

Excerpt from *Socialism's Introduction*

I find it unnecessary to be too concerned about a precise definition of socialism; in any case, any specific definition will be rejected out of hand by some. Nevertheless, the definition this book employs will likely prove reasonable and satisfactory to most. It is based on an historic timeline which shows the objectives and values of socialists themselves through successive periods, thus tracing its development and decline. Clearly, socialism has changed over time, and its progress is charted in Figure 1.2 and in some detail through the following chapters.

We begin with “Utopian” and pre-Marxian socialism, which were both an uncertain collection of dispersed considerations and aspirations motivated by love for mankind and a desire to ameliorate man’s social condition. “Real” socialism historically began with Karl Marx, who eschewed the aspiration of achieving utopia. Well, at least he postponed that aspiration. “Under capitalism,” socialists proclaim, “man exploits man. Under socialism, precisely the reverse is true!”

Marx pronounced his brand of socialism, “scientific” socialism. It is not based on wishful thinking, but on a thirst for revenge. Marx transformed socialism to a movement of hatred. Capitalism was to be punished for every act of greed and exploitation that characterizes every capitalist and enters into every market transaction. It would be punished by a proletarian revolution that would expropriate the expropriators. The dictatorship of the proletariat would consolidate power and prevent any return to power of capitalist sympathizers. After it was no longer necessary for the dictatorship to rule with an iron fist, men would work together to exploit nature, then things would become really utopian and communistic. But of this phase of future history, Marx did not write. He only had energy to condemn capitalism root and branch, giving the anti-capitalists fodder for their vindictiveness. From Marx to Stalin there was only one socialism worldwide, which was Marxist socialism. Its main policy was public ownership of the means of production. No private capitalists were to be allowed. Corporations would be publicly owned and managed in the name of the working class. Stalin developed a plan to ensure that the system could manage without private managers; the Soviet managers were engineers, strictly commissioned to produce commodities and services from raw materials delivered by the planners to the enterprise. All pricing, business, and financial policies were established and administered by the central planning

agency.

From the end of the Second World War, people had become disillusioned with Soviet policies and performance, but they greatly admired the way Stalin had in effect militarized the Soviet economy to pull it up by its own bootstraps and industrialize the country with dispatch. In the first part of that period, the Western democracies were also prepared to think of socialism as demanding nationalization, or state ownership of the means of production. The state had to own and control at least the key industries.

Many of planning's advocates didn't aspire to a command economy, but were still convinced that an economic plan was absolutely imperative. This was the case in democratic Europe and in most of the free world, but not including the United States or West Germany.¹⁴ After about a decade of planning in the democracies, people and policymakers had had enough of what had come to be seen as a fruitless exercise, so country after country quietly just dropped the economic planning effort. The experiment proved to make no difference in economic outcomes and was not worth the paper-producing labor involved. So socialism was no longer the system which produced an economic plan.

By 1990 socialism was dead in Europe. It had just succumbed in the former Soviet bloc and communist parties were disappearing everywhere in East Europe. In West Europe with nationalization dead, with economic planning expired, the socialist parties had nothing more to offer than social welfare programs and income redistribution, which had from the time of Bismarck developed rapidly in Europe throughout the twentieth century. By 1990 there were still socialist parties and socialists, but socialism was moribund. It was a system without socialist policy initiatives, since by that time it was difficult to find any capitalist or right wing party that objected to income redistribution.