



Written by [John F. McManus](#) on May 17, 2019

The Millionth Proof that Socialism Is a Disaster

Ron Shaich has enjoyed success in the business world. Each of his ventures has been operated in the old-fashioned way: offer a good product at a fair price and make a profit. Hard work has paid off. But, in his latest venture, he experimented with the Karl Marx technique. Its well-known summary calls for, “From each according to his ability, to each according to his need.” After flirting with Marxist thinking for a short time, Shaich found himself forced to admit it doesn’t work.



Not too many years ago, Shaich owned the chain of Au Bon Pain bakery shops. Customers found the goods offered in his French-style bakeries somewhat higher priced than in comparable shops. But the quality they found appealed sufficiently, and they were willing to pay a higher price.

Au Bon Pain did well in the 29 states where it operated, well enough to enable Shaich to sell the chain and start Panera Bread whose specialty featured a lunch or light dinner menu. This venture grew and soon operated 2,300 locations in the United States and Canada. This kind of success, along with a genuine concern for the needy and a recent day spent as a volunteer at a food bank, encouraged Shaich to convert five of his stores into “Panera Cares” locations. These few would be unique in that customers were told “Pay What You Want” for whatever you order.

Soon, the five stores chosen for his experiment — one each in Boston, suburban Detroit, Chicago, Portland (Oregon), and St. Louis — became a favorite place to get a meal for mobs of both college students and homeless who paid little or nothing. Some well-to-do generous patrons did leave more than the cost of their purchases. But a hard look at the results showed that the experiment proved to be unrealistic. The “Panera Cares” stores were taking in less than 70 percent of the total cost of not only the food they provided but the costs for labor and other normal business operations.

With other ventures in mind, Ron Shaich sold the entire business during the period when his experiment was failing. It didn’t take very long for the new owners to cancel the idealistic “Panera Cares” locations. The hard lesson learned in the gesture that proved to be a flop is simple: Socialism, even as a voluntary experiment, doesn’t work.

This writer recalls a summation regularly given by a wise friend who, along with his brother, had built a very successful candy company with their products reaching customers from coast to coast. Of the free enterprise capitalistic system, he said it should be known by thousands of salesmen offering plenty to a population able to buy. The opposite, known as socialism, features thousands of bureaucrats dispensing “too little” to masses of people who have been forced to rely on government for bare necessities.

Ask Cubans who struggle in Castroland. Ask Venezuelans who have seen their famously prosperous nation grinding to a halt evidenced by bare shelves in food stores and shortages of everything else. Recall the privations experienced by Russians and the Soviet Union’s captive nations. Peoples who have experienced socialism don’t like its innate failures. Americans who are being promised “share the



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wealth” programs but not the consequences of a Marxist takeover are deluged today with candidates for high office who never admit to being Marxists. But that’s precisely what they are.

If the “Panera Cares” experiment had spread to all of the chain’s stores, the company would soon have been forced to close all its doors. The owner would have suffered, the employees would have lost their jobs, and the believers in the program touted by Karl Marx would be trying to find something other than another forced share-the-wealth failure to explain why socialism doesn’t lead to happiness. Its result for the people is misery and, as history so readily shows, its failure economically will lead to tyranny.

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