the killing of babies – but everything else requires state meddling, including the food on your plate at dinnertime.

It is also evident that the Democrats – politicians or voters – are not in love with capitalism, but they do have a crush on socialism. The proof is in the pudding.

A new report by the Cato Institute revealed that more Democrats are higher on socialism than capitalism. The study, titled “Cato 2019 Welfare, Work, Wealth Survey Report,” found that 64% of Democrats hold a favorable view of socialism while just 45% have a favorable opinion of capitalism. This is the widest gap in modern history as most studies this century have highlighted an overall split.

So, what’s going on? President Donald Trump – that’s what is going on. The think tank discovered that 50% of Democrats blamed Trump for making them “like capitalism less.” Another 44% said that he had no impact on their viewpoints.

It is the same thing with free trade. They were against it before Trump, but then since he embarked upon a protectionist crusade, the Democrats now adore free trade. If he declared his love for both socialism and free trade, then the Democrats would flip.

There are a few things to unpack. The first is that too many Democrats are suffering from Trump Derangement Syndrome if one person is making them shift their opinion on an economic system that has lifted more people out of poverty than anything else in history. The second is that President Trump, though maintaining a pro-business agenda, is not exactly a stalwart of capitalism. The third is that the left’s desire for socialism is clear, yet they still do not seem to understand the ideology’s brutal past.

Supply And Demand Of Diversity

Social justice is continually seeping into the sciences – and, yes, economics is a science! Case in point, this op-ed in *The New York Times* titled “It Was a Mistake for Me to Choose This Field.”

Written by Lisa D. Cook, an associate professor of economics and international relations at Michigan State University, and Anna Gifty Opoku-Agyeman, a research scholar in economics at Harvard University, the opinion piece grieves that the economics profession “is neither a welcoming nor a supportive profession for women,” especially black females.

The authors complained that black girls are prevented from studying economics, though no school or law bans them from enrolling in courses. They also quoted former Federal Reserve Chair Janet Yellen, who said that the industry does not have enough diversity. Essentially, it is full of white males, which is ostensibly a problem for some reason.

Yes, there is a diversity problem in economics – a paucity of intellectual diversity. Whether in the mainstream media or the academic journals, a lot of the talking heads and opinion submissions emanate from the schools of thought that adhere to the 3×5 card of allowable opinion. It is rare to turn on CNBC or Bloomberg and listen to the incredible insights of a Walter Block or a Joseph Salerno. You might find the odd op-ed in *The Times* or *The Wall Street Journal*, but that is extremely rare.

Suffice it to say, these authors should see what anyone advocating the Austrian School of Economics has faced. Ludwig von Mises did not attain a teaching position at any university, Friedrich Hayek was not given a teaching job at the University of Chicago, and Murray Rothbard was hired as a teacher earning less than fellowship students.

Also, if there were a study that found most black women read and agreed with Mises, Rothbard, and Block, then it is unlikely these women would be pearl-clutching about the lack of representation. They only care about progressivism.

Robert Wenzel of the *Economic Policy Journal* was right to label these women as “drama queen economists.”

Take A Schwab

Talk about disrupting an industry ...

Charles Schwab, a financial investment management company, announced that it is eliminating commissions for online trading in US stocks, exchange-traded funds (ETFs), and options. That’s right. If you are a Schwab client, then you will pay zero commission, down from the current price of \$4.95.

The company announced that it will go into effect on October 7.

What made the news fascinating was investor sentiment. Schwab shares plunged about 10% on the news as traders were fearful that it would impact its already razor-thin margins. Commission fees account for up to 4% of its net revenues every quarter. But rival brokerage firms also suffered as E*Trade slipped 16% and TD Ameritrade cratered 26%.

For the average trader, this is great news. If you are a Schwab client, then you are going to enjoy the savings. If you are a user of other discount brokerages, then they will need to adapt and go beyond to keep their customers.

At the same time, perhaps this suggests that retail traders are no longer much of a market segment to consider. Sorry, Jake. It's institutional town!

While this is a positive development for passive investors, you should *not* quit your day job, purchase 500 shares of Animotion Incorporated, and follow the monkey's order to make the trade.

A Budding Industry

And that was just the tip of the iceberg in the world of economics this week. You still had the Japanese government institute a national sales tax hike, which is a levy on living. You also had a new study that found the rich are not getting richer from ETFs. Plus, the fiscal year 2019 budget deficit officially topped \$1 trillion, US manufacturing slumped, and the demand for Treasuries remained healthy. A lot happened – some good and some bad.