Capitalism: Because we Care about the Poor – and Everyone Else

A true capitalist thinks there are two groups of people, the rich, and the soon to be rich. A true capitalist understands that engaging in voluntary exchanges made by private individuals in the context of clearly defined and protected property rights, makes each party engaged in the trade better off. A true capitalist would never suggest that he or she doesn’t care about poor people or suggest they poor people are fine because the government will take care of them. This leads me to assume that presidential candidate Mitt Romney is no true capitalist as he made a [series of anti-capitalist comments last week](http://www.youtube.com/watch?v=tqSrpynRTlk).

The ideological left likes to attack Mr. Romney because he made a lot of money in venture capital and was born into a life of privilege. They attack him because they think he is a capitalist. Sure he made money in finance, but the ability to make money in a capitalist system is not a guarantee that someone is a capitalist at heart. Just look at [Michael Moore](http://articles.cnn.com/2009-09-24/entertainment/lkl.michael.moore_1_michael-moore-capitalism-films?_s=PM:SHOWBIZ), the very wealthy self-described anti-capitalist film maker. Film maker George Lucas has also made billions in a capitalist system [he bemoans](http://www.cbsnews.com/8301-505271_162-57362574/george-lucas-billionaire-down-on-capitalism/). Where’s the evidence that Mr. Romney knows what capitalism is or why it is beneficial to the masses?

As governor of Massachusetts, Mr. Romney had no issue with having his state take over health insurance. Is that what Mr. Romney thinks capitalism is? If so, he is not alone. Millions of people began to question capitalism during the last recession not because they don’t believe in free enterprise, but because they saw the US practice crony capitalism instead of free enterprise. Politically connected companies got subsidies and bailouts. Other industries got burdened with mountains of regulations. Members of Congress engaged in insider trading. The US began to look more like a kleptocracy than a land of free enterprise.

This is why it is important for members of all political parties to understand the true virtue of capitalism. Voluntary exchange of private goods and services is what created the mountain of wealth the US currently sits upon. It is why the poor today are better off than they were 100 years ago. We no longer have poor people starving to death in the US. In fact, the poor’s number one health problem is obesity. For all the progress that capitalism has made improving the lives of poor people, the government has made large strides in eroding this progress by creating a safety net that acts like a web rather than a net. It has aided and abetted the destruction of the nuclear family (a key economic institution). It has locked millions of people in perpetual poverty. For Mr. Romney to suggest that all the poor need is the current safety net, is to doom them to eternal poverty.

Mr. Romney added insult to injury when he tried to backtrack from his comments about the poor. He suggested that he supported indexing the minimum wage for inflation. That is not a capitalist position. Outlawing mutually beneficial exchanges of labor is not capitalism. Instead it dooms the poor to ever higher unemployment rates. It also creates a larger underground economy in unrecorded (and untaxed) labor. It is as if Mr. Romney wants to bring down capitalism one leg at a time.

Here at Capitalism Today, we support the idea that capitalism/free enterprise is the best economic system to improve the lives of everyone on the planet. We care about all people, the rich, and the soon to be rich. We think that candidates of all parties need to be educated on the moral virtues of capitalism and we cringe when politicians dump on capitalism for being immoral. It’s a shame that the leading candidates for president for both major political parties seem to have such a fundamental misunderstanding of capitalism.