

"Socialism and Capitalism"

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By John Stossel

"Spoiled Socialists"

More young people vote for socialists. They believe socialism is good for the poor and "pro-working class."

But is it?

In my new video, Leyla Taghiyeva, my latest Stossel Fellow, interviews psychologist Rob Henderson, who points out that few poor people want socialism:

"When you actually see who supports socialism, these are people who are relatively well off," he says.

Henderson grew up in foster homes before getting degrees from Yale and Cambridge. He calls socialism a "luxury belief," "an idea that confers status while ultimately inflicting costs on people less fortunate . . . Take the 'Occupy Wall Street' movement. The majority of people who participated were college-educated. They disproportionately earned more than \$100,000 a year."

"Maybe these people just want to help the poor," says Taghiyeva.

"If you want to help the poor, socialism isn't the way to go about it," replies Henderson. At anti-capitalism protests, he points out, "You don't see slogans like 'feed the poor,' 'help the needy.' It's more like 'soak the rich.' "

The socialists object to the wealth gap. They don't understand that free markets help poor people the most.

Margaret Thatcher won laughter and jeers saying it like this: "So long as the gap is smaller, they rather have the poor poorer."

"Thatcher was spot-on," says Henderson. It's as if the pro-socialism side believe "anyone above you, they acquired (their wealth) through illicit means. But then, once you reach that point, you did it honestly."

Sen. Bernie Sanders seems to believe that. He used to complain about "millionaires and billionaires!"

But now he is a millionaire. So he just complains about billionaires.

Democratic socialist Rep. Alexandria Ocasio Cortez grew up in a wealthy suburb and attended one of the most expensive colleges in America.

Seattle's new democratic socialist mayor, Katie Wilson, also grew up privileged. Thanks to wealthy parents, she attended Oxford debt-free.

New York City's new democratic socialist mayor, Zohran Mamdani, also grew up in comfort. His parents own a five-bedroom mansion.

"He is the poster boy for luxury beliefs," Henderson tells Taghiyeva. "Almost like he was made in a laboratory. He has a wealthy filmmaker mother, an Ivy League professor father."

Successful socialist influencers, such as Hasan Piker, also grew up wealthy. Piker's dad was an executive at one of Turkey's biggest companies. Now Piker earns millions streaming on Twitch, denouncing the "inherently oppressive capitalist dogma" that makes him rich.

"He was seen wearing \$1,300 glasses to his trip to Cuba," says Henderson. "Ostensibly, they think that everyone should be equal, but then, when you look at how they behave in their lives, they're obsessed with getting into the right colleges, wearing the right clothes, showing off that they have money (and) the right beliefs."

Even Fidel Castro was rich.

"Castro famously wore two Rolexes," says Henderson. "The ostensible reason he gave was because time was of the essence . . . But why did it have to be two Rolexes?"

"(Socialism) never works, so why do people keep falling for it?" asks Taghiyeva.

"People have not been thoroughly educated in the catastrophes," replies Henderson. "In American high schools, you get 155 hours of Hitler, three minutes on Stalin, you get zero on Pol Pot (and) Mao. It's not that people have to be trained into liking socialism; they have to be educated out of liking it."

That's what Stossel TV tries to do—teach people the dangers of socialism before more are misled by privileged voices who never bear the costs.

Taghiyeva grew up in Azerbaijan: "My country lived through socialism, but, when I came to America for college, all I could see around my campus was communist posters. I don't get it! Socialism doesn't work!"

Socialism sounds good. But it slowly wrecks lives.

"The Case for Capitalism"

I've failed! I make the case for free markets . . . young people elect socialists!

What are they thinking? Do they even think? Do they pay any attention to history? Or economics? Socialism always fails. Only markets create environments that let people prosper.

"Getting the right environment—this country's done it better than anyone else," says Steve Forbes in our full interview. "Give people a chance to be creative, experience liberty, and humanity moves forward."

His magazine has made that point for years.

"You and I are failures," I tell him. "We've tried to convince people about the benefits of free enterprise . . . (Yet) they embrace socialism," believing "posts from people like actor Mark Ruffalo: 'Capitalism today is failing us, killing us, and robbing from our children's future . . .'"

"Capitalism has done just the opposite!" replies Forbes. "Deaths from famines are down 99 percent in the last 60 years. Standard of living, 10 times better than it was 50 years ago around the world."

Progressives call capitalism "immoral."

"Capitalism, free enterprise, free markets, whatever you call it," replies Forbes, "is a moral system because success comes from meeting the needs and wants of others . . . Go to the old Soviet Union, to Cuba, North Korea and compare opportunities. It's a reason people want to come here. They can flourish here whereas they get crushed by regulation elsewhere."

Free markets are also moral, he says, because capitalists don't get rich by forcing people to hand over money. Only governments, employing police, tax collectors, etc., can do that.

Capitalists get rich only if customers voluntarily choose them.

Unless, of course, government gets involved. If politicians grant favors or give handouts to politically connected companies (known as crony capitalism), the market system breaks down.

Real free markets rely on mutual benefit.

"Capitalism is also humane," adds Forbes. "You may not love your neighbor, but you sure want to sell to your neighbor. It gets people working on a common objective, even if they don't realize it."

We have food on our table because farmers, engineers, truck drivers, computer programmers, retailers and countless others voluntarily cooperate to grow it, ship it, refrigerate it and bring it to us.

Most will never meet, but markets encourage cooperation between strangers. Together they create the abundance of goods we take for granted.

"[Is it] a perfect system?" asks Forbes. "No. [But] it's a way of enabling humanity to move forward. It enhances life standards of everyone."

Governments only rarely do that. Entrepreneurs do it all the time.

Forbes gives examples like John Deere.

"He was a blacksmith in Vermont, had a hard time making it."

So he moved to Illinois where he noticed farmers struggling with thick soil that stuck to their iron plows. Every few feet they had to stop and scrape dirt off.

Remembering polished steel needles his seamstress mother used, Deere experimented with steel blades until he invented the steel plow.

"Turned what seemed like worthless soil into a breadbasket for the world," says Forbes. "When markets are allowed to operate, they turn scarcity into abundance."

Photography in the 1880s was expensive, complicated and available mainly to professionals.

Then George Eastman developed the Kodak camera, making photography simpler and cheaper.

"He created this global company and everyone became a photographer."

Loading cargo onto ships was slow, expensive and prone to theft. A North Carolina trucker, Malcolm McLean, grew so bored waiting for cargo to be loaded that he invented the shipping container.

"Sounds easy," says Forbes, "but the design took a lot of effort. The cost of shipping items fell as much as 95 percent. That made it possible to develop elaborate supply chains. That makes it possible for people to have supercomputers in the palm of their hand."

Capitalism, despite its occasional greed and excess, is the only system that lets people prosper.