

The Capitalist Manifesto: on the invincibility of capitalism and re-establishing America's place in the world



Dec. 26 will mark the 30th anniversary of the disintegration of the Union of Soviet Socialist Republics, and with it, the collapse of international communism. Political scientist Francis Fukuyama spoke for many when he said that we were “at the end of history,” and that there would be no political evolution beyond what appeared to be the total triumph of liberal democracy. This can clearly be seen now as a hopeful view inflated by triumphalism. China has risen to take the place of the Soviet Union, which itself replaced the Nazi German Third Reich as the principal rival to western democracy. One could easily imagine, looking at the feeble and inadequate regime now in office in Washington and imagine that

the West, haltingly led by the United States and infested by appeasers and defeatists, was once again under severe challenge by a transoceanic, totalitarian power. Showing unsuspected powers of improvisation, the international left that was completely defeated in the Cold War vanished into the undergrowth, but almost spontaneously returned as champions of environmentalism. If capitalism could not be defeated by a competitive economic system, Marxism, it shortly found itself in mortal combat with the old left now in alliance with the authentic, if often tedious, conservationists in a holy assault on capitalism as an environmental threat to the future of the planet itself.

We appear to be in a more dangerous confrontation with China and other countries conniving with it – especially Russia, Iran and North Korea – than we really are. China is aggressively posturing and claiming international waters as its own and threatening to accelerate reunification with Taiwan. And Russia, having lost nearly half its population in the fall of the Soviet Union, is openly threatening to annex at least the predominantly Russian parts of Ukraine. The enfeeblement of the American administration invites the inference that America is in irreversible decline. In fact, while China has enjoyed astonishing success as a development story, bootstrapping itself up from the socioeconomic depths, its institutions are untrustworthy, its government still maintains a high degree of control over the economy and the country's largest businesses, and it is run by an odious and corrupt dictatorship. It is a country with few natural resources and an aging population due to its long-standing previous one-child policy.

All this obscures the fact that the Cold War and the dissolution of the U.S.S.R. were the greatest and most bloodless strategic victories in the history of the world. And the greatest consequence of them is the triumph of capitalism in the world, in particular in China and Russia. It is the

best system because it is the only one that is aligned with the almost universal human ambition to have more. Because it incentivizes competition, it inevitably leads to an overheated and potentially self-destructive economic frenzy, but since the Second World War, capitalism has demonstrated its ability to lift countries out of poverty and make advanced economies more prosperous, including formerly communist China, formerly fascist Spain, almost all of central and western Europe, South Korea, Israel, Chile, Singapore and much of Latin America. India is making unprecedented progress. This is the triumph of capitalism: the peace dividend at the end of the Cold War and the demonstration of the absolute superiority of the American over the Soviet system as the Americans outdistanced the Soviet Union militarily while spending far less on military matters. The triumph of capitalism was earned, even if pure capitalism is not for everybody. The waffling generated by a sharp change in prevailing currents of public policy in the United States should not be mistaken for a reversal in the fortunes of capitalism, whose benefits are sweeping over almost all the world.

The United States is in the midst of a complicated process of renovation. Six years ago, Donald Trump was practically the only prominent American who saw how disillusioned people were over being mired in fruitless Middle Eastern wars, seeing the steady exportation of American jobs to cheap labour markets and the importation of the resulting unemployment, and the fact that those in the middle class had seen virtually no increase in the purchasing power of their incomes for decades. Trump led an assault on the complacent bipartisan governing political class. And despite being harassed by false allegations of colluding with Russia to rig the 2016 election and a spurious impeachment trial over an unexceptionable conversation with the president of Ukraine, he effectively eliminated unemployment, increased domestic oil production while reducing foreign imports and cracked down on illegal immigration. Only the coronavirus gave the Democrats the

opportunity they needed to terrorize the population and deprive Trump of what appeared to be his probable re-election.

The Biden administration has made an almost complete shambles of every policy area: immigration, inflation, COVID, crime and the unprecedented and shameful debacle in Afghanistan. It is increasingly obvious that either Trump or a candidate supported by him and endorsing most of his policies will be elected in 2024, and the renovation of America will resume. There will be a new and more purposeful political elite and a powerful backlash against woke anti-Americanism in the schools and universities, the self-serving hypocrisy of limousine liberals on Wall Street and in Silicon Valley, and the narcissistic hypocrisy of Hollywood and Big Sport. In these circumstances, the status of the United States as the world's most important and influential country will be re-established. China is fundamentally not remotely as strong a country as the U.S. Its institutions are not credible and are universally mistrusted; it has the political instability of dictatorships where succession is always uncertain.

Russia has a smaller GDP than Canada and is desperately trying to regain shards of its former empire after the sudden secession of nearly half the Soviet population. The West can accommodate Russian ambitions up to a point. The key is to avoid driving a truncated and demoralized Russia into the arms of China and effectively giving the Chinese the right to develop the vast territory of Russian Siberia. As long as this can be avoided, the resumption of American national renovation will re-establish the unambiguous superiority of American influence in the world, and particularly its economic model. Capitalism is imperfect, but it is invincible, as was demonstrated 30 years ago.

First published in the [*National Post*](#).