

Marc Roby: We are continuing our break from studying theology to look at some current topics of great importance from a Christian perspective. In our previous session we noted that history has proven Marx's theory to be wrong; capitalism did *not* cause societies to fail and then convert to socialism. We also looked at the idea of voluntary socialism, where a group of people get together to form a socialist community, and we discovered that these also have all failed. We ended by noting that socialist countries have not done any better than voluntary communities. Dr. Spencer, how do you want to pursue this topic further today?

Dr. Spencer: Well, we need a little more background about the failure of Marx's theory in order to understand how people tried to implement socialism at the level of a country, rather than a small voluntary community. The background we need is to note that by the end of the 1800's, which was about 50 years after the publication of Marx's ideas, it was already evident even to one of his key disciples that the theory was wrong.

Marc Roby: Who was that disciple?

Dr. Spencer: Eduard Bernstein. To be accurate, he was more a disciple of Engels than Marx, but that is a distinction without a difference. In fact, to show how close he was it is useful to note that he was one of only four people, including Engels, who scattered Marx's ashes at sea as Marx had specified in his will.¹

In any event, Bernstein, who was German, was living in exile in England and what he observed happening in England in the latter half of the nineteenth century did not agree with Marx's theory. So he began to publish a series of articles in 1896 entitled "Problems of Socialism".²

Marc Roby: I'm sure that didn't endear him to Engels or other followers of Marx.

Dr. Spencer: No, it didn't. Bernstein pointed out that trade unions had made a large difference and had, along with other means, made capitalism more tolerable. Quoting from Joshua Muravchik's outstanding book *Heaven on Earth*, "What Bernstein was suggesting was that it was possible to fight for the well-being of workers ... without envisioning a new society."³

Marc Roby: And that suggestion certainly made him an enemy of Engels and many other Marxists who believed in violent revolution as we noted in our last session.

Dr. Spencer: Exactly. But Bernstein was reacting intelligently to the evidence he saw in England. To quote Muravchik again, "More than fifty years had passed since Marx and Engels formulated their sociological forecast that the rich would become fewer, the poor poorer and the middle classes negligible. Bernstein observed that something nearly opposite had occurred: the rich were more numerous, as were the middle classes, and the poor were better off."⁴

¹ J. Muravchik, *Heaven on Earth, the Rise, Fall, and Afterlife of Socialism*, Encounter Books, 2019, pg. 95

² Ibid, pg. 102

³ Ibid

⁴ Ibid, pg. 106

Marc Roby: That is certainly an inconvenient truth for Marxists to deal with. Facts can be really annoying when they don't agree with your theory. And capitalism has produced great progress for the poor in this country as well, even during my lifetime.

Dr. Spencer: Yes, it has. Independent of the constant protestations of the progressives that our system only works for the very wealthy, the poor in this country are way better off than they were 50 years ago, and immensely better off than they were 100 or 150 years ago. The comparison is often relative to the steadily increasing standard of living, rather than to any meaningful standard of real poverty. In fact, one study performed in 2011 and based on government surveys, shows that "As a rule of thumb, poor households [as defined by the Census Bureau] tend to obtain modern conveniences [that is, things like computers, cell phones, big-screen TV's and so on] about a dozen years after the middle class."⁵

Marc Roby: I suspect that most people think of poor as meaning that a person has a hard time providing food, clothing, transportation, housing and health care for their family, not big-screen TV's.

Dr. Spencer: I'm quite sure you're right about that. And 150 years ago it was certainly true that poor people were concerned about the bare necessities of life, not luxuries. But the way the Census Bureau defines poverty, it ignores all government subsidies and focuses purely on income, not on living conditions. And yet, in 2014 it was reported that the average poor family spent \$2.40 for every \$1.00 of reported income, so the subsidies are very significant⁶. As a result, the same 2011 study I noted before found that "Some 70 percent of poor households report that during the course of the past year, they were able to meet 'all essential expenses,' including mortgage, rent, utility bills, and important medical care."⁷

Marc Roby: In other words, 70 percent of the supposedly poor households were not truly poor in the sense most people understand that term.

Dr. Spencer: That's a fair statement. And if you read the report, even the other 30% are mostly not wanting for the basic necessities either. Most of the "poor," for example, live in reasonable dwellings that are in reasonable condition and the average "poor" family in America has considerably more living space than the average family in Europe – not the average poor family in Europe, the average family.⁸

Marc Roby: That's eye opening.

⁵ Robert Rector and Rachel Sheffield, *Air Conditioning, Cable TV, and an Xbox: What Is Poverty in the United States Today?*, Backgrounder 2575, The Heritage Foundation, July 18, 2011, see footnote 8 for a list of the surveys (available at: http://thf_media.s3.amazonaws.com/2011/pdf/bg2575.pdf)

⁶ Robert Rector and Rachel Sheffield, *The War on Poverty after 50 Years*, Backgrounder 2955, The Heritage Foundation, September 15, 2014, (available at: http://thf_media.s3.amazonaws.com/2014/pdf/BG2955.pdf)

⁷ *Air Conditioning, Cable TV, and an Xbox*, op. cit.

⁸ Ibid

Dr. Spencer: It is. But we must, of course, say that this is *not* universally true. No one is claiming that we don't have people in this country living in terrible conditions. But that is *not* true of most of those who are called poor by the Census Bureau, which is, of course, the number always used by politicians and left-leaning news sources pushing when they are pushing for more social programs. According to the Census Bureau, the percentage of people in our country who are poor has fluctuated between about 12% and 15% of the population since around 1970. But the number of people struggling to put food on the table is a small fraction of those, over 92% of those listed as poor said that they never had trouble getting enough food in the past year.⁹ That means that just over 1% of the population, which is still too many, had at least occasional trouble putting enough food on the table. But the bottom line is that capitalism has been extremely successful in raising the standard of living for almost all Americans.

Marc Roby: And for many other people as well we might add.

Dr. Spencer: That's very true, but now I want to get back to Marx and in light of the fact that capitalism has been immensely successful in helping the poor, as noted by Bernstein and the data we just quickly reviewed, I want to look at what has happened when Marx's ideas were implemented at the level of a country, rather than a small voluntary community.

The truth is that, because, as Bernstein noted, the problems with capitalism *can* be fixed without a complete change in society, the only way socialism can be implemented on a grand scale is either by agreement, or by revolution.

Marc Roby: And, of course, socialism, or at least partial socialism if I can use that phrase, has been tried voluntarily at the country level. For example, in England after world war two.

Dr. Spencer: Yes, the English experiment is very important. It wasn't full-blown socialism, but they did nationalize a number of industries and services and it was, by all accounts, a massive failure. The system was in place from 1945, when Clement Attlee became Prime Minister, until 1979 when Margaret Thatcher became Prime Minister. Thatcher said that "No theory of government was ever given a fairer test or a more prolonged experiment in a democratic country than democratic socialism received in Britain. Far from reversing the ... decline of Britain ... it accelerated it."¹⁰

I don't think it is worth our while to discuss the British experiment further, Muravchik discusses it in his book for those who are interested. The important thing is that it failed badly enough that the country voluntarily went back to capitalism.

Marc Roby: Alright, but there are other examples of democratic socialism that are frequently cited, most commonly Sweden.

Dr. Spencer: Yes, Sweden is often cited, but there are two problems with that example. First, Sweden is not really socialist, their economy is market-based capitalism. And, I might add, has a

⁹ Ibid

¹⁰ Muravchik, op. cit., pg. 317

much lower corporate tax rate, 20.6%, than we had in the United States prior to 2017 when President Trump lowered the rate from 35% to 21%.¹¹

Sweden is a welfare state. They have huge taxes on everyone, including the middle class and lower income, and then they offer a wide range of generous government-funded social programs. But their taxes on middle- and lower-income people are much higher than here in the US. For example, there is a value-added tax of 25% on most products in Sweden, that's like having a 25% national sales tax! In order to compare taxes, we must remember that gross-domestic-product, or GDP, is a measure of a country's total production. The overall tax-to-GDP ratio in Sweden is 43.9%, compared to 24.3% in the United States.¹² And the other Scandinavian countries are all similar.

Marc Roby: That's a lot of tax. You noted two problems with using Sweden as an example, what is the other one?

Dr. Spencer: That they are demographically very different than the United States. There is a much greater degree of homogeneity in Sweden and in the other Scandinavian countries than we have. Gert Tinggaard, a professor of political science at Denmark's Aarhus University explained that "The Nordic welfare state works due to trust. You have to trust that people work and pay taxes when they are able to do so. The second condition is that you also have to trust the politicians. You get a bang for your buck."¹³ Now I don't think that kind of trust exists in this country, and I don't see it happening anytime soon. And even Sweden is having a lot of trouble with it now since they have more immigrants than before.

Therefore, this kind of welfare state simply won't work here. Not to mention the fact that the politicians in this country who promote the Scandinavian model ignore the incredible price tag. They pretend it can be paid by just taxing the rich, which is, first, simply not possible and, secondly, I would argue, not moral either. But we'll get to that in a later podcast.

Marc Roby: Well, I certainly agree that the trust this professor spoke of does not exist in this country. There is too much diversity and, at this point in time, too much animosity.

Dr. Spencer: And that animosity, as we will also see in a later podcast, is made dramatically worse by neo-Marxist ideologies. But let's get back to socialist countries. For true socialism, in other words, not including the welfare state, or partial solutions like England tried, the only way to achieve it is by violent revolution.

¹¹ For Sweden see <https://home.kpmg/xx/en/home/insights/2018/06/european-tax-sweden-country-profile.html>, for the US see <https://www.taxpolicycenter.org/briefing-book/how-does-corporate-income-tax-work>

¹² See <https://taxfoundation.org/bernie-sanders-scandinavian-countries-taxes/>

¹³ Alister Doyle and Simon Johnson, *Not in my backyard? Mainstream Scandinavia warily eyes record immigration*, Reuters, February 15, 2016, available at <https://uk.reuters.com/article/us-europe-migrants-nordics-insight/not-in-my-backyard-mainstream-scandinavia-warily-eyes-record-immigration-idUKKCN0VP0IX>

Marc Roby: Now, why do you say that?

Dr. Spencer: Because there will always to be a sizable number of people who are not willing to voluntarily give up all of their property to the government. And to have true socialism, the government must own everything.

Marc Roby: I certainly can't imagine that happening here in the United States without a massive use of force.

Dr. Spencer: Nor can I. I don't think it can happen anywhere peacefully. That is why it has been brought about by force in the countries that have tried some form of full-blown socialism. Muravchik goes through a number of examples in his book. For today, I just want to discuss the Union of Soviet Socialist Republics, or USSR, or often just called the Soviet Union. It was the first truly Socialist country.

Marc Roby: Which, of course, no longer exists.

Dr. Spencer: And the reason it doesn't is that socialism was a massive failure. The history is long and sordid and we aren't going to go through it in any detail, that would take way too long. But let's take a quick look at it and let's begin by looking at a man named Vladimir Ilyich Ulyanov, better known as Lenin. He was born to a reasonably well-to-do Russian family in 1870. When he was 17, his beloved older brother, Alexander, was hanged for his involvement in a plot to kill the tsar.

Alexander had been strongly influenced by a novel called *What is to be Done?* And after his death, Lenin also read the novel and said that it "completely transformed my outlook."¹⁴

Marc Roby: Now that's a strong statement. What was this novel about?

Dr. Spencer: Well, the author of the novel had been influenced by Owen, whose utopian experiment we discussed in our session last week, and the novel presented a utopian vision. Let me quote from Muravchik, he says that "The heroes of *What Is to Be Done?* Were a class of 'New Men.' This was an unmistakable euphemism for 'revolutionaries,' coined, as were many code words of the time, to dodge the censor. The New Men are 'courageous, unwavering, unyielding' and utterly devoted to the 'common cause.' Their destiny is to rescue society."¹⁵

Marc Roby: You can see how such a grand idea – to rescue society – might capture the imagination of a young man, especially one whose older brother had been hanged for attempting to murder the leader of the government.

Dr. Spencer: It is understandable to a degree, but I don't want to get into speculating about motives. Let's just say that many of the things Lenin went on to do are completely indefensible in terms of any reasonable code of moral conduct. His revolution was far different from the American revolution. But let me get back to the story.

¹⁴ Muravchik, op. cit., pg. 112

¹⁵ Ibid

Marc Roby: OK. Please do.

Dr. Spencer: Lenin got involved in some insurrectionist activities and was jailed and then exiled to southern Siberia. The conditions of his exile were not harsh however, he was even allowed to live with his girlfriend, although the authorities made them get married, which they were opposed to, but they agreed so they could be together.

During his exile, Lenin became aware of the work of Bernstein and the effect it was having on some Russian socialists who were turning away from the idea of revolution and were thinking that the workers could peacefully push for better wages and conditions.¹⁶

Marc Roby: There goes that fickle proletariat again. As we saw with Marx last time, they simply don't always appreciate what these revolutionaries want to do for them.

Dr. Spencer: In fact, Lenin said that “not a single Marxist has understood Marx!”¹⁷ He was speaking about Marx’s single-minded devotion to revolution. Muravchik wrote, “For neither Lenin nor Marx was the revolution the answer to the question: what can be done for the proletariat? Rather the proletariat was the answer to the question: what can be done for the revolution?”¹⁸

Marc Roby: That’s an interesting observation. And it certainly tempts one to speculate about the motives of these men, and others like them.

Dr. Spencer: But we will resist that temptation and move on. This idea that the proletariat is prone to be satisfied with reforms that make their lives comfortable is a consistent theme. Lenin wrote, “The history of all countries shows that the working class, exclusively by its own effort, is able to develop only trade union consciousness.”¹⁹ Which he clearly meant in a derogatory way. Lenin went on to say, thinking of Marx and Engels, that “The theory of socialism ... grew out of the philosophic, historical, and economic theories elaborated by educated representatives of the propertied classes, by intellectuals.”²⁰

Marc Roby: OK, Lenin obviously held the proletariat in utter contempt. It is hypocritical for someone who claimed to want a classless society to so obviously think that a higher class of people are needed to tell the working class what they need.

Dr. Spencer: It is hypocritical, and it is also common among Marxists. They often think they are superior to the people they claim to want to help. And they are almost never working-class people themselves.

Marc Roby: Yes, an interesting observation, but one that I have found to be true in my reading as well.

¹⁶ Ibid, pg. 108

¹⁷ Ibid, pg. 115

¹⁸ Ibid

¹⁹ Ibid, pg. 117

²⁰ Ibid

Dr. Spencer: And it's because it is almost universally true. Marx, for example, never supported himself or his family. He mooched off of his parents and, when they stopped providing for him, he was supported by friends, mostly Engels. But, getting back to Lenin, who also never worked for a living in a normal sense, the revolution he masterminded in Russia is notable for its absolute brutality and criminality.

Marc Roby: Can you give us some examples?

Dr. Spencer: Absolutely. Starting around 1906 Lenin's organization used armed robbery, sometimes including murder, to fund their operations. Stalin was good at this type of criminal activity, which is how he first came to Lenin's attention.²¹

The second example I would give is how Lenin seized power in the first place. World War I broke out in 1914 and Lenin welcomed it because he thought, correctly as it turns out, that it would help his cause. Then during the war, in 1917, there was a revolution in Russia, which led to the abdication of Tsar Nicholas II. This led to the creation of a provisional government, which then subsequently fell to the Bolsheviks, which was Lenin's party, in the October revolution in 1917. There was then a period of civil war prior to the formation of the USSR in 1922.

Marc Roby: It is certainly a very messy period in Russian history.

Dr. Spencer: Messy in more ways than one. Lenin was absolutely ruthless. He killed virtually anyone who stood in his way. He self-consciously modeled his efforts after the reign of terror in the French Revolution.²² He used force of arms to overrule election results²³ and he violently oppressed even the peasants he claimed to want to help. The ones who were at all successful and who didn't want to voluntarily give up all of their possessions he called kulaks. They were treated mercilessly as enemies of the state both under Lenin and, later, under Stalin. They were murdered and their property taken.

Muravchick notes that "Russia's autocracy had long been notorious in Europe for its cruelty, but no tsar had ever shed blood so freely. Then again, no tsar ever had such lofty aims. 'How could they ... act otherwise,' asked former Yugoslav Communist leader Milovan Djilas of the Bolsheviks, 'when they ha[d] been named by ... history to establish the Kingdom of Heaven in this sinful world?'"²⁴

Marc Roby: That's incredible. In other words, the Bolsheviks, led by Lenin, actually believed that the end justified the means.

Dr. Spencer: That is absolutely true. And notice the end, this is nothing less than their view of heaven on earth. This was Marx's vision as well, although he didn't use that language.

²¹ Ibid, pg. 129

²² Ibid, pg. 139

²³ Ibid, pg. 137

²⁴ Ibid, pg. 136

Remember from Session 163 that he thought the final state of society was communism, where each person would contribute according to his ability and consume only according to his needs.

Marc Roby: If we're not careful in our thinking, we could imagine that this is what the Bible teaches.

Dr. Spencer: Yes, but the problem is that a true state of bliss requires a change in human nature. It requires the eradication of sin. And only God can do that. In Isaiah 45:22 God tells us, "Turn to me and be saved, all you ends of the earth; for I am God, and there is no other."²⁵ The failure of socialism is, fundamentally, that it is trying to play God. It is using the state to try and create, by force, a situation that men have decided is best. I'd rather wait for heaven.

Marc Roby: And so would I. And I very much look forward to continuing this discussion, but we are out of time for today, so I'd like to remind our listeners that they can email their questions and comments to info@whatdoesthewordsay.org. We would love to hear from you.

²⁵ All scripture quotations, unless otherwise indicated, are taken from the Holy Bible, New International Version®, NIV® (1984 version). Copyright © 1973, 1978, 1984, 2011 by Biblica, Inc.™ Used by permission of Zondervan. All rights reserved worldwide. www.zondervan.com The "NIV" and "New International Version" are trademarks registered in the United States Patent and Trademark Office by Biblica, Inc.™.