

CAPITALISM – WELL, SORT OF...

This is where we need to talk about capitalism—not the version socialism has described to you, not the counterfeit capitalism we are currently practicing, and not even the version most politicians and economists talk about. In fact, it is not exactly the capitalism Adam Smith advocated in *The Wealth of Nations*. It shares many of the same core ideas and principles, but the form of capitalism I am proposing is designed for the modern world.

Just as I did with socialism, I need to offer a new definition of capitalism and give it a distinct name so it is not confused with what the general public usually means by the term. I like the term "Modern Capitalism" because it reflects a system that is built for our modern age. It incorporates the changes that have occurred in technology, transportation, communication, and embraces the concepts of cryptocurrencies and other digital finances which can replace socialist fiat currencies.

This definition builds on many of the key concepts outlined in *The Wealth of Nations*, but it does not attempt to recreate the free-market, laissez-faire system that many people assume is required for capitalism to work. Adam Smith had the right instinct and developed a strong model for his time, but the world has changed dramatically since 1776. The values of modern society, particularly in relation to poverty and human suffering, are different from those of Smith's era. Today, people are generally more aware of and more concerned about the suffering of others. Smith's model, at least in its pure form, does not adequately address that reality.

Charles Dickens captured this problem well in *A Christmas Carol*, written not long after Smith's ideas gained influence. Dickens highlighted a society in which people could ignore the suffering of others so long as it did not directly affect them. That tendency still exists. Human beings are often willing to overlook "other people's problems" if left entirely to themselves. That means we must acknowledge a hard truth: a purely laissez-faire system would create unnecessary hardship and suffering. We need a system that provides care for the poor and vulnerable—but without putting government in charge of managing all of it.

There is another major challenge Smith could not have fully anticipated: the rise of industrialization, global commerce, and modern technology. Advances in communications, transportation, and international trade have turned the world into a deeply interconnected global economy. We need an economic system that can take full advantage of those developments while also recognizing that every nation now plays a role in a shared global marketplace.

The influence of Ayn Rand and libertarian thought on modern conservatives cannot be overstated. Their ideas surface repeatedly among conservative leaders and commentators. But I am convinced that the Ayn Rand/laissez-faire model is ultimately flawed, because it does not lead to freedom or to the economic utopia libertarians often promise. Instead, it leads to **corporatism**.

Corporatism is, in many ways, socialism with different branding. It is the same kind of oppressive structure, only run by corporate elites rather than state bureaucrats. If I had to put it bluntly, I would say that corporatism is like socialism—except they play you a catchy jingle while throwing you in prison for failing to be an obedient servant. And instead of ideological reeducation, your punishment would be nonstop advertising. The point is simple: a libertarian, laissez-faire model does not create a truly free society. It simply replaces one set of oppressors with another.

I am not claiming to understand economics better than the great thinkers, economists, and political theorists who debate capitalism, socialism, and communism. They know all the theories and nuances of their fields of study. They are often highly skilled at examining principles and systems in detail. My disagreement is not with their intelligence or their depth of knowledge. My argument is that too few of them take **human behavior**—especially the behavior of large groups—into their equations and theories.

That is the fatal flaw shared by both communism and pure free-market theory: both may sound compelling in theory, but both break down once actual human beings get involved. History shows again and again that people do not behave as neatly or predictably as theory assumes. Good theories often collapse when they hit the hard wall of human behavior.

No one would have predicted that millions of Germans would participate in or tolerate the Holocaust. No one would expect citizens to love and support governments that have murdered millions of their own people. Ayn Rand's writings do not adequately confront the suffering created during Britain's industrial revolution, when entire populations were displaced and those who benefited economically often did little to help those who were left behind. Her arguments matches that mentality – it is my money and if others suffer, they suffer. That does not fit with today's society and will never be (nor should be) accepted by the majority of Americans.

What I am proposing is built around these known realities of human behavior—both the admirable and the destructive parts of it. It takes the best ideas of equality, free commerce, and limited government, and adapts them to fit how real societies actually function.

Socialists also appeal to human behavior, but they do so in order to justify control. They argue that human beings are selfish, destructive, cruel, and incapable of governing themselves. Therefore, they say, people must be ruled by those who know better. But what they fail to understand is that the rulers and controllers suffer from the very same flaws.

What I am proposing is not original to me. The principles do not come from me. They come from figures such as Thomas Jefferson, Benjamin Franklin, James Madison, George Washington, and others who developed a profound understanding of government and human

nature. Where socialists believe control must be broad, centralized, and comprehensive, the Founders understood that only limited control is necessary to keep society ordered and free.

Their philosophy took into account both the failings of individuals and the failings of large groups, then built a system intended to minimize both. It was not perfect, but it offered the best framework for human flourishing. I also recognize that implementing such a system today would require many thoughtful and capable people working out its details. What I am presenting here is the structure—the underlying architecture—based on the principles that guided the founding of the United States.

I have often said that the Constitutional Convention of 1787 was, in many ways, the first meeting of the Human Behaviorist Society of America. Those men had a remarkable understanding of individual behavior, group behavior, and institutional power, and they used that understanding to create a more perfect union. I am simply drawing from the same source.

With that in mind, we should break down Modern Capitalism into the same three major components we used with socialism: **government, economics, and society**.

Government

Under Modern Capitalism, government power is strictly limited. Government does have a legitimate role: it must provide order, protect society, and preserve stability. But those responsibilities must exist within firm boundaries that prevent abuse.

To achieve that, government should be built from the bottom up. The greatest influence over citizens should exist at the local level, where government is closest to the people. Local communities should have the most control, followed by counties, then states. At the federal level, government should be limited primarily to interstate and international matters, with minimal direct control over the daily lives of citizens.

This structure diffuses power as broadly as possible and reduces the opportunity for corruption and abuse. In this system, elected officials are not rulers or leaders in the grand sense—they are **representatives**. They serve limited terms, perform a public duty, and then return to their communities.

At every level, government should focus on core responsibilities: protecting life and property, maintaining police and fire services, ensuring national defense, managing infrastructure, overseeing growth responsibly, and providing limited oversight where no fair private-sector solution exists. Government should not dominate social life or attempt to engineer society. Its chief purpose is to protect the rights guaranteed under the Constitution.

This is the kind of government the Founding Fathers were trying to create: a government strong enough to preserve order but restricted enough to prevent tyranny. To paraphrase Cleon Skousen, it is a system that takes freedom to its outer edge, stopping just short of anarchy and chaos. It has power, but it is constrained in how it may use that power.

This bottom-up structure produces two major benefits.

First, it allows for “**thousands of local experiments**” that our Founding Fathers referred to. The Founders understood that decentralized government allows communities to try different approaches, test new ideas, and build workable social structures. If a local approach succeeds, it can be adopted elsewhere. If it fails, the damage is contained to a small area rather than imposed on the whole country.

Second, it makes large-scale corruption far more difficult. With more than 3,000 counties and nearly 20,000 cities in the United States, corruption would have to spread through thousands of different officials and institutions in order to take total hold. Corruption can never be eliminated entirely, but decentralization makes it far harder to concentrate power and buy influence on a national scale.

The principle is simple: the fewer people involved in a government office, the less power that office should have. Under this model, the President becomes one of the weakest individuals in government. The Supreme Court is similarly limited. Congress has more influence than either, but power still grows as government gets closer to the people. States have more daily impact than the federal government, and counties and cities have the most direct influence of all. Within the state, the same rules apply: the governor has the least power, etc.

This is **Goldilocks Government**: enough power to preserve order and protect the vulnerable, but not enough to invite large-scale corruption or oppression. Combined with the concept of elected representatives rather than elected rulers, it creates a healthier and more accountable system.

Economics

Economically, Modern Capitalism is built on one simple principle:

Create as much competition as possible within a market-friendly environment.

As I explained earlier, large corporations thrive under socialism because socialism protects them. It gives them the power to restrict competition, capture regulators, and use government to eliminate threats. Modern Capitalism is designed to do the opposite. It is designed to protect and expand competition.

In a healthy capitalist environment, small businesses should constantly challenge larger businesses. As they grow, some of them will replace the corporations that came before them. Then they, too, will eventually be challenged by the next wave of competitors. This cycle of growth, success, stagnation, and replacement is essential to a healthy economy.

This approach addresses a reality that socialists have never properly understood: it is referred to as **the Law of Large Organizations**. Large organizations—whether governments, corporations, or any other large institution—tend over time to become less efficient, less responsive, less disciplined, and less effective. Socialists try to solve this by making those institutions even larger

and layering on more bureaucracy. Capitalism solves the problem by allowing smaller, leaner, and more agile competitors to replace them.

This is the natural economic cycle: birth, growth, decline, replacement. And then the cycle begins again.

This does not mean there would be no large corporations or billionaires under capitalism. In fact, there would likely be more of both. But the difference is that their dominance would be more temporary and more contingent on performance. The problems of oversized institutions often take decades to emerge. During that time, companies can still thrive, innovate, and become very successful. But eventually, if they become too bloated or too centralized, causing them to lose their edge and invite replacement. A Republican Capitalist model is based on quantity, not longevity. We have thousands more successful companies that grow, thrive, create wealth, and serve a need. Most will be replaced later on, but still benefit their owners during their lifetimes.

The same applies to wealth. Billionaires do not become billionaires because they are unintelligent. Under a Republican Capitalist system, many of them would diversify into multiple ventures instead of consolidating power into one giant institution. That means they would become the seed money for innovation—investing in emerging businesses, new markets, and future competitors.

In this model, thousands of venture capitalists and investors would constantly be searching for the next successful idea. That gives smaller businesses a better chance to succeed than they have under the current system. Wealthy individuals would help fuel the economic engine rather than merely concentrating control. If current billionaires understood and believed in this model, then they would not want to oppose us. The problem is that they know what they have right now and will have to give it up to get something better.

And to create more fuel, we would need more wealth creation overall. That means creating more millionaires and billionaires—not through favoritism, but through widespread opportunity, competition, and investment.

Government's economic role in this system is straightforward: **for the most part, leave the economy alone.**

That does not mean government has no role at all. Unlike pure free-market theorists, I believe government does have a limited responsibility in economic life. It should prevent unfair monopolies that suppress competition. It should punish fraud, swindles, knowingly defective products, and criminal business practices. It should regulate activities that cause measurable harm to consumers, workers, or the environment. It should also manage international commerce through treaties and tariffs and provide a fair legal framework for resolving disputes.

Beyond those limited functions, government should not decide who succeeds and who fails. It should not pick winners and losers. Its operating mentality should be hands off, and even when intervention is necessary, it should be minimal, restrained, and narrowly targeted.

Society

Socially, Modern Capitalism requires something many Americans will find uncomfortable:

Citizens must take responsibility for their own actions.

One of socialism's greatest appeals is that it relieves people of responsibility. Government becomes the decision-maker, the excuse-maker, and the scapegoat. If something goes wrong, people can blame the system, the politicians, or the bureaucracy. That dynamic is one of the reasons socialism gained so much ground in America.

But in a capitalist society, people understand that control and responsibility go together. If you want real freedom, you must also accept real responsibility. You cannot demand one while rejecting the other.

As I will discuss later when describing implementation, this shift would need to happen gradually. Government would still manage certain programs in the beginning, but over time, responsibility would increasingly shift back to citizens, communities, and private institutions.

Another difficult adjustment would be **patience**.

Modern Americans have not shown the kind of patience earlier generations often had when working through social change. It is much easier to demand a law, pass a regulation, and force compliance than it is to persuade a majority of people over time. Persuasion is slower. It requires debate. It involves uncertainty. Laws are faster, but they also create resentment, unintended consequences, and overreach.

Both conservatives and liberals are guilty of relying too heavily on government to impose solutions on issues that may not require legal force at all.

If Americans are going to move from a socialist mentality to a capitalist one, this is one of the habits we must break. We are so accustomed to using government power as our first tool that it feels unnatural to step back and allow ideas to compete in public. But that is exactly what a healthier system requires.

Citizens must learn how to debate, persuade, research, and build consensus on a large scale. This process is slower, but that is often a strength, not a weakness. When governments rush to impose solutions "on the fly," mistakes, oversights, and unintended consequences become much more likely. Serious public debate reduces those risks.

Unless there is an immediate threat to life, health, or property, we should not merely tolerate the fact that change takes time—we should embrace it. Just as citizens must gradually learn to reclaim responsibility, they must also gradually learn patience.

A capitalist mentality also creates a very different relationship between citizens and government.

First and foremost, citizens do not trust government automatically. They recognize that government is necessary, but they also understand that it must be treated with caution. I call this the **Patriot Model**. Government is like a firearm: sometimes necessary, sometimes useful, but always dangerous if handled carelessly. It should only be used for specific and justified purposes.

This mentality also reinforces the importance of local government. The government body with the greatest influence over my life should be the one closest to me. Elected officials should come from the same communities they serve, live under the same conditions, and bear the consequences of the decisions they make.

One of the defining features of this mindset is that citizens question everything. When a politician proposes a new law, the public should greet it with skepticism and with dozens of hard questions. Politicians should be treated like aggressive salespeople:

“What you are offering may sound useful, but my default assumption is that you are trying to take advantage of me until you prove otherwise.”

That mindset also changes how citizens view elected officials.

A capitalist mentality does not want rulers. It does not need political celebrities or superior classes. It does not treat elected officials as masters. Citizens owe no greater respect to a politician than to a business owner, teacher, firefighter, or any other contributing member of the community. Public officials are employees, not bosses. They work for the people.

Socialists have rulers. Capitalists have representatives.

In this system, elected officials would be understood as **government servants**—individuals chosen to serve the public, not command it. I have a term for this type of public official: the **Patriot Politician**.

The concept comes from the idea of a patriot who loves his country, his community, and his fellow citizens enough to serve them. We see that spirit in police officers, firefighters, and military service members. Our politicians should be expected to have that same mentality. We need to restore the right relationship between citizens and elected officials.

Once that relationship is properly understood, accountability becomes automatic. Elected officials should be held responsible for their actions while in office, just as any employee is held responsible for the job they were hired to do.

To be clear, I understand that politics still requires capable, articulate, and dynamic individuals. We do not want dull or incompetent people running for office. We still want intelligent, persuasive, energetic candidates. The difference is not in whether they are compelling people. The difference is in how the relationship is defined.

Notice that I said we want **dynamic and inspirational people**—not “leaders.”