



Written by [Charles Scaliger](#) on March 25, 2016

Obama on Socialism vs. Capitalism: “Choose From What Works”

According to President Obama, there’s no great difference between capitalism and communism, and nations should feel free to “choose from what works.”

The president’s [astonishing statement](#) came in response to a question in Buenos Aires about private versus public sources of funding for nonprofit community organizations. In response, Obama waxed eloquent trying to trivialize differences between socialism and capitalism:



So often in the past there has been a division between left and right, between capitalists and communists or socialists, and especially in the Americas, that’s been a big debate.... Those are interesting intellectual arguments, but I think for your generation, you should be practical and just choose from what works. You don’t have to worry about whether it neatly fits into socialist theory or capitalist theory. You should just decide what works.

Obama went on to talk about his recent visit to communist Cuba, praising Cuba’s education and healthcare systems, but noting that the country seemed mired in the mid-20th century economically:

To President Castro, I said you’ve made great progress in educating young people. Every child in Cuba gets a basic education. Medical care, the life expectancy of Cubans is equivalent to the United States despite it being a very poor country because they have access to healthcare. That’s a huge achievement. They should be congratulated. But you drive around Havana and you see the economy is not working. It looks like it did in the 1950s.

The president’s remarks betrayed the profound philosophical differences between America’s liberal elites — who are deeply sympathetic with the aims and methods of socialism — and most of the rest of us. The evils and excesses that socialists like Obama forever ascribe to “capitalism” are in fact the result of mingling socialism and capitalism, producing a hybrid form of government and economy called “corporatism.” Corporatism, though, is inherently unstable; it distorts the workings of the free market and creates political pressure for more socialism as a remedy.

Capitalism is routinely condemned for its alleged amorality, while socialism will furnish the high-minded morality absent from capitalism. As Obama told his Argentine audience:

You have to be practical in asking yourself, How do you achieve the goals of equality and inclusion, but also recognize the market system produces a lot of wealth and goods and services and innovation and it also gives individuals freedom because they have initiative, depending on the social issues you are trying to address, what works? What you’ll find is the most successful societies and economies are the ones that are rooted in a market-based system but also realize a market does not work by itself. It has to have a social and moral and ethical and community basis.



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Sadly, President Obama's misinformed views are not exceptional in 21st-century America. Large numbers of Americans have been persuaded that the free market — i.e., economic freedom — does not work and must be managed by highly-intelligent, omniscient overlords. In other words, like the president, they believe in socialism, whether or not they want to call it by that name.

Of course, socialism has accounted for the deaths of tens of millions of people over the last century, from the Soviet Union to Cuba — a fact that its apologists, like Barack Obama, routinely neglect to mention. Nor is it politically correct to point out that the much-maligned Nazism of Hitler and his abhorrent associates in the Third Reich was actually a form of socialism, albeit nationalistic in flavor. The term "Nazi" is short for the German equivalent of "National Socialist" — but because "Nazi" has become a popular smear for anyone on the political Right, few Americans are aware of this.

Still, to put President Obama's remarks in perspective, imagine the outcry had he told his Argentine audience that it makes little difference whether one chooses capitalism or Nazism, as long as it works.

The Bernie Sanders campaign is striving mightily to rehabilitate socialism, carefully distinguishing between the "bad socialism" of gulags and collective farms and the "good socialism" or "democratic socialism" practiced by the likes of Sweden and most other Western European countries. But the truth is that "good socialism," if not set aside, will eventually morph into "bad socialism," as the problems engendered by "a little socialism" create demand for ever-more-extreme and coercive solutions. Nazi Germany was preceded by several generations of what we would now call "democratic socialism," including government pensions, socialized medicine, and attempts at a state-managed economy.

Cuba, it is worth noting, had personal income levels comparable to those of the United States and Canada prior to the rise of Fidel Castro. It is now one of the poorest, most backward countries in the Western Hemisphere. The fruits of socialism are on display everywhere, yet our liberal intelligentsia never tires of singing its praises, all the while disparaging capitalism — the system that has given us modern medicine, automobiles, the Internet, cell phones, and in general, a level of prosperity never before seen in all of human history.

That an American president could travel to Cuba and heap praise on that country's repressive communist dictators, and then proceed to Argentina — hardly a shining example of economic and financial progress — and disparage capitalism by implication is an indictment of the deplorable state of American liberty. If we do not soon recommit our country to the liberty and free market system our Founders bequeathed to us, we will end up with the political repression of Cuba and the economy of Argentina.



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