

The Daily Capitalist

unconventional economics wisdom

What You Should Be Thankful For On Thanksgiving 2012

By Jeff Harding, on November 22nd, 2012

This is the third anniversary of this Thanksgiving message to readers.

Every year celebrations of Thanksgiving give thanks for the blessings of God for our well-being. As a skeptic, curmudgeon, and capitalist, I attribute my blessings to free market capitalism. I believe America's success is the result of two ideas and ideals: human rights derived from Natural Law and its corollary, the freedom to act in one's self-interest in human society, a.k.a., free market capitalism.

I feel grateful for the fact that I am an American, warts and all, that I have a wonderful family whom I admire and love, that we are healthy, that I live in a beautiful place, Montecito, and that my (mostly) freedom loving country has given me the opportunity to achieve some level of success.

I know what's wrong with the world, but it is important to recognize what is right with the world. And today is a good time to do that.

I keep two files: one is "Things Are Getting Better" and "Things Are Getting Worse." I think throughout history, every society has its optimists and pessimists who look at the same world and see something different. One of my favorite quotations is from Marcus Tullius Cicero, statesman, orator and writer (106-43 BCE):

Times are bad. Children no longer obey their parents, and everyone is writing a book.

It is always easy to criticize things as we see them today, but we have to see where we came from before we do that.

In my Getting Better file, I have a 1999 article from the [Cato Institute](#) which describes the positive forces of the 20th Century which have made our lives better:

25 Wonderful Trends of the 20th Century

Trend	1900–1920 ^a	1995–98 ^b
Life expectancy (years)	47	77
Infant mortality (deaths per 1,000 live births)	100	7
Deaths from infectious diseases (per 100,000 population)	700	50
Heart disease (age-adjusted deaths per 100,000 population)	307 (1950)	126
Per capita GDP (1998 dollars)	\$4,800	\$31,500
Manufacturing wage (1998 dollars)	\$3.40	\$12.50
Household assets (trillions of 1998 dollars)	\$6 (1945)	\$41
Poverty rate (percent of U.S. households)	40	13
Length of workweek (hours)	50	35
Agricultural workers (percent of workforce)	35	2.5
TV ownership (percent of U.S. households)	0	98
Homeownership (percent of U.S. households)	46	66
Electrification (percent of U.S. households)	8	99
Telephone calls (annual per capita calls)	40	2,300
Cars for transportation (percent of U.S. households)	1	91
Patents granted	25,000	150,000
High school completion (percent of adults)	22	88
Accidental deaths (per 100,000 population)	88	34
Wheat price (per bushel in hours of work)	4.1	0.2
Bachelor's degrees awarded to women (percent of degrees)	34	55
Black income (annual per capita, 1997 dollars)	\$1,200	\$12,400
Resident U.S. population (millions)	76	265
Air pollution (lead, micrograms per 100 cubic meters of air)	135 (1977)	4
Computer speed (millions of instructions per second)	0.02 (1976)	700
Computer ownership (percent of U.S. households)	1 (1980)	44

^a Values are for earliest year for which data are available.

^b Values are for latest year for which data are available.

These “Wonderful Trends” didn’t come from the government, they came from the wealth created by free(er) market capitalism. Yes, water treatment, sanitation, and roads were built by government, but without the wealth created as a result of capitalism, there would have been no money for the government to spend on these benefits.

From an article in [Philadelphia Inquirer](#) by Austrian theory economist Steve Horowitz:

In the Dec. 8, 1962, Saturday Evening Post, there was an advertisement for a Magnavox “Stereo Theatre”: a large console containing a television (black and white), a turntable, and a six-speaker system. This was pretty much the top-of-the-line system of its kind at the time. It listed for \$498.50.

The average private-sector wage at the time was about \$2.50 per hour. Ignoring taxes, it would have taken about 200 hours of work at that wage to afford the Magnavox system.

At the average October 2010 wage of \$19.17 per hour, it would take only 26 hours – about an eighth of the time it took in the 1960s – to afford a piece of equipment that expensive. If the same equipment were available at the same price today, it would suggest that today's average American is effectively eight times richer than the average American of the early '60s. ...

A 20-inch stereo color TV at Sears cost \$370 in 1985; today, you could get one for \$110. For \$370 today, you could get a 32-inch LCD TV or better. In 1985, the 20-inch color TV would have required 42 hours of work at the then-average wage of \$8.82. Today, a worker could buy the equivalently priced but higher-quality TV after working just 5.3 hours. ...

This is a huge and often overlooked story of the last 200 years: Market competition has led to innovations and cost reductions that enable us to have more of what we need and want for less time at work, giving us more time to devote to hobbies, friends, and family. Markets enrich us not just by creating "stuff," but also by giving us more of the most precious human resource: time.

I am thankful.

Happy Thanksgiving.