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COUNTERING THE ASSAULT ON CAPITALISM

Capitalism has been the most successful institution in human history, yet it has never gained the legitimacy it merits. As Milton Friedman stated: “Everywhere capitalism has been tried, it has succeeded. Everywhere socialism has been tried, it has failed. The lesson learned? We need more socialism!”

One of capitalism’s greatest champions, the economist Joseph Schumpeter (1942) asked, “Can Capitalism Survive?” He responded that the failure of capitalism to gain popular legitimacy would lead to its replacement by some form of state socialism. Yet Schumpeter’s thesis does offer some cause for hope. Capitalism has great vitality and can regain ground lost during the last century.

Albeit aided by the inherent weakness of statist policies, the advance of capitalism will require a far more strategic offensive than has yet been waged.

Capitalism is robust. It remains strong, despite the reach of its naysayers. That is because it advances all the disparate cultural values of mankind—freedom, order, and fairness. As Schumpeter noted, the triumph of capitalism isn’t in providing silk stockings to queens and princesses, but in making such former luxuries accessible to the shop girls of Europe. It does so in the only way progress can be attained—incrementally. It does not purport to create Utopia.

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