By Grace Hemmeke

argued against the idea of equal outcome in her speech, saying, “You've got to balance equality with equality of opportunity. The two are entirely different. Equality is one thing. Equality of opportunity is another.” (Margaret Thatcher, 1975, para. 49)

One of the great debates in our society today is the debate concerning government intervention in the economy and in society. People examine the possibility of an American socialist economy as a solution to the poverty problems our country, just as they did in the 1970s. Socialism is still seen as a solution that would ensure an equal intervene with the market forces. Capitalism does not try to create equality, but rather tries to drive busine

to create the cheapest, highest quality goods and services for consumers.

Those who support a form of socialism, or democratic socialism, argue that it will help to reduce the disparity between classes, between the rich and the poor by redistributing the wealth of the country. American values outlined in the Declaration of Independence tell the world that Americans believe all men are created equal. This does not mean that we believe all men should have equal status and wealth. Leaving the economic question of socialism aside, we must ask ourselves, do we want a population of millions, created equal and ending in what the democratic socialists call, “an equal outcome”? What will that equal outcome look like? Not what Karl Marx envisioned. The reality of the Soviet Union and its downfall is a bucket of cold water to throw on any revolutionary spark. All the equal outcome they could provide was equal poverty and bread lines.

Socialism is people asking the state to solve their problems, to house and feed and clothe and sustain them. But the state was never equipped to solve the problems of the people, it was never equipped to take care of the people in that way.

One of the major issues with the socialist school of thought is the implied heavy government control. Heavy government interference in the market in the name of Equality is a recipe for the same collapse that Soviet Russia saw. Even if a country pursues a middle path and does not completely give the means of production to the government, they may give the government too much power over the economy. In America, the Constitution specifies what power the government does and does not have. One of the powers that the government does not have is power over the economy. The economy works by itself to reach equilibrium. While there are precedents for small government stimulations, it must be understood that no economy ever recovered from a major depression or recession because the government undertook extreme interventions and policies. Instead of arguing for a socialist economy, we should put limits on the government’s power to influence the economy.

Thomas Sowell explains that, “One of the great appeals of socialism, especially back when it was simply an idealistic theory without any concrete examples in the real world, was that it sought to eliminate these supposedly unnecessary charges, making things generally more affordable, especially for people with lower incomes.” (Sowell, 2007, pg. 110). The theory is that socialism will remove profits and make things more affordable because of the lower prices. The people would be able to spend less, and the businesses would be controlled by the state, which would have no need to make a profit.

But, Thomas Sowell continues, “Only after socialism went from being a theory to being an actual economic system in various countries around the world did the fact become painfully apparent that people in socialist countries had a harder time trying to afford things that most people in capitalist countries could afford with ease and took for granted.” (Sowell, 2007, pg. 110). Soviet Russia is one of the most famous historical displays of this contrast.

In Soviet Russia, the government controlled and dictated what the production managers produced and how they produced it. Because of this, those managers were able to produce the same products the same way for years. They were not forced by the consumers to change the quality of their products. Innovation was unnecessary. The government would keep them in business regardless. The manufacturers were not forced by the market to produce quality goods as efficiently as possible, so they ended up selling low quality goods which were produced at a much slower rate. The government had a monopoly on production. Without competitors, they had no reason to keep their prices low. The monopoly they will have will stop the need for innovation and will cause the rise of prices and a drop in the quality of goods. The demand will stay the same, but the government will not face any ill effects if they don’t meet the demand. Unlike a salesman who works on commission, whose life and livelihood is due almost entirely to the customer and the service he gives his customers, the government will be able to protect themselves and stay in business without needing to provide excellent service to the consumers.

It was Adam Smith who said of competition, “In general, if any branch of trade, or any division of labour, be advantageous to the public, the freer and more general the competition, it will always be the more so.” (Smith, 1776, pg. 329) When the market is free, we can see the economy improve. Competition helps businesses find better ways to produce better goods. The price level is lowered by the market as businesses compete. Consumers are given more and better products at lower levels. Then we see the free market move towards equilibrium, we see the market right itself, pull itself out of recessions. It is the competition that keeps

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