

# SIMPLE DEFINITIONS

## *Of Commonly Used but Little Understood Terms*

**Capitalism:** A system in which a country's trade and industry are controlled by private owners for profit rather than the government. Capitalism rewards hard work, individual initiative and innovation. It is based on the natural desire of human beings to accumulate wealth, acquire a good home and have good toys. In the United States Capitalism has resulted in the most prosperous and free society in the world today.

**Socialism:** A system of government in which the government owns the natural resources, the means of production and controls the distribution of goods. It seeks to ensure social and economic equality. It ultimately results in the abolishment or collectivization of private property, high taxes, loss of individual freedom and an attendant reduction of individual incentive to produce.

In simple terms, the government decides who gets what and how much. It takes your money in the form of heavy taxes and gives it to others who are unwilling or unable to provide for themselves.

**Communism:** Communism is a socioeconomic structure and political ideology that promotes the establishment of an egalitarian (*all are equal*), classless society based on common ownership of the means of production and property.

As an ideology, Communism is usually considered to be a branch of socialism.

In its purest form, the idea is that everyone works for the common good. All that is produced is distributed equally to all of the people. It has never worked this way. It is an untenable system, reliant on people's good nature. Government typically takes the form of a dictatorship and individual freedom of choice and the desire to excel is lost.

The phrase oft quoted by Socialist and Communists alike is, "To each according to his needs, from each according to his ability."

The underlying fault and the reason Socialist and Communist societies fail is that those who work are deprived of the fruits of their own labor in order to provide for those who don't work.

### **Socialism in America**

Early American settlers in Jamestown, VA, having initially adopted a Socialist System of common ownership of land, experienced near starvation. Capt John Smith instated a "Work or Starve" policy to compensate for the lack of initiative among the colonists, but real progress came in 1611. Sir Thomas Dale divided the settlement property up among the settlers and told them they could consume or sell whatever they produced. Jamestown, on the verge of starvation with a Socialist Economic system, became the first successful English settlement in America through the miracle of Capitalism.

In 1620, the early Plymouth settlement settlers worked and kept a common storehouse of their products. Everyone took out of it as they had need. The lazy got just as much as the diligent, but it wasn't too long before those who worked caught on to the scheme and cut back. Before long people were getting hungry.

William Bradford, the settlement governor, realized the problem. He divided up the property into lots for each family and everyone kept the fruits of their own labor. He unleashed the power of Free Enterprise Capitalism. Before long, food was produced in abundance and Plymouth prospered.

Socialism is an attack on personal freedom and private ownership of property...this always leads to disaster.

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