

Stop Making ‘Capital’ a Dirty Word

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So demands Zhou Xin and editor of the SCMP: “No one has come up with a real theory to counterbalance voices that say private capital in China must be curtailed, controlled and ultimately destroyed. According to the anti-capital camp, it is necessary for the Chinese state to clip the wings of capital at home and fight against capitalist powers abroad.

The capital detractors agree that capital may have utilitarian value in creating jobs and boosting economic growth, but it is fundamentally a necessary evil .that needs to be kept in check by whatever means it takes.

After supporting China’s economic boom in the past four decades and gaining a certain degree of ideological neutrality along the way, capital is once again being defined according to the orthodoxy of Karl Marx, who described it as “dripping from head to foot, from every pore, with blood and dirt”.

Much of China’s home troubles derive from the state placing in the hands of private capital the construction of whole cities of new housing and public structures. Would be buyers of new homes paid in advance to fund the building only to have in many cases no housing or money to be refunded. Evergrande and other companies have lost billions and now have to be bailed out by the state.

China’s growth rate is now down to 3% the lowest in decades but still slightly higher than the rest of the capitalist world as it goes through another stagnant depressive state. In the past a slump like the world economy is now experiencing would be acknowledge along with a Ra Ra speech announcing that we will be muscling our way through this difficulty and coming away from it stronger than ever. Now there are great united efforts to pretend there is now problem. When Fitch cut the US government credit rating our officials couldn’t see the cause of it. We have such a strong economy. Maybe so but only if judged by the scent that it issues.

Executive Excess

According to the Institute for Policy Studies annual Executive Excess report which featured the ‘Low wage 100’, the industry wide average ratio was 603 to

1. Top prize went to Live Nation Entertainment CEO Michael Rapino hauled in \$139 million, 5, 414 times his firm's median \$25, 673.

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