



The Root Cause of Greece's Problems: Socialism

Returning to Brussels with an austerity program eerily similar to that just rejected by Greek citizens a week ago, Prime Minister Alex Tsipras hoped to obtain another bailout in exchange for debt forgiveness by the European Central Bank (ECB). Tsipras is desperate: His government must make a \$7.8 billion payment to the ECB next Monday, and another \$13 billion by the middle of August.



Instead, following marathon sessions lasting into the wee hours, those EU officials [upped the ante](#), passing even more stringent demands before granting Tsipras his lifeline. It told Tsipras, in essence, either to paint or get off the ladder:

There are serious concerns regarding the sustainability of Greek debt. This is due to the easing of policies [by Greece's government] during the last twelve months.

Against this background ... the Eurogroup stands ready to consider possible additional measures to smoothen Greece's debt servicing path even further. These measures [however] ... will be conditional upon full implementation of the measures to be agreed upon in a possible new arrangement....

In case no agreement could be reached, Greece should be offered swift negotiations on a "time out" from the euro area.

Tsipras painted, and punted. Hat in hand, Tsipras returned to face a recalcitrant parliament which must approve those demands.

The threat was simple political thuggery: unless Greece acquiesced to another raise in income taxes and the value-added-tax and further cuts in pension liabilities along with other measures, it would be invited to leave the Eurozone for perhaps five years, during which time it would be expected to behave itself before being invited back in.

Tsipras claimed a victory: "We managed to avoid the most extreme measures. Greece will fight to return to growth and to reclaim its lost sovereignty ... we managed to avert the demand to transfer Greek assets abroad, to avert the collapse of the banking system."

Stock markets around the world rejoiced at the news: the euro is safe, the Eurozone remains intact, and life in Greece will become even more difficult.

Nothing is being said, however, about how Greece could find itself in such a position. Some are persuaded that it was free (or at least cheap) money offered by economic hit men employed by central banks that Greek politicians simply couldn't pass up. The money was available today. Payback was some indeterminate time in the future. The temptation was irresistible.

Others were persuaded that it is the lack of an authentic work ethic among Greeks, favored as they are by a retirement age of 60, and pension benefits far exceeding any ability to pay them over time.

Others think it is socialism that has eroded the character of the Greek people, resulting in an



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entitlement mentality that places expediency before prudence. Winston Churchill called it “a philosophy of failure, the creed of ignorance, and the gospel of envy.” He added, “Its inherent virtue is the equal sharing of misery.”

Economist Mark Perry said Greece’s problems are all essentially economic:

Collectivism is unsustainable in the long run because it is a flawed theory. Socialism does not work because it is not consistent with fundamental principles of human behavior ... it is a system that ignores incentives.

But it isn’t all economics. In his article about the failure of socialism published by the Foundation for Economic Education, Perry added:

By their failure to foster, promote and nurture the potential of their people through incentive-enhancing institutions, centrally-planned economies deprive the human spirit of full development. Socialism fails because it kills and destroys the human spirit.

Heritage Foundation economist Stephen Moore thinks Greece’s problem is simple: They’ve been spending beyond their means for years and they just need to change their ways. “Greece needs much less socialism, and much more privatization. [It needs to] sell off government assets ... cut tax rates ... sell one of their islands to Disney ... oust the communists who ruined this nation ... get government spending down to 25 percent of GDP,” he said.

Cato Institute’s George Selgin thinks Greeks ought to “man up,” grow a backbone, and throw off the fetters. Talk of Greece being “deprived of fresh euros” as suggested by the *New York Times* seems, to Selgin, “to suggest that Eurozone members [including Greeks] are like so many helpless hatchlings, their outstretched beaks agape in anticipation of the ECB’s regular and solicitous regurgitations of liquid sustenance.”

But what if they can’t? What if the poison of collectivism has so eroded the Greek character that turning to the free market for its salvation isn’t even being considered? What if Robert Welch, the founder of The John Birch Society, writing in his *Blue Book* in 1960, was right:

An individual human being may die of any number of causes. But if he escapes the fortuitous diseases, does not meet with any fatal accident, does not starve to death, does not have his heart give out, but lives in normal health to his three score years and ten and then keeps on living — if he escapes or survives everything else and keeps on doing so, he will eventually succumb to the degenerative disease of cancer.

For death must come, and cancer is merely death coming by stages, instead of all at once. And exactly the same thing seems to be true of those organic aggregations of human beings, which we called cultures or civilizations.

Welch reached back into Greek history to make his point: Socialism is a disease that eventually, if not surgically excised, will kill its host. As he wrote,

For the whole point is that the Greek civilization was at least many centuries old — that is, many centuries removed from its pioneer days — before Pericles started it on the road to death, at the very height of its glory, through making the government increasingly responsible for its citizens, instead of its citizens being responsible for, and watchdogs over, their government.

Writing this in 1960, Welch was remarkably prescient, not only about the death of Greece today, but about how far along the same path the American Republic was back then:



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We have the cancerous disease of collectivism firmly implanted now, nevertheless. We have people feeling that nothing should be done by them, but everything for them by the government. Its disastrous ravages are quite far advanced.

For Greece it may be too late to keep it from becoming a vassal state in the European Union. A successful exit will require character, determination, and freedom to work in an environment free of governmental restriction and regulation, with the government providing only enforcement of the rule of law and nothing more.

For the American Republic it may not be too late. As Welch was closing his remarks in the *Blue Book*, he offered this:

Communism has its weaknesses, and the Communist conspiracy has its vulnerable points. We have many layers of strength not yet rotted by all of the infiltration and political sabotage to which we have been subjected.

Our danger is both immense and imminent; but it is not beyond the possibility of being overcome by the resistance that is still available. All we must find and build and use, to win, is sufficient understanding. Let's create that understanding and build that resistance, with everything mortal men can put into the effort — while there still is time.

For more information about The John Birch Society, [see here](#).

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