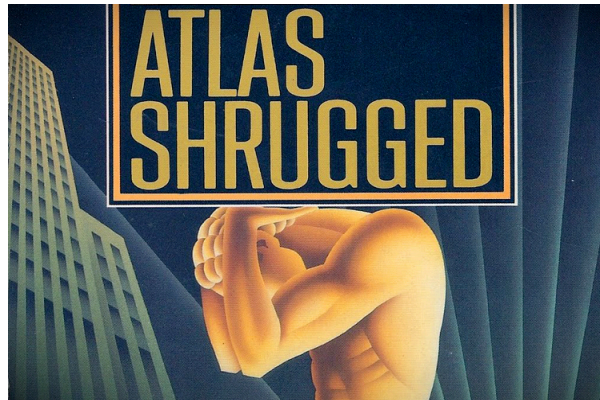


Lesson Materials: Free Enterprise

Name _____ Period _____ Date _____

Ayn Rand, “Atlas Shrugged”, and *Free Enterprise*

The following is an excerpt from “Atlas Shrugged” by Ayn Rand, published in 1957. This speech is considered to be one of the most important ideas behind Rand’s economic thought. In this speech, Francisco describes in a monologue what “money” is. As you read, identify with how this relates to the idea of the free market.



In the **left margin**, interpret what Rand is saying about the economy for the underlined words. In the **right margin**, write what the perspective of a citizen in a developing/poor area of a country would think about this statement (use examples: Iran, Chin, traditional economies, wealth disparity in the US, etc.)

Francisco’s Money Speech

“So you think that money is the root of all evil?” said Francisco d’Anconia.
“Have you ever asked what is the root of money? Money is a tool of exchange, which can’t exist unless there are goods produced and men able to produce them. Money is the material shape of the principle that men who wish to deal with one another must deal by trade and give value for value.

Money is not the tool of the **moochers, who claim your product by tears, or of the looters,** who take it from you by force. Money is made possible only by the men who produce. Is this what you consider evil?

“When you accept money in payment for your effort, you do so only on the conviction that you will exchange it for the product of the effort of others. It is not the moochers or the looters who give value to money. Not an ocean of tears not all the guns in the world can transform those pieces of paper in your wallet into the bread you will need to survive tomorrow. **Those pieces of paper, which should have been gold, are a token of honor—your claim upon the energy of the men who produce.** Your wallet is your statement of hope that somewhere in the world around you there are men who will not default on that moral principle which is the root of money, Is this what you consider evil?

“Have you ever looked for the root of production? Take a look at an electric generator and dare tell yourself that it was created by the muscular effort of unthinking brutes. Try to grow a seed of wheat without the knowledge left to you by men who had to discover it for the first time. Try to obtain your food by means of nothing but physical motions—and you’ll learn that **man’s mind is the root of all the goods produced and of all the wealth that has ever existed on earth.**

“But you say that money is made by the strong at the expense of the weak? What strength do you mean? It is not the strength of guns or muscles. Wealth is the product of man’s capacity to think. Then is money made by the man who invents a motor at the expense of those who did not invent it? Is money made by the intelligent at the expense of the fools? By the able at the expense of the incompetent? By the ambitious at the expense of the lazy? **Money is made—before it can be looted or mooched—made by the effort of every honest man, each to the extent of his ability.** An honest man is

one who knows that he can't consume more than he has produced.'

...Money demands of you the recognition that men must work for their own benefit, not for their own injury, for their gain, not their loss—the recognition that they are not beasts of burden, born to carry the weight of your misery—that you must offer them values, not wounds—that the common bond among men is not the exchange of suffering, but the exchange of *goods*. Money demands that you sell, not your weakness to men's stupidity, but your talent to their reason; it demands that you buy, not the shoddiest they offer, but the best that your money can find. And when men live by trade—with reason, not force, as their final arbiter—it is **the best product that wins, the best performance, the man of best judgment and highest ability—and the degree of a man's productiveness is the degree of his reward.** This is the code of existence whose tool and symbol is money. Is this what you consider evil?"



...“Let me give you a tip on a clue to men's characters: the man who damns money has obtained it dishonorably; the man who respects it has earned it.”

“Run for your life from any man who tells you that money is evil. That sentence is the leper's bell of an approaching looter. So long as men live together on earth and need means to deal with one another—their only substitute, if they abandon money, is the muzzle of a gun.”

“Whenever destroyers appear among men, they start by destroying money, for money is men’s protection and the base of a moral existence. Destroyers seize gold and leave to its owners a counterfeit pile of paper. This kills all objective standards and delivers men into the arbitrary power of an arbitrary setter of values. Gold was an objective value, an equivalent of wealth produced. Paper is a mortgage on wealth that does not exist, backed by a gun aimed at those who are expected to produce it. Paper is a check drawn by legal looters upon an account which is not theirs: upon the virtue of the victims. Watch for the day when it bounces, marked, ‘Account overdrawn.’”