

EAST BAY TIMES

East County Letters: Mystified about readers' blind eyes to Trump's many mistakes

Capitalism takes more people out of poverty

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In 2013 U2 lead singer Bono told participants at Georgetown University's Global Social Enterprise Initiative: that "Entrepreneurial capitalism takes more people out of poverty than aid. Real economic growth, not government aid, is what lifts people and countries out of poverty long term."

The author of the Times article "[Capitalism is real threat to American Republic](#)" (Sunday, June 18) is, like many people in the Bay area, suffering under the illusion we live in a capitalistic society; they seem unaware capitalism died decades ago in the United States and we live, today, in an Administrative State.

What is an administrative state? It is a purgatory, an existence somewhere between our former capitalistic state and the pure Socialistic/Marxist state that Mr. Cloward longs for. It is a centralized "command and control" system run by a ruling class that believes it is intellectually smarter and morally better than the rest of us.

Want examples of the Administration state?

The Obama administration is the all-time leader in regulations telling us how to live our lives. According to Forbes magazine, in 2016 the administration added 97,110 pages of regulations to the Federal Register. There are three other years in our history with more than 80,000 pages of regulations, all Obama years (2010,2011 and 2015). The estimated regulatory cost of these regulations exceeds \$100 billion annually.

ObamaCare, for example, was created by 2700 pages of regulations dictating what services must be offered (and purchased), at what prices (and subsidies), in what mode, and what penalties were to be handed out for what "offenses"; ultimately it defined who the winners and losers would be in the healthcare economy.

It allowed the Obama administration, for example, to fund 24 non-profit health insurance co-opts to compete with the in-place for profit health insurance companies. Twenty of these co-ops are

now bankrupt after spending almost \$3 billion in federal dollars resulting in 989,000 people losing their health insurance. Yes, the government's administered solution was deadly wrong.

But one only needs to look at California to see examples of progressive administered brilliance. Run by a pretend Jesuit priest and his apostles, California's ruling class wishes to control every element of our lives.

Pushing the state budget up 57 percent to record spending levels in his governorship, we get a train no one wants, tunnels that will destroy the Delta, a "Common Core" education system whose students test out below the national average and more than 50 percent need remedial classes in English and math when they enter college, roads and bridges that are deplorable, a poverty rate that is the highest in the nation, as are the costs of our utilities; finally, due to government rules, regulations, taxes and fees our homes are three times more expensive than the average home elsewhere in the country .

So, of course, for all these "benefits" our taxes are among, if not, the highest in the country. In other words, to use a capitalistic term, the return on our investment (taxes) sucks.

But, then, what is capitalism?

The Merriam-Webster dictionary defines capitalism as "an economic system characterized by private ownership of capital goods, by investments that are determined by private decision, and by prices, production, and the distribution of goods that are determined mainly by competition in a free market."

In other words, Capitalism is freedom. It is the marketplace of innovation and, most importantly, voluntary transactions that each participant engages in for their benefit and the benefit of their community. Capitalism automatically sets prices by rewarding the production of products and services wanted or needed by consumers and profit, rather than being bad, is the reward for meeting people's needs.

Capitalism has taken more people out of poverty than any economic system in history. According to The Economist magazine, China, having moved to a more market based (capitalist) economy pulled 680 million people out of poverty between 1981 and 2010 and reduced its extreme poverty rate from 84 percent in 1980 to 10 percent today. Looking at results greater than just China, The CATO Institute estimates that capitalism has moved more than 1 billion people worldwide out of poverty in the past 20 years.

Want examples? Look at the collapse of East Germany into a united Germany or compare North and South Korea. For an even more graphic example, look at Venezuela today after several decades of socialism under Hugo Chavez. Or consider that in this country 80 percent of American millionaires are from the first generation of their family to achieve such wealth or, despite America's deplorable history of slavery, there are at least 35,000 African-American millionaires today.

So, put me in Bono's column. My vote goes to small government and less regulated capitalism; to innovation, voluntary transactions and to a more prosperous and free society.

