

President: Richard M. Ebeling**Editor:** Sheldon Richman**Managing Editor:** Beth A. Hoffman**Editor Emeritus**
Paul L. Poirot**Book Review Editor**
George C. Leef**Columnists**

Charles W. Baird	Robert Higgs
Donald J. Boudreaux	Lawrence W. Reed
Stephen Davies	Russell Roberts
Burton W. Folsom, Jr.	Thomas Szasz
Walter E. Williams	

Contributing Editors

Doug Bandow	Dwight R. Lee
Norman Barry	Wendy McElroy
Peter J. Boettke	Tibor R. Machan
James Bovard	Andrew P. Morriss
Thomas J. DiLorenzo	Ronald Nash
Joseph S. Fulda	Edmund A. Opitz
Bettina Bien Greaves	James L. Payne
John Hospers	William H. Peterson
Raymond J. Keating	Jane S. Shaw
Daniel B. Klein	Richard H. Timberlake
Lawrence H. White	

**Foundation for Economic Education
Board of Trustees, 2003–2004**

David Humphreys <i>Chairman</i>	Paige K. Moore <i>Secretary</i>
Frederick C. Foote <i>Vice Chairman</i>	Dan Grossman <i>Treasurer</i>

Henry M. Bonner	Jane M. Orient, M.D.
Lloyd Buchanan	Tom G. Palmer
Walter LeCroy	Andrea Millen Rich
Roy Marden	Sally von Behren
Kris A. Mauren	Guillermo M. Yeatts

Ideas on Liberty (formerly *The Freeman: Ideas on Liberty*) is published by The Foundation for Economic Education, Inc., Irvington-on-Hudson, NY 10533. FEE, established in 1946 by Leonard E. Read, is a non-political, educational champion of private property, the free market, and limited government. FEE is classified as a 26 USC 501(c)(3) tax-exempt organization.

Copyright © 2003 by The Foundation for Economic Education. Permission is granted to reprint any article in this issue, provided credit is given and two copies of the reprinted material are sent to FEE.

The costs of Foundation projects and services are met through donations, which are invited in any amount. Donors of \$39.00 or more receive a subscription to *Ideas on Liberty*. For delivery outside the United States: \$54.00 to Canada; \$64.00 to all other countries. Student subscriptions are \$10.00 for the nine-month academic year; \$5.00 per semester. Additional copies of this issue of *Ideas on Liberty* are \$4.00 each.

Bound volumes of *The Freeman* and *Ideas on Liberty* are available from The Foundation for calendar years 1972 to 2001. The magazine is available in microform from University Microfilms, 300 N. Zeeb Rd., Ann Arbor, MI 48106.

Cover photo: Bettina Bien Greaves

PERSPECTIVE**Is Socialism Good in Theory?**


Socialism has been mortally discredited on economic grounds, thanks to Ludwig von Mises, F. A. Hayek, and history. But for many people it has not been discredited on moral grounds. You can tell this by how often people say that while socialism doesn't work in practice, it is good in theory.

Strange notion—that a theory which doesn't work in the world can somehow still be good. Where else is it to be judged? One would think that a theory whose consistent realization requires gulags and secret police would be morally disqualified even if it “worked.”

I guess the people who say socialism is good in theory really mean they *regret* that it doesn't work without the attendant unpleasantness. Why should that be regrettable? The typical answer is that in socialist theory people are not acquisitive or self-regarding; they are more concerned about others. The regret about socialism turns out to be a regret about human nature.

Leaving aside the facts that the taint on self-interest is assumed not established and that one prospers under capitalism by competitively attending to others, is this a valid statement about socialism? Originally socialism promised a superabundance of goods—so much of everything that no one would have to do without anything. Sharing would be unnecessary because scarcity would be abolished. Wasn't that an appeal to acquisitiveness, even gluttony? To be sure, socialism's miserable record has compelled its advocates lately to discover the “age of limits,” but that is only to make a virtue of necessity.

Socialism of course did promise to reconstruct humanity, but the message was always mixed. It promised to subordinate the individual to society while liberating him to be fully himself—free of the necessity to make a living. Leon Trotsky wrote that “Communist man . . . will become immeasurably stronger, wiser and subtler; his body will become more harmonized, his movements more rhythmic, his voice more musical. The forms of life will become dynamically dramatic. The average



human type will rise to the heights of an Aristotle, a Goethe, or a Marx.” But the *nice* Bolshevik also said, “In a country where the sole employer is the State, opposition means death by slow starvation. The old principle: who does not work shall not eat, has been replaced by a new one: who does not obey shall not eat.”

Was the new Socialist Man to be a self-centered achiever or group-centered worker bee? It was never clear how both could be accomplished.

Maybe all that people mean when they lament socialism’s impracticality is that the theory held out hope for an end to material inequality. As intellectual historian Ralph Raico reminds us, it didn’t exactly do that. Marx promised only “to each according to his *needs*.” He never said we all have the *same* needs. Besides, it is capitalism not socialism that has achieved essential material equality. (See Donald Boudreaux, “Equality and Capitalism,” September 2002, www.fee.org/vnews.php?nid=5201.)

The ugliness of socialist theory now comes into focus. Under individualist and capitalist theory (and practice) each person is free to determine his own needs and, through the division of labor and voluntary exchange, to produce what’s required to satisfy them. (As the old Spanish proverb puts it, “Take what you want and pay for it.”) Under socialist theory the individual’s needs are determined and satisfied collectively. Dissent and venturing out on one’s own are not options. As Trotsky acknowledged, everyone is an employee and tenant of the collective—that is, the state.

It’s a mystery why anyone would find that theory beautiful or regret that it doesn’t work in practice.

* * *

The antitrust folks at the Federal Trade Commission are at it again, this time trying to stop a merger in the “superpremium” ice-cream market. George Leef debunks the government’s latest anticompetitive mischief.

All around the country imaginative busi-

nessmen are turning now-useless landfills into useful golf courses. Why, Scott McPherson asks, didn’t the bureaucrats think of that?

Owners of businesses everywhere are victimized by ruinous state regulations and taxes. Steven Greenhut reports that in California they are doing something about it.

To hear the American Lung Association tell it, the air we breathe is killing us. But Roy Cordato demonstrates that those reports are flawed.

Governments throughout the West are on a collision course with reality, thanks to their politicized pension systems. Norman Barry describes the wreck in our future.

For nearly 70 years, saving has been regarded in some quarters as socially destructive. Arthur Foulkes shows how wrong that view is.

The term “Austrian economics” often is found in this magazine. We thought it was a good time to reprint Henry Hazlitt’s classic essay on exactly what it is. Part one appears this month.

If a collectivist cannot refute individualism, he may try to build a straw man in order to knock it down. According to Tibor Machan, that summarizes much of contemporary political theory.

The federal government years ago set out to equalize funding for male and female sports in schools. It created a textbook case of the Law of Unintended Consequences, Larry Schweikart writes.

Here’s what our columnists have cooked up: Richard Ebeling honors Ludwig von Mises, who died 30 years ago this month. Lawrence Reed eulogizes a man of character. Thomas Szasz says beware of drug “reformers.” Stephen Davies solves the mystery of China. Russell Roberts examines the claim that medical care cannot be left to the marketplace. And Richard Gordon, hearing claims that deregulation caused the August blackout, objects, “It Just Ain’t So!”

The book reviewers grapple with World War I, the bloody twentieth century, capitalism, and the globalization of culture.

—SHELDON RICHMAN