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## **Socialism: Faith Trumps Reality**

**by Ralph R. Reiland**

Nobel Prize-winning economist Milton Friedman got it right about a lot of things, but he was overly optimistic when he wrote in 1990 that socialism was dead.

“Ten years ago, many people around the world believed that socialism was a viable, even the most promising, system for promoting material prosperity and human freedom,” wrote Friedman. “Few people anywhere in the world believe that today.”

Those few die-hards who were still clinging to their collectivist visions, said Friedman, were found only in places like Zambia or Harvard’s faculty lounge: “Idealistic faith in socialism still lives on, but only in some ivory tower enclaves in the West and in some of the most backward countries elsewhere.”

But here we are only 19 years later, and *Newsweek’s* cover story is “We Are All Socialists Now.” And in a recent Rasmussen Reports survey, only 37 percent of American adults under 30 said that capitalism was better than socialism (33 percent preferred socialism and 30 percent were undecided about which system was better). It sounds like they could vote in a Castro if he had a good smile.

The *Newsweek* story states that “America of 2009 is moving toward a modern European state,” i.e., toward a full-blown welfare state. In 2000, government spending in the United States was 34 percent of total spending in the economy. Next year, the government portion of GDP in the U.S. is expected to rise to 40 percent, compared with 47 percent in the 16-nation Eurozone.

“As entitlement spending rises over the next decade,” says *Newsweek*, “we will become even more French.” And perhaps even more unemployed. During the 1990s, the unemployment rate in the Eurozone was more than twice the rate of U.S. unemployment.

Private-sector employment, i.e., nongovernment employment, expanded by 70 percent in the United States between 1970 and 1998. During the same 28 years in the Eurozone, private-sector employment increased by less than 5 percent.

Overall, the European welfare states have a long and clear record of overexpanding government and destroying job creation in the private sector and then expanding government over again to pick up the pieces.

Still, faith trumps reality among the anti-capitalists, and the election of Barack Obama has stirred socialist hopes anew.

In *The Progressive* magazine's May 2009 cover story, Howard Zinn, best known perhaps for his book *A People's History of the United States*, delivers the marching orders: "We want it all. We want a peaceful world. We want an egalitarian world. We don't want war. We don't want capitalism. We want a decent society."

Zinn's prescription for the creation of that decent society comes straight from the playbook of Karl Marx. "From each according to his ability, to each according to his need," wrote Marx in his 1875 *Critique of the Gotha Program*.

The idea, which has defeated the incentive to produce everywhere it's been tried, is that every person should knock himself out in contributing to society to the best of his abilities and then consume from society only in proportion to his needs (with those "needs" defined and regulated by the central authorities), regardless of how much he has contributed.

Zinn, echoing Marx, writes that the money being loaned to prop up the banks should simply be given away to the people, according to their needs: "Let's take \$1 trillion. Let's take \$2 trillion. Let's take the money and give it directly to the people who need it. Give it to the people who have to pay their mortgages. Nobody should be evicted."

Nobody should probably be without a car either. Why can't people with a car be forced to produce free cars for the people who don't have one?

We can also abolish the military and have free apartments and free day care, writes Zinn: "Take all the money allocated to military bases and the military budget, and — this is part of the emancipation — you can use that money to give everyone free health care, to guarantee jobs to everybody who doesn't have a job, guarantee payment of rent to everyone who can't pay their rent, build child care centers."

My question: Why rent when you can get a house and not pay the mortgage?

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