

Student's name

Professor's name

Class

Date

CAPITALISM IN AMERICA: HURTFUL OR HELPFUL

In the XVII century the territory of the North American continent became an English resettlement colony. The majority of emigrants were workers who had ran from an arbitrariness of the authorities and religious prosecutions. The development of capitalism in the USA has a number of features which significantly distinguish it from the West European variant. Capitalism which was formed in North America is called Colonial Capitalism. Since 1776 the history of the American policy represents fight between progressivism and conservatism. At the time of adoption of the Constitution conservatives became the winners of this dispute. Founders of the constitutional state brought to inhabitants of America freedoms, including freedom of the self-adjusted capitalist market. In this work I will try to prove that modern American capitalisms is more hurtful that helpful.

Archibald MacLeish said that freedom is the right to choose: the right to create alternatives of a choice. Without this possibility person turns into a tool or a thing. But, for example, Thomas Jefferson emphasized that freedom should be protected constantly, he stated that from time to time the tree of freedom has to be refreshed with blood of patriots and tyrants.

The matter is that any hierarchical system assumes "transparency" from above and "opacity" from below; therefore the large number of people, who do not know history, sees only slogans of leaders and does not even suspect that there is a permanent war to the death. There is a steady fight between conservatives and liberals who are a part of democratic and republican parties. The retrospective analysis of historical documents shows that losses of the country are especially great when the idea of liberalism is bearded by: imperious charismatic politician, such as Franklin Roosevelt or Lyndon Johnson; vigorous and relatively young person with a large number of idealistic reforms, for example, Theodor Roosevelt or John Kennedy; when it is possible to fix reforms at the level of the constitution, thus, when liberals like F. Roosevelt, L. Johnson prevail in the congress.

The constitution of the USA totals four thousand four hundred words, but amendments make volumes. According to Congressional Research Center, there were made more than eleven thousand attempts to make amendments to the Constitution. However the Congress approved and transferred for ratification to states only thirty three of them. Those approved only twenty seven of them. That is why, the American system is rather reliable, and therefore for this reason the Constitution of America is the oldest in the world and only in four other countries there are constitutions that have been written before the beginning of the 20th century. America managed to keep the relative conservatism against liberal Europe.

However, the race for the power becomes more rigid, and any "regulators" slowly but surely squeeze their hands to this most "capitalist" market. There are three sharp revolutionary jumps in forward process of

the American movement Marable. Two of them resulted in dictatorship, at the time of presidency of the democrat Franklin Roosevelt and the republican Lyndon Johnson which brought the country to economic absurdity. The last one led to return of democratic freedoms (with a leadership of Ronald Reagan). His improving reforms made a serious impact to the USA, but then, unfortunately, the country went on the second circle.

In November, 2013 Max Sieben Baucus, who was the Chairman of the Senate Committee on Finance suggested to impose a single tax on the capital of corporations. Unfortunately, this event was almost unnoticed. Meanwhile, it logically fits into those tendencies which brightly began to be shown in world after financial crisis of 2008-2009. One of the simplest and laconic definitions of the capital is "the self-increasing cost". First of all, the self-increasing cost is the banking capital which grows at the expense of loan percent. The trade and industrial capitals take the subordinated place in relation to the banking (monetary) capital, eventually, they provide self-increase of banking capital. The banking capital is the gist of modern capitalism. At the beginning of the XXI century it stopped being "the self-increasing cost". The mechanism of creation of money "from air" on the basis of "incomplete (partial) reservation of bank obligations" has almost ceased to work.

One of the main signs which demonstrated hopelessness of capitalism was that fact that the capitalist elite decided to offer the sacred principle of inviolability of a private property and the capital. Events in Cyprus became a bright expression of this new tendency. However, this experience was legalized in scales of the whole European Union. Unfortunately, the authorities of America "closed eyes" to the events

connected with bank confiscations in Cyprus.

Today the budgetary problems of America became more aggravated. The budgetary crisis of the first half of October testifies this unpleasant fact. And at the same time nobody cancelled the principle of "Too Big to Die" that operates on the Wall Street. Washington cannot allow the largest banks of the Wall Street to go to a bottom because then they will pull on a bottom not only the whole banking system of the USA, but also American economy. It is possible to assume that the clients will rescue the largest banks. But this "seditious" conclusion has not been pronounced by official Washington. There is a visibility that America thinks more than Europe about the private property institution. But it is not true. If Europe only plans to be engaged in "bank confiscations", America has already practices them. They do this under the guise of different economic sanctions against "wrong" (from the point of view of Washington) countries. Of course, economic sanctions of Washington pursue, first of all, political aims. But, it is represented that for America sanctions has already turned into business. There are a lot of examples of this: economic sanctions of Washington against Cuba, Libya, Syria, and Iran.

It is remarkable that in conditions of capitalism the capital levy is nonsense. Such tax contradicts a letter and spirit of capitalism. But sometimes this tax was remembered even by the most consecutive defenders of capitalism. Examples of it can be found in work named "The Capital Levy in Theory and Practice" written in the early nineties by famous American economist Barry Eichengreen. It contains the analysis of separate attempts in the twentieth century of introduction of taxes on bank deposits and capital levy.

All in all, many economists and politicians claim that Marx was right when he said that capitalism is the rotting system which conducts to self-damage, therefore the free market does not have the future. And unfortunately, the USA is a classic example of this process. Digression to history of the American democracy shows that the reputation of the USA on the world scene as capitalist country with the free market is the myth, and the logical constructions based on this myth are wrong. A free financial market is also under rigid management. For this reason classical methods of the analysis are useless. For the last thirty years there were not less than one hundred and seventeen system bank crises in ninety three countries. This means that the biggest part of global market is operated by large speculators. Practically, speculation became an ethical standard of both the old and young markets. However the largest capitals (private and state) direct this process. In the countries with authoritarian regime the main controller is the state which as the cat with a mouse speculates on the Stock Exchange. "Pure capitalism" and "pure socialism" are the utopia. The majorities of the countries of the world are between these two extreme points of economic history and differs with extent of the state control and violence.