

The Truth About SOCIALISM

LEE EDWARDS, PH.D.



Marx, Carl: 1818-1883. German Political Philosopher.

What Americans Must Know About Socialism

As socialism gains public traction in the United States, it's important to review its most glaring political, economic, and moral failures.

The fundamental flaw of socialism is its failure to deliver on its promises. Socialism in all its forms—Marxism-Leninism in the Soviet Union, Maoism in China, “state socialism” in India, “democratic socialism” in Sweden, National Socialism in Nazi Germany—has never come close to realizing the classless society envisioned by its founding father Karl Marx. Instead they have been forced to adopt capitalist measures in some form or accept economic deprivation and political centralism.

Socialism erroneously believes that human nature is malleable and therefore easily changed.

Marx borrowed from the Enlightenment to say that human nature is intrinsically malleable. The Communist state established by Lenin, wrote the historian Richard Pipes, was “a grandiose experiment” in creating a new

human being—Soviet Man.¹ After 70 years of trying, Marxist-Leninist socialism finally collapsed. Marxism must reject Christianity and the Christian view that humans are imperfect by nature, and wise decision-making must account for such imperfection. To the socialist, the economy is always to blame.

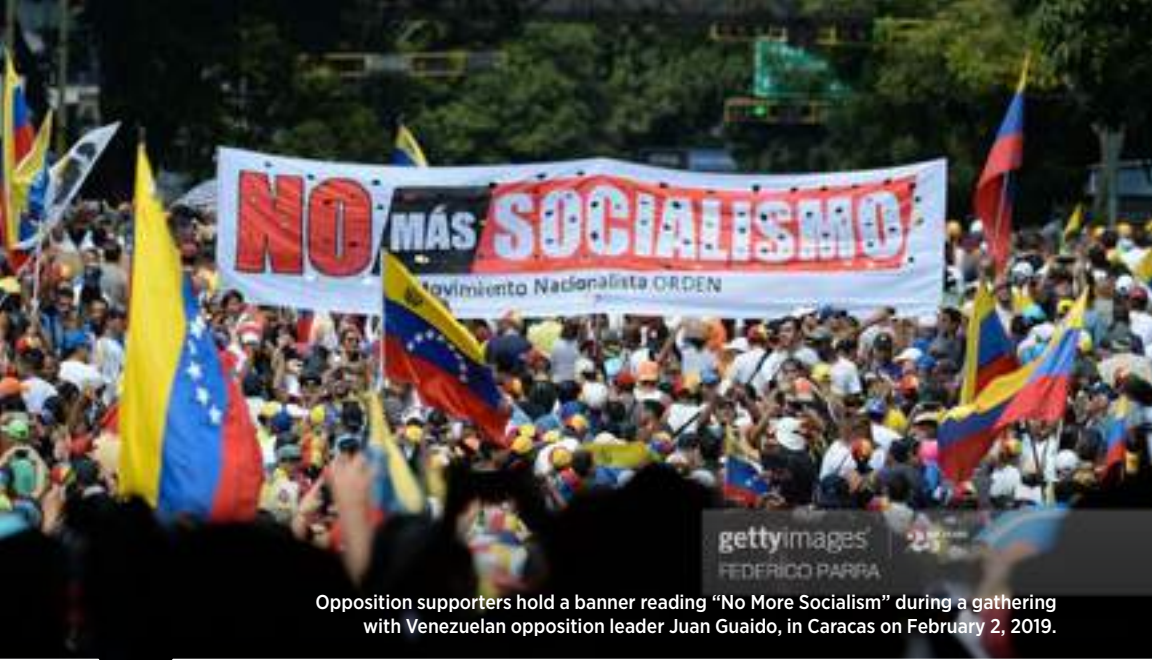
The inalienable rights in the Declaration of Independence and the checks and balances in the United States Constitution reject the Marxist idea that the people can be molded like clay in the hands of a central government.

The greatest crime of socialism is the death of its countless victims. Because of the scrupulous research of the editors of *The Black Book of Communism*, we know that as many as 100 million men, women, and children died at the hands of communist regimes in the 20th century.² It is no coincidence that socialism has so much blood on its hands. It is the certain result of socialism's denial of human nature, its dismissal of religion as an opiate, and its suppression of the individual's right to choose.

This is the reality of socialism—a pseudo-religion grounded in pseudo-science and enforced by political elites. This is the case against socialism—a god that failed, a science that never was, a political system headed for the ash heap of history.

¹ Richard Pipes, *Communism: A History*, Penguin.

² Stéphane Courtois, Nicholas Werth, Jean-Louis Panné, et al., *The Black Book of Communism: Crimes, Terror, and Repression*, Jonathan Murphy and Mark Kramer, trans., (Cambridge: Harvard University Press, 1999).



Opposition supporters hold a banner reading “No More Socialism” during a gathering with Venezuelan opposition leader Juan Guaido, in Caracas on February 2, 2019.

The Totally Irrefutable Case Against Socialism

Socialism is not and never can be democratic. Socialism has been responsible for massive terror, violence, and death. The ostensibly successful socialist countries that American leftists love to cite are actually social democracies, rather than true socialist states. Advocates of socialism offer the French welfare state and the British National Health Service as examples of socialist success, but in reality they reveal the serious shortcomings of socialist states and systems.

Markets are better for the environment than bureaucrats. Socialist Cuba’s attempts to maximize production at all costs have similarly “caused extensive air, soil, and water pollution,” says Shawn Regan, a fellow at the Property and Environment Research Center. Venezuela’s socialist policies have likewise contributed to contaminated drinking water supplies, rampant deforestation, and frequent oil spills, with the principal guilty party being the state-owned energy company. The resurgence of socialist sentiment in America today is the result of widespread “social and cultural poverty.”

Socialism is a revolt against human nature.



The Looming Threat of a Socialist America

As the far-left congresswomen known as the Squad celebrated their overwhelming victories in Democratic primaries in 2020, far-sighted radical strategists were plotting to achieve their long-range goal—a socialist America governed by, in the words of the Marxist group Socialist Alternative, “a tested Marxist leadership.”

For those who say it can’t happen here, there are warning signs aplenty.

Socialists found receptive voters across the country. In Philadelphia, democratic socialist Nikil Saval won the Democratic primary for the state senate. In Montana, six “Berniecrats,” backed by Our Revolution, a progressive political action committee, won their primaries. San Francisco elected Chesa Boudin, the son of leftist militants, its district attorney. In the California primary, exit polls revealed that 53 percent of Democrats viewed socialism “favorably.” In Texas, Democratic voters in the primary approved of socialism by 56 percent, a 20-point margin over capitalism.

Socialism is indeed riding a wave of momentum when more Texans than Californians view it favorably.

We must point out that socialism has failed everywhere it has been attempted, most recently in Venezuela and in past years in Israel, India, and Great Britain. We must show that it is based on the failed prophecies of the delusional economist Karl Marx, who predicted two centuries ago that capitalism would wither away and that socialism would mean the end of private property and of small businesses, of which there are now 30 million in America.

Further, we must explain that, thanks to free enterprise, one billion people left poverty and a new middle class has formed around the world—that capitalism not socialism has brought greater wealth and more freedom to more people than any other economic system in history.

Unlike the rights that Thomas Jefferson wrote about in the Declaration of Independence, these facts are not self-evident. We must present them untiringly and defend them ceaselessly. The alternative—losing our country to so-called democratic socialists—is unthinkable.



Millennials and Socialism

from the paper *These Are the Most Telling Failures of Socialism*

Young people are expressing increased support for socialism when free enterprise is lifting unprecedented numbers of people out of poverty around the world. The Canadian psychologist Jordan Peterson revealed at a Heritage Foundation event that between 2000 and 2012, “the rate of absolute poverty in the world fell by 50 percent.” That is, “the poor in the world are getting rich at a rate that is absolutely unparalleled in all of human history.” Heritage’s 2019 *Index of Economic Freedom* reported that the greatest advances came in African and Asian countries (such as Botswana and Taiwan) that limited rather than expanded the role of government. More than 100 countries, many of them with less developed or emerging economies, showed marked advances in economic growth and individual prosperity.

The mainstream media do not feature good news like declining poverty rates and reduced violence because negative stories are more likely to attract readers and viewers in a shrinking market.

Dr. Jordan Peterson has attributed this to the technological revolution occurring in every kind of media. All the broadcast networks, leading newspapers, and magazines exist in a shrinking market with dwindling margins of profit. To attract attention they are turning to an old journalism axiom: "If it bleeds, it leads."

Just as the media have neglected the dramatic drop in the global poverty rate, they have overemphasized cases of gun violence in America. The news media obsess over the latest school shooting and street riot. Yet, as Dr. Peterson pointed out, the rates of violent crime in the United States and in most places "have plummeted in the last 50 years." The U.S. is now safer than it has been since the early 1960s, but the reporting of violent crime in America has materially increased as the mainstream media, in pursuit of ratings and revenue, have highlighted the dark side of society.



Demonstrators opposed to the government of Nicolas Maduro take down a Venezuelan flag on the border between Venezuela and Pacaraima, Roraima state, Brazil, where clashes erupted amid efforts to take aid into the crisis-hit country, on February 23, 2019.

Modern Socialism

from the paper *The Truth About Socialism: It Doesn't Care About the Middle Class. It's About Keeping the Ruling Class' Power*

Socialism is a rigid ideology that leads to economic collapse and tyranny.

Venezuela's nationalization of industries has led to frequent electricity blackouts and scarcity of essentials like gasoline, food, and medicine. The regime violently represses protests and even burns humanitarian aid shipments.

Rather than empower the common man, socialists believe in empowering bureaucracy. Horrific outcomes are inevitable because socialism is built on a fatal conceit.

Modern socialists believe that the world has become so complicated, so complex, so globalized that regular citizens just can't manage things. They believe that bureaucrats will always make decisions based on science and reason—and will implement the resulting policy efficiently. In their view, it's imperative to nationalize health care since people can't be trusted to make intelligent, informed decisions about their own well-being.

Four decades ago, Communist China's Deng Xiaoping launched "socialism with Chinese characteristics." Deng and the Chinese Communist Party have allowed enough free market activity to sustain the economy and the regime. But the rights and liberties that go hand in hand with economic freedom are absent. Communist China boasts the world's second largest economy, but the Communist Party does not allow a free press or free speech, competitive elections, an independent judiciary, free travel, or a representative parliament.



Members of the Democratic Socialists of America gather outside of a Trump-owned building on May Day on May 1, 2019 in New York City.

The Rise of the Democratic Socialists

from the paper *The Democratic Socialists of America Aren't Winning Elections, but They Are Influencing Democrats*

The Democratic Socialists of America (DSA), the largest socialist political organization in the country, wants to turn the Democratic Party into the Socialist Party—and they are making significant inroads.

The DSA's foreign policy is a grab-bag of leftist and anti-nationalist clichés. They would have the U.S. approve the Iran nuclear deal, end sanctions on Iran, Cuba, and Venezuela, honor the Paris climate accords, and reverse U.S. recognition of Jerusalem as the capital of Israel.

Many radical resolutions and many fiery speeches were made at the DSA convention, but few asked the essential question: “How much is all this going to cost, and who is going to pay it?” Bernie Sanders (I-VT) has said he would tax the “1 percent,” but all the taxes of all the billionaires and all the corporations in America would not cover the estimated \$27 trillion cost of Sanders' platform. That estimate does not include Alexandria Ocasio-Cortez (D-NY)'s New Green Deal, which would, in

the opinion of reputable economists, bankrupt America faster than the coronavirus.

In its efforts to create a socialist paradise, the DSA will inevitably come up against Margaret Thatcher's common sense judgment: "The problem with socialism is that eventually you run out of other people's money."



U.S. Rep. Alexandria Ocasio-Cortez (D-NY) (L) and Sen. Ed Markey (D-MA) (R) hug each other as other Congressional Democrats look on during a news conference in front of the U.S. Capitol February 7, 2019 in Washington, DC.

The Green New Deal

The Green New Deal is not merely the bucket list of Representative Alexandria Ocasio-Cortez (D-NY) and her fellow travelers, but a blueprint to turn America into a socialist state. It is the culmination of a 90-year campaign, begun with FDR and the first New Deal.

The goals of the Green New Deal are revolutionary.

Sponsors of the Green New Deal list these objectives: Phase out conventional fuels (that is, oil, natural gas, and coal) by 2030, a decade from now; implement a federal jobs guarantee; retrofit all U.S. buildings; overhaul mass transportation with high-speed rail; and provide universal health care. Scant mention is made of the cost of this radical “retrofit” of America.

The Green New Deal not only seeks to complete the socialist transformation of our institutions but to transform the American spirit as well.

The Green New Deal is a direct threat to the American idea, but its introduction gives us an opportunity to remind the

American people of our founding principles. As it was at our Founding, so it is now, if Americans are willing to accept their destiny and preserve this nation, the best guarantor of freedom in the world.



Margaret Thatcher waving at Tory Party Conference, October 10, 1979.

Three Nations that Tried Socialism and Rejected It

Socialists are fond of saying that socialism has never failed because it has never been tried. But in truth, Socialism has failed in every country in which it has been tried, from the Soviet Union and Communist China to three democratic countries that tried but ultimately rejected socialism—Israel, India, and the United Kingdom.

ISRAEL

Israel is the only nation where socialism was successful—for a while. Its first settlers sought to create an economy in which market forces were controlled for the benefit of all. A key player in the socialization of Israel was the Histadrut, the General Federation of Labor, subscribers to the socialist dogma that capital exploits labor and the only way to prevent such “robbery” was to grant control of the means of production to the state. The Histadrut gained control of nearly every economic and social sector, including the kibbutzim (collective farms), housing, transportation, banks, social welfare, health care, and education. The Israeli “miracle” evaporated in 1965 when the country

suffered its first major recession. Before the government could attempt corrective action, the Six-Day War erupted, altering Israel's economic and political map. For the first time, there was a public debate between supporters of free enterprise economics and supporters of traditional socialist arrangements. Leading the way for the free market was the future Nobel Prize winner Milton Friedman. The 1977 elections resulted in victory for the Likud party and its staunch free market philosophy. The government had no choice but to reverse course from socialism to capitalism. Within a year, inflation tumbled from 450 percent to 20 percent while a large budget deficit shrank to zero. A high-tech revolution swept the country, transforming Israel into a major player in the high-tech world. In the 2000s, Israel's economic growth topped the charts in the developing world according to AEI scholar Joseph Light.

INDIA

Following independence, the Indian government, spurred by resentment of the land-owning princely class, adhered to a socialist line, restricting imports, prohibiting foreign investment, protecting small companies from competition, and maintaining price controls. Economic inequality was regulated through taxes—the top personal income tax rate was a stifling 97.75 percent. However, a series of external shocks shook the country, including wars with Pakistan and China, consecutive droughts, and the oil price crisis of 1973. Economic performance from 1965 to 1981 plummeted. As in Israel, economic reform became an imperative. The ruling Congress Party adopted a more pragmatic, non-ideological course. Further liberalization received a major boost under Rajiv Gandhi, who succeeded his mother as prime minister following her assassination. GDP growth reached an encouraging 5.5 percent. A major development was the enormous expansion of India's middle class, which by the 2000s numbered an estimated 350 million Indians, the largest middle class in the free world. Heritage's 2019 Index of Economic Freedom said that India was developing into an "open-market economy." With an annual GDP of \$8.7 trillion, India ranks fifth in the world, behind the United States, China, Japan, and Great Britain. Never before in recorded

history, an Indian economist noted, have so many people risen so quickly. And it happened because the political leaders of India adopted a better economic system—free enterprise—after four decades of fitful progress and unequal prosperity under socialism.

UNITED KINGDOM

Widely described as “the sick man of Europe” after three decades of socialism, the United Kingdom underwent an economic revolution in the 1970s and 1980s because of one remarkable person—Prime Minister Margaret Thatcher. Some skeptics doubted that Thatcher could pull it off—the U.K. was then a mere shadow of its once prosperous free-market self. For decades, the U.K. had grown more slowly than economies on the continent. Great Britain was no longer “great” and seemed headed for the economic dust bin. Newly elected Conservative prime minister Margaret Thatcher, the United Kingdom’s first female prime minister, took on what she considered her main opponent—the unions. Flying pickets, the ground troops of industrial conflict who would travel to support workers on strike at another site, were banned and could no longer blockade factories or ports. Strike ballots were made compulsory. The closed shop, an agreement which forced workers to join a union to get a job, was outlawed. Union membership plummeted from a peak of 12 million in the late 1970s to half that by the late 1980s. “It’s now or never for [our] economic policies. Let’s stick to our guns,” Thatcher declared. The top rate of personal income tax was cut in half to 45 percent, and exchange controls were abolished. Privatization was a core Thatcher reform. Not only did Thatcher consider it fundamental to the improvement of the economy, it was “one of the central means of reversing the corrosive and corrupting effects of socialism,” as she wrote in her memoirs. Through privatization that leads to the widest possible ownership by members of the public, “the state’s power is reduced and the power of the people enhanced.” Privatization “is at the center of any programme of reclaiming territory for freedom.” She was as good as her word, selling off government-owned airlines, airports, utilities, and phone, steel, and oil companies.

In the 1980s, Britain's economy grew faster than that of any other European economy except Spain. U.K. business investment grew faster than in any other country except Japan. Productivity grew faster than in any other industrial economy. Some 3.3 million new jobs were created between March 1983 and March 1990. Inflation fell from a high of 27 percent in 1975 to 2.5 percent in 1986. From 1981 to 1989, under a Conservative government, real GDP growth averaged 3.2 percent.

By the time Thatcher left government, the state-owned sector of industry had been reduced by some 60 percent. As she recounted in her memoirs, about one in four Britons owned shares in the market. Over 600,000 jobs had passed from the public to the private sector. The U.K. had "set a worldwide trend in privatization in countries as different as Czechoslovakia and New Zealand." Turning decisively away from Keynesian management, the once sick man of Europe now bloomed with robust economic health. No succeeding British government, Labour or Conservative, has tried to renationalize what Margaret Thatcher denationalized.

Israel's socialist miracle turned out to be a mirage, India discarded socialist ideology and chose a more market-oriented path, and the United Kingdom set an example for the rest of the world with its emphasis on privatization and deregulation. Whether we are talking about the actions of an agricultural country of 1.3 billion, or the nation that sparked the industrial revolution, or a small Middle Eastern country populated by some of the smartest people in the world, capitalism topped socialism every time.

Resources

Find out more on the dangers of socialism:

- [What America Must Know About Socialism](#) video

Commentary by Lee Edwards, Ph.D., The Heritage Foundation:

- [What Americans Must Know About Socialism](#)
- [Three Nations that Tried Socialism and Rejected It](#)
- [The Totally, Utterly Irrefutable Case Against Socialism](#)
- [The Democratic Socialists of America Aren't Winning Elections, but They Are Influencing Democrats](#)
- [The True Meaning of that Green New Deal](#)
- [The Looming Threat of a Socialist America](#)

To learn more
about how to build
an America where
freedom, opportunity,
prosperity, and civil
society flourish,
visit **heritage.org**.



214 Massachusetts Ave., NE | Washington, DC 20002
(202) 546-4400 | [heritage.org](https://www.heritage.org)