

Wealth Can Be Destroyed

Those who refuse to believe that wealth can be created sometimes begin to understand when presented with the idea of wealth destruction.

It's foolish to believe wealth can't be destroyed, just as it's foolish to believe it can't be created. But once a person realizes that something can be dismantled, smashed apart or consumed into a state of uselessness, they'll be well on the way to conceding that other kinds of efforts might achieve the reverse of destruction. Conceding the reality of wealth destruction is a big step toward admitting that wealth creation might also be possible.

Think about it. If wealth can be destroyed but not created, this means the sum total of the world's wealth has to be diminishing. If this is true, how come even the rich folks are still getting three square meals a day? Wouldn't this mean that consuming a meal reduces the sum total of wealth in the world to the tune of one meal? Where's it all coming from? The answer is that people are creating it.

People who are determined to believe wealth is not creatable will

be particularly keen to talk about minerals, for there are indeed, for the time being, only a certain number of copper atoms on the planet. But wealth, to be wealth, has to be usable. Getting copper from a mile beneath the surface of the earth to the surface of the earth is itself an act of wealth creation. So is devising new ways to make electrical wire which uses less copper and more of something else. And so is finding cheaper ways to get copper from rubbish heaps or devising ways to make synthetic copper - or synthetic diamonds or synthetic oil.

A very wise economist once said that there are no shortages - there are only prices. If you allow the price system to function properly, then any interruptions to copper supplies will cause the price of copper to go up, and the search for copper and for ways of making do with less copper will intensify. It also means alternative products will be searched for and developed which could take the place of copper. One hundred years ago, who would have believed in artificial diamonds or synthetic oil? Why not synthetic copper?

The only serious obstacle to ensuring there are no shortages is that in an attempt to preserve what is perceived as "balance" somewhere or other, fixed quantity of wealth fallacists - or some shortsighted politician who believes in it - will freeze the price of a resource or product well below its market level. This will cause the resource to be over-consumed and under-supplied. If they do this, they'll actually create a shortage, and probably end up saying, "Look, we told you so, we are running out of the stuff!" That one condition aside, predictions about the imminent disappearance of the earth's scarce resources are humbug.

The same principle applies to the idea of a shortage of energy. This too will only run out if people decide to stop producing it.

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