



What Socialism Has Done to the World's Economy

Nobody in the Western world has been willing to admit that it is the socialist policies of their governments that have led to the dire economic problems the world now faces. Sir Mervyn King, governor of the Bank of England, revealed how severe the crisis is after the decision was made by the bank's Monetary Policy Committee to put 75 billion of newly created money into the economy in a desperate effort to stave off a new credit crisis and a UK recession.



The *Daily Telegraph* quoted the governor: "This is the most serious financial crisis we've seen, at least since the 1930s, if not ever. We're having to deal with very unusual circumstances, but to act calmly to this and to do the right thing."

"The world economy has slowed, America has slowed, China has slowed, and of course particularly the European economy has slowed," he said. "The world has changed and so has the right policy response."

How did we get into this mess? By following the siren song of the socialists who think that the private sector and the taxpayer can pay for more and more socialist programs. And they think that whipping the capitalist horses that drive the economy is the way to get them to support more and more socialist spending. Obamacare is the program that will finally kill the American Golden Goose. Americans will be reduced to a survivalist economy.

The fact that we have in the White House a president totally committed to socialist madness and who can't spend enough money to his satisfaction is an indication of how insane the American government has become. America, the leader of the capitalist world, is saddled with a government determined to drive it into bankruptcy. And the left has now released mobs in the streets demanding more spending on welfare and an end to capitalism. One mobster held up a sign that read: "People Not Profits." Chinese communists, seeing those signs on television, must shake their heads in disbelief. How stupid have Americans become.

A capitalist economy is driven by one governing principle: the need to make a profit. Without profit there is no free-market economy and there is no creation of wealth. Socialists have been feeding off this creation of wealth because they themselves do not create wealth but only consume the wealth capitalism creates. But their minds are so twisted that they believe that by killing capitalism they can create utopia.

Meanwhile, the children in our public schools are being trained to become dumbed-down socialists. Won't they be surprised when some day they learn that socialism doesn't work, and that they've been misled by their schools to think that they must destroy the only economic system that actually creates wealth.



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Socialist philosophers have so perverted the Western mind, particularly the minds of the political and university classes, that we are now on the brink of a total economic collapse. The United States has all the intellectual and material means to create the greatest wealth-producing economy in all of human history. But our socialist politicians and bureaucrats are doing everything in their power to prevent that from happening. They think that printing money and borrowing from those who have wealth will sustain their socialist dreams.

No socialist society has ever existed without the assistance of capitalists. Soviet Russia was constantly helped by the capitalist West. Cuba depends on tourists from capitalist countries to bolster its non-wealth producing economy. Hugo Chavez is using Venezuela's oil revenues to destroy capitalism in that nation. And communist China has completely abandoned socialist economics and adopted the profit-making principles of capitalism, although the centers of production are still in the hands of its government.

But in America, the very citadel of capitalism, the greatest example of profit-making wealth creation, we have politicians and intellectuals at the highest levels of power leading us into an abyss of economic chaos.

Ludwig von Mises wrote in *Bureaucracy* (p. 57):

Socialism, that is, full government control of all economic activities, is impracticable because a socialist community would lack the indispensable intellectual instrument of economic planning and designing: economic calculation. The very idea of central planning by the state is self-contradictory. A socialist central board of production management will be helpless in the face of the problems to be solved....Socialism must result in complete chaos.

And that applies to Obamacare, which will turn the American medical system into chaos. And that is why it hangs over the heads of Americans like a sword of Damocles, about to slice and dice the American economy.

Von Mises has something interesting to say about all those meddlers like Michele Obama and Mayor Bloomberg who want to change the way Americans eat. He writes:

The dictatorial nutrition expert wants to feed his fellow citizens according to his own ideas about perfect alimentation. He wants to deal with men as the cattle breeder deals with his cows....He wants to domesticate them, to give them cattle status. The cattle breeder also is a benevolent despot.

Children in our public schools should be taught what von Mises teaches:

Capitalism is a system under which everybody has the chance of acquiring wealth; it gives everybody unlimited opportunity....under capitalism everybody is the architect of his own fortune....Work well done and services well rendered are the only means to succeed.

Wouldn't it be wonderful if our schools taught children to read by intensive phonics and educated them on the benefits of capitalism? But we see the products of our schools in the unwashed mobs occupying Wall Street, without any understanding of the important function Wall Street has in our economy. By denouncing profit, and calling for an end to capitalism, they might as well be telling Americans to commit economic suicide.

As for job creation, here is some more economic wisdom from von Mises:

It is an illusion to believe that government spending can create jobs for the unemployed, that is, for



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those who cannot get jobs on account of the labor unions' or government's policies....There is but one way toward an increase of real wage rates for all those eager to earn wages: the progressive accumulation of new capital and the improvement of technical methods of production which the new capital brings about. The true interests of labor coincide with those of business.

I wish that every member of Congress were given a copy of *Bureaucracy* to read. Better yet, I wish that every economics department in our universities would teach von Mises. What we need is a cleansing of the American mind of all the socialist nonsense and propaganda that has been put there by socialist philosophers. As Von Mises writes:

Propaganda is one of the worst evils of bureaucracy and socialism. Propaganda is always the propaganda of lies, fallacies, and superstitions. Truth does not need any propaganda; it holds its own....It carries on by the mere fact of being true.

It is a pity that this great nation should have been taken down this socialist path by its intellectuals and politicians. Their pathetic propaganda fills our mass media through the mouths of left-wing journalists 24/7. On Sundays these pundits pontificate their dribble using the great technological means created by capitalism. They enjoy the products of capitalism but hate its very reason for being: to make a profit. And that is why the world's economy is in crisis. The wealth producers can no longer support the parasites of socialism.



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