

Reflections on the Soviet Collapse: The Failure of Socialism

By James B. Cloonan

The failure of the Russian coup came when I was in Europe on vacation. It is always interesting to get a different perspective on a world event. In fact, I was able to get both the American perspective on CNN, and other world perspectives on local stations. The collapse of the Soviet Union's system leads to all kinds of speculation about the future, not just of the Soviet states but of the world.

Socialism Wedded to Totalitarianism

The Soviet system was really the combination of an economic system—socialism—and a political system—totalitarianism. The totalitarianism was sometimes the tyranny of one man and sometimes the tyranny of a small group. We have generally called the system communism, although a communistic system could exist with the democratic rather than the dictatorial selection of leaders.

While the greatest overt hatred of the Soviet Union was directed at its tyranny, particularly under Stalin, the collapse of the Soviet Union was really brought about by the failure of socialism as an economic system. Tyranny in one form or another seems to be hanging on quite well in many places around the globe.

An Economic Failure

Despite rhetoric to the contrary, people seem better able to withstand oppression than economic hardship. That's how Hitler came to power. One could make a good case that if it were not for taxes and other economic sanctions, the United States would not have been in-

volved in a revolution.

The importance of these distinctions is to make it very clear that the failure of the Soviet Union is the failure of state socialism and centralized government control as an economic system. It has brought down the Soviet Union, the rest of Eastern Europe, and, in recent years, almost decimated England and France. It will bring down China in short order if additional economic reforms are not made.

It is important that the United States, as it becomes one of the older countries in the world, not go in the same direction. When the former Iron Curtain countries get reorganized, which will most probably be a difficult and trying time, they may emerge as very pure free enterprise systems—much like the United States of a hundred years ago.

Emerging Competitors

These countries will be tough competitors for us and the Common Market countries. We must stay "lean and mean" if we are going to win in the economic arena. Above all, we must avoid any moves toward the socialism that has failed elsewhere. For years and years, we have viewed the Soviet Union as the enemy, and we have continually adjusted to protect ourselves against them. While we thought of the struggle more in terms of military power, it was also an economic power struggle. We have certainly won the competition as of this date, but the future is open.

We won a struggle against Japan and Germany once, only to have to face them in severe economic competition. Russia is becoming a convert to the free enterprise system, and we all know that converts can be the most zealous practitioners of a belief.

We must rededicate ourselves to the pursuit of our own free-market system.

James Cloonan is president of AAIL. His column is his own opinion and does not necessarily reflect the views of the AAIL Journal.

