

REMEMBERING MOM'S WISDOM

**I remember how I got
from where we were
to where I am.
I remember capitalism
and free enterprise.**

by Jim Burton



Prologue: my mother is deceased, but sometimes it helps me to have a little "talk" with her anyway. Her wisdom still comes through and puts me back on track.

Yes, Mom, I remember. You had so many "sayings" that taught great lessons. The one in the title comes to mind right now. If you were alive I know you would be very distressed with what's going on. We certainly seem to have forgotten how we got to be the country we are. And it looks like we may have decided to dance with a new partner.

But, Mom, I did not forget. I remember how I got from where we were to where I am. I remember capitalism and free enterprise. They were a lemonade stand on the road in front of our house. They were a lawn mower tied to the back of a bicycle going down the road looking for a house with tall grass. They were the wind-fall from the trees in Uncle Putt's yard that needed to be picked up before the mowers went over it. They were pigs that needed to be fed so they would grow and be sold. They were hard work and reasonable reward.

Capitalism was when two friends and I put in the money to create a small business based on a patented product the two friends had invented. It was raising additional equity investment. It was signing personal notes at the bank to raise even more money. And it was the great pain of paying off those notes when the business did

not live up to expectations. Yes, there was a bailout but not from the government. One of the two friends could not pay his share of the obligations, so the remaining two, one friend and I, bailed him out by paying off all the debt in prorated portions, even at interest rates in excess of 18% during those days.

Free enterprise was when I borrowed money to finance the purchase of some land that I later sold for a profit. It was when I worked three jobs at one time to provide the capital to get a business off the ground. It was when I employed 10 people in jobs that had not existed before I created the business from sweat and long hours.

I remember capitalism and free enterprise. They ruled the land. They were the engines of commerce. They made America great. They distinguished us from other nations. Maybe we did not invent them, but we sure knew how to use them. I remember them. I liked them. They motivated me. They made my life better.

How could they be forgotten so quickly? How could they evaporate like a mist? How could we let that happen? Why would we let that happen? I don't have those answers, Mom.

Now we have socialism. How did we get it? Maybe it was because no one else wanted it. Many have tried it and found that it did not

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DANCE WITH THE ONE WHO BROUGHT YOU!

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- If you take money from those who have risked and worked hard to earn and save and give it to those who have not, fewer people will take risks and work hard.
- If government borrows all the available funds in the market, businesses will be unable to expand, job creation will be reduced, and credit will dry up for those who need it most.
- Risk capital, and therefore job creation, comes from those who have "more than average." If you penalize these people by raising their taxes, risk capital, job creation, and the average well-being for all will decline.

work. So it was just lying around waiting for someone to try again.

Some smart and well-known people have had bad things to say about socialism. Winston Churchill reportedly said, "The inherent vice of capitalism is the unequal sharing of blessings; the inherent virtue of socialism is the equal sharing of misery." He also reportedly said, "Socialism is a philosophy of failure, the creed of ignorance, and the gospel of envy...."

Thomas Sowell, a senior fellow at the Hoover Institution at Stanford University, said, "The assumption that spending more of the taxpayer's money will make things better has survived all kinds of evidence that it has made things worse," and "Socialism in general has a record of failure so blatant that only an intellectual could ignore or evade it."

Somewhat further back in history, Alexis de Tocqueville commented, "Democracy and socialism have nothing in common but one word, equality. But notice the difference: while democracy seeks equality in liberty, socialism seeks equality in restraint and servitude."

There is another I really like, but it may be an urban legend. Baroness Margaret Thatcher, former Prime Minister of the United Kingdom, is often quoted as saying, "The problem with socialism is that you eventually run out of other people's money."

These and many other folks wiser than I have scorned socialism. Certainly it was not the intent of our founding fathers. They believed in hard work, reward for risk, and individual responsibility—virtues socialism minimizes.

What exactly is socialism? The Encarta encyclopedia says it is an economic and social system under which essential industries and social services are publicly and cooperatively owned and democratically controlled with a view to equal opportunity and equal benefit for all. Wikipedia says it refers to a broad set of economic theories of social organization advocating public or state ownership and administration of the means of production and distribution of goods, and a society characterized by equality for all individuals, with an egalitarian method of compensation.

Note there is nothing in these definitions of socialism about risk and reward. Note there is

nothing about any differentiation based on contributions from the individual. Note there is nothing about hard work.

Where was "equality for all" when I had to pay off those bank notes out of personal assets? Where was "equalitarian compensation" when all of my employees were drawing paychecks and I got nothing? I took the risk; I got the result, good or bad. I think that is the way it is supposed to be.

Have we really come to socialism? Well, let's look at the auto industry. Is it an essential industry? Yes! Is it cooperatively owned? Yes, it is now! Is it democratically controlled (no pun intended)? Yes! Is there a view toward equal opportunity and benefit for all? Looks like that's the objective. If we have not yet quite arrived at socialism, we are moving in that direction at warp speed. And the leaders of both political parties are pushing the pedal.

Now, Mom, I don't pretend to know all the right answers, but of some things I am sure:

- If you take money from those who have risked and worked hard to earn and save and give it to those who have not, fewer people will take risks and work hard.
- If government borrows all the available funds in the market, businesses will be unable to expand, job creation will be reduced, and credit will dry up for those who need it most.
- Risk capital, and therefore job creation, comes from those who have "more than average." If you penalize these people by raising their taxes, risk capital, job creation, and the average well-being for all will decline.

None of these results are good for the country. But that is what's happening in America today.

Just in case you missed it, Mom, I am still a capitalist. I still believe in free enterprise. I am convinced together they form the best system anyone has found so far. The problem isn't that they don't work. The problem is we are not letting them work.

So, Mom, I do remember that capitalism and free enterprise brought me here, and I sure hope I get the chance to have another dance. And, by the way, I still miss you every hour of every day. ■

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