



Written by [Charles Scaliger](#) on August 21, 2017

Published in the August 21, 2017 issue of [the New American](#) magazine. Vol. 33, No. 16

The Fruits of Socialism

Socialism — the systematic dilution of private property rights and free enterprise by government — has become, in widely varying degrees, the order of the day in most of the world. The entirety of Africa is socialist, and so, with the exceptions of the United Arab Emirates, Singapore, and perhaps several other of the East Asian “dragons,” is Asia. Communist China, with its enclaves of capitalism in Hong Kong, Shanghai, and certain other cities benefiting from the willingness of Western factories to take advantage of local cheap labor, might appear to be a glaring exception, but life for hundreds of millions of Chinese living outside such privileged enclaves is as impoverished as ever, even if no longer as severe as under Chairman Mao and his fanatical socialist shock troops.



Europe is socialist, too — more so perhaps in the eurozone than elsewhere — and nowhere in Europe, save perhaps in Switzerland and a few tiny free market havens such as Andorra and Malta, can the economic system be characterized as other than socialist. Unfortunately, much the same can be said of the New World, with significant degrees of economic freedom and opportunity remaining only in Canada, the United States, and Chile, although all three of those countries also have a strong socialistic bent. It is probably no exaggeration to say that the closest thing to free market enclaves remaining in the world are to be found in the East Asian “dragons,” especially Singapore; in the United Arab Emirates, particularly magnificent Dubai; and in the various microstate tax havens in Europe, such as Andorra, Monaco, and Liechtenstein.

Because many modern socialist countries have not reached the extreme circumstances of Cambodia under the Khmer Rouge, Germany under the Nazis, or the former Soviet Union and its many client states behind the Iron Curtain, it is tempting to dismiss a “little” socialism as a vexing but harmless inconvenience. To those of us living under varying degrees of European “democratic socialism” or its close kin, American “progressivism,” socialism can even appear to be benign, because post-Cold War socialism is not (yet) as totalitarian as the Stalinist regimes of the former Eastern Bloc and Mao’s Communist China. There are exceptions, of course: Cuba remains a bastion of old-style Stalinism, Venezuela now appears to be following Cuba into the socialist abyss, and North Korea is probably the most totalitarian socialist hell on Earth still in existence.

But most socialist countries today have not yet attained such extremes. And for Western countries with vast amounts of wealth accrued from previous generations of free market capitalism, socialism appears, for the time being, to be an affordable conceit.



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However, for billions of people throughout the optimistically styled “developing world,” socialism is a dreary reality. Such countries mostly adopted socialism before accruing capital for socialists to squander, and as a result, socialism has kept them in permanent impoverishment. But because most such countries have not erected Iron Curtain-style borders to isolate them from the free world, nor possess fearsome arsenals of weapons of mass destruction, their plight — unlike the former Eastern Bloc countries — passes largely unnoticed in the West. We are aware, in abstract terms at least, of their poverty, persistently low standard of living, and seemingly intractable corruption. We may travel freely across their borders as tourists, but usually keep ourselves insulated from their socioeconomic realities.

It is often claimed that such poor countries owe their poverty not to socialism but to corruption. But corruption is the universal byproduct of socialism. Well does this author remember the shock among leftist elites after the collapse of Communist East Germany in 1989. Erich Honecker, East Germany’s longtime communist dictator, was often lionized in the Western press for his alleged personal austerity and ideological sincerity. But when the Berlin Wall came down, the sordid reality of Honecker’s personal life — the swank foreign villas and dissolute lifestyle — came to light, to the consternation of socialist true believers.

None of which is to say that corruption is absent from non-socialist regimes. But socialism is to corruption what Petri dishes are to microbial growth. And nearly all developing countries have adopted socialism as their political system.

Having spent years living in impoverished socialist countries, in some cases learning their languages and becoming well acquainted with their people, this author has studied “democratic socialism” by experiencing it firsthand. Since this is the phase of socialist degradation that the United States is now entering, as the effects of persistent socialism begin to significantly degrade our standard of living, it is useful to consider some of the universal characteristics of incipient socialism, the near-universal prelude to the barbarities of totalitarianism that will eventually follow. These characteristics are much easier to discern in poor countries that have never been wealthy and which therefore have no artifacts, such as modern factories and infrastructure, left over from more prosperous times, as is the case in many European countries. In perennially poor countries in Africa, Asia, and Latin America, the following effects of socialism unalloyed by erstwhile capitalism are on full display:

1. Everything breaks easily. In a predominantly socialist economy, there is little competition, and so manufacturers (including, of course, state-run concerns) have little incentive to monitor or improve the quality of their products. Accordingly, most Westerners quickly learn that, although socialist countries possess the same technological know-how, in theory, as developed countries, they typically do not make full use of it. Plastic goods in particular are always much more fragile, and the plastic itself tends to be of perceptibly lower quality and to degrade much more quickly than in a free market economy. Household appliances, furniture (particularly mass-produced plastic chairs and tables), tools, machinery, motor vehicles, and so on, are alike in need of frequent repairs and replacement. Essential items such as water pumps, toilets, and showers, which are exposed to water as a matter of course, are especially unreliable.

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This article appears in the August 21, 2017, issue of The New American.

2. There is very little variety available for purchase in all but the highest-end stores. Most consumer



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products, from toothpaste and toilet paper to hand tools, are manufactured by state-run monopolies, which produce one brand of middling quality at best.

3. Few foreign-made things are available, except for high-end items, such as motor vehicles, that the local economy does not have the assets to produce. Because socialists are certain of the adequacy of socialism to provide necessary goods and services, would-be foreign competitors are almost always rigorously excluded from local markets. This is because superior foreign goods would create pressure on socialized domestic manufacturers to improve their products — something that government-run entities, with their perverse incentive structures, are always loath to do.

4. There is no respect for the law. An almost universal trait of poor socialist countries is the appalling disregard for laws, something even casual foreign visitors take notice of the first time they experience the chaotic and lawless traffic in such countries. This is because under socialism, the law is used as an instrument for plunder. The central rationale of socialism is the alleged need for the state to redistribute wealth, which it does effectively — but not from the rich to the poor. Instead, because of the perverse incentives built into socialism, such governments always arbitrarily redistribute wealth from private citizens to the government and certain select cronies, and do so more or less at the whim of the state, with none of the restraining influences of limited constitutional government. The law and the state therefore command no moral authority.

This is one reason that Mexicans and citizens of many other poor socialist countries do not regard illegal immigration to the United States as morally objectionable; the entire notion of law and order as moral goods to which we owe allegiance is ludicrous to those for whom the government and the law are nothing more than means for the few to plunder the many, and for the privileged to preserve their status at the expense of everyone else. We hear much in the news about the lawless behavior of many illegal immigrants (many Mexicans living illegally in the United States see no reason to get a driver's license, for example), but this is completely predictable given the cynical perspective on law that socialism encourages. Many of those same illegal immigrants have no problem taking advantage of welfare laws in the United States to procure welfare, education, and other “free” benefits — since with such they are using the law and the government in the manner to which they are accustomed, namely, as a means to plunder everyone else.

5. Dishonesty and corruption are the orders of the day, and not just for the government. Americans visiting countries in the “developing world” are often taken aback by the degree to which even ordinary citizens are willing to cheat foreigners. At first enthralled by how friendly and helpful everyone appears to be, foreign visitors soon realize that many people who treat them with courtesy and interest are in fact only angling for money. Invitations to dinner and spontaneous help with directions on the street turn out to be thinly veiled sales pitches for money. Throngs of aggressive touts are fixtures wherever foreigners tend to congregate. And prices charged by street vendors and taxi drivers are far in excess of what locals pay. Government officials, of course, are almost all corrupt, in many countries unwilling to discharge any of their official duties without a bribe. And public attractions such as museums, archaeological sites, and national parks typically charge tourists from wealthy countries many times what they charge locals; in the country this writer is now visiting, the total entry fee for a foreigner visiting a national park or other government-run site is about 25 times what locals must pay.

All of this is part and parcel of the social and moral order — or lack thereof — encouraged by the irrational and immoral structure of socialist government. Where everyone plunders everyone else using



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government as an intermediary, many even in the private sector will conclude that cynical exploitation of one's fellow men is necessary and morally justifiable.

6. A disproportionately large sector of the economy is dedicated to tourism. Socialist economies are not designed to produce wealth via the accumulation of capital, so they need to find other sources of funding. A time-honored way to do this is via tourism, the socialist-approved method of attracting foreign money. Tourists from abroad love poor socialist countries, since many of them boast appealing tropical climates, pristine beaches, and very affordable pricing. A vacation on the beaches of Mexico or the Dominican Republic is generally much more affordable for average Americans than a stay at Palm Beach or Malibu. Who of us would not prefer to spend a week in a hammock or five-star hotel for the same cost as a couple of nights in the local Motel 6?

The beauty of tourists from a socialist perspective, of course, is that they bring their money, spend lavishly (by local standards) — and then go home, content in the belief that they have spent their money to help some poor country. Tourists do not set up businesses or compete in any way with local manufacturers or with the government, and therefore pose no threat to institutionalized socialism. But tourists do not create the type of wealth that can change the countries they visit. Instead, they help perpetuate an economy most of whose limited resources are channeled into the hospitality industry, funding the construction of hotels, tourist-oriented gift shops, tour guides, and the like.

But none of these things improve conditions in the non-tourist economy very much. American tourists in places such as the Dominican Republic are often amazed at the juxtaposition of five-star resort hotels and professional tour services with the grinding poverty of the locals living within a stone's throw of the tourist zone. To be sure, some of the locals benefit from tourists buying local goods, taking guided tours, and enjoying ziplines, snorkeling, and deep-sea fishing, and many other things. But most such benefits are temporary and do not change the reality of the local economy, which is that it is nearly impossible to start a business, accumulate capital, or make ends meet. This is why, despite the fact that Mexico and the Dominican Republic are studded with popular tourist resorts brimming with American visitors, many ordinary Mexicans and Dominicans prefer to live and work in the United States if at all possible.

7. Immigration is strictly prohibited under most circumstances. Socialist governments love foreigners who come, spend their money, and then go home. They do not, in general, like foreigners who immigrate and seek to earn a living within their borders. For most such countries, the only way to become a legal resident is by marrying a local or by being sent there by a foreign government or company to work — and even then only if it can be proven that no local is being deprived of a job by the foreign worker. This is because socialists regard employment, like everything else in the economy, as a zero-sum game. Only so many jobs are available, goes the flawed reasoning, and if foreigners take them, there will be none left for the locals. This is actually true to a certain degree in a socialist economy that creates virtually no wealth and very few jobs. Under such regimes, it is perhaps more accurate to say that most people have assignments rather than occupations, occupying state-approved posts that can be shuffled but seldom multiplied. Thus immigrants are not regarded as potential sources of new capital and new jobs, but instead as selfish interlopers occupying coveted posts within a static economy whose limited fruits are to be reserved for locals.

8. Police are everywhere. Because of the general disregard for law and order, socialist governments require huge contingents of police, usually including military police armed with military-style weaponry,



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to rein in the chaos. Checkpoints are frequent, and ubiquitous highway police typically have unlimited authority to stop and question anyone, anytime, for any reason — or for no reason.

9. National ID cards are compulsory. Even the least authoritarian socialist governments rely heavily on national identity cards (or internal passports) to keep tabs on what everyone is up to. Such cards are mandatory, and it is usually illegal to leave your home without one. This is because under socialism, institutional distrust is a two-way street. Just as citizens in socialist countries hate and distrust their government and the laws, for reasons already given, so too do socialist governments distrust their own citizens, as evidenced by the universal expectation, under socialism, that private citizens prove their identity to the state whenever required to do so.

10. You can't drink the water. Despite advances in modern water purification and treatment, you still can't safely drink tap water in most of the developing world. This is not for lack of technical expertise. It is a direct consequence of an inadequate tax base for building sewage treatment plants, covered sewers, and water-quality monitoring systems. In poor countries, public sewers are largely uncovered and leaky, and groundwater contaminated, even in less-populated areas. As a result, most tourists (and locals) must consume huge amounts of bottled and boiled water.

11. Public infrastructure, including electrical grids, highways, and bridges, is totally inadequate. The country where this author is currently staying, and which he has visited numerous times, is well-watered and intersected by many large rivers — yet electrical blackouts are quite frequent and often last an entire day. During the run-up to the monsoon, when conditions are especially hot and dry, the use of air conditioners is often curtailed by local authorities because of the strain they place on the feeble electrical grid, and scheduled daily blackouts during the hottest hours are routine. Once the rainy season begins, long power outages occasioned by electrical surges during thunderstorms are frequent.

As a result, it is difficult to do business without spending heavily on electric generators. The only places where foreigners can be guaranteed continuous access to electricity are at the largest and most expensive hotels, which maintain banks of generators that often run for hours or days at a time to keep air-conditioning, television, water pumps, and Internet services functioning while the outside world shuts down and waits for the electricity gods (i.e., the government) to restore access to the modern world.

And shaky power grids are but one of many systemic problems associated with impoverished socialist countries' infrastructure. Socialist governments are completely unequal to the task of keeping infrastructure up to date, because — thanks to general impoverishment — they lack the tax base to do so. Not only that, public funds more often than not keep politicians and their retinues in the lap of luxury, while spending on public works languishes. As a result, roads are usually narrow, unevenly paved, potholed, choked with traffic, and mostly devoid of traffic lights, resulting in extraordinary travel times even for short distances. Sidewalks are all but non-existent, bridges are in appalling states of disrepair, and trains and public buses are dirty, crowded, and seldom punctual. Where this author now resides, a typical 50-mile trip takes about two hours in a car or taxi, and even more by train or bus. In urban areas, the roads are better, but choked with constant traffic jams, whereas in rural areas, the traffic declines — but so does road quality.

None of this, it bears repeating, is because of any lack of theoretical expertise in road building or



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power-plant construction. It is purely a consequence of general impoverishment, which stems from such countries' lack of capital formation.

12. Violent political demonstrations and other forms of civil unrest are commonplace. Standard advice in all the tour guide books and State Department fact sheets for Americans abroad is to avoid political rallies and demonstrations. This is not so much because foreigners will be targeted directly, but because such events in socialist countries so often deteriorate into pitched battles with police and among rival factions. Such tactics as stone throwing and the destruction of motor vehicles and other private property are routine, and bystanders sometimes get caught in the middle. Elections, if held, are particularly perilous, because locals are well aware of the sham of voting in a thoroughly corrupt system where outcomes are often determined by underhanded means.

These, too, are direct outgrowths of the widespread contempt for civil authority under socialism. People feel chronically frustrated and helpless within a system that prevents them from achieving their God-given potential, yet presumes to dictate to them where they can live and work, what they can buy and sell, and whether or not they will even have access each day to modern essentials such as electric power. Frequently such frustration boils over into popular rage — energy that too often ends up supporting still more radical leftist policies, as if recourse to revolutionary Marxism can somehow palliate the ills caused by its milder ideological kin.

In this way, democratic socialism constantly incentivizes ever-more radical (and totalitarian) reactions to the grinding poverty that never seems to go away. People marinated in socialism, unfortunately, seldom have the ability to see any alternative other than to “purify” the existing system — which purification always means empowering those who are more doctrinaire, more authoritarian, more intolerant, and, in the long run, far more oppressive than their predecessors.

Many, if not most, of the above characteristics of “socialism lite” (and this is by no means an exhaustive list) are already beginning to manifest themselves in the United States. As the United States becomes more socialized, both at the state and national level, government net revenues plummet as more and more money needs to be allocated from taxes to service massive debts. Infrastructure crumbles, the rule of law deteriorates, and political unrest becomes more and more commonplace. As governments desperate for revenue continue to raise taxes and run up more and more debt to cover spiraling expenses, the standard of living of ordinary Americans is in slow but discernible decline. The realization is settling over America that the salad days of the 20th century — the great postwar economic expansion that enriched nearly everyone up to the end of the 1990s — may never return. But as in the developing world, few in America appear to recognize that the remedy is to abandon socialism and restore economic freedom. President Trump, who professes belief in capitalism, having benefited mightily from his own business successes, is unlikely to fundamentally alter America's socialist course — as his repeated insistence on not only repealing, but also replacing, America's newly minted socialized healthcare would attest. The proper — and constitutional — remedy for destructive socialist programs such as ObamaCare is repeal, followed by reliance on the free market to furnish the most effective remedy possible. But to date, not a single socialist “welfare” program in the United States, from the New Deal to the present day, has ever been repealed. Socialist programs once enacted create immediate groups of dependents who then fight tooth and nail to preserve their benefits. And when such programs inevitably fail to meet expectations, political pressure arises to solve the failures inherent in socialism with still more socialism (as with the current agitation to replace ObamaCare with



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a single-payer system).

For this reason, entrenched socialism is very difficult to dislodge, although it has been done. Chile under Salvador Allende was on the high road to full-blown Marxist socialism in the early 1970s, and is today one of the world's freest and most prosperous countries. But it took a military coup led by Augusto Pinochet to destroy the Marxist cancer that had been on the point of transforming Chile into a South American Cuba. Chile today is very similar to its South American neighbor Argentina in climate, and greatly inferior in population and natural resources — yet Chile is a model of a stable, free market economy (although leftism is once again beginning to make inroads), whereas Argentina remains an economic basketcase, a victim of decades of relentless, ubiquitous socialism.

If we continue along our present course, the day will soon come when Americans no longer have reliable electrical grids, drinkable water, drivable roads, or productive economic sectors other than recreation and entertainment — and such “Third World” conditions will be but a mild prelude to the depredations of full-blown socialism to follow. May America reverse course, lest we share the lot of the “huddled masses” to whom we once gave refuge.

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