

**Chapter 1 : The Way We Won: America's Economic Breakthrough During World War II**

*Socialism: its theoretical basis and practical application. Authorized translation of the 8th German ed., with special reference to the condition of socialism in the United States.*

Socialism a century ago seemed to be the wave of the future. There were various schools of socialism, but the common ideal was to guarantee support for basic needs, and for state ownership to free society from landlords, predatory banking and monopolies. In the West these hopes are now much further away than they seemed in Land and natural resources, basic infrastructure monopolies, health care and pensions have been increasingly privatized and financialized. But the failures of Stalinism became an argument against Marxism – guilt-by-association with Soviet bureaucracy. Russia itself has chosen neoliberalism. Few socialist parties or theorists have dealt with the rise of the Finance, Insurance and Real Estate FIRE sector that now accounts for most increase in wealth. Instead of evolving into socialism, Western capitalism is being overcome by predatory finance and rent extraction imposing debt deflation and austerity on industry as well as on labor. Failure of Western economies to recover from the crisis is leading to a revival of Marxist advocacy. The alternative to socialist reform is stagnation and a relapse into neofeudal financial and monopoly privileges. Reformers hoped to promote this evolution by extending voting rights to the working population at large. But despite democratic political reform, the world has un-taxed land rent and is still grappling with the problem of how to keep housing affordable instead of siphoning off rent to a landlord class – more recently transmuted into mortgage interest paid to banks by owners who pledge the rental value for loans. Most bank lending today is for real estate mortgages. The effect is to bid up land prices toward the point where the entire rental value is paid as interest. This threatens to be a problem for socialist China as well as for capitalist economies. Landlords, banks and the cost of living The classical economists sought to make their nations more competitive by keeping down the price of labor so as to undersell competitors. The main cost of living was food; today it is housing. Housing and food prices are determined not by the material costs of production, but by land rent – the rising market price for land. Or, if they rent, their landlords use the property rent to pay interest to the banks. But the discussion of land rent and taxation has lost much of the clarity and passion that guided the 19th century when it dominated classical political economy, liberal reform, and indeed most early socialist politics. The ensuing political crisis was settled by a rule that the Lords never again could overrule a revenue bill passed by the House of Commons. The liberal drive to tax the land faltered, and never again would gain serious chance of passage. The democratization of home ownership during the 20th century led middle-class voters to oppose property taxes – including taxes on commercial sites and natural resources. The United States enacted an income tax in , falling mainly on rentier income, not on the working population. Capital gains the main source of rising wealth today were taxed at the same rate as other income. But the vested interests campaigned to reverse this spirit, slashing capital gains taxes and making tax policy much more regressive. The result is that today, most wealth is not gained by capital investment for profits. Instead, asset-price gains have been financed by a debt-leveraged inflation of real estate, stock and bond prices. Many middle-class families owe most of their net worth to rising prices for their homes. As a result, finance today is what it has been throughout history: Global oil and mining companies created flags of convenience to make themselves tax-exempt, by pretending to make all their production and distribution profits in tax-free trans-shipping havens such as Liberia and Panama which use U. The fact that absentee-owned real estate and natural resource extraction are practically free of income taxation shows that democratic political reform has not been a sufficient guarantee of socialist success. In practice, planning and resource allocation has passed to the banking and financial sector. Many observers hoped that this would evolve into state planning, or at least work in conjunction with it as in Germany. As long as major economic or political choke points are left in private hands, they will serve as springboards to subvert real reform policies. That is why Marxist policy went beyond these would-be socialist reforms. The path of least resistance was to start by socializing land and basic infrastructure. Proto-socialist reform in the leading industrial nations Marx was by no means alone in expecting a widening range of economic activity to be shifted away from the market to the public sector. State

socialism basically, state-sponsored capitalism subsidized pensions and public health, education and other basic needs so as to save industrial enterprise from having to bear these charges. Public health, pensions, roads and other transportation, education, research and development were subsidized or provided freely. The most advanced industrial economies seemed to be evolving toward some kind of socialism. That was above all the classical reform program of Adam Smith, John Stuart Mill and the intellectual mainstream. Since the Western nations have reversed early optimistic hopes to reform market economies. Absentee owners avoid tax by a combination of tax-deductibility for interest payments as if it is a necessary business expense and fictitious over-depreciation tax credits that pretend that buildings and properties are losing value even when market prices for their land are soaring. These tax breaks have made real estate the largest bank customers. The effect has been to financialize property rents into interest payments. Likewise in the industrial sphere, regulatory capture by lobbyists for the major monopolies has disabled public attempts to keep prices in line with the cost of production and prevent fraud by breaking up or regulating monopolies. These too have become major bank clients. The beginning and end of Russian socialism Most Marxists expected socialism to emerge first in Germany as the most advanced capitalist economy. After its October Revolution, Russia seemed to jump ahead, the first nation to free itself from rent and interest charges inherited from feudalism. Russian urban planning did not take account of the natural rent-of-location, nor did it charge for the use of money created by the state bank. The state bank created money and credit, so there was no need to rely on a wealthy financial class. And as property owner, the state did not seek to charge land rent or monopoly rent. By freeing society from the post-feudal rentier class of landlords, bankers and predatory finance, the Soviet regime was much more than a bourgeois revolution. State companies provided labor with free lunches, education, sports and leisure activity, and modest housing. Agricultural land tenure was a problem. Given its centralized marketing role, the state could have reallocated land to build up a rural peasantry and helped it invest in modernization. The state could have manipulated crop prices to siphon off agricultural gains, much like Cargill does in the United States. This political shock led to famine. It was a steep price to pay for avoiding rent paid to a landlord class or peasantry. Marx had said nothing about the military dimension of the transition from progressive industrial capitalism to socialism. Military aggression by a half dozen leading capitalist nations seeking to overthrow the Bolshevik government obliged Russia to adopt War Communism. For over half a century the Soviet Union devoted most capital to military investment, not to provide sufficient housing or consumer goods for its population beyond spreading literacy, education and public health. In the United States certainly feared the efficiency of socialist planning. So socialist countries were kept out of the IMF, World Bank and the planned World Trade Organization, explicitly on the ground that they were free of land rent, natural resource rent, monopoly rent and financial charges. Capitalist economies are now privatizing and financializing their basic needs and infrastructure. The cost of living and doing business is further privatized as financial interests pry roads, health care, water, communications and other public utilities away from the public sector, while driving housing and commercial real estate deeply into debt. The Cold War has shown that capitalist countries plan to continue fighting socialist economies, forcing them to militarize in self-defense. The resulting oppressive military overhead is then blamed on socialist bureaucracy and inefficiency. The contrast between the low living standards of Russian consumers and what seemed to be Western success became increasingly pronounced. Clothing and other consumer goods had only drab designs, needlessly suppressing variety. When the Soviet Union dissolved itself in , its leaders took neoliberal advice from its major adversary, the United States, in hope that this would set it on a capitalist road to prosperity. But turning its economies into viable industrial powers was the last thing U. Their aim was to turn it and its former satellites into raw-materials colonies of Wall Street, the City of London and Frankfurt “ victims of capitalism, not rival producers. Russia has gone to the furthest anti-socialist extreme by adopting a flat tax that fails to distinguish wages and profits of labor and capital from unearned rental income. By also having to pay a value-added tax VAT on consumer goods with no tax on trading in financial assets , labor is taxed much higher than the wealthy. The pretense is that privatization will maximize technological efficiency and prosperity for the economy as a whole. Following this advice, Russian leaders agreed that the major sources of economic rent “ natural resource wealth, real estate and state companies “ should be transferred to private

owners often to themselves and associated insiders. Most were sold off simply to obtain money to buy food and other needs as many companies stopped paying wages. Russia had wiped out domestic savings with hyperinflation after the war. Instead of the promised prosperity, a new class of billionaires was endowed, headed by the notorious Seven Bankers who appropriated the formerly state-owned oil and gas, nickel and platinum, electricity and aluminum production, as well as real estate, electric utilities and other public enterprises. It was the largest giveaway in modern history. Russian savings had been wiped out by the post war hyperinflation, so the new owners could only cash out by selling shares to Western buyers. The Russian oligarchs kept most of their sales proceeds abroad in British and other banks, beyond the reach of Russian authorities to recapture. Almost none was invested in Russian industry. Wage arrears often mounted up half a year behind. Living standards shrank, along with the population as birth rates plunged throughout the former Soviet economies. The basic neoliberal idea of prosperity is financial gain based on turning rent extraction into a flow of interest payments by buyers-on-credit. Russian officials failed to understand the State Theory of money that is the basis of Modern Monetary Theory: States can create their own money, giving it value by accepting it in payment of taxes. The Soviet government financed its economy for seventy years without any need to back the ruble with foreign exchange. Treasury bonds were issued in order to prevent inflation. Russian leaders did not realize that dollars or other foreign currencies were only needed to finance balance-of-payments deficits, not domestic spending except as this money was spent on imports. Russia joined the dollar standard. Buying Treasury bonds meant lending to the U.S. The central bank bought U.S. Treasury securities to back its domestic currency. These purchases helped finance Cold War escalation in countries around Russia. Instead of targeting such rents, Russia imposed taxes mainly on labor via a regressive flat tax — too right wing to be adopted even in the United States!

*In what follows, Section I summarises Lenin's main ideas on socialism's economic content, Section II examines these ideas in the light of Marx's writings on the subject, while Section III concludes the paper.*

Atlee was the head of the Labour Party, a democratic socialist party established in 1900, while Churchill was head of the conservative party, also known as the Tory Party. Nationalization occurs when the state takes over the means of production and distribution. The idea is that any profits generated will then benefit the country, rather than a wealthy few. Some improvements resulted from nationalization in Britain. For example, coal miners were given paid vacation and sick leave, and their safety became a greater concern. But nationalizing industry turned out to be trickier than anyone initially thought. Industries became inefficient and unprofitable because no competition existed to motivate workers to perform better on the job. The system was extremely popular -- to a fault. Funds allocated for the NHS were used up quickly, having been far under budgeted. But because the program was so popular among the people, it was kept in place, despite the debt it incurred. Unfortunately, getting medical care under this free system can be a very tedious process with a long waiting time. Although nationalization and free healthcare aimed to help its people, Great Britain began to suffer steep inflation rates -- as high as 24 percent in 1975 -- and high unemployment rates [source: Welfare costs were also draining the economy. To the British people, the Labour Party seemed incapable of controlling the strikes that were affecting the public. Due to this strife, the Conservative Party came back into power when Margaret Thatcher was elected the first female prime minister in 1979. Thatcher worked to improve the economy through reduced spending in areas like education and healthcare. Although inflation went down, unemployment continued to rise. Thatcher also reduced the power of trade unions to decrease the number of economically devastating strikes. Though many of her policies may not have been popular, Thatcher managed to resolve some dicey economic situations in Great Britain. Her election was seen as a great victory for capitalism and prompted the beginning of a capitalist revolution of sorts.

**Chapter 3 : US-Observer - Why Socialism Fails**

*After World War II, Britain's Labour Party diluted socialist doctrine to mean state ownership of the economy's "commanding heights" (Lenin's phrase from ) "heavy industry" (e.g.*

It does not equate work with value. The dilemma of socialism as practiced in European nations is that there is no incentive to work hard. For example, if you have two people working assigned on the same task and one works hard and the other works leisurely both will earn the same wage and the same benefits under a socialized system; there is no incentive. Under a capitalist system people are rewarded based on their individual ability and effort. Private property rights are paramount and charity is based on personal discretion.

**Main Component of Socialism** The main component of socialism is redistribution of wealth. Many historical examples have shown this to have a negative net effect on society. The most dramatic example of this in the modern area has been the country of Sweden. Swedish citizens pay nearly half of their wages in taxes. The promised benefits are free education, universal healthcare, and subsidized childcare. There are few people who could argue that these goals are outrageous. It is a natural human reaction to offer aid to the suffering. The capitalist answer to the economic challenges of others is charity given at free will. However, a close examination of the effects of these programs reveal that: In Swedish newspapers reported that mentally ill children were being housed with violent, mentally ill adults due to lack of funding. Another major problem is work absenteeism. There is a growing concern that Swedes are faking illnesses to reap the benefits of the extensive medical leave program. While it works well in the short term, it can lead to disenfranchised consumers in the long run. The more taxes the government takes, the less people are willing to spend in a consumer market, which leaves the government to prop up those flagging industries, creating a vicious cycle in the economy. In the United States programs such as social security have had similar effects as the Swedish economic system. The end results, he proclaims, fail and end in tyranny and oppression. He discusses the threat of state control over the means of production. Hayek believed that excessive governmental controls on society did not deliver on their promises and that their ideology actually delivered unfortunate and hopeless economic results. According to Hayek, socialism strips man of his desire to succeed. In Marxism, which is pro socialism, argues that capitalism is what results in no creativity in labor and alienation from own human potential. The effects of socialism in America can still be felt today. According to the Future of Freedom Foundation, any government-owned, -funded, or -subsidized operation is considered to be a socialist program. For example, publicly owned airports, sports arenas or government-funded universities would be considered socialist operations by that definition Ebeling, R. Capitalism is an economic system in which the means of production and distribution are privately and corporately owned and development is proportionate to the accumulation and reinvestment of profits gained in a free market according to the American Heritage Dictionary Capitalism is a social system that separates the economy from the state. Capitalism is the opposite of socialism. The relative lack of government and the ability for the average individual to accumulate wealth allowed the entire western United States to develop public infrastructure and modern commerce in under 50 years. No other time in history has such a development taken place. Ultimately the effects of a free market distributed more wealth than any social program in place on the east coast at the time Wilma, D. The United States government responded by implementing gas rations and price ceilings. This caused artificial scarcity and further exacerbated the shortage. Near the end of these controls were lifted which allowed prices to rise for a short time. As prices rose more producers were encouraged to enter the market creating competition that drove prices down dramatically in early The oil crisis was the first world wide modern example of a free market correcting for scarcity vs. Another unintended effect of social programs is the lowering of labor prices. The more money an employer is forced to pay in benefits such as social security and Medicaid, the less money is available to be paid in wages. This results in a net loss of income for the employee. This includes medical costs, housing, child care, transportation, and other incidentals. This creates a cycle in which government provides a benefit program, which causes lower wages so consumers have less money to spend, which lowers profits, which creates a need for industry to be subsidized; but because the profits of goods produced is still

lower than the market price the cost of labor stays low creating a need for benefit programs. At each step of this cycle, waste and abuse occur. Socialism has also served negative effects on the organization of society. Property rights are clearly defined and protected. Socialism however, maintains that property be shared. The only means of enforcing such a system is either through force or voluntary compliance. It will prescribe for every one where they are to work, what they are to work at, where they may go and what they may say. Socialism is an attack on the right to breathe freely. No socialist system can be established without apolitical police. They would have to fall back on some form of Gestapo, no doubt very humanely directed in the first instance. Capitalism uses force to prevent the violation of civil liberties whereas socialism uses force as a means of cohering citizens into action and breeds a culture of dependency. Close, logical examinations of these two economic and political systems show a vast difference in the methodology of obtaining the same goal. Both attempt to distribute wealth as efficiently and equitable as possible. Socialism is based on the idea that every person has an equal share of all wealth. Whereas capitalism is based on the idea that everyone earns what they deserve based on ability. On the surface, both ideologies are effective at achieving these goals. Socialism tries to achieve this through incentives and assistance programs. Socialism has been historically proven to be ineffective at achieving either goal while capitalism has again and again corrected for many of the problems that socialism has caused.

**Chapter 4 : Socialism - Wikipedia**

*Socialism*—defined as a centrally planned economy in which the government controls all means of production—was the tragic failure of the twentieth century. Born of a commitment to remedy the economic and moral defects of capitalism, it has far surpassed capitalism in both economic malfunction and moral cruelty.

During the war 17 million new civilian jobs were created, industrial productivity increased by 96 percent, and corporate profits after taxes doubled. The government expenditures helped bring about the business recovery that had eluded the New Deal. War needs directly consumed over one-third of the output of industry, but the expanded productivity ensured a remarkable supply of consumer goods to the people as well. America was the only that saw an expansion of consumer goods despite wartime rationing. BY , as a result of wage increases and overtime pay, real weekly wages before taxes in manufacturing were 50 percent higher than in . The war also created entire new technologies, industries, and associated human skills. The war brought full employment and a fairer distribution of income. Blacks and women entered the workforce for the first time. Wages increased; so did savings. The war brought the consolidation of union strength and far-reaching changes in agricultural life. Housing conditions were better than they had been before. In addition, because the mobilization included the ideological argument that the war was being fought for the interests of common men and women, social solidarity extended far beyond the foxholes. Public opinion held that the veterans should not return jobless to a country without opportunity and education. That led to the GI Bill, which helped lay the foundation for the remarkable postwar expansion that followed. The war also made us more of a middle-class society than we had been before. It is no exaggeration to say that America won the war abroad and the peace at home at the same time. But we have much to learn from that achievement as we face our troubles today. Historians, economists, and politicians have long wondered why this remarkable social and economic mobilization of latent human and physical resources required a war. The answer, I think, is partly ideological. World War II provided the ideological breakthrough that finally allowed the U. Despite the New Deal, even President Roosevelt had been constrained from intervening massively enough to stimulate a full recovery. By he had lost his working majority in Congress, and a conservative coalition was back, stifling the New Deal programs. When the economy had begun to bounce back, FDR pulled back on government spending to balance the budget, which contributed to the recession of . The war was like a wave coming over that conservative coalition; the old ideological constraints collapsed and government outlays powered a recovery. For a time the government became the purchaser of one-half of all the goods produced by the American people. The stereotype of FDR as a regulation-lover flies in the face of experience in the s, when Roosevelt ended his cold war with business. Wartime planning was far more corporatist than New Deal planning, with far less class warfare. Eleanor Roosevelt was still much more anti-business than Franklin, and was often furious at him. After , antitrust enforcement virtually shut down. Despite the entente with business, FDR was still willing to go forward on the employment of blacks and women, in part because he believed that full productivity and wartime morale required it. He also continued to advance trade unionism. He did insist, for example, that Ford Motor Company live up to its responsibilities under the Wagner Act. When Ford refused, Roosevelt cancelled a lucrative government contract. This helped to produce the momentum for the big Ford strike in the spring of that brought the first union into Ford. But on other regulatory issues FDR compromised. A government that depended on these businesses to mobilize during the war could not be slapping them with antitrust suits at the same time. Basically, Roosevelt made the decision that he had to mobilize the proprietors of the mines, the factories, and the shops. He realized Congress could provide the money, but it could not build the planes, design the tanks, or assemble the weapons. Without the cooperation of industry, massive production would never get off the ground. He recognized also that private business could not find all the capital required for the expansion of the plants nor take the risk that the end of the war would leave them with no orders and excess capacity. So the federal government, through the Reconstruction Finance Corporation, advanced the necessary money to expand the factories, often leasing them to industry. The government developed new sources of supply for raw materials and created quick mass transportation. The government

also went into the business of producing synthetic rubber and aluminum, as well as other emerging industries, and helped stimulate new technologies. Contrary to the stereotype of a wartime "command economy," there was a remarkable entrepreneurial spirit in sharp contrast to the situation in Germany or in socialist, centrally planned economies. He allowed business to realize profits. He used government to create markets and to help business set up new plants and equipment, which business often leased and later bought cheaply after the war. It is hard for us to imagine today how such an entrepreneurial spirit could co-exist with war mobilization, but one did. One reason, of course, was the opportunity to profit, though the wartime tax on excess profits prevented the kind of windfalls made during World War I. More fundamentally, a spirit developed within each business enterprise to produce better than its competitors to serve the country. In his fireside chats, Roosevelt explained to the people over and over again why their productive genius had to be mobilized to win the war. Buoyed by the strong morale the president fostered, business and labor worked together to get the "E-for-excellence" citations that he spread around. It was not just producing more than your competitor, it was producing more than you did the previous quarter, and the quarter before that. Overall, the economy grew at a rate of 11 or 12 percent annually throughout the war. When he was being urged by his military advisers to function more as a economic czar, Roosevelt rejected that role. The military was constantly urging him to institute compulsory national service, in which people had either to enlist or work in one of the military plants to which the government would assign them. Roosevelt successfully resisted that idea throughout the war, on the theory that, somehow, the momentum of democracy would be sufficient: If the jobs were out there, people would put their mattresses on top of their cars and go to where the jobs were. He had this extraordinary vision of the highways filled with people going south, going west. In one fireside chat, he advised people to get maps. And the Hammond company in New York sold out their entire stock of 2, maps in a single morning. Even though the mobilization was chaotic and there were sometimes too many people in some places and too few people in other places, it worked. And America still produced more than any other country without the regimented manpower that some in the military wanted. Roosevelt resisted and delayed most of the decisions that concentrated government power. For example, in the spring of , when there was a rudimentary system of wage and price control, Harold Smith, his budget director, declared it was time for comprehensive controls. But the president was worried that it was adding up to an overly regimented economy, and he rejected the proposal. Despite the mobilization, large segments of the economy were unaffected by the controls. No one was told where to move or work. Production for the government was still freely entered into by producers and government in a contractual arrangement; and business argued about those contracts all the time. Private property remained predominant throughout the country and still there were profits. In the World War II experience, the things we revere about capitalism the parts that spur energy, efficiency, and entrepreneurial skill were still in place. What the war did was tap that energy, not constrain it. In the early years of the war, Roosevelt consciously pursued a conversion program to shift industry to a wartime footing. Lingerie factories began making camou- flage netting, baby carriages became field hospital food carts. Lipstick cases became bomb cases, beer cans went to hand grenades, adding machines to automatic pistols, and vacuum cleaners to gas mask parts. Behind these shifts was planning; someone had to perceive the similarity between lipstick cases and cartridges. Though FDR delayed converting large consumer industries, such as autos, as long as possible, there was a clear and deliberate plan. But it was not without a measure of planning. But the Cold War has now ended, and there is not even a shred of a conversion policy. And one of the dominant lessons of World War II is that unless there is a plan for conversion or reconversion, people are subject to the whims of the free market. Wartime conversion was not without hardships, but most of them resulted from too little planning, not too much. In , after delaying, the government finally had to force the automobile industry to convert their plants to the manufacture of planes. Four hundred thousand automobile workers were thrown out on the streets until that conversion could take place. All the auto dealers and salespersons were suddenly out of jobs. Eleanor Roosevelt had an altercation with General Motors Chairman William Knudsen because he had been unwilling to accept a plan a year earlier. What made it finally work was the recognition that there had to be a plan, that the government was behind the plan, and the plan had public support. In , despite all the talk about it, there is no collective effort to plan for the aftermath of the Cold War. World War II produced

remarkable social gains. At war production plants, attempts to boost morale such as holding more softball games, and building additional canteens and health clubs also fostered a sense of community. The logic of mobilization produced a logic of social advance. She proved that absentee rates were high in the factories because worried women were going home to care for their children. She got restaurants to prepare hot meals so women could bring home hot dinners. The productivity rates soared as a result of these measures. When Henry Kaiser built his big shipyard in California, the government paid for a twenty-four-hour child care center. It was a state-of-the-art facility with the best nursery school teachers, because it was seen as a pioneering test of early education. Workers on every shift could bring their children. If they worked at night they could bring their children to sleep. If they worked the day shift their children received an education that they had never had before. The children, especially those from lower class families, showed enormous gains. But when the war ended, all the centers were shut down.

**Chapter 5 : Socialism - Econlib**

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Real GDP Growth in Yugoslavia from A 2,, dinar bill was introduced in as a result of the hyperinflation. In the s the Yugoslav economy entered a period of continuous crisis. Between and the Yugoslav dinar plunged from 15 to 1, to the U. Unemployment rose to 1. In the unemployment rate was at But during the recession of the early s many oil exporting countries reduced construction projects as oil prices fell. Bush , to negotiate a new financial aid package. In return for assistance, Yugoslavia agreed to even more sweeping economic reforms, which included a new devalued currency, another wage freeze, sharp cuts in government spending, and the elimination of socially owned, worker-managed companies. This was in part muted by the spectacular draining of the banking system, caused by the rising inflation , in which millions of people were effectively forgiven debts or even allowed to make fortunes on perfectly legal bank-milking schemes[ citation needed ]. The banks adjusted their interest rates to the inflation, but this could not be applied to loan contracts made earlier which stipulated fixed interest rates. Debt repayments for privately owned housing, which was massively built during the prosperous s, became ridiculously small and as a result banks suffered huge losses. Indexation was introduced to take inflation into account, but the resourceful population continued to drain the system through other schemes, many of them having to do with personal cheques. Cheques, which were considered legal tender , were accepted by all businesses. They were processed by hand and mailed by regular post, so there was no way to ensure real-time accounting. The banks therefore continued to deduct money from current accounts on the date they received the cheque, and not on the date it was issued. When inflation rose to triple and then quadruple digits, this allowed another widespread form of cost reduction or outright milking of the system. Bills from remote places would arrive six months late, causing losses to businesses. Since banks maintained no-fee mutual customer service, people would travel to small banks in rural areas on the other end of the country and cash in several cheques. They would then exchange the money for foreign currency, usually German mark and wait for the cheque to arrive. They would then convert a part of the foreign currency amount and repay their debt, greatly reduced by inflation. Companies, struggling to pay their work-force, adopted similar tactics. Power-mongering in big industrial companies led to several large bankruptcies mostly of large factories , which only increased the public perception that the economy is in a deep crisis. He spent a year introducing new business legislation, which quietly dropped most of the associated labour theory and introduced private ownership of businesses. Ownership and exchange of foreign currency was deregulated which, combined with a realistic exchange rate, attracted foreign currency to the banks. However, by the late s, it was becoming increasingly clear that the federal government was effectively losing the power to implement its programme. Yugoslav authorities used the term "property transformation" when referring to the process of transforming public ownership into private hands. However, industrial production fell by 8. By the 2nd half of inflation restarted. His program of to curb inflation was rejected by Serbia and Vojvodina. In the annual rate of GDP growth had declined to

**Chapter 6 : Socialism - Wikipedia, the free encyclopedia**

*To make sense of the complexities of an economy that is rapidly progressing to greater and greater productive capital utilization through superautomation, automated factories, and computerized operations, a certain amount of education is required in order to grasp the vision for broadening private.*

Socialismâ€™ defined as a centrally planned economy in which the government controls all means of productionâ€™ was the tragic failure of the twentieth century. Born of a commitment to remedy the economic and moral defects of capitalism, it has far surpassed capitalism in both economic malfunction and moral cruelty. Yet the idea and the ideal of socialism linger on. Whether socialism in some form will eventually return as a major organizing force in human affairs is unknown, but no one can accurately appraise its prospects who has not taken into account the dramatic story of its rise and fall. In fact, Marx wrote only a few pages about socialism, as either a moral or a practical blueprint for society. The true architect of a socialist order was Lenin, who first faced the practical difficulties of organizing an economic system without the driving incentives of profit seeking or the self-generating constraints of competition. This brief mixture of socialism and capitalism came to an end in after Stalin instituted the process of forced collectivization that was to mobilize Russian resources for its leap into industrial power. The system that evolved under Stalin and his successors took the form of a pyramid of command. At its apex was Gosplan, the highest state planning agency, which established such general directives for the economy as the target rate of growth and the allocation of effort between military and civilian outputs, between heavy and light industry, and among various regions. Gosplan transmitted the general directives to successive ministries of industrial and regional planning, whose technical advisers broke down the overall national plan into directives assigned to particular factories, industrial power centers, collective farms, and so on. These thousands of individual subplans were finally scrutinized by the factory managers and engineers who would eventually have to implement them. Thereafter, the blueprint for production reascended the pyramid, together with the suggestions, emendations, and pleas of those who had seen it. Ultimately, a completed plan would be reached by negotiation, voted on by the Supreme Soviet, and passed into law. Thus, the final plan resembled an immense order book, specifying the nuts and bolts, steel girders, grain outputs, tractors, cotton, cardboard, and coal that, in their entirety, constituted the national output. In theory such an order book should enable planners to reconstitute a working economy each yearâ€™ provided, of course, that the nuts fitted the bolts; the girders were of the right dimensions; the grain output was properly stored; the tractors were operable; and the cotton, cardboard, and coal were of the kinds needed for their manifold uses. But there was a vast and widening gap between theory and practice. Problems Emerge The gap did not appear immediately. In retrospect, we can see that the task facing Lenin and Stalin in the early years was not so much economic as quasi militaryâ€™ mobilizing a peasantry into a workforce to build roads and rail lines, dams and electric grids, steel complexes and tractor factories. This was a formidable assignment, but far less formidable than what would confront socialism fifty years later, when the task was not so much to create enormous undertakings as to create relatively self-contained ones, and to fit all the outputs into a dovetailing whole. Through the s the Soviet economy continued to report strong overall growthâ€™ roughly twice that of the United Statesâ€™ but observers began to spot signs of impending trouble. The problem was that the plan specified outputs in physical terms. One consequence was that managers maximized yardages or tonnages of output, not its quality. A famous cartoon in the satirical magazine Krokodil showed a factory manager proudly displaying his record output, a single gigantic nail suspended from a crane. The same rigid system soon produced expediters, or *tolkachi*, to arrange shipments to harassed managers who needed unplannedâ€™ and therefore unobtainableâ€™ inputs to achieve their production goals. Worse, lacking the right to buy their own supplies or to hire or fire their own workers, factories set up fabricating shops, then commissaries, and finally their own worker housing to maintain control over their own small bailiwicks. It is not surprising that this increasingly Byzantine system began to create serious dysfunctions beneath the overall statistics of growth. During the s the Soviet Union became the first industrial country in history to suffer a prolonged peacetime fall in average life expectancy, a symptom of its

disastrous misallocation of resources. Military research facilities could get whatever they needed, but hospitals were low on the priority list. By the s the figures clearly indicated a slowing of overall production. By the s the Soviet Union officially acknowledged a near end to growth that was, in reality, an unofficial decline. In the first official law embodying perestroikaâ€”restructuringâ€”was put into effect. President Mikhail Gorbachev announced his intention to revamp the economy from top to bottom by introducing the market, reestablishing private ownership, and opening the system to free economic interchange with the West. Seventy years of socialist rise had come to an end. Socialist Planning in Western Eyes Understanding of the difficulties of central planning was slow to emerge. In the mids, while the Russian industrialization drive was at full tilt, few raised their voices about its problems. Among those few were ludwig von mises , an articulate and exceedingly argumentative free-market economist, and friedrich hayek , of much more contemplative temperament, later to be awarded a Nobel Prize for his work in monetary theory. Together, Mises and Hayek launched an attack on the feasibility of socialism that seemed at the time unconvincing in its argument as to the functional problems of a planned economy. This information, Hayek emphasized, emerged spontaneously in a market system from the rise and fall of prices. A planning system was bound to fail precisely because it lacked such a signaling mechanism. Lange set out to show that the planners would, in fact, have precisely the same information as that which guided a market economy. The information would be revealed as inventories of goods rose and fell, signaling either that supply was greater than demand or demand was greater than supply. Thus, as planners watched inventory levels, they were also learning which of their administered i. It only remained, therefore, to adjust prices so that supply and demand balanced, exactly as in the marketplace. In fact, we now know that their argument was all too prescient. Ironically, though, Mises and Hayek were right for a reason they did not foresee as clearly as Lange himself. In , to stimulate the production of gloves from moleskins, the Soviet government raised the price it was willing to pay for moleskins from twenty to fifty kopecks per pelt. Smelev and Popov noted: State purchases increased, and now all the distribution centers are filled with these pelts. Industry is unable to use them all, and they often rot in warehouses before they can be processed. This is not surprising. Its members are too busy to decide. They have no time: This story speaks volumes about the problem of a centrally planned system. After all, the inventories of moleskins did tell the planners that their production was at first too low and then too high. What was missing was the willingnessâ€”better yet, the necessityâ€”to respond to the signals of changing inventories. A capitalist firm responds to changing prices because failure to do so will cause it to lose money. A socialist ministry ignores changing inventories because bureaucrats learn that doing something is more likely to get them in trouble than doing nothing, unless doing nothing results in absolute disaster. In the late s, absolute economic disaster arrived in the Soviet Union and its Eastern former satellites, and those countries are still trying to construct some form of economic structure that will no longer display the deadly inertia and indifference that have come to be the hallmarks of socialism. It is too early to predict whether these efforts will succeed. The main obstacle to real perestroika is the impossibility of creating a working market system without a firm basis of private ownership, and it is clear that the creation of such a basis encounters the opposition of the former state bureaucracy and the hostility of ordinary people who have long been trained to be suspicious of the pursuit of wealth. In the face of such uncertainties, all predictions are foolhardy save one: Transformations of such magnitude are historic convulsions, not mere changes in policy. Their completion must be measured in decades or generations, not years. Not a single writer in the Marxian tradition! Are there any in the left centrist group? None I can think of, including myself. As for the center itselfâ€”the Samuelsons, Solows, Glazers, Lipsets, Bells, and so onâ€”I believe that many have expected capitalism to experience serious and mounting, if not fatal, problems and have anticipated some form of socialism to be the organizing force of the twenty-first century. It has been the Friedmans, Hayeks, von Miseses, e tutti quanti who have maintained that capitalism would flourish and that socialism would develop incurable ailments. He died in The editor of this volume, David R. Henderson, edited this article slightly, but only to adjust it for developments in the formerly socialist countries, not to change any of its other substantive content. Further Reading Hayek, Friedrich A. The Present State of the Debate. University of Chicago Press, Lange, Oskar, and Fred Taylor. On the Economic Theory of Socialism. Routledge and Sons, Smelev, Nikolai, and Vladimir Popov.

**Chapter 7 : Economy of the Socialist Federal Republic of Yugoslavia - Wikipedia**

*Socialism is a range of economic and social systems characterised by social ownership and workers' self-management of the means of production as well as the political theories and movements associated with them.*

No Such Thing As Retirement? Retirement basically is when one reaches financial independence. And there is no way that you can afford the interest payments on that. The only other way is to redistribute. Is this another redistribute of wealth scheme? Or are you suggesting to take the money away from somebody else who has saved it. That would be theft and socialism. This belief has a critical error, it assumes that the only way to save is to cut consumption and accumulate cash. Beyond conventional thinking there is another way: Besides it will also help finance the future growth which this economy sorely needs. You can produce now, and save later. Joe do you get it? Credit is nothing more than a promise to repay a loan out of future profits. You can use the promise itself as money to buy capital, then use what the capital produces to repay the loan. Joe Lunchbucket gets a notice in the mail from the government that the Congress passed the Capital Homestead Act of , assuming ever Joe has the means to receive such notice. The Act gives all financially sound companies a way to invest in new capital and create new jobs to meet new customer demand for new and better products and services and even begin to construct and modernize new infrastructure through citizen-owned for-profit corporations. The obvious keywords, is new and citizen owned. The heirs, not the estate, pays taxes, unless the heirs put the assets into their own CHAs, in which case taxes are again deferred. Maybe the entire Lunchbucket family could open their Capital Homestead Accounts at the same time. And that is how we the Joe Lunchbuckets will finance the future and help pay down the debt. Help Pass Capital Homesteading Now!

**Chapter 8 : Socialism in Post-war Britain | HowStuffWorks**

*The traditional socialist idea of "nationalized industry" is beyond the pale, and the vast majority of progressives have so far avoided discussing alternatives to the statist socialist model.*

In this period, socialism emerged from a diverse array of doctrines and social experiments associated primarily with British and French thinkers—particularly Robert Owen, Charles Fourier, Pierre-Joseph Proudhon, Louis Blanc, and Saint-Simon. These social critics saw themselves as reacting to the excesses of poverty and inequality in the period, and advocated reforms such as the egalitarian distribution of wealth and the transformation of society into small communities in which private property was to be abolished. Outlining principles for the reorganization of society along collectivist lines, Saint-Simon or Owen sought to build socialism on the foundations of planned, utopian communities. The words socialism and communism were used almost interchangeably in the beginnings of the socialist movement, prior to the formation of communism as a distinct movement. People chose to use one or the other on the basis of perceived attitude to religion. In Europe, communism was considered to be the more atheistic of the two. In England, however, that sounded too close to communion with Catholic overtones; hence atheists preferred to call themselves socialists. Moreover, while many emphasized the gradual transformation of society, most notably through the foundation of small, utopian communities, a growing number of socialists became disillusioned with the viability of this approach and instead emphasized direct political action. Marx and Engels regarded themselves as "scientific socialists" and distinguished themselves from the "utopian socialists" of earlier generations. For Marxists, socialism is viewed as a transitional stage characterized by state ownership of the means of production. They see this stage in history as a transition between capitalism and communism, the final stage of history. For Marx, a communist society entails the absence of differing social classes and thus the end of class warfare. According to Marx, once private property had been abolished, the state would then "wither away" and humanity would move on to a higher stage of society, communism. This distinction continues to be used by Marxists, and is the cause of much confusion. The Soviet Union, for example, never claimed that it was a communist society, even though it was ruled by a Communist party for more than seven decades. The First International was the first major international forum for the promulgation of socialist doctrine. However, socialists often disagreed on the proper strategy for achievement of their goals. Diversity and conflict between socialist thinkers was proliferating. Despite the rhetoric about socialism as an international force, socialists increasingly focused on the politics of the nation-state in the late 19th century. As universal male suffrage was introduced throughout the Western world in the first decades of the twentieth century, socialism became increasingly associated with newly formed trade unions and political parties aimed at mobilizing working class voters. These groups supported diverse views of socialism, from the gradualism of many trade unionists to the radical, revolutionary agendas of Marx and Engels. As socialists gained more power and began to experience governmental authority first-hand, the focus of socialism shifted from theory to practice. Within the government, socialists became more pragmatic, as the success of their program increasingly depended on the consent of the middle and wealthy classes, who largely retained control of the bureaucratic machinery of the state. Moreover, with the beginnings of the modern welfare state, the condition of the working class began to gradually improve in the Western world, thus delaying further the socialist revolution predicted by Marx for Western Europe. As social democrats came to power and moved into government, divisions between the moderate and radical wings of socialism grew increasingly pronounced. On one hand, many socialist thinkers began to doubt the indispensability of revolution. Moderates like Eduard Bernstein argued that socialism could best be achieved through the democratic political process a model increasingly known as social democracy. On the other hand, strong opposition to moderate socialism came from communists in countries such as the Russian Empire where a parliamentary democracy did not exist, and did not seem possible. Russian revolutionary Vladimir Lenin argued that revolution was the only path to socialism. In , there was a formal split within the Russian social democratic party into revolutionary Bolshevik and reformist Menshevik factions. Meanwhile, anarchists and proponents of other alternative visions of socialism, who emphasized the

potential of small-scale communities and agrarianism, coexisted with the more influential currents of Marxism and social democracy. The anarchists, led by the Russian Mikhail Bakunin, believed that capitalism and the state were inseparable, and that one could not be abolished without the other. Consequently, they were in opposition to most other socialist groups, who viewed anarchism as far too radical, and a split between the anarchists and the Socialist International soon occurred. The moderate, or revisionist, wing of socialism, led by Eduard Bernstein, dominated the meeting of the Second International in Paris in 1889. Lenin and the German revolutionary Rosa Luxemburg emerged as leaders of the more radical minority, with followers of German theorist Karl Kautsky constituting a smaller faction. The anarchists were left out entirely. This disparity in views led to further division amongst socialist branches. After the Second International, in the first decades of the twentieth century, moderate socialism became increasingly influential among many European intellectuals. In Britain middle class intellectuals organized the Fabian Society. The Fabians in turn helped lay the groundwork for the organization of the Labour Party in 1900. This party, small as it was, became fragmented in the 1920s due to the infighting of various factions. Debs tried to form the Socialist Party of America. The influence of the party would, after some fanfare, gradually decline, and socialism would never become a major political force in the United States. Communism would also fail to gain a large following in the U.S. The distinction between socialists and communists became more pronounced during, and after, World War I. Lenin, however, denounced the war as an imperialist conflict, and urged workers worldwide to use it as an occasion for proletarian revolution. This ideological disagreement resulted in the collapse of the Second International. Communist parties in the Soviet Union and Europe dismissed the more moderate socialist parties and, for the most part, broke off contact. For the first time, socialism was not just a vision of a future society, but a description of an existing one. Gradually, however, the Soviet Union developed a bureaucratic and authoritarian model of social development, which was condemned by moderate socialists abroad for undermining the initial democratic and socialist ideals of the Russian Revolution. In 1929 Stalin came to power and pursued his policy of "socialism in one country." In Europe, fascism emerged as a movement opposed to both socialism and liberal democracy. Most notably, in Britain, the Labour Party under Ramsay MacDonald was in power for ten months in 1924 and again from 1929 to 1931. Throughout much of the interwar period, socialist and Communist parties were in continuous conflict. Socialists condemned communists as agents of the Soviet Union, while communists condemned socialists as betrayers of the working class. However, with the rise of fascism in Italy and Germany in the 1920s and 1930s, socialists and Communists made attempts in some countries to form a united front of all working-class organizations in opposition to fascism. The "popular front" movement had limited success in countries such as France and Spain, where it did well in the elections. The Nazis came to power in 1933 despite the efforts of German socialists to form a "popular front" in Germany. The "popular front" period ended in 1939 with the conclusion of the German-Soviet Nonaggression Pact. Socialists condemned this act as an act of betrayal by the Stalinist Soviet Union. Even where conservative governments remained in power, they were forced to adopt a series of social welfare reform measures, so that in most industrialized countries the postwar period saw the creation of a welfare state. The period following the Second World War marked another period of intensifying struggle between socialists and communists. In the postwar period, the nominally socialist parties became increasingly identified with the expansion of the capitalist welfare state. Western European socialists largely backed U.S. In the postwar years, socialism became increasingly influential throughout the Third World. In the Chinese Revolution established a Communist state. Emerging nations of Africa, Asia, and Latin America frequently adopted socialist economic programs. In many instances, these nations nationalized industries held by foreign owners. The Soviet achievement in the 1950s seemed hugely impressive from the outside, and convinced many nationalists in the emerging former colonies of the Third World, not necessarily Communists or even socialists, of the virtues of state planning and state-guided models of social development. This was later to have important consequences in countries like China, India and Egypt, which tried to import some aspects of the Soviet model. In the 1970s, despite the radicalism of some socialist currents in the Third World, Western European Communist parties effectively abandoned their revolutionary goals and fully embraced electoral politics. Dubbed "Eurocommunism," this new orientation resembled earlier social-democratic configurations, although distinction between the two political tendencies

persists. In power both Deng and Mitterrand struggled to adapt and modernize socialism in a period of growing globalization and liberalization of the global economy. In the late last quarter of the twentieth century, socialism in the Western world entered a new phase of crisis and uncertainty. Socialism came under heavy attack following the oil crisis. In this period, monetarists and neoliberals attacked social welfare systems as an impediment to individual entrepreneurship. With the rise of Ronald Reagan in the U. Increasingly, Western countries and international institutions rejected social democratic methods of Keynesian demand management, which were scrapped in favor of neoliberal policy prescriptions. Western European socialists were under intense pressure to refashion their parties in the late s and early s and to reconcile their traditional economic programs with the integration of a European economic community based on liberalizing markets. The Labour Party in the United Kingdom put together a highly successful set of policies based on encouraging the market economy, while promoting the involvement of private industry in delivering public services. The last quarter of the twentieth century marked a period of major crisis for Communists in the Eastern bloc , where the growing shortages of housing and consumer goods, combined with the lack of individual rights to assembly and speech, began to disillusion more and more Communist party members. With the rapid collapse of Communist party rule in Eastern Europe between and , Communist socialism, as it once existed in the former Soviet bloc, has effectively disappeared as a worldwide political force. The long postwar boom, rising living standards for the industrial working class, and the rise of a mass university-educated white collar workforce began to break down the mass electoral base of European socialist parties. This new " post-industrial " white-collar workforce was less interested in traditional socialist policies such as state ownership and more interested in expanded personal freedom and liberal social policies. Over the past twenty-five years, efforts to adapt socialism to new historical circumstances have led to a range of New Left ideas and theories, some of them contained within existing socialist movements and parties, others achieving mobilization and support in the arenas of " new social movements. With the rise of environmentalism , Green and Red ideas have become linked in many movements and parties that campaign for environmental and social justice. Eco-socialism , a fusion of socialism, ecology and environmentalism has developed. The revival of anarchist thought, evident in the work of writers such as Noam Chomsky , who identifies himself as a " libertarian socialist ," was another effect of the emergence of the new left and new social movements. Today, some socialists influenced by anarchism support decentralized economic planning and, in some cases, mutualism or gift economics. In the global South , some elected non-Communist socialist parties and Communist parties remain prominent, particularly in India. In China, the Chinese Communist Party has led a transition from the command economy of the Mao period under the banner of "market socialism. Socialist economics The term "socialism" is often used to refer to an economic system characterized by state ownership of the means of production and distribution. In the Soviet Union, state ownership of productive property was combined with central planning. Down to the workplace level, Soviet economic planners decided what goods and services were to be produced, how they were to be produced, in what quantities, and at what prices they were to be sold see economy of the Soviet Union. Soviet economic planning was touted as an alternative to allowing prices and production to be determined by the market through supply and demand. Especially during the Great Depression , many socialists considered Soviet-style planning a remedy to what they saw as the inherent flaws of capitalism, such as monopolies , business cycles , unemployment , vast inequalities in the distribution of wealth, and the exploitation of workers. In the West, some economists, including Friedrich Hayek and Milton Friedman , argued that central planners could never match the overall information inherent in the decision-making throughout a market economy. Nor could enterprise managers in Soviet-style socialist economies match the motivation of private profit-driven entrepreneurs in a market economy see the economic calculation problem. For these reasons, they argued that socialist planned economies would eventually fail.

**Chapter 9 : Socialism, Land and Banking: compared to**

*For a discussion of the domestic like product analysis, see Enforcement and Compliance Office of AD/CVD Operations Antidumping Duty Investigation Initiation Checklist: Laminated Woven Sacks from the Socialist Republic of Vietnam (Vietnam AD Initiation Checklist), at Attachment II, Industry Support (Attachment II). This checklist is dated.*

Charles Fourier, influential early French socialist thinker. Socialist models and ideas espousing common or public ownership have existed since antiquity. It has been claimed—though controversially—that there were elements of socialist thought in the politics of classical Greek philosophers Plato [60] and Aristotle. Christian socialism was one of the founding threads of the UK Labour Party and is said to be a tradition going back years to the uprising of Wat Tyler and John Ball [69]. The Owenites, Saint-Simonians and Fourierists provided a series of coherent analyses and interpretations of society. They also, especially in the case of the Owenites, overlapped with a number of other working-class movements like the Chartists in the United Kingdom. Leaders in the movement also called for a more equitable distribution of income and better living conditions for the working classes. Count Henri de Saint-Simon is regarded as the first individual to coin the term "socialism". They reasoned that the equilibrium value of commodities approximated prices charged by the producer when those commodities were in elastic supply and that these producer prices corresponded to the embodied labour—the cost of the labour essentially the wages paid that was required to produce the commodities. The Ricardian socialists viewed profit, interest and rent as deductions from this exchange-value. They advocated reform, with some such as Robert Owen advocating the transformation of society to small communities without private property. Paris Commune The celebration of the election of the Commune on 28 March—the Paris Commune was a major early implementation of socialist ideas The Paris Commune was a government that briefly ruled Paris from 18 March more formally, from 28 March to 28 May The Commune elections held on 26 March elected a Commune council of 92 members, one member for each 20, residents. It also reached a consensus on certain policies that tended towards a progressive, secular and highly-democratic social democracy. Because the Commune was only able to meet on fewer than 60 days in all, only a few decrees were actually implemented. The IWA held a preliminary conference in and had its first congress at Geneva in Due to the wide variety of philosophies present in the First International, there was conflict from the start. The first objections to Marx came from the mutualists who opposed communism and statism. However, shortly after Mikhail Bakunin and his followers called collectivists while in the International joined in, the First International became polarised into two camps headed by Marx and Bakunin respectively. The First International became the first major international forum for the promulgation of socialist ideas. The followers of Bakunin were called collectivist anarchists and sought to collectivise ownership of the means of production while retaining payment proportional to the amount and kind of labour of each individual. Like Proudhonists, they asserted the right of each individual to the product of his labour and to be remunerated for their particular contribution to production. By contrast, anarcho-communists sought collective ownership of both the means and the products of labour. Errico Malatesta put it: In this way each will give to society all that his strength permits until enough is produced for every one; and each will take all that he needs, limiting his needs only in those things of which there is not yet plenty for every one". It was a significant force in Italy and Spain in the early 20th century until it was crushed by the fascist regimes in those countries. In the United States, syndicalism appeared in the guise of the Industrial Workers of the World, or "Wobblies", founded in An influential anarchist movement based on syndicalist ideas is anarcho-syndicalism. The Fabian Society is a British socialist organisation which was established with the purpose of advancing the principles of socialism via gradualist and reformist means. Originally, the Fabian Society was committed to the establishment of a socialist economy, alongside a commitment to British imperialism as a progressive and modernising force. Inspired by medieval guilds, theorists such as Samuel G. Cole advocated the public ownership of industries and their organisation into guilds, each of which would be under the democratic control of its trade union. Guild socialists were less inclined than Fabians to invest power in a state. In the centennial of the French Revolution of, the Second International was founded, with delegates from twenty countries representing about

labour and socialist organisations. Anarchists were ejected and not allowed in, mainly due to pressure from Marxists. Not only did they effectively present themselves as champions of minority rights; they also provoked the German Marxists into demonstrating a dictatorial intolerance which was a factor in preventing the British labor movement from following the Marxist direction indicated by such leaders as H. Eduard Bernstein was a leading social democrat in Germany who proposed the concept of evolutionary socialism. Revolutionary socialists quickly targeted reformism: Revolutionary socialism encompasses multiple social and political movements that may define "revolution" differently from one another. The Social Democratic Party SPD in Germany became the largest and most powerful socialist party in Europe, despite working illegally until the anti-socialist laws were dropped in In the elections, it gained 1, votes, a quarter of the total votes cast, according to Engels. The party affiliated itself with the Second International. The Kibbutz Movement would then expand through the 20th century following a doctrine of Zionist socialism. Russian Revolution Main article: Russian Revolution In February , revolution exploded in Russia. Workers, soldiers and peasants established soviets councils , the monarchy fell and a provisional government convoked pending the election of a constituent assembly. In April of that year, Vladimir Lenin , leader of the Bolshevik faction of socialists in Russia and known for his profound and controversial expansions of Marxism , was allowed to cross Germany to return to his country from exile in Switzerland. Lenin had published essays on his analysis of imperialism , the monopoly and globalisation phase of capitalism as predicted by Marx, as well as analyses on the social conditions of his contemporary time. He observed that as capitalism had further developed in Europe and America, the workers remained unable to gain class consciousness so long as they were too busy working and concerning with how to make ends meet. He therefore proposed that the social revolution would require the leadership of a vanguard party of class-conscious revolutionaries from the educated and politically active part of the population. The Bolsheviks became the most influential force in the soviets and on 7 November the capitol of the provisional government was stormed by Bolshevik Red Guards in what afterwards known as the " Great October Socialist Revolution ". On 25 January at the Petrograd Soviet , Lenin declared "Long live the world socialist revolution! The next day, the Bolsheviks declared that the assembly was elected on outdated party lists [] and the All-Russian Central Executive Committee of the Soviets dissolved it. Communist International The Bolshevik Russian Revolution of January engendered communist parties worldwide and their concomitant revolutions of â€”