



## AMERICAN ACTION — WHERE YOU MAKE A DIFFERENCE

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### Unequal distribution of wealth

First, let's set the record straight. There has never been an economic system that didn't have unequal distribution of wealth. Under Communism/socialism, the ruling class and people connected to the ruling class lived very well. Everyone else got the crumbs and lots of empty promises.

Throughout history, small numbers of people voluntarily joined together in small communes where "greed" would be forever banished and everyone would be equal. They always fell apart. Why? Because of human nature. Some people worked hard while some hardly worked at all, yet everyone got the same. Eventually, the people who worked hard realized they were being taken advantage of and stopped working hard.

#### Necessary inequality of Wealth

In a free society under capitalism, there will always be unequal distribution of wealth. This is NOT unfair. There NEEDS to be unequal distribution of wealth. Otherwise, lazy people would get the same as people who work hard. (This is socialism. This is also how many unions operate.) Would you be happy if you work hard all day and got the same pay as someone who spent the day goofing off? Very unlikely. Capitalism is designed to reward work and creativity. People with brains and ambition need to be rewarded for their gifts. These gifts benefit everyone. You cannot - and should not - have equality in a free market. Freedom and equality are opposed to each other. Despite constant cries of inequality in distribution of wealth, America was the first society to have a large middle class. Unequal distribution of wealth under capitalism is a much fairer way of distributing wealth, because it is not based on class or politics, rather achievement.

#### Immoral inequality of Wealth

That being said, when does morally necessary inequality turn into immoral and exploitive inequality? When there is too much income inequality, capitalism is not functioning properly and this puts capitalism into mortal peril. This extreme inequality will breed class warfare - with dire consequences for everyone. The solution to this huge gap traditionally has been government redistribution of wealth. Redistribution of income can be beneficial if done properly. Otherwise, this "solution" has serious long term shortcomings.

#### Conclusions

There is no substitute for Capitalism. It needs fine tuned - not replaced. Capitalism is the best system by far, but needs monitored. The key to successful capitalism is to share the wealth in a manner that rewards work and discourages laziness. A perfect running capitalistic system produces wealth for all who work and has a large middle class. We need to maintain proper business laws to keep competition fair and keep capitalism working properly. The government needs to have laws in place so all businesses operate under the same ground rules.

The Big Question is this: Can government bureaucrats run an industry - or an economy - better than business people and the free market? The answer - historically - is NO. History shows us that the longer government bureaucrats run the economy, the more corrupt, politicized and inefficient it is run. There is no requirement for innovation, just fill out the proper bureaucratic paperwork.