



Destroying Success with Socialism

by Richard W. Rahn

“It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness...” Charles Dickens wrote those words referring to the era of the French Revolution a little over two centuries ago, but they could equally apply to today.

Times have never been better for most Americans, and almost everyone else on our little planet. Incomes are at a record high. Jobs are plentiful. People are living longer and better due to both medical advances and increased prosperity. Despite a few low-level conflicts around the globe that claim a few thousand lives each year, the toll is minuscule compared to the wars of the last century that killed tens of millions.

In the past 30 years, average real (inflation-adjusted) hourly wages have increased by about 80 percent. But it gets better; the real price of automobiles and clothing has not increased at all, after adjusting for quality improvements. And, better yet, telephone service, almost all electronic products, and toys cost about half as much in real dollars — and the real cost of TVs has dropped by an amazing 90 percent (one can buy a TV about ten times larger than in 1998 for the same real dollars).

The big areas where costs have grown much faster than wages are medical care and college tuition. Both of these areas suffer from massive government intervention, which has been the primary cost driver. But despite the massive increases in “sticker prices”

for health and education, even here the real picture is not as bad as it first seems.

Drugs and medical devices and procedures have vastly improved, resulting in far fewer premature deaths and healthier and more productive lives for those who have benefitted from the new technologies. Advances in the medical and biological sciences are now approaching an exponential rate, much like computer chips did 40 years ago. What this means is that many conditions that would have been fatal or disabling will no longer be so, and, like computer chips, the cures will come increasingly faster and ultimately cheaper. Technology is going to be the savior of the “health care crisis,” not socialist schemes which have always failed.

The increases in college tuition costs have been primarily driven by government-designed student loan programs, which have masked the increases in largely unnecessary overhead costs at most educational institutions. Fortunately, the Internet is in the process of disrupting, if not absolutely destroying, the bloated educational establishment. Various forms of online education will replace mediocre schools. The old prestige schools — like the Ivy League — already “buy” the students they want with free or discounted tuition, so the “sticker price” means little.

Schools that have programs for which there is little market demand, e.g. “gender studies” will increasingly find that fewer will sign on. Schools that train their students to hate capitalism and provide “protections” from all sorts of perceived stress will also increasingly find that employers will not hire such students, unsuitable to the many stress situations found in most workplaces, because of the fear of being sued. Who do you think would make the better employee — a student who majored in sociology at an “elite” university or one who showed the tenacity and discipline to obtain an engineering degree from a reputable online university?

Despite the better life that the free-market capitalist system has enabled for billions of people, there are increased numbers of political voices and their media allies

demanding socialism. Given the centuries of failure and mayhem resulting from socialism, for all to see, the new socialists are treated as if their ideas are sensible, rather than ludicrous.

“Medicare for all,” if literally adopted, would kill individual choice, much innovation, and quickly lead to an economic meltdown. So why treat people, whose policies would destroy success, as serious individuals? Ask those who demand free education, who should pay for their education or their children’s education? Why does someone else have the obligation to give you free stuff? Who decides who gets the free stuff, and who has to work to provide the “free stuff”? The United States fought a Civil War over involuntary servitude. Is not a 90-percent tax rate, as some are now proposing, involuntary servitude? Disconnecting work effort from getting stuff obviously destroys the success model. Are the advocates of such disconnection stupid, ignorant, or mean-spirited?

It is not just those on the left who, in essence, push for policies that would destroy success. In 2016, the Republicans controlled both houses of Congress, as well as the presidency. They gained power by making a series of promises, among them was to repeal Obamacare and cut many specified federal spending programs. Most people understand that if you don’t keep your promises others will not buy from you or vote for you again — not rocket science. The Republicans did not keep their promises and hence lost the House in 2018 — a perfect example of destroying success.

The world economy and most major countries suffer from increasing massive and unsustainable debt overhang. That is the most dangerous threat to mankind — not sea level rise. Many of those who focus on sea level rise propose “solutions” that would speed up the global debt collapse. A return to the age of foolishness?

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