

# Re: Capitalism versus Socialism

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*Source:* <http://sci.tech--archive.net/Archive/sci.econ/2006-06/msg00259.html>

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- *From:* Michael Scheltgen <[mjs818@xxxxxxxxxxxxxx](mailto:mjs818@xxxxxxxxxxxxxx)>
  - *Date:* Mon, 26 Jun 2006 16:18:07 GMT
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I think a new rule of thumb is you don't know what in the world you're talking about.

Wells wrote:

The rule of thumb is really simple: If the economy works, then it's capitalism, if it doesn't, then it's socialism.

"Nospam" <[nospam@xxxxxxxxxxxx](mailto:nospam@xxxxxxxxxxxx)> wrote in message  
[news:1608817.57YbmCSA7g@xxxxxxxxxxxx](mailto:news:1608817.57YbmCSA7g@xxxxxxxxxxxx)

Wells wrote:

1) You never hear about unemployed labor fleeing capitalist countries

and

seeking work in socialist countries.

Possibly because there was no socialist country in the world. Ever. Socialism require common ownership of ALL the production means while keeping a full functional democracy. It never happen.

The reason may be because all the attempts was made as a result of revolutions. And a revolution it is an anarchic process where opportunist individuals have the ability to hijack the process. This individuals, without any skills, abilities and morality took advantage of the revolutionary process to secure their persistence on power.

Destroying the democracy was the only way a junky communist was able to do that, since into a democratic society where the value is democratically elected a guy without any skills, IQ and morality does not have any chance

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to stay there for long. A first reelection is easy to get, blaming the enemies for all your failures and promising to stay on track to fix it. But the second re-election is rather impossible to democratically win with lies and tricks. So suppression of democracy was mandatory for any junk leader hungry for power.

Then, in order to avoid any internal competition the valuable co-revolutionary friends are suppressed too. Looking at the history in Eastern Europe occupied by USSR after WWII. The communist party didn't exist or where it did their presence was

rather

symbolic, with tens or a couple of hundred of members in most of the countries :-). They were practically created by the soviet occupation. Once the communist parties popped up and took the power they gave an ultimatum to socialists and social-democrat parties to join them. Many of leaders and members of socialists and social democratic parties

were

then sent to jail, gulags or just killed.

The economic and political power are intertwined. In the name of common ownership and in the absence of any democratic oversight over power (due

to

suppression of democracy and former friends) it was breeze for the communist oligarchy to hijack all the power. In the end, there was no common ownership left. A small oligarchy owned all the economic power

while

everybody else were as matter of fact slaves on the oligarchy monopoly.

Well, this is exactly the economic outcome of a libertarian style free market. A small capitalist oligarchy will take control of all the

economic

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power then by using it will hijack the political power.

The communism and today's "free market" fanatic crowd are exactly the

same

thing. They target the same finality, what differ are the paths used to achieve that finality.

Comming back to socialism. Let assume however that into a way or another a society is successfull into implementing socialism. It is going to work as advertised ? Well, I don't think so.

The distribution of created wealth regardless of skills, ability or

hardwork

is by itself not fair. If a hardworking individual is compensated as a

lazy

guy, the hardworking lose incentives for what he is doing. This is going

to

generate an equality at the bottom of hardwork, having as the result a lot of wasted workforce.

A inequality in income is required to keep a society healthy, but with the condition that the inequality is always generated by hardwork and skills and NOT by cronyism or as a result of already owned property.

Capitalism on the other side is also not much better than the socialism. It provide incentives but also generate a lot of waste of workforce since in some cases it is more cost effective to fire workers and reduce production than cut prices and being left without to much proffit.

A sane solution will be somewhere in the middle. A social democracy built

on

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the capitalist background but with a strong government involvement in economy to prevent waste of workforce, suffering generated by economic downturns and to encourage a reward by skill, work and education.