

Good afternoon, thank you very much.

Today I'm here to tell you that the western world is in danger, and it is in danger because those who are supposed to have to defend the values of the west, are co-opted by a vision of the world that inevitably leads to socialism, and thereby to poverty.

Unfortunately, in recent decades, motivated by some well-meaning individuals willing to help others - and others wishing to belong to a privileged caste, the leaders of the western world have abandoned the model of freedom for different versions of what we call collectivism.

We are here to tell you that collectivist experiments are never the solution to the problems that afflict the citizens of the world. Rather, they are the root cause. Believe me, no one is better placed than us, Argentine, to testify to these two points.

When we adopted the model of freedom back in 1860, in 35 years we became a leading world power, and when we embraced collectivism over the course of the last 100 years, we saw how our citizens started to become systematically impoverished and we dropped to spot number 140 globally.

But before having the discussion it would first be important to take a look at the data that demonstrate why free enterprise capitalism is not just the only possible system to end world poverty, but also that it's the only morally desirable system to achieve this. If we look at the history of economic progress, we can see how between the year 0 and the year 1800 the world's per capita GDP practically remained constant throughout the whole reference period. If you look at a graph of the evolution of economic growth throughout the history of humanity, you will see a hockey stick graph; an exponential function that remained constant for 90% of the time, and which was exponentially triggered starting in the 19th century. The only exception to this history of stagnation was in the late 15th century with the discovery of the American continent, but for this exception, throughout the whole period between the year 0 and the year 1800, global per capita GDP stagnated.

Now, it's not just that capitalism brought about an explosion in wealth from the moment it was adopted as an economic system, but also if you look at the data what you would see is that growth continues to accelerate throughout the whole period, and throughout the whole period between the year 0 and the year 1800, the per capita GDP growth rate remained stable at around .2% annually, so almost no growth. Starting in the 19th century with the industrial revolution, the compound annual growth rate [CAGR] was .66% and at that rate, in order to double per capita GDP, you would need some 107 years.

Now, if you look at the period between the year 1900 and the year 1950 the growth rate accelerated to 1.66% per year, so you no longer need 107 years to double per capita GDP, but 66. And if you take the period between the year 1950 and the year 2000, you will see that the growth rate was 2.1%, again the CAGR, which would mean that in only 33 years we could double the world's per capita GDP. This trend, far from stopping, remains well alive today. If we

take the period between the year 2000 and 2023, the growth rate again accelerated to 3% per year, which means that we could double the world's per capita GDP in just 23 years.

That said, when you look at per capita GDP since the year 1800 and until today, what you will see is that after the industrial revolution, global per capita GDP multiplied by over 15 times, which meant a boom in growth that lifted 90% of the global population out of poverty. We should remember that by the year 1800 about 95% of the world's population lived in extreme poverty and that figure dropped to 5% by the year 2020, prior to the pandemic.

The conclusion is obvious. Far from being the cause of our problems, free trade capitalism as an economic system is the only instrument we have to end hunger, poverty, and extreme poverty across our planet. The empirical evidence is unquestionable. Therefore, since there is no doubt that free enterprise capitalism is superior in productive terms, the left-wing has attacked capitalism, alleging matters of morality, saying - that's what the detractors claim - that it is unjust. They say that capitalism is evil because it is individualistic, and that collectivism is good because it is altruistic - of course, with the money of others.

They therefore advocate for social justice. But this concept, which in the developed world became fashionable in recent times, in my country has been a constant in political discourse for over 80 years. The problem is that social justice is not just, and it doesn't contribute to the general wellbeing. Quite on the contrary, it is an intrinsically unfair idea because it's violent. It's unjust because the state is financed through tax, and taxes are collected coercively, or can anyone of us say that they voluntarily pay taxes? Which means that the state is financed through coercion, and that the higher the tax burden, the higher the coercion and the lower the freedom.

Those who promote social justice - the advocates - start with the idea that the whole economy is a pie that can be shared differently. But that pie is not a given. It's wealth that is generated, in a market discovery process. If the goods or services offered by a business are not wanted the business will fail, unless it adapts to what the market is demanding. If they make a good quality product at an attractive price, they will do well and produce more. So, the market is a discovery process through which the capitalists will find the right path as they move forward. But if the state punishes capitalists when they are successful and gets in the way of the discovery process, they will destroy their incentives, and the consequence is that they will produce less, the pie will be smaller, and this will harm society as a whole. Collectivism, by inhibiting this discovery process, and hindering the appropriation of discovery, ends up binding the hands of entrepreneurs and prevents them offering better goods and services at a better price.

So how come that academia, international organizations, economic theory and politics demonize an economic system that has not only lifted out of extreme poverty 90% of the world's population but has continued to do this faster and faster. This is morally superior and just. Thanks to free trade capitalism the world is now living its best moment. Never in humanity's history has there been a time of more prosperity than today. All the world of today has more freedom, is richer and more prosperous. And this is particularly true for countries that have more

economic freedom and respect the property rights of individuals, because countries that have more freedom are 12 times richer than those that are oppressed. And the lowest decile in terms of distribution in free countries are better off than 90% of the population of oppressed countries. Poverty is 25 times lower and extreme poverty is 50 times lower, and citizens in free countries live 25% longer than citizens in oppressed countries.

Now, what is it that we mean when we talk about libertarianism? And let me quote the words of the greatest authority on freedom in Argentina, professor Alberto Benegas Lynch, Jr., who says that libertarianism is the unrestricted respect for the life project of others, based on the principles of non-aggression, in defense of the rights of life, liberty and property. Its fundamental institutions being private property, markets free from state intervention, free competition, division of labor and social cooperation, as part of which success is achieved only by serving others with goods of better quality, or at a better price. In other words, capitalists, successful business people, are social benefactors who far from appropriating the wealth of others, contribute to the general wellbeing.

Ultimately a successful entrepreneur is a hero. And this is the model that we are advocating for the Argentina of the future; a model based on the fundamental principles of libertarianism, the defense of life, of freedom and of property.

Now, if free enterprise capitalism and economic freedom have proven to be extraordinary instruments to end poverty in the world, and we are now at the best time in the history of humanity, it is worth asking why I say that the west is in danger? I say this precisely because in those of our countries that should defend the values of the free market, private property and the other institutions of libertarianism, sectors of the political and economic establishment - some due to mistakes in their theoretical framework and others due to a greed for power - are undermining the foundations of libertarianism, opening up the door to socialism, and potentially condemning us to poverty, misery and stagnation. It should never be forgotten that socialism is always and everywhere an impoverishing phenomenon that has failed in all countries where it has been tried out. It's been a failure economically, socially, culturally, and it also murdered over a 100 million human beings. The essential problem of the west today is not just that we need to come to grips with those who - even after the fall of the Berlin wall and the overwhelming empirical evidence - continue to advocate for impoverishing socialism, but there is also our leaders and thinkers, and academics who are relying on a misguided theoretical framework, undermining the fundamentals of the system that has given us the greatest expansion of wealth and prosperity in our history.

The theoretical framework to which I refer is that of neo-classical economic theory, which designs a set of instruments that - unwillingly, or without meaning to - ends up serving the intervention by the state, socialism, and social degradation. The problem with neo-classicals is that the model they fell in love with does not map reality, so they put down their mistakes to supposed market failures, rather than reviewing the premises of their model. On the pretext of a supposed market failure, regulations are introduced which only creates distortions in the price system, prevent economic calculus, and therefore also prevent saving, investment and growth. This problem lies

mainly in the fact that, these economists don't understand what the market is. Because if they did understand, it would quickly be seen that it's impossible for there to be something along the lines of market failure. A market is not a mere graph describing a curve of supply and demand. The market is a mechanism of social cooperation, where you voluntarily exchange ownership rights. Therefore, based on this definition, talking about a market failure is an oxymoron. There are no market failures if transactions are voluntary, the only context in which there can be a market failure, is if there is coercion. And the only one that is able to coerce generally is the state, which holds a monopoly on violence. Consequently if someone considers that there is a market failure, I would suggest that they check to see if there is state intervention involved, and if they find that that is not the case, I would suggest that they check again because obviously there is a mistake; market failures do not exist.

An example of these so called market failures, described by the neo-classicals, are the concentrated structures of the economy. However, without increasing returns to scale functions whose counterpart are the contemplated structures of the economy we could not possibly explain economic growth since the year 1800 until today. Isn't this interesting? Since the year 1800 onwards, with population multiplying by 8 or 9 times, per capita GDP grows by over 50 times, so there are increasing returns which took extreme poverty from 95% to 5%, however the presence of increasing returns involves concentrated structures, what we would call monopoly. How come then, that something that has generated so much wellbeing, for the neo-classical theory is a market failure?

Neo-classical economists think outside of the box, when the model fails you shouldn't get angry with reality but rather with the model and change it. The dilemma faced by the neo-classical model is that they say they wish to perfect the functioning of the market by attacking what they consider to be failures, but in so doing they don't just open up the door to socialism, but also go against economic growth. An example: regulating monopolies, destroying their profits and destroying growing returns, automatically would destroy economic growth. In other words, whatever you want to correct, a supposed market failure, inexorably, as a result of not knowing what the market is, or as a result of having fallen in love with a failed model, you are opening up the door to socialism and condemning people to poverty. However, faced with the theoretical demonstration that state intervention is harmful and empirical evidence that it has failed couldn't have been otherwise a solution to be proposed by collectivists, is not greater freedom but rather greater regulation, which creates a downward spiral of regulations until we are all poorer and life of all of us depends on a bureaucrat sitting in a luxury office.

Given the dismal failure of collectivist models and the undeniable advances in the free world, socialists were forced to change their agenda. They left behind the class struggle based on the economic system and replaced this with other supposed social conflicts which are just as harmful to life as a community and to economic growth. The first of these was the ridiculous and unnatural fight between man and woman. Libertarianism already provides for equality of the sexes, the cornerstone of our creed says that all humans are created equal, that we all have the same unalienable rights granted by the creator, including life, freedom and ownership. All that this radical feminism agenda has led to is greater state intervention to hinder the economic

process, giving a job to bureaucrats who have not contributed anything to society. Examples are ministries of women, or international organizations devoted to promoting this agenda.

Another conflict presented by socialists is that of humans against nature, claiming that we human beings damage the planet, which should be protected at all costs, even going as far as advocating for population control mechanisms, or the bloody abortion agenda. Unfortunately, these harmful ideas have taken a stronghold in our society. Neo-Marxists have managed to coopt the common sense of the western world, and this they have achieved by appropriating the media, culture, universities, and also international organizations. The latter case is the most serious one, probably, because these are institutions that have enormous influence on political and economic decisions of the countries that make up the multilateral organizations. Fortunately there's more and more of us who are daring to make our voices heard, because we see that if we don't truly and decisively fight against these ideas, the only possible fate is for us to have increasing levels of state regulations, socialism, poverty and less freedom, and therefore we will have worse standards of living.

The west has unfortunately already started to go along this path. I know too many it may sound ridiculous to suggest that the west has turned to socialism, but it's only ridiculous if you only limit yourself to the traditional economic definition of socialism, which says that it's an economic system where the state owns the means of production. This definition in my view, should be updated in the light of current circumstances. Today states don't directly need to control the means of production to control every aspect of the lives of individuals. With tools such as printing money, debt, subsidies, controlling the interest rate, price controls, and regulations to correct the so called market failures, they can control the lives and fates of millions of individuals.

This is how we come to the point where, by using different names or guises a good deal of the generally accepted political offers in most western countries are collectivist variants, whether they proclaim to be openly communist, fascist, nazis, socialist, social democrat, national socialist, Christian democrat, neo-Keynesian, progressive, populist, nationalist or globalist. There are no major differences, they all say that the state should steer all aspects of the lives of individuals, they all defend a model contrary to that one which led humanity to the most spectacular progress in its history.

We have come here today to invite the rest of the countries in the western world to get back on the path of prosperity, economic freedom, limited government, and unlimited respect for private property; essential elements for economic growth. And the impoverishment produced by collectivism is no fantasy, nor is it an escapable fate. It is a reality that we Argentinians know very well. We have lived through this, we have been through this, because as I said earlier, ever since we decided to abandon the model of freedom that had made us rich, we have been caught up in a downward spiral, a spiral in which we are poorer and poorer day by day. This is something that we have lived through, and we are here to warn you about what can happen if countries in the western world, which became rich through the model of freedom, stay on this path of servitude.

The case of Argentina is an empirical demonstration that no matter how rich you may be or how much you may have in terms of resources, or how skilled or educated your population may be, or how many bars of gold you may have in the central bank. If measures are adopted that hinder the free functioning markets, free competition, free price systems, if you hinder trade, if you attack private property, the only possible fate is poverty.

Therefore, in conclusion, I would like to leave a message for all business people here and for those who are not here in person but are following from around the world: Do not be intimidated either by the political caste or by parasites who live off the state. Do not surrender to a political class that only wants to stay in power and retain its privileges. You are social benefactors, you are heroes. You are the creators of the most extraordinary period of prosperity we have ever seen. Let no one tell you that your ambition is immoral. If you make money, it is because you offer a better product at a better price, thereby contributing to general wellbeing. Do not surrender to the advance of the state. The state is not the solution. The state is the problem itself. You are the true protagonists of this story. And rest assured that from today, Argentina is your staunch, unconditional ally. Thank you very much, and long live freedom, dammit!