

WHY SOCIALISM CAN'T EVER WORK

By Katherine Dang

PRESUPPOSITION

- Socialism's *promise* or “work” is to close the economic gap between the rich and the poor or to “help people” in hopes for an end to material inequality
 - “The collapse of the Soviet Union in 1989 delivered the final blow to the belief in socialism. . . in the traditional sense of government ownership and operation of the means of production as either feasible or desirable. Those who profess socialism today mean by it a *welfare state*. Milton Friedman, Economist
- Socialism's *premise*: human nature has a predisposition for selfish gain and social injustice, which needs to be reconstructed by *external forces* (intimidation by the threat of penalty) until it is predisposed to contribute self-sacrificingly into the common “store” of the common good, that is collected for redistribution
 - the individual is subordinated to society; his needs—dietary, educational, health care, housing, wages, etc.—are decided collectively
 - the individual is made dependent upon society for his well being so he willingly respond to urgings that we each cooperate to establish and maintain the common good; a “group-centered worker bee”
 - create a social miracle—perfecting a social environment which will perfect human nature
- Socialism's *policies* are taxation and tyrannical tactics
 - “Congress, through the tax code, to confiscate the earnings of one American to give to another American in the forms of prescription drugs, Social Security, food stamps, farm subsidies or airline bailouts. It forcibly uses one person to serve the purposes of another.”
 - “It's a problem of socialism where one person is forced to take care of another. There is no moral argument that justifies using the coercive powers of government to force one person to bear the expense of taking care of another.”
— Walter Williams, Economist, George Mason University
- Ultimately, socialism denies the individual—rich or poor—his unalienable rights, the protection of which is in *The Constitution of the United States*
 - the right to life a separate and distinct existence, without being classified nor characterized with a particular group identification
 - the right to natural liberty in which no belief, opinion, nor will of another is imposed by force or coercion
 - the right of the pursuit of happiness, to pursue one's own livelihood, individual enterprise and to enjoy the fruits of his own labor

Illegal Taxation: Unconstitutional Use of A Person's Earnings

- Taxes to finance certain federal activities are indeed legitimate as well as constitutional.
 - *Article I, Section 8 of the U.S. Constitution* enumerates just what federal functions Congress has taxing and spending authority. Among them are national defense, post offices and post roads, courts and a few other activities. Or, as James Madison, the Father of our Constitution, explained in Federalist Paper No. 45, “*The powers delegated by the proposed Constitution to the federal government are few and defined. Those which are to remain in the State governments are numerous and indefinite. The former will be exercised principally on external objects, as war, peace, negotiation and foreign commerce; with which last the power of taxation will, for the most part, be connected.*”
 - “The powers delegated by the proposed Constitution to the federal government are few and defined.” Walter Williams
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- Congress has **no** authority under the Constitution's “general welfare” clause for most of what Congress taxes and spends for today.
 - “With respect to the two words ‘general welfare’, I have always regarded them as *qualified by the detail of powers* connected with them.”
—James Madison , Father of *The Constitution*
 - “Congress has not unlimited powers to provide for the general welfare, but *only those specifically enumerated.*” —Thomas Jefferson
 - The “*detail of powers*” or those “*specifically enumerated*” refer to *what's actually laid out in the Constitution.*”
 - “each person is free to determine his own needs and, through the division of labor and voluntary exchange, to produce what's required to satisfy them.” —Sheldon Richman, Editor, *Ideas on Liberty*, - October 2003)
 - government activity is restricted to the protection of the individual's rights against fraud, theft and the initiation of physical force.

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- “It is an *unconstitutional act* for Congress, through the tax code, to confiscate the earnings of one American to give to another American in the forms of prescription drugs, Social Security, food stamps, farm subsidies or airline bailouts. —Walter Williams
 - “This kind of congressional activity constitutes at least two-thirds of the federal budget.”
 - Socialism *forcibly* uses one person to serve the purposes of another; *forcibly* using one person to serve the purposes of another.
 - “the only way government can give one American a dollar is to first—through intimidation, threats and coercion—take that dollar from some other American.”
 - It is *tyrannical* for majority rule to determine other choices such as: retirement (Social Security), prescription drugs, health care and other unconstitutional uses of a person’s earnings.
 - Socialism *uses coercion* evil to achieve what are seen as good ends (helping people).
 - “The government (*representing the poor masses*) sets about to run the economy. This is the only way the “factors of production” [capital, private property, labor, etc.], which the government took off the rich, can be made public. *You can leave them to the market and private hands, or you can have the government do it. There is no third option.*”—Thomas Sowell, Hoover Institute
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The Free Market Enterprise System *Alone* Has Helped the “Poor”

- “*Poverty in the United States*, in an absolute sense, *has virtually disappeared*. Today, there’s nothing remotely resembling poverty of yesteryear. However, if poverty is defined in the relative sense, the lowest fifth of income-earners, ‘poverty’ will always be with us. No matter how poverty is defined. . .” —Walter Williams
 - “The recent Census Bureau report substantially exaggerates the extent of poverty and economic inequality in the United States. *Policies that require welfare recipients to work or prepare for work as a condition of receiving aid and that encourage the formation of healthy marriages are the best vehicles for further reducing poverty.*” Robert Rector, Heritage Foundation
- To the extent that *enduring poverty* continues in our society, it *is largely the result of personal behavior*, particularly the lack of work and marriage.
 - Two main reasons that American children are poor: Their parents don’t work much, and fathers are absent from the home. In good economic times or bad, the typical poor family with children is supported by only 800 hours of work each year: That amounts to 16 hours of work per week.
 - Father absence is another major cause of child poverty. Nearly two-thirds of poor children reside in single-parent homes. Each year, an additional 1.3 million children are born out of wedlock.
 - If work in each family were raised to 2,000 hours per year—the equivalent of one adult working 40 hours per week throughout the year--nearly 75 percent of poor children would be lifted out of official poverty. If welfare could be turned around to really require work and to encourage marriage, remaining poverty would drop quickly
- The richer are getting richer and *the poor are getting richer*.
 - Poverty is not static for people willing to work. A University of Michigan study shows that only 5 percent of those in the bottom fifth of the income distribution in 1975 remained there in 1991. What happened to them? They moved up to the top three-fifths of the income distribution—middle class or higher. Moreover, three out of 10 of the lowest income earners in 1975 moved all the way into the top fifth of income earners by 1991. Those who were poor in 1975 had an inflation-adjusted average income gain of \$27,745 by 1991. Those workers who were in the top fifth of income earners in 1975 were better off in 1991 by an average of only \$4,354.
 - *Material benefits* enjoyed in the past only by the superrich are, *in today’s capitalist societies, enjoyed by nearly everyone*. This undeniable fact demolishes accusations that capitalism creates inequality. —Donald Boudreaux, Economics Department, George Mason

The Failures of Socialism

- “ In all . . . very different societies around the world, the story of socialism has been a story of high hopes and bitter disappointments. Attempts to redistribute wealth repeatedly led to the redistribution of poverty.” —Thomas Sowell
 - “This history of socialism *begins more than two centuries ago*, at the time of the French Revolution, with the radical conspirator Babeuf, who wanted to carry the revolutionary ideas of the times even farther, to a communist society. *It ends* with. . . British Prime Minister Tony Blair, who brought the Labour Party back to power by dropping the core of its socialist agenda and putting distance between himself and previous Labour Party governments, whose socialist policies had so backfired that the party lost four consecutive national elections.”
 - “Democracy and socialism have nothing in common but one word, equality. But notice the difference: while democracy seeks equality in liberty, socialism seeks equality in restraint and servitude.” —Alexis de Tocqueville, French Historian and Political scientist, 1805-1859
- *Voluntary Socialism*
 - The *Israeli kibbutz* was one of the most prominent and *benign forms of voluntary collectivism* in the 20th century. Benign - because, unlike socialist prison states, they existed in a mostly free nation, and the members were free to leave. However, *even voluntary forms of collectivism have faced universal disaster. Two thirds of Israeli kibbutzes have voted to privatize*, as the Christian Science Monitor writes, *and more are continuing to do so. The remaining ones persist mainly because of massive government subsidies.*
- Seventy Years of “Cradle to Grave” Care
 - State planners . . . at a very early stage were concerned about what happens when *too many people are on the dole*. Years ago it was revealed that tens of thousands of Swedes with government-determined undesirable traits such as poor eyesight or low IQ or “Gypsy features” were involuntarily sterilized beginning in the 1930s. Indeed, that particular collectivist benefit remained on the books well into the 70s. Another innovative program involved giving large amounts of sweets to the mentally retarded in order to study tooth decay.
 - For seven decades, Sweden has managed to endure government redistribution of wealth. How? Perhaps it’s the small population; Sweden has fewer people than Illinois does. Maybe it’s the homogeneity of the society. Possibly it’s because Sweden sits out wars, saving huge amounts of money. Whatever the reasons, *most Swedes are apparently satisfied to set aside their independence - and pay huge taxes - in exchange for some perceived economic security*. The report went on to note that if Sweden were a U.S. state, it would without doubt be the poorest one. The median American household income in the late 1990s was more than \$39,000. In Sweden, it was the equivalent of under \$27,000. The study’s authors noted that if the present trend continues, “things that are commonplace in the United States will be regarded as the utmost luxury in Sweden.”

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- Sporadically, Sweden has made small steps away from a command economy. Reducing taxes a little here, lifting some regulatory burdens to help enterprises start up there, and whittling down the national debt temporarily slowed Sweden's economic deterioration. But now *it must move toward individual responsibility if it wishes to turn things around*. Sweden is most emphatically *not an example of how socialism can work*. Michael Bates, "Benevolent Socialism Doesn't Work Either," 2002

- "Begging" to Differ in Tronoto

- ". . .if Canada is suppose to be this socialist utopia where everyone is taken care off, *why* is it that I'd think that *Toronto has more beggars per square kilometre than probably just about any city in the Western World*...and I'd probably note, at least 100x more per square metre than even New York? Easy: *socialism doesn't work*.
- Sure, Canadians get free health care, but *clearly high taxes kill incentives to work*, or for that matter *for job creation*. Toronto's unemployment rate is roughly 6.5% from the figure I could find, which for them is particularly low, but not really very low if you compare it to say Australia at 4.6%, or even Western Australia at 3.4% (the suburb I live in has an unemployment rate of 1.2%).
- I'm not sure how the social security system works in Canada, but given the number of people begging I'd guess that it doesn't work very well. *High taxes* obviously aren't providing an adequate social security net, while at the same time they *stifle enterprise*.
—Duncan, "Toronto Beggars Belief: Proving Why Socialism Doesn't Work," November 27, 2006

- Universal Health Care Fiasco in Hawaii, 2008

- Hawaii is dropping *the only state universal child health care program in the country* just seven months after it launched. *State officials* said Thursday they *will stop giving health coverage to the 2,000 children* enrolled by Nov. 1
- Gov. Linda Lingle's administration cited *budget shortfalls* and other available health care options for eliminating funding for the program.
 - A state official said *families were dropping private coverage so their children would be eligible for the subsidized plan*.
 - "*People who were already able to afford health care began to stop paying for it so they could get it for free*," said Dr. Kenny Fink, the administrator for Med-QUEST at the Department of Human Services. "I don't believe that was the intent of the program."

- State welfare making things worse for its recipients..

- "The assumption that spending more of the taxpayer's money will make things better has survived all kinds of evidence that it has made things worse. *The black family*—which survived slavery, discrimination, poverty, wars and depressions—*began to come apart as the federal government moved in with its well-financed programs to 'help'*." —Thomas Sowell, Hoover Institute
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Why Attempt Socialism Over and Over Again Expecting A Result Other Than Failure?

- When confronted with the *universal failure of socialism*. . . socialists do one of three things:
 - *Pretend* the evidence doesn't exist, they claim that socialist governments do not represent "true" Marxism-Leninism,
 - *Change* their philosophy to *reject material success*: environmentalism.
 - With the failure of the Soviet bloc, and increasing signs of the instability of European welfare states, the remaining socialists often *point to voluntary communes* as examples of "successful" collectivism.
- Its *every failure* is explained away as *due to the inadequacies of particular leaders*.
 - Among people of every race, color, and creed, all around the world, socialism has led to hunger in countries that used to have surplus food to export. Its economic disasters have afflicted virtually every industry. In its Communist version, it killed far more innocent civilians in peacetime than Hitler killed in his death camps during World War II.
 - The concentration of political power necessary to try to reduce economic inequalities has allowed tyrants like *Stalin, Mao* and *Pol Pot* to impose their notions and caprices on millions of others—draining them economically or slaughtering them en masse or exploiting them sexually.
- “*Human nature* has been at the heart of the failures of socialism to produce the results it sought.”—Thomas Sowell
 - The regret about socialism turns out to be a regret about human nature: its inability to live content under state collectivism. “I’ve reached the conclusion that humans are egotists, and like to keep things for themselves rather than [for] the general public. The idea that everyone will eat from the same plate doesn’t exist anymore.” (Katz, founder of the Gaash kibbutz)
 - “*Nowhere* have people been willing to work as well for the common good as they do for their own benefit.” —Sowell
- Socialism remains an attractive idea— in fact, seductive. —Thomas Sowell
 - Appeals to human vanity: *the faith in human science to create a miracle of transforming basic human nature*, that will subordinate the interests of his separate and distinct existence to the general public, the state, or the collective will of the majority
 - Reward indolence, penalize ingenuity and industry, free people of the necessity to make a living, to provide for his necessities
 - “Socialism is *the religion people get when they lose their religion*.” Richard John Neuhaus; the state is, therefore, become “all powerful” and supreme.

CONCLUSIONS

- ***In denying*** the individual his unalienable rights to his own life, liberty and pursuit of happiness, the historical, practical failures of socialism ***only affirm*** the irrefutable unalienability of them.
 - To deny the presupposition that men have a claim to unalienable rights is to deny the absolute Law of Nature, the law of self preservation and self interest, regarding the private advantage and personal interests of one's self
 - The universal, fundamental law of man is The Law of Nature: The Will of God, The Author of Life, cannot be denied without destructive consequences; one is not required to believe in God to believe in the law of gravity, one simply needs to be afraid to attempt to defy it.
 - No amount of unbelief can undo what is divinely established.
- America's political structure—a representative republic of local self-governing states—***rests*** upon the correct application of self-evident truth and ***facilitates*** the proper, efficient way of helping the poor
 - “The ***powers*** not delegated to the United States by the Constitution, nor prohibited by it to the States, are ***reserved to the States respectively, or to the people.***” Amendments, Article X
 - In New England township the people directly govern themselves; the government is the people, or, to speak with entire precision, it is all the male inhabitants of one and twenty years of age and upwards. ***The people tax themselves.*** . . . The principal executive magistrates of the town are the selectmen. . . . They have the general management of the public business. . . . The selectmen also lay out highways, grant licenses, and impanel jurors; they may act as health officers and issue orders regarding sewerage, the abatement of nuisances, or the isolation of contagious diseases; in many cases they act as assessors of taxes, and as ***overseers of the poor.*** They are the proper persons to listen to complaints if anything goes wrong in the town. Every town has its school committee.
 - The most noteworthy feature of local government in Pennsylvania was the general election of county officers by popular vote. The county was the unit of representation in the colonial legislature. . . . It is also to be noted that before the Revolution, as Pennsylvania increased in population, the townships began to participate in the work of government, each township choosing its ***overseers of the poor,*** highway surveyors, and inspectors of elections.
 - In Virginia . the vestry, which exercised the chief authority in the parish, was composed of twelve chosen men. This was not government by a primary assembly, it was representative government. It was the vestry, thus constituted, that apportioned the parish taxes, appointed the churchwardens, presented the minister for induction into office, and acted as ***overseers of the poor.*** The minister presided in all vestry meetings. . . . Nevertheless in these small neighbourhoods government was in full sight of the people. Its proceedings went on in broad daylight and were sustained by public sentiment. . . Richard Frothingham, 1890