

Notes for the speech to the participants at the *Liberal Conference: Liberal answers to reforms in a European Lithuania*

Vilnius, October 15, 2011

Have you ever heard how wonderful Sweden is? I hear it everywhere I go. But let me assure you: nothing you have heard is true. Everything you have heard is what Swedes imagine to be true, but it isn't. Sweden as a utopia is but a myth.

So why do people believe it? The simple answer is: because they want to. Socialism is a pronounced ideal for many, but it is impossible. It is terrible. Yet we are all moving in that direction, all over the world. The last century has seen great destruction by socialism – but it has at the same time conquered people's hearts. How is that possible?

There are many reasons, but I want to mention two very important factors today – and it is important to realize them. The first is the extremely effective organization of socialism.

Socialism always seems to come in two varieties that support each other: social justice, and a luxury we can afford.

By social justice I mean the radical socialist movement, the youngsters protesting in the streets, calling for the enslavement of the rich for the sake of the poor. This is the radical socialism that never sees the individual; it sees only groups – and it sets them against each other. Rich against poor. Man against woman. White against black. Old against young. The groups are always in conflict, and the violence of government is always the solution.

This radical socialism shifts the middle of politics to the left, and moderate socialists do not dare to challenge them. This group has only one belief: they believe in government. They only believe government is in the wrong hands, but that evil can be used to do good [*Lord of the Rings reference*]. This is why they are always so loud and never listen to reason.

The radical socialists feed off attention by others, but ultimately do not care about social problems – those are just tools to gain power and form their own preferred society.

The moderate socialists want gradual, incremental change; they are seemingly legitimate and well-meaning, and very emotional. They believe that they care and that they are compassionate, and they take the shortest route to do good the way they see it: they hijack government power and attempt to wield it to mitigate injustice. They tweak the system, reform it, and try to make it create the kind of society they want to see – step by step.

The other factor is the nature of socialism as a fundamentally destructive force that creates its own logic. Socialism creates its own problems to solve; it makes sure there is always more to be done. As Mises said repeatedly, one cannot regulate the market or society to achieve something good and of value. Regulations always bring about a situation that is worse even in the eyes of regulators: the problem that one tried to solve gets worse, and new problems arise. In fact, every attempt to solve a problem creates two: it makes the problem worse and a new problem appears.

This is how socialism is so politically forceful: increasing the minimum wage to make workers better off only creates unemployment; nationalizing health care to make it available to everybody only creates low-quality medicine with long waiting lines – for everyone; prohibiting certain substances or foods to keep people safe, pushes people underground and creates crime while empowering the mafia. You may mean well, but you create hell.

This is why the “free healthcare” in Sweden means a cancer patient may have to wait 18 months to receive a letter stating whether (and when) care will be provided. This is why soon a majority of students will not even be able to read and write in high school, but have a right to go to university. This is why government is trying hard to help the young, while 26% of them remain unemployed. And so on.

Socialism always creates more problems than it attempts to solve, which feeds it. The welfare state is what socialists go for where an outright revolution is out of reach. It is the destruction one would expect, but it comes with a friendly face.

So how is this relevant to Lithuania – and the case of Sweden? It explains everything. It explains how Sweden can be rotting from within while the myth seems to become ever stronger. But how did it become so pervasive? Because Sweden was extremely lucky.

[Brief history covering, the innovative climate in 1870-1920 the non-engagement in the World Wars, etc.]

But also because Sweden has had very cocky socialist leaders and prime ministers, who did great advertising for the country as a socialist utopia for decades. And this has played well into the minds of Swedes. Nobody believes the myth of Sweden as a working and glorious socialist experiment as much as Swedes do. Because if you are fed the lies from when you are very, very young; if you are never left alone to think – and always dependent on the government – then you come to love the myth and develop a fear of independence. You begin to live the myth that is a lie. And since everything you know is taught by your government, what else are you to believe?

The question is then how to get out of this mess. How do we stop the welfare state and reverse its destructive effect? There are only two ways to get rid of the welfare state and create a people that are not dependent and insecure – but independent and strong. We either let it be, and wait for it to implode. This is what happened to Sweden in 1992: the big lie was exposed for what it truly is – and government had to cut back on welfare programs, stop deficit financing, pay off the national debt, and get the finances in order. Sweden is still in the process of recuperating from this crisis, which is why the government is slowly lowering taxes while making sure a dependent people does not realize what is happening. They are trying to *save* the welfare state.

Or, we manage the process and make sure to reinstate the civil society so that people learn to rely on themselves and on each other – and not the government. This is how we can avoid the implosion and crisis that awaits every welfare state.