

Capitalism or Free Trade

Which one is the cause of our economy's decline ?

One thing is certain . . . our economy is in trouble. If we are going to get our economy moving again, we will have to determine the cause of our economic decline and how to eliminate that problem. Since the industrial revolution we have had a capitalistic system that our manufacturers function in. After the amazing accomplishments of our capitalistic system could it be that this system is the cause of our economic down-turn ? This hardly seems possible because capitalism has produced such amazing results for so many years especially as compared to socialism.

If capitalism has been so successful could it be that there is another problem area that has been preventing capitalism from really functioning ? I believe that this is the case. This troublesome issue is free trade. For the last 30 years free trade has been bringing in billions of dollars worth of low-cost foreign competition. This has permitted the customers of U.S. manufacturers to switch over and begin buying their products from the low-cost competitors in Asia. With this loss of orders, U.S. manufacturers have been forced to send their jobs to Asia so they too would be one of those low-cost Asian suppliers.

Taxes and Regulations

Now with our economic troubles reaching staggering proportions we will need to honestly identify the culprit and deal aggressively to eliminate the problem. Some people may want to blame high taxes or excessive regulations for our economic troubles. These can be ruled out as shown in a study by the New Hope for America Foundation. This study showed that if all taxes, all regulations, and all healthcare costs were eliminated, and we had government subsidized 2% loans available to U.S. manufacturers for facilities and machinery, a \$100 U.S. produced product would only come down to \$68.00, while an equivalent product could be produced in China for \$28.00.

the Culprit

It pretty much comes down to the culprit causing our economic troubles is free trade. Are we willing to admit that today's free trade is the culprit or are we so protective of the concept of free trade that we are willing to let capitalism be labeled as the culprit, giving the Progressives the justification they're looking for to justify their switch to socialism. Remember, as explained in the paragraph above, the solutions so often talked about, that avoid the issue of free trade, will not be able to get our economy going again.

the Solution

If we want to continue operating under a capitalistic system, we will have to admit that, given the vast differences in manufacturing costs that exist around the world today, free trade can not work. We will need to switch over to a new trade policy concept that will permit U.S. manufacturers to begin receiving the orders from the retailers of America. It is only when they begin getting the orders will they be able to begin providing the millions of jobs that our nation needs. Without orders there can be no jobs. Check out the videos on our website, www.newhopeforamerica.org for a Pro-growth solution that can revive our economy without the need for any stimulus money.