
The Free Enterprise System and America's Foundation

If you want to be successful in the working world, you need to understand that our economic system is built on the concept of free enterprise. There are two basic types of economic systems: socialism where the public or the state owns and controls the means of production, and capitalism or the free enterprise system where individuals own and control the means of production. Some socialists want the complete nationalization of the means of production; others propose select nationalization. Under the free enterprise system or capitalism there are various government laws, such as laws dealing with monopolies and banks. There are many versions of these two economic systems, but we'll examine just the basics of socialism under communism and the capitalistic system.

Socialism and Capitalism

The communist economic system is advanced socialism. It is based on common ownership of the means of production. It is a classless society where everyone is an owner. Let's take a farm operating under communism, and a farm under capitalism or the free economic system.

In the communistic system every worker is an owner of the farm and all get paid according to their needs, not according to their ability. If a farm machine breaks down during harvest, it's no big deal under the communistic system. Why? All farm

employees get paid whether they get the machine working or not. There's no incentive to get the farm machine repaired quickly to harvest the crops.

Take that same farm under the free enterprise system where the owner has his farm machine break down. He knows that if his machine is not fixed, he won't get paid. That farmer will do everything possible to get his machine working again. If he can't get the machine working, he'll use every available method to harvest his crops, even if he has to do so with extra hired hands.

Chairman Mao Zedong was a hard-line communist who ruled China. After his death in 1976, new leadership emerged in the communist government. Alan Greenspan, chairman of the Federal Reserve from 1987 to 2006, in his book, *The Age of Turbulence*, tells what happened:

As much pragmatist as Marxist, Deng had set in motion China's transformation from a walled-off centrally planned agrarian economy into a formidable presence on the economic scene. The nation's march to the market began in 1978, when, because of a severe drought, authorities were forced to ease tight administrative controls that had long governed individual farmers' plots. Under new rules, the farmers were allowed to keep a significant part of their produce to consume or sell. The results were startling. Agricultural output rose dramatically, encouraging further deregulation and the development of farm markets. After decades of stagnation, agricultural productivity blossomed.

Success on the farm encouraged the spread of reform to industry. Again, a modest easing of constraints produced greater-than-anticipated growth, giving impetus to the arguments of reformers who wished to move more quickly toward a competitive-market template. No advocates ever dared call the new model “capitalism.” They used euphemisms like “market socialism” or, in the famous phrase of Deng, “socialism with Chinese characteristics.”

China's leaders were far too perceptive not to see the contradictions and limitations of socialist economics and the evidence of capitalist success. Indeed, why else would they have embarked on so ambitious an enterprise so alien to the traditions of the Communist Party? As China was inexorably drawn further and further down the road toward capitalism, economic progress became so compelling that the ideological debate of earlier years seemed to have passed into history.¹

The new communist leaders foresaw the failures of the socialistic policies of the previous government and permitted the people to own their means of production. The result as Greenspan reports, “were startling.” Today, China is a world economic power.

Karl Marx, the Founder of Communism

Karl Marx is often called the father of communism. He was a 19th-century philosopher and political economist. He wrote the *Communist Manifesto* in 1848 and argued that capitalism

would be displaced by communism, a classless society. A popularized slogan from Karl Marx is, “From each according to his ability, to each according to his need.” Everyone will exert their best effort according to their talent, and everyone will receive from the fruits of the production, regardless of their input. Karl Marx thought there would be such an abundance of productivity that everyone would be satisfied.

To bring their ideal of a “classless society” into reality, Joseph Stalin, dictator of Russia, killed an estimated 20 to 50 million people, and Mao Zedong, dictator of China, killed an estimated 40 million. Alan Greenspan reported about this classless society and collective ownership:

Karl Marx was wrong in his analysis of the way people can organize to successfully create value. To Marx, state ownership of the means of production was the essential fixture in a society’s ability to produce wealth and justice. The right to virtually all property in Marx’s society was thus to rest with the state, in trust for the people. Property rights granted to individuals were instruments of exploitation and could come only at the expense of the “collective,” that is, society as a whole. He argued for the collectivization of the division of labor. All working together for a single goal would be far more productive than markets collating the disparate choices of individuals. Do human beings optimize their potential in a collectivized society? The ultimate arbiter of all such paradigms is reality. Does it work as proposed? Marx’s economic model in practice—in the USSR and elsewhere—could not produce

wealth or justice, as is now generally recognized. The rationale for collective ownership failed.²

We know what the market forces eventually did to the communist empire. It collapsed. These same forces operate today. Those understanding and practicing successful economic principles survive; those who don't fail.

The fundamental flaw of communism is the failure to understand the more incentives you give individuals, the greater the productivity. People need incentives to work. It's a nice theory that everyone should work together for the common good. A serious problem arises when some in the group are diligent yet they are to share equally with those who were unproductive or lazy. Another problem arises when those who spent years sacrificing to become a doctor are paid less than one who quit school and has greater financial needs.

The fundamental flaw of capitalism is that productive work produces prosperity which without restraint produces greed. That's why it's so important to understand that America's religious foundation is critical for our nation to remain vibrant. Faith in God encourages us to love others which in turn discourages the greed of capitalism. In addition, true people of faith are honest and upright. This is critical for economic success.

There are countries where it's difficult to do business because of the corruption and bribery of public officials. For example: you take out a permit to start a business, but when you see the clerk, he/she can't find the permit. The clerk asks you to buy a raffle ticket. You buy the ticket, and suddenly the application appears. You need to get a zoning permit to

begin your business. You invite the government official to be an investor, and the zoning permit is granted. You want a foreign company to buy your product, so you slip an envelope containing \$5,000 to the buyer. You get the job. What's the solution to end corruption? Moral people. The next question is: How does a society create moral people?

Sentiments of the Founders of Our Nation

The sentiments of the founders of our nation were that faith in God was vital to create a moral and successful society. Today there is a broad movement to eliminate any discussion about faith in God and our government. Let us look at some of the principles of our great nation and what some of our leaders had to say about God and the founding of our nation. On July 4, 1776, fifty-six men were willing to sacrifice their wealth and lives for the freedom of America and sign the Declaration of Independence. An examination of the opening and closing paragraphs of the Declaration of Independence clearly reveals that they also made it a declaration of faith in God.

When in the Course of human events, it becomes necessary for one people to dissolve the political bands which have connected them with another, and to assume among the powers of the earth, the separate and equal station to which the Laws of Nature and of Nature's God entitle them a decent respect to the opinions of mankind requires that they should declare the causes which impel them to the separation. We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator

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with certain unalienable Rights, that among these are
Life, Liberty and the pursuit of Happiness. . . .

We, Therefore, the Representatives of the United
States of America, in General Congress, Assembled,
appealing to the Supreme Judge of the world for
the rectitude of our intentions, do, in the Name, and
by Authority of the good People of these Colonies,
solemnly publish and declare, That these United
Colonies are, and of Right ought to be, Free and
Independent States . . . And for the support of this
Declaration, with a firm reliance on the protection of
divine Providence, we mutually pledge to each other
our Lives, our Fortunes and our sacred Honour.³

Bill of Rights

The early founders of our nation did not believe in
separation of God and state. But today we are witnessing more
and more how federal officials are trying to prohibit the free
exercise of religion. What the early founders didn't want was
a national church like England and other European nations.
Today's fanatical obsession with separation of church and
state is a perversion of the Constitution. A careful reading
of the Constitution and the actions of Congress at that time
clearly reveal what our Founding Fathers believed. The First
Amendment of the Constitution, also called the Bill of Rights,
states:

Congress shall make no law respecting an
establishment of religion, or prohibiting the free
exercise thereof; or abridging the freedom of speech,

or of the press, or the right of the people peaceably to assemble, and to petition the government for a redress of grievances.⁴

The Bill of Rights clearly shows that our founding fathers had no intentions of removing God from government or the state. It clearly states Congress shall make no law prohibiting the free exercise of religion. The issue of God and state is important because faith in God is the most important reason why individuals act morally. It's this belief system that has been the foundation of our nation.

To produce moral people a nation should encourage the free exercise of religion, for religion promotes morality. This is what our founding fathers wanted, but courts today are trying to eradicate faith in God from our schools and public institutions. Its effect can be witnessed by the moral decline that's taking place in our nation today. What we need today is courageous youth who'll examine our foundation and boldly declare these foundational truths that made our nation great. On April 30, 1789, George Washington declared in his first inaugural address:

Such being the impressions under which I have, in obedience to the public summons, repaired to the present station, it would be peculiarly improper to omit in this first official act my fervent supplications to that Almighty Being who rules over the universe, who presides in the councils of nations, and whose providential aids can supply every human defect, that his benediction may consecrate to the liberties

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and happiness of the people of the United States
a Government instituted by themselves for these
essential purposes, and may enable every instrument
employed in its administration to execute with success
the functions allotted to his charge. In tendering this
homage to the Great Author of every public and
private good, I assure myself that it expresses your
sentiments not less than my own, nor those of my
fellow-citizens at large less than either. No people can
be bound to acknowledge and adore the Invisible Hand
which conducts the affairs of men more than those of
the United States. Every step by which they have
advanced to the character of an independent nation
seems to have been distinguished by some token of
providential agency.⁵

On March 4, 1797, John Adams, our second president,
said:

And may that Being who is supreme over all,
the Patron of Order, the Fountain of Justice, and
the Protector in all ages of the world of virtuous
liberty, continue His blessing upon this nation and
its Government and give it all possible success and
duration consistent with the ends of His providence.⁶

On March 4, 1805, Thomas Jefferson, our third president, said:

I shall need, too, the favor of that Being in whose
hands we are, who led our fathers, as Israel of old, from

their native land and planted them in a country flowing with all the necessities and comforts of life; who has covered our infancy with His providence and our riper years with His wisdom and power, and to whose goodness I ask you to join in supplications with me that He will so enlighten the minds of your servants, guide their councils, and prosper their measures that whatsoever they do shall result in your good, and shall secure to you the peace, friendship, and approbation of all nations.⁷

On March 4, 1809, James Madison, our fourth president, said:

In these my confidence will under every difficulty be best placed, next to that which we have all been encouraged to feel in the guardianship and guidance of that Almighty Being whose power regulates the destiny of nations, whose blessings have been so conspicuously dispensed to this rising Republic, and to whom we are bound to address our devout gratitude for the past, as well as our fervent supplications and best hopes for the future.⁸

I could go on and quote many other sources from our founding fathers, and they are documented in the book I wrote, *Schools in Crisis: Training for Success or Failure?* This book is available free at our website: www.advancepublishing.com under “Free Resources.” It is clear that our founding fathers supported faith in God for the prosperity of our nation. Peter Berger, professor of sociology at Rutgers University, writing

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in the *New York Teacher*, analyzes the historic relationship
between God and state:

Unlike the French republic and other democracies modeled upon it, the American state was not conceived in a secularist mode. From the beginning there was a complex but intimate dialogue between the social contract of the republic and the sacred covenant of the churches. Thus the purpose of the First Amendment to the Constitution was to protect pluralism and religious liberty, not to insulate the state from religious influences. It is only since World War II that an overtly secularist tendency has developed in America. This new secularism has succeeded in influencing both the courts and agencies of government on various levels.⁹

Woe to America if the foundation of faith is eradicated and we become a totally secular society where the expression of faith is permitted only in houses of worship. I'll say this boldly:

THIS IS NOT HOW OUR NATION WAS FOUNDED

Our Founders also were concerned about the happiness of its people. Arthur C. Brooks, professor of business and government policy at Syracuse University, reported:

In the Declaration of Independence, the Founders didn't treat happiness as some fuzzy concept; they believed that people wanted happiness and had the right to pursue it. Along with life and liberty, happiness was

the connection between the Creator and our nation's destiny, and the ability of its citizens to pursue and achieve happiness was a measure of the effectiveness and morality of the state....

Roughly 85 percent of Americans identify with a religion, and about a third of Americans attend a house of worship every week or more....General Social Survey found that 43 percent of religious folks said they were very happy with their lives, compared with 23 percent of secularists.¹⁰

Our Founders had the insight in declaring, “We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness.” We today must uphold this important principle for a prosperous nation.

It is also critical for the future of our nation to understand that our creative free enterprise system and the promotion of faith in God produces the balance that encourages productive work which generates profit and in turn moral people use their profits to help others. The religious faith of Americans is a major reason its people are moral and charitable.

For years I've observed the deterioration of our historical value system and the attack on character that is prevalent in our nation and schools. There's a conflict between two value systems. I've written a book about it, *Character Under Attack and What You Can Do About It*. If you want to read more, it is also available free online at www.advancepublishing.com under “Free Resources.” Here are some excerpts:

The conflict was between naturalism and the traditional American value system. I came to realize that those opposing character-building materials have the same philosophical roots as naturalism. Naturalism believes that everything can be explained by natural law without any moral or spiritual significance. Values therefore are relative and situational. There are no moral absolutes. Since there are no moral absolutes and values are situational, acts that give the individual pleasure are the decisive test of whether the act is good or evil....

Once this naturalistic humanistic philosophy of moral relativism is understood, that truth and values are autonomous and situational and never absolute, it becomes clear that its teaching has permeated not only our schools but also our society. This philosophy continues to be the archenemy of our traditional value system that there are moral absolutes.

Fruits of Moral Relativism

Today many of our youth have embraced the relativistic philosophy, "If it feels good, do it." Self-expression and self-fulfillment are their aims in life. When some children fall prey to this way of thinking, it can lead to actions that are rationalized by the thought, "Might makes right," and "If I receive pleasure at your expense, so be it. So what if I stab you in the back for your new tennis shoes? I couldn't care less about your pain. I'm happy, and that's what counts."

Our society has raised a self-indulgent, hedonistic group of youth. We shouldn't wonder why sex violence is so rampant and our prisons are full. Youth are doing what they were taught—they're making themselves happy. They're not interested in anyone except themselves. "If it feels good—it's good." No value is superior to another value.

Relativists want to do whatever brings them ultimate happiness without guilt—that's utopia. Unfortunately, the belief of self-fulfillment at any cost has produced Hitler, Mao Zedong, Stalin, Pol Pot, and other ruthless dictators who killed millions to fulfill their utopian dreams. But remember, these ruthless dictators killed millions in their belief that what they did would benefit their concept of society. Shouldn't we be tolerant of them because they did what they believed would help them? This question is ridiculous, but there are those who defend this philosophy.

What is the result of a hedonistic philosophy where personal satisfaction is the end objective in life? It undermines the structure of a society. Look at some of our youth who have chosen drugs, alcohol, promiscuous sex, and a life of crime instead of work for sustenance. Sadly, what brings us to our senses is when we experience firsthand the shocking results of this indulgent lifestyle when violent gangs roam our streets and students without remorse kill students and teachers. How many of these incidents will it take to wake up Americans to see the ruinous effect of their departure from the values that made our nation

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great?¹¹

Dr. Richard Rorty had a long teaching career. Some of the places he taught were Princeton University, University of Virginia, and Stanford University. The *Washington Post* reported, “Dr. Rorty advocated a philosophy known as pragmatism, which shunned what he considered a fruitless search to answer unknowable questions: What is the meaning of life? Do other people exist? He had rejected the field of analytic philosophy on the ground that it attempts to address those questions, which he largely considered a waste of time, and had created something akin to a hunt for timeless truths, another idea he strongly criticized.

His dismissal of analytic philosophy led some of his harshest critics, including Bernard Williams of Oxford University, to write that Dr. Rorty was a relativist who believed truth was dispensable.”¹²

The *Chicago Daily Observer* stated: “Then Rorty in his book ‘Rorty and His Critics’ said to U.S. parents: ‘We are going to go right on trying to discredit you in the eyes of your children, trying to strip your fundamentalist religious community of dignity, trying to make your views seem silly rather than discussable.’”¹³

There are relativists in our universities who want to ridicule and discredit the values your parents taught you and what you believe. They don't even want to have an intellectual discussion. One of their favorite tricks is to ridicule one's faith by saying in a sarcastic manner, “You don't believe...” and then add some religious belief. This happened to me when I was taking a graduate course in Philosophy of Education at

Oswego State University. I spoke up and defended what I believed in.

Be Knowledgeable and Assertive in Your Beliefs

What should you do? Be knowledgeable and assertive in your beliefs. We are a nation that has been founded on values, and those values have come from faith in the Almighty. As the Declaration of Independence says, “We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness.”

In many of our schools today atheists can say what they want and ridicule faith, but those believing in God are urged to be silent. But this is not the law of our nation. In 1995 the United States government published a paper on *Religious Expression in Public Schools: A Statement of Principles*. Concerning student prayer and religious discussion, it confirmed:

The Establishment Clause of the First Amendment does not prohibit purely private religious speech by students. Students therefore have the same right to engage in individual or group prayer and religious discussion during the school day as they do to engage in other comparable activity.¹⁴

Concerning teaching about religion the document stated:

Public schools may not provide religious

instruction, but they may teach about religion, including the Bible or other scripture: the history of religion, comparative religion, the Bible (or other scripture)-as-literature, and the role of religion in the history of the United States and other countries all are permissible public school subjects.¹⁵

From the paper issued by the U.S. government it is clear that students may “engage in individual or group prayer and religious discussion during the school day,” and “may teach about religion, including the Bible.” Students and parents need to stand up and defend these rights.

All major religions consider destructive habits as evil or sinful. This belief is a strong motivation to abstain from destructive lifestyles. An important reason many teens abstain from bad habits is that the foundation of their moral beliefs is established from their religious faith. These teens should never let those who support destructive habits intimidate them to become silent about their faith in God. They need to be courageous and state their beliefs boldly. Teddy Roosevelt, our 26th president pointed out an important truth when he declared: “To educate a person in the mind but not in morals is to educate a menace to society.”

Miss America Boldly Stands Up

Erika Harold was honored to be selected for the top 40 college student leaders in the nation by USA Today's All USA College Academic Second Team. She graduated from the University of Illinois a Phi Beta Kappa and was accepted into Harvard University Law School. But instead of going to

Harvard in the fall, Harold won the Miss America contest and spent a year touring the nation, promoting the pageant's official platform, "Preventing Youth Violence and Bullying."

Before becoming Miss America, Erika Harold traveled and gave speeches encouraging teenagers to avoid premarital sex. To her, it was an important message. Now after winning the title of Miss America, Harold felt this was a golden opportunity to continue to spread the message of abstinence from sex until marriage. However, she encountered a problem. The official platform for Miss America did not permit the message of abstinence from premarital sex. What did Harold do? She courageously stood up for her beliefs and prevailed. Along with speaking about youth violence and bullying, she incorporated the message of abstinence from premarital sex.

There are millions of youth who will never encounter the problems of sexually transmitted diseases because they and the one they will one day marry made Harold's message of abstinence from all sexual activities until marriage their choice.