

Chapter 5: CAPITALISM: ITS PROS AND CONS

EVERYONE HATES SOMETHING. Some hate spiders; others hate lizards or snakes, but I hated poverty. Growing up near the Delray and River Rouge neighborhoods of inner-city Detroit, and the Roxbury section of Boston, gave me an up-close and personal view of poverty. I hated being poor, and I was eager to find a way out.

Living in run-down housing joined at common walls meant we could hear our neighbors on both sides of us, so sleep came only when voices settled down, if they did at all. On some nights, especially weekends, parties extended far into the morning hours. Break-ins and burglaries were common in the neighborhood, so we fortified our home with locks, bars, alarms, and a dog, which we particularly needed when my father left Mom and us two boys when I was eight. Living in that neighborhood, we felt unprotected, vulnerable at night, and alone.

The neighborhood housing projects I walked through when I began attending school in Boston were in even worse shape than ours. Some of the houses were abandoned, some were burned, and others were literally falling down altogether. But worse than the structural decay was the angry, aggressive attitude spawned by the conditions of poverty around us. No one seemed to care about the next guy, except to shake him down for money or maybe drugs. My brother Curtis and I were frequently bullied, and with Dad gone, Mom had to work multiple jobs just to provide. She never failed to put food on the table, however, and believed fervently that God would keep us going. I marveled at her faith, but I also wished she didn't have to work so hard. I wished better for her and for all of us.

I hated wearing secondhand clothing and loathed going to the store to buy groceries with food stamps. If I was at the counter and someone I knew was nearby, I would get out of line as if I had forgotten something, hoping that by the time I got back to the counter no one I knew would see me paying with food stamps. In hindsight, I see this was false pride and ignorance, since many of my peers probably used the stamps too, but hatred of poverty put enough fire in me to make me work hard to escape it.

Poverty bred the attitude in me that I was a nobody, that I was going nowhere, and that I would probably never get out. So I quit school mentally before I even started. I still walked the distance from our house to the school building. Mom made sure of that. But I was lazy. I was at the bottom of my class. And most of the kids in school loved to call me by the pet name "Dummy."

That's when I really began to see how my feelings about poverty could affect my attitude. I developed a violent, uncontrollable temper and my grades plummeted. When Mom found out I was failing the fifth grade and that my brother Curtis wasn't doing any better, she immediately instituted a program of little or no TV. We were told to focus on our homework, read books, and do book reports for her every week. Mom wanted out of the poverty too, and she knew that if we applied ourselves, we could climb out, something she had been unable to do herself. She couldn't read the reports we wrote, but we never knew that, and the hard work paid off.

From all I observed around me growing up and all I read, I quickly realized that, in spite of the circumstances affecting you, the person who had the most to do with what happened to you in life was you. If I wanted to escape poverty, I was going to have to work extremely hard, but

this was within my grasp to accomplish. And in a place such as America, no one could stop me except myself.

I nearly had stopped myself through my belief that I would never amount to anything. But instead of choosing to fuel my anger further, I turned to books as a way out. As I read about explorers, entrepreneurs, industrial leaders, and inventors, I saw a common thread in their lives of the desire and ability to work hard in order to accomplish something. I was particularly inspired by the story of Booker T. Washington, who was born a slave. It was illegal for him to read, yet he taught himself and read everything in sight. Because of that commitment to continually better his life, he eventually became an advisor to two presidents.

The story of Joseph in the Bible's Old Testament impressed me even more. Sold into slavery by his own brothers, he didn't hold a pity party for himself. Instead he decided that if he was going to be a slave, he would be the best slave around. Because of his industriousness and dependability, he went on to become the head of the household of Potiphar, who was captain of the Egyptian guard. Even though Joseph was unjustly imprisoned for a second time because of Potiphar's wife's false accusation—something that might have derailed even the most determined person, pushing him toward a victim mentality—Joseph did not feel sorry for himself. Instead he put to work those same characteristics in the prison that had enabled him to achieve a high position in Potiphar's household. He soon had a very responsible position, and showing a skill in interpreting others' dreams, gained the attention of the pharaoh. Ultimately he became the governor of all of Egypt.

Reading about individuals such as these profoundly affected my work ethic and made me realize that I could easily change my destiny with determined personal effort. I did not have to depend on what someone else did or what someone else gave me in order to be successful. The only thing I really needed was the opportunity to work hard and display my talents. As long as there was no one there trying to stop me or confiscate the benefits of my labor, I was willing to enthusiastically pursue my goals.

CAPITALISM: PROS AND CONS

The United States of America is the most prolific example of capitalism in the history of the world. But what exactly is capitalism? You can find many different definitions, but they all point to the fact that capitalism is an economic system in which individuals or corporate groups have the right to make private decisions and to acquire private property and capital goods based on their own work and competition in a free market. In recent years, there has been a lot of debate about whether a capitalist or socialist government would best suit the people of our nation. People are social creatures who prefer to work together, play together, eat together, and share together—but do the basic tenets of capitalism preclude these natural tendencies?

Many opponents of capitalism say that the capitalist system fosters greed and selfishness and does not look out for the welfare of one's fellow man. If that were true, however, then the United States would have quickly dissolved into a hopelessly failed state instead of becoming the wealthiest and most powerful nation that the world has ever known.

You may be surprised to learn that it was the rapid rise of the United States as an economic power in the world that gave birth to the ideals of socialism. Many individuals in Europe and in other parts of the world were quite alarmed by the fact that relatively few people in America were making enormous sums of money while the great masses lived in poverty. They felt that it was quite unfair to have families such as the Vanderbilts, the Rockefellers, the Carnegies, the Mellons, the Kelloggs, and the Fords living lavishly, while the people around them suffered.

Critics did acknowledge that these capitalists developed technologies that led to the creation of enormous wealth, but they felt that the level of wealth should be more fairly controlled and distributed by an overarching governmental agency. What those critics perhaps failed to understand is how much money each of the aforementioned families plowed back into the development of infrastructure and industries for our nation, creating an enormous number of jobs and opportunities for others to develop wealth.

Not only did America very quickly become a great economic and industrial power, but it also gave birth to the largest and most productive middle class the world had ever seen. In order for many of the businesses to succeed, it was necessary to produce in very large quantities, which of course required a great number of workers who had to be paid. Some companies were very fair to their workers and tended to do quite well; others had to be forced to be fair by unions, while still others were blatantly unfair and, in the long run, frequently suffered the consequences of such actions. Another phenomenon occurred in America which was unfamiliar to the Europeans—namely the advent of numerous charitable foundations created to aid the poor and to provide opportunities for the general populace. Obviously there was something different about the wealthy in America that distinguished them from the wealthy people in other parts of the world.

No matter how much of a fan of socialism or communism one is, it is difficult to deny the fact that entrepreneurship and inventive genius in America had a very profound effect on civilizations and living conditions throughout the world in a very short period of time. America had created an environment that provided incentive for people to come up with more and better ways of doing things. Jan Matzeliger, for example, was an African American who invented the shoe-lasting machine, revolutionizing the shoe industry and making shoes affordable by the masses with his 1883 patent.

The establishment and protection of individual rights, woven into the founding values of our nation, extended into our business practices. The knowledge that you could acquire things for yourself and for your family by your own hard work and that those things would not be confiscated by another party was a powerful stimulus to economic activity, which quickly propelled America to the pinnacle of economic power in the world. People throughout the world came to envy the American standard of living, and this country became the dream destination for poor immigrants everywhere.

GREED IS A FUNCTION OF THE HUMAN HEART

If the story ended there, the capitalist economic model would be declared the winner and we would all live happily ever after. Unfortunately, one of the tendencies of human nature, namely greed, often results in excessive profit taking at the expense of others.

Many years ago, a friend of mine received an academic scholarship to obtain his engineering degree at the City College of New York; however, the scholarship did not include room and board. So he was forced to live on the streets for a while, though he still maintained a healthy grade point average. For several months, he would even sneak into the professor's lounge in the evening and hide behind one of the couches until the room was locked at night. There he would sleep behind the couch and then sneak out in the morning once the lounge was unlocked. Having access to water and a bathroom helped, but he was even more delighted when snacks were left in the lounge.

After he finished his engineering degree, he went to work for the Federal Aviation Administration (FAA). Once while traveling, as the plane was landing, he noticed that the lady sitting next to him was extremely frightened by the plane's unstable descent. My friend is a very

smart and creative young man, and he consequently designed a stabilization system for aircraft landing. For this magnificent invention with wide applications, he was given a \$500 bonus by the FAA. Feeling that his talents were unappreciated and certainly not properly compensated, he decided to seek an engineering job in the private sector. On hearing about his experience with the FAA, his new employer assured him that if he came up with another great invention he would receive 20 percent of the profits.

Well, the young man did come up with another fabulous invention—one, in fact, that resulted in a \$300 million profit for the company. To celebrate their success, the company held a ceremony, during which they were going to recognize my friend for his contribution. He invited his parents and many of his friends to be present when he would receive his check for \$60 million. During the ceremony, the CEO of the company called him to the stage and presented him with a plaque and a glazed ham. The next day, the young man confronted the CEO in his office and asked about the \$60 million. The CEO replied that it had been decided that they would invest that \$60 million in the further development of the company and that it would all be made right with him in the long run. My inventor friend tendered his resignation immediately and started to walk away when the CEO stopped him, walked over to his desk, and wrote a check for \$75,000, which he handed to him. My friend tore up the check, threw it in the CEO's face, and walked out with the intention of starting his own company.

He quickly came to realize that his goal required significant capital, and that as a twenty-two-year-old black man with a bunch of ideas and very little collateral he was going to have a very difficult time realizing his dream. He went to ten different banks seeking a business loan and he was shut out on every occasion; however, he was offered an opportunity at each bank to receive a credit card with a \$20,000 limit. He accepted all ten of the credit cards and used the credit of \$200,000 to start his own engineering firm. As his inventive genius was given the opportunity it needed to succeed, his company grew and prospered, and he ultimately sold it for a nine-figure amount when he retired at age forty, which was his dream. Even though he is now extremely wealthy, he continues to work and engage in charitable endeavors to advance science and engineering education in America.

My friend's story of being taken advantage of is only one example of how greed can manifest itself within the capitalist system. Unfortunately, however, greed is a significant drawback for *any* economic model, including communism and socialism. No one can justify ascribing a flaw in human character to one economic model or another, for greed is a human weakness seen in all societies.

In the Bible, God instituted a system of tithing, which meant giving 10 percent of one's profits back to God. Since God is all powerful and owns everything, he certainly does not need any percentage of our profits. So why did he institute tithing? Could it be that he understood that all human beings are subject to greed and that by requiring them to give away 10 percent of their profits they might learn a valuable lesson about not hoarding and about voluntarily sharing with others?

UP THE ECONOMIC LADDER

As a member of the Horatio Alger Association of Distinguished Americans, I could easily fill this entire book with others' inspiring rags-to-riches stories. If you think long and hard enough, you probably know someone yourself with a wonderful success story. My inventor friend worked very hard and part of his motivation was his own financial independence. But on the way to achieving financial independence, he created many jobs, and I know others who also became

financially independent because of their association with this man's company. Sometimes the creation of jobs and the wealth that are side effects of someone else's efforts and creativity get labeled as "trickle-down economics," because inventing needed products creates jobs and opportunities for others and therefore should be encouraged if the aim is to have a prosperous society.

Many Americans understand this correlation between their own hard work and success, a cause-effect relationship that led to the can-do attitude that brought us to the economic table with the big boys of the world when we were still a fledgling nation barely fifty years old. As our country developed, so too did a sense of personal responsibility and pride in the ability to take care of oneself and one's family. People were willing to take menial jobs in order to support their families with the intention of increasing their knowledge and skills, thus increasing their value and eventually moving them up the economic ladder. There were a variety of economic outcomes for persons depending on their productivity and value to an organization or to their community. In other words, the harder you worked and the more value you produced, the higher you moved up the economic ladder of financial success.

Of course, there are many in our society who bring only entertainment value, and American society is as enamored with celebrity as British society is with royalty. Although I have nothing against sports and entertainment, I believe there is a danger of getting lost in a fantasy world while neglecting the serious things in life such as education and productive work. The enormous salaries paid to sports stars and entertainers lead people to believe that they are the most important people in our society, or have the most important jobs. I believe they are as important as anyone else, but we must ask ourselves what will maintain the pinnacle position of our nation in the world: the ability to shoot a twenty-five-foot jump shot, or the ability to solve a quadratic equation.

Capitalism is a system that works extremely well for someone who is highly motivated and very energetic, but it is not a great system for someone who is not interested in working hard or for someone who feels no need to contribute to the economic well-being of their community. People in the latter group frequently rationalize about their value to society and develop a sense of entitlement to the fruits of other people's labors. In fairness, I should add that some people work extremely hard and make significant contributions to society, yet choose low-paying careers or give away most of their resources to others. Such individuals form an important part of the capitalist model. For example, you are unlikely to meet any successful person who cannot point to a teacher who played a significant, positive role in their development. In some cases it is a minister, priest, rabbi, or other spiritual mentor. Many such individuals choose a life not overflowing with material things, because they receive incalculable non-tangible rewards through the work they choose.

However, the important word here is *choose*, since these people have a choice, understand the consequences of those choices, and are at peace with their decisions.

THE FREEDOM OF CHOICE

I had to make a very critical choice toward the end of my neurosurgical residency, deciding whether to stay in academic medicine or go into private practice where I would earn substantially more money. Having grown up in poverty, I felt drawn toward private practice and the dream of financial independence. At the same time, I felt that I could make a contribution to medicine if I became a full-time academic neurosurgeon at Johns Hopkins. After prayerful consideration, I chose the academic route, but after one and a half years, I was beginning to think I had made the

wrong choice, because I was working very hard, fourteen to sixteen hours every day, doing a tremendous number of very stressful neurosurgical procedures, involving myself in several research endeavors, and making only \$75,000 a year. I understand that to many readers that will seem like an enormous amount of money, but it really is a relatively meager salary for a fully trained neurosurgeon, even in an academic practice, who still has to pay off high medical school loans.

So I decided to join a private neurosurgical practice in Texas, which was going to pay me six times more than I was making at Hopkins. When I submitted my letter of resignation, it was not accepted and the powers that be convinced me that I was being hasty in my decision. They said that all of my grievances could easily be remedied and that a new salary incentive program was being implemented. I poured out my heart to God before I made the decision, trying to justify my reasons for leaving. But I felt strongly that I should stay and believed that I would be treated fairly and properly compensated for my work.

Ultimately I did decide to stay, and it turned out I could never have had the career that I've had if I had gone into private practice. Shortly thereafter I gained a great amount of international notoriety, which led to the writing of my first book, *Gifted Hands*, which has sold more than one million copies. I became a popular and well-compensated public speaker, and I was invited to sit on Fortune 500 corporate boards. The salary incentive program at Hopkins worked very well too. All of this put me in a much stronger financial position than if I had gone into private practice.

Using my God-given talents, listening to my heart, and working very hard in a capitalistic economy certainly paid large dividends for me. My wife, Candy, and I were able to realize our dream of starting a national scholarship program for children of all backgrounds, with the goal of inspiring a new generation of incredibly bright, ethical leaders to take the reins of our nation. I make no apologies for the fact that I am considered one of the rich in this nation, but I am proud of the fact that our single largest annual expense (excluding taxes) is charitable contributions, and I happen to know that that is the case with many of our personal friends who are also well-to-do.

Choice is vitally important in the capitalist economic model, for people must have the freedom to choose not only what they want to do, but how much effort they want to put into their work. It is truly a wonderful feeling to be able to voluntarily help someone who has financial needs, which they are trying unsuccessfully to resolve. It is considerably less pleasant to be forced to give your hard-earned resources to others regardless of their circumstances. Americans traditionally have been the most generous people in the world, and we should recognize and celebrate that rather than extinguish such a wonderful trait with unfair taxation. Not only should we be concerned about unfair taxation, but we also need to recognize the deleterious effect of unfair business practices and overregulation.

THE EARLY BIRD GETS THE WORM

When I was in college, one of my summer jobs was supervisor for highway cleanup crews. I directed groups of young men who picked up debris along the highway with huge plastic bags. It was quite a difficult job because the weather was so hot and there was very little shade along the expressway. Needless to say, the guys weren't all that enthusiastic about the job. As the supervisor, I wanted us to do a good job, so I began to think of ways to give them incentives.

"You guys don't really want to be picking up garbage in the hot sun, do you?" I asked one day after gathering them together.

"You got that right!" they shouted.

Then I said, "Why don't we start when it's cool out? How about six in the morning?"

"Six in the morning?" they shot back. "You must be crazy. What are they teaching you at that fancy school?"

I then went on to explain that they could work much more efficiently during the cool weather, and that I would pay them for eight hours of work if they could fill a hundred bags with garbage in seven or even six hours. Whatever amount of time it took, I would still pay them for eight hours if they accomplished the task. Well, you have never seen people work like these young men worked from that point on. By eight o'clock in the morning they would have filled more than two hundred bags with garbage and cleaned whole stretches of highway.

Those in charge of the program were flabbergasted. They were always saying, "Carson's crews are amazing, but we never see them."

This, to a large extent, is what the capitalistic economic model is based on. Giving incentives to work hard not only worked for them, it works for society at large. Now, I could not give the men the rest of the day off because they had to punch timecards, but as a result of their hard work, I was able to allow them to have leisurely days with extended lunch breaks and walks in the park. If I'd had the authority to pay them more money for more work, they would have been happy to continue working to make more money. Without any incentives for productivity (capitalistic model), they were quite content do nothing, which unfortunately is the by-product of any system that bases wages solely on head counts (socialistic model).

THE PARABLE OF THE WORKERS

There is definitely room to argue about whether the fruits of one's labors should be equally distributed throughout the society or whether one should be able to directly benefit from working harder than others around him. When I was an eight-year-old boy living in Boston, I had an opportunity to earn a whole dollar and a delicious-looking candy bar with nuts and caramel in exchange for shelling several bushels of peas for a neighbor who had just purchased them from the farmers' market. Six of us agreed, and all we had to do was sit in the kitchen and shell peas. Although it was more fun to be outside playing, we didn't have to sit in the hot sun and we could talk while we did the work, so it wasn't as much of a chore as it could have been. The idea of earning money and getting a nice-sized candy bar to boot was more than enough incentive for us to agree. Four of us worked extremely hard all day while two boys did virtually nothing. I was among the hard workers and at the end of the day, when the rewards were handed out, I was somewhat dismayed to see that everyone received the same compensation. The four boys who did all the work protested, but the two other boys claimed that they had done just as much, and they prevailed.

Some would say that there is a parable in the Bible that supports the two boys who did nothing, found in Matthew 20:1-16. In this parable focusing on grace, a land owner hires workers to work in his vineyard, agreeing to pay them a certain sum for a day's labor. In the last hour of the working day, he hires more workers and at the end of the day pays them the same as the ones who had been working all day. The early workers are disgruntled and feel that they have been treated unfairly, but the landowner accurately points out that they had been paid the wage that was agreed upon; therefore, nothing unjust had been done to them. Furthermore, he makes the point that he has the right to do with his own money as he pleases.

This parable seems to score points for both sides, because on the one hand it advocates equal pay for everyone regardless of how much work was done by any particular person, and on the other hand it argues for the sovereignty of the landowner, who should be able to use his money

any way he wants. Many capitalists would side with the early workers, while many socialists would side with the late workers, but I think the point of the parable is that you should do your own work in a responsible manner, be satisfied if you are paid according to the agreed amount, and not worry about what someone else is getting.

Each of the early workers also had the knowledge and reassurance that they would have a full day's worth of remuneration that day and could afford to feed their families. The workers who arrived later in the day would have experienced more angst and stress in their search for work until they met up with the generous landowner. The landowner, by offering the various jobs, enabled each of the workers to experience a sense of accomplishment that they were able to provide for themselves and their families through their own efforts. The landowner could have decided to hold on to his money and spend it on something else, or place it somewhere safe (away from tax revenue collectors), rather than expanding his business.

It only complicates your life when you begin to worry about what everybody else is doing and how much everyone else has. An overreaching government might decide in this case to confiscate much of the money of the land owner and redistribute it in a more equitable fashion, at least according to its value system. Then again, if the government did not interfere, the early industrious workers would soon learn how to negotiate a better contract, since the land owner clearly had plenty of money and needed a lot of work to be done. This is how capitalism works, assuming that people are able to make decisions for themselves in their own best interests.

LET THE REWARD FIT THE PERFORMANCE

The seeds of capitalism are sown early during the educational process in this country during which young people are rewarded for superior academic performance with high grades, ribbons, medals, and various other types of recognition. They begin to develop the mind-set of winners and a can-do attitude, which is essential for success in the capitalist model. Some school districts today discourage differentiating students based on academic performance because they feel that it makes the students who do not achieve as well feel inferior. And some people feel that all teachers should also be treated the same and that it is inappropriate to reward superior teachers or to penalize inferior teachers. Such a system, however, seldom produces outstanding teachers or outstanding students. If mediocrity becomes the norm, the quantity of outstanding producers will decline, as will general prosperity.

Children are especially vulnerable to peer pressure, whether it be good peer pressure or bad peer pressure. It is definitely possible to affirm students who are not doing as well academically while still providing encouraging extra recognition for those students who are achieving the highest levels. By providing extra recognition for those outstanding students, many of the other students are encouraged to try harder. We have certainly found this to be the case with the Carson Scholars Fund, which provides scholarships for students who demonstrate both superior academic performance and humanitarian qualities. Some teachers have told us that when we put a Carson scholar in the classroom, the grade-point average of the whole class can go up by as much as one point over the next year.

When students embrace the concept of striving for excellence, it completely changes their opinion of who they are and what they can do. It did for me. Jaime Escalante was the subject of *Stand and Deliver*, a movie depicting his life as a teacher in the inner city, where the prevailing attitude was that calculus was way beyond the students' capabilities. By getting to know those students individually and working with them, he was able to convince more and more of them that they were smart. During his tenure, that school had more advanced placement calculus

students than all but three other public high schools in the country.

The concept of rewards for production lies at the foundation of capitalism and needs to be understood. The anticipation of rewards for being productive and the fear of consequences for being unproductive are great human motivators for both young and old. Historically, when these motivators are removed, productivity declines. Nonproductive people frequently make excuses for their lack of production, and as long as they can utilize those excuses, they have no reason to change their ways. But motivate them and watch what happens.

For example, if you met someone living on the streets who had no house, no car, and very little if any money, and you were able to convince him that if he met you in Bismarek, North Dakota, in seventy-two hours that you would give him \$1 million, I can virtually assure you that he would find a way to get there. People can generally find a way to do what they want to do, and they can find a hundred excuses for what they don't want to do. When you have an entire society of people with a great work ethic and a sense of personal responsibility, that society will take off like a rocket and quickly achieve a position of power and leadership. I give you the United States of America.

Some people with a socialist agenda claim that the Bible supports their system of government because the early Christians pooled their resources and because Jesus lived like a peasant. Having read the Bible in its entirety several times, that's not my conclusion. The early Christians had a dramatic mission to accomplish in a relatively short period of time, and without using their collective talents and resources, it would have been extraordinarily difficult to have had the impact on the whole world as quickly as they did. Also, since the vast majority of people were workers and peasants, it is likely that Jesus reasoned that his greatest impact would be among the largest segment of society, and that he was much more likely to reach them as a worker himself. Besides, great characters of the Bible such as Job, King David, King Solomon, Lot, and Abraham were people of extraordinary wealth and influence, and they became heroic figures and men of God, so that point had already been made.

In the parable of the talents, in fact, industry and concerted effort are praised while laziness is rejected. For those who are not familiar with this story, a master had three servants, and as he was departing for a long journey, he gave each of them a certain number of talents. The first servant was given five bags of money, which through his efforts he managed to double. The second servant was given two bags of money, which he managed to double also, while the third servant was given only one bag of money, which he buried in the ground, hoping to conserve it. When the master returned, he was very pleased with the efforts of the first and second servants and concluded that they were worthy of even more rewards since through their stewardship they had managed to produce even more than he had originally given them. When the third servant was asked what had become of the talent that he was given, he said to the master, "I know that you are a harsh taskmaster, therefore I buried the talent to ensure that nothing happened to it and that I would not diminish your gift." The master was extremely angry with the servant and commanded that his talent be given to the one who had multiplied his talents the most.

This parable is remarkable in that it shows God encourages the same kind of traits that lead to entrepreneurship and business success. Being lazy and content with the status quo is shunned, while being highly industrious is praised. Since this parable was told by Jesus himself, it gives us some insight into how those who believe in the Bible and in the teachings of Christ should view the positive aspects of capitalism. You will notice that I said "the *positive* aspects of capitalism," which suggests there are negative aspects as well. We have discussed greed already, which really encompasses most of the negative aspects of capitalism, such as lack of regard for the environment.

Many of the industrialists who helped propel our country to the forefront of the global economy were much more interested in growing their businesses than they were in protecting the environment. The result? Dangerous pollution and the compromised habitat of many animals. Protecting the environment is neither a Democratic nor a Republican position, but rather it should be a *logical* position for capitalists *and* socialists, because everyone should be looking out for the interests of future generations and trying to protect their own health as well. Having a clean and healthy environment is beneficial to everyone no matter what their political persuasion. If our government were able to identify what needs to be done in our country to protect our environment, and our representatives (who are supposed to be looking out for their constituents) agreed on our policies and followed through on them, it would benefit us all.

TO WHOM MUCH IS GIVEN

I once met legendary entrepreneur A. G. Gaston, a multimillionaire who had funded a significant portion of the civil rights movement in the South. He was ninety-five years old at the time, and during our conversation together at Tuskegee University in Alabama, I asked him the following question: "Mr. Gaston, how did you as a black man become a multimillionaire in Birmingham, Alabama, in the 1930s to 1950s?" For as most of you will know, Birmingham, Alabama, was a bastion of racism during that time. "It's *very* simple," he said. "I just opened my eyes, looked around, and asked myself what do people need? I then went about fulfilling those needs."

In the process, he created multiple businesses, including an insurance company and a bank, and in doing so he became a very wealthy individual. But it was what he did with that wealth that was extraordinary—supporting the civil rights struggles in Birmingham and throughout the South. This is a splendid example of a capitalist who was extraordinarily compassionate and did a great deal to improve society for all of us.

Many like-minded capitalists make enormous contributions to the well-being of our society. Sometimes contributions are made on a smaller scale than that of Gaston, but all of these contributions, large or small, add up. Hundreds of thousands of bright, hard-working entrepreneurs start their own businesses to ensure their own financial security and the security of their families. In the process they create jobs for other people. In fact, small businesses create 80 percent of the private sector jobs in this country. In 2010, before the national elections, the question of whether or not to raise taxes on the "rich" (defined by the government as families with a household income of \$250,000 a year or more) was widely debated. Some felt that anyone making that much money could certainly afford to pay more taxes, and in fact should do so since the vast majority of the population did not enjoy such affluence. Wealth should be redistributed fairly, they argued.

However, those who were targeted for this tax increase included many small business owners. And those with a better understanding of how capitalism works felt just as strongly that it would be a huge mistake to impose higher taxes on the very people who create the majority of private sector jobs. If you continually punish those who are economically successful through higher and higher taxes, at some point you extinguish the desire to work hard, since they will be working harder for a smaller return and their profits will increasingly go to the government.

Many of the rich people in this country have been extremely generous with their money, and they are to be commended for this generosity. Some haven't. But the government shouldn't take from either of them against their will. The Constitution is quite clear that the government has the right to tax in order to support its programs, but there is nothing in the Constitution to support

redistribution of wealth. Some proponents of big government get around this by creating many programs and then argue that these have to be supported by taxes. In this way they redistribute wealth according to their agenda. As a society we need to be mature enough to recognize that the wealthy in this nation provide opportunities for those who are not rich by creating jobs and paying taxes. The fact is, the top 50 percent of wage earners in the United States pay 97 percent of the taxes. The top 2 percent earn 19 percent of all wages, but pay 52 percent of all taxes. Since almost 50 percent of the population pays no federal income tax at all, you can see that the more affluent constituents of society are already supporting the less fortunate to a large extent.

I am a huge proponent of humanitarian efforts, and I strongly believe that "[to whom] much is given, of him shall be much required" (Luke 12:48). This is the reason that the humanitarian component of the Carson Scholars Fund is so important. In order to be nominated for one of the scholarships, a student must not only have a near-perfect grade point average, but he or she must also demonstrate humanitarian qualities. A student cannot win if they are simply smart and successful, but don't care about other people, for we want to encourage the same values of productivity and generosity that characterize many of the men and women who helped this nation become the world power that it is today.

CAPITALISM HAS WORKED WELL—AND IT COULD WORK AGAIN

Capitalism has worked very well for the United States of America, but like every economic system it does have its shortcomings. There is no perfect system quite simply because there are no perfect people. Even with capitalism, some government regulation is necessary. As James Madison said, "If men were angels, no government would be necessary."

As I mentioned earlier in this chapter, it is true that some capitalists care only about making money and disregard the well-being of their fellow human beings and the environment. A responsible government certainly should exercise oversight in every economic model—including the capitalist model. Appropriate regulations should protect the environment and the rights of all its citizens. For example, a chemical factory should not be allowed to dump toxic waste in an area where people or significant animal populations can be harmed. By the same token, some degree of government regulation is necessary for our large financial institutions to prevent the kinds of tragedies that occurred during and immediately after the great stock market crash of 1929 and again in 2008. The real shame is that we did recognize the importance of financial regulation after the great crash of 1929 and appropriately developed safeguards in the 1930s. Unfortunately, we decided to deregulate during the 1990s, paving the way for the economic meltdown in 2008.

When it comes to defending the economic viability of our nation, it is naive to count on the honesty and integrity of people responsible for our markets when they stand to gain so much by manipulating the system to their advantage. If we become paranoid and overregulate the financial markets, however, we will not see peak performance from them. That hurts everybody's retirement plans with its domino effects. This is one of the reasons that a balance of viewpoints in our legislative bodies is not only healthy but also necessary. Our founding fathers understood human nature, including the desire for power and a tendency toward greed; therefore, our broad regulatory principles should be aimed at stifling excessive power and greed. We need many wise counselors focusing on the kinds of regulations that accomplish these goals without suppressing productivity and growth.

With all of the intellect that exists in our nation, it should be easy for us to come up with bipartisan, business-friendly policies to encourage businesses and manufacturers to bring their

factories and offices back to our land. Logical people from both political parties should sit down with business leaders who have moved much of their business offshore and ask them why they did, then work with them to find solutions that will bring them back. We all want a prosperous and thriving nation, and if we appropriately analyze the problems that preclude prosperity, we can certainly find the solutions. Doing so would lead to the creation of jobs, which is essential to the maintenance of the middle class, the backbone of America. A friend of mine who lives in Connecticut is a self-made multimillionaire who owns many businesses and has a very keen business mind. In order to instantly create many more jobs in the United States, he has proposed that we place a stiff tariff on products that are manufactured in other countries and are shipped here fully assembled, while reducing tariffs on products that will require assembly once they reach our shores. In order to assemble the latter group of products, many workers would have to be hired. Given the severe trade imbalance that we already are experiencing, such a policy would have a dramatic impact on the American job market. This is just one example of how government could enhance job creation, thus expanding the tax base rather than killing jobs with ever-increasing taxes.

Today we live in the information age where knowledge is power, yet-as I discussed earlier-almost one third of all our students drop out of high school before graduation. In many inner-city schools the dropout rate is considerably higher than that. It is time for corporate America and the rest of society to band together to stop the hemorrhaging and give these young people the incentive and tools to complete their education and become a part of a "can-do" society versus a "what can you do for me" society. For a well-functioning capitalistic society cannot sustain itself without a steady supply of enthusiastic and hard-working individuals who are excited about achieving the American dream.

Chapter 6: SOCIALISM: WHOSE POT OF SOUP IS IT?

SINCE MY MOTHER had only a third-grade education and was functionally illiterate, there weren't many lucrative job opportunities available to her. To compensate, she worked two and sometimes even three jobs, cleaning the houses of wealthy families and caring for their children. She frequently left the house at five in the morning and did not return until midnight, which meant that Curtis and I would sometimes not see her for several days at a time. When she was at home, you could see the fatigue in her eyes, but the little time and energy she did have, she always spent on Curtis and me. It was clear that whether she was working or spending time with us, she wanted us to have a better life than the one we had.

When other families went on outings, for example, we couldn't. There simply wasn't enough money. Every once in a while, however, Mother would save up enough for us to go to the fair, but only enough for us to get in the gate—we had to enjoy the rides by watching others. We couldn't try our hand at any of the games, no matter how much we practiced pitching coins or playing basketball at home. Most adults can recall wonderful childhood tastes from nibbling on cotton candy, hot dogs, french fries, ice cream, and rainbow-colored snow cones, but Curtis and I had to be content to only smell—never taste.

Being unable to give us many of the little joys of childhood weighed heavily on Mother. When we'd arrive at the checkout counter in a grocery store and have to run the inevitable gauntlet of assorted candies, we'd ask her if we could have something "this time," but the answer was always no. The look in her eyes was so devastating that after a while we wouldn't even ask. There was no money for a babysitter either, so Curtis and I were pretty much left on our own.

But Mother was always creative in coming up with ways for us to make ends meet. In the summertime, for example, when farmers' crops were ready for harvest, she would drive us out to the country on the weekend, stop at a farmhouse, and offer to pick four bushels of a crop if we could keep one. Farmers usually complied, and we'd bring home fresh vegetables or fruit, such as strawberries, peaches, tomatoes, and green beans. Although we may have complained about the work, it was fun picking produce together as a family. And once we returned home, she would can many of the items to sustain us during the winter months.

Most of Mother's friends and relatives also struggling with economic hardship were quite happy to lean on public assistance. As a child, I overheard many conversations in which they detailed schemes—some of which were quite elaborate—for obtaining more government aid. *Take a course in a community college, I heard them say, to make it appear that you are trying to escape welfare. That will get you extra money for childcare. Your social worker, who will be so happy and proud of you, can be easily manipulated. By the time they grow weary of their work and move on, another one will have been assigned to your case.* I often wonder what they could have accomplished if they had spent that intellectual energy developing a new business. My mother steadfastly resisted her friends' lifestyle because, even though she only had a third-grade education, she had noticed that almost no one who became a welfare mom ever came off of welfare, and she was repulsed by the thought of perpetually depending on others.

The attitude of my mother's friends and relatives was very similar to that of the students in a course I took in school, in which only two grades were given: *satisfactory* and *unsatisfactory*. Many of the students in that particular class—who usually strove to excel—relaxed and set aside

any notion of spending long hours studying to get an *A* on an exam, let alone working for extra credit. After all, they knew they would receive at best a grade of *satisfactory* no matter how hard they worked. On the one hand, it comforted many students to know that they would pass the course without ever having to extend themselves much—but on the other hand, it discouraged many students from working hard to achieve excellence.

Some might question the wisdom of my mother's drive toward self-sufficiency and her no-nonsense parenting of us boys, but I believe the proof is in the pudding: one son became an aviation engineer and the other became a neurosurgeon, two of the most prestigious professions. Many children of the wealthy clients for whom she worked managed to only just get by in life or worse—some ended up dead, in the penal system, or on welfare.

My journey from inner-city poverty to board-certified neurosurgeon was arduous and expensive, as it is for anyone who decides to become a doctor. Today, even those from middle-class families graduate from medical school with student debt equivalent to the mortgage on a house. They are not able to pay off those debts for several more years because they also have to complete an internship and, in many cases, several years of residency with very modest wages. Doctors today are frequently well into their thirties by the time they are able to even begin addressing their debts. In many other countries, medical education is completely subsidized by the government, because they realize that the physicians will contribute substantially to the well-being of their society. Since the graduating doctors in those countries are not saddled with the burden of great financial debt, they are free to choose the area of medicine that appeals most to them without focusing on the salary of any given specialty. The question then is, are there aspects of socialism that are worth keeping or incorporating into the fabric of our society? Or does capitalism have the upper hand when it comes to solutions?

RISKS AND REWARDS

In the United States, physicians in high-paying specialties are increasing much faster than primary care physicians, largely because graduating doctors choose their specialties based on the amount of debt they have incurred rather than based on their interests and talents. This is a problem that we can solve quickly and relatively inexpensively by eliminating or greatly reducing medical school tuition. By embracing a positive aspect of socialism, medical education would be subsidized for the good of the entire nation. Admitting there are beneficial aspects of socialism, however, does not obligate us to completely reorient our nation's economic system. The resulting increase in the number of primary care physicians would address many of the problems that patients in this country currently face regarding access to doctors.

However, in the same way that capitalists and socialists differ over who should pay for and receive benefits, tension exists in the medical community over the disparity in salaries among the specialties. Those in the lower-paying specialties frequently resent what they consider excessive salaries paid to specialists such as cardiothoracic surgeons and neurosurgeons. In multispecialty practices or academic medical centers, those lucrative specialty departments usually subsidize the other departments, making things more equitable. I bring this up because this paradigm reflects our society at large and is somewhat analogous to the argument between capitalism and socialism. Capitalists would say that those who work the longest and hardest, and are exposed to the most risk, should receive the greatest financial rewards, while socialists would say that everyone has essentially equal training and the same general profession, thus it is unfair for one to receive more compensation than another.

It is easy to see validity in both points of view upon a superficial analysis; however, a deeper

look at the differences between the specialties is revealing. Certain specialties, such as neurosurgery and obstetrics, face enormous medico-legal costs because we continue to leave tort reform—legal reform aimed at reigning in out-of-control lawsuits within the health-care sector—unaddressed. In some of our major cities such as Philadelphia and Chicago, the average malpractice premium for a neurosurgeon exceeds \$300,000 annually. It is also commonly accepted that the three most stressful occupations are 911 operator, air traffic controller, and neurosurgeon. Neurosurgeons generally die several years earlier than the population at large. I recently went back and calculated the average age of death of ten neurosurgeons that I knew personally and was shocked to discover the number to be in the lower sixties. I'm hopeful that that age is now on the rise since more attention is being placed on the number of hours worked and alleviation of stress, but we still have a long way to go. Many people in surgical specialties also have to retire earlier because physical skills decline more quickly than mental skills. Although many wish to deny it, vision and dexterity at age seventy is unlikely to be comparable to the same at age thirty. So when one takes into account years of training, amount of stress, life expectancy, and earlier retirement, it should be easy to *see* that few people would consider certain specialties if there were no differential remuneration. This is not to say that these individuals are only interested in money, but in a capitalistic society, risk taking and sacrifice are frequently rewarded financially.

WHICH WAY ARE IMMIGRANTS FLOWING?

Not long ago, Candy and I had an opportunity to visit Cuba with a group of young American business leaders. There the government essentially owns and controls everything, including where people live, what they do for a living, and how much they earn. Certain people who are smiled on by the government are allowed to rent elegant accommodations and enjoy a privileged lifestyle, while the vast majority of the population must be satisfied with meager resources. However, their basic health-care needs are taken care of and they are unlikely to be homeless or starving.

A university professor in Cuba makes little more than an unskilled laborer—and in some cases less. In addition, many of our waiters and waitresses had advanced education degrees, but found that they could earn more money waiting tables. The many street vendors and performers in the main city squares created a festive façade, but having spoken to many Cuban refugees, I could only sympathize with the masses of people and hope that someday they can experience true freedom. Although some people, such as the documentary filmmaker Michael Moore, extol the virtues of Cuban society, the ride of illegal immigration is from Cuba to America, not vice versa. More people seem to prefer freedom with the opportunity to create security than security without freedom. If people could freely choose which type of society they preferred to live in, life would be very fair. Unfortunately, although Americans are free to leave this country any time they want to go live somewhere else, such privileges are not afforded to the average Cuban or those in many or her countries where the government controls their lives.

IN SOCIALISM, SOME ARE STILL MORE EQUAL THAN OTHERS

To be fair, some people love socialism's ideas, which they *see* as bringing about a utopian existence. They feel there is less conflict and competition when everyone is treated the same. But does the socialist ideal of equality hold?

One summer, I worked at a Chrysler plant in Detroit as a preassembly line worker, monotonously welding hour after hour. It was quite boring work, and I received a decent salary

whether I worked hard or decreased my production. What I really wanted to do was be a driver who moved the finished product from the end of the assembly line to a large parking lot. Those jobs went to a privileged few with connections in the company. However, I worked so hard at my job that eventually management noticed and gave me my dream job as a driver.

In socialistic systems, as in capitalist ones, intelligence and diligence are often eventually noticed, and individuals are moved into privileged positions. In other words, you could say that although everyone is equal in socialism, some are more equal than others. So differential treatment is a part of socialism just as it is in capitalism, but in the latter system, self-dependency and self-reliance play the larger role in one's advancement, whereas in the former system, currying favor with the powers that be and hoping to be noticed plays the larger role in advancement.

DOES SOCIALISM'S SAFETY NET HOLD OR EVENTUALLY TEAR UNDER THE WEIGHT?

One of the most appealing aspects of socialism is the safety net it provides for its citizens. Because all resources are supposedly distributed in an equitable fashion, there should be enough money, food, and services to provide everyone with a reasonable lifestyle. Theoretically, socialism eliminates the disparity between some living with great wealth while others live in poverty. This system requires that the government have intimate knowledge of everyone's personal property and resources in order to be able to redistribute wealth. Although most Americans have great compassion for those less fortunate than themselves, very few would agree to involuntarily sharing all they had earned by their hard work with people they didn't even know.

When I was growing up, a homeless man came to our church one Sabbath, and he kept talking about how hungry he was. *My* mother had made an enormous pot of chili, my favorite food, so she invited the man home for dinner. I have never seen anyone eat so many bowls of chili, but he was eventually satisfied, as was my mother. I saw many acts of kindness by my family and many others over the years, and I believe that generosity is part of the American way of life. However, I suspect that *my* mother would have been quite unhappy if a government agent had come along and confiscated her chili in order to share it with others who had nothing to eat. She would have felt that it was her chili, and that she had the right to share with whomsoever she wished. And therein lies one of the fundamental differences between capitalism and socialism.

Socialism's underlying goal of sharing with others is noble. But amazingly, many Americans who are having financial difficulty would reject the idea of the government confiscating the assets of the wealthy to balance things out. This attitude bewilders many who believe in "taxing the rich" and redistributing that wealth as the solution to everything. Many of those seeking to gain political advantage in our system recognize that there are far more poor people than there are rich people, and that by stirring up class warfare they can create an enormous power base for themselves. So far this political strategy has failed to yield the promised fruit because most Americans value freedom above financial security, just as centuries ago the colonists rejected the protection promised by the British Crown, coupled with its ever-increasing taxes. As a testament to how socialism's safety net can begin to tear under the strain, in 2010, several financially distressed countries—Greece and Ireland as the prominent examples—experienced dramatic shortages of money, making it impossible for them to continue their overly generous social programs the general populace had come to expect. Massive protests and violent rioting broke out in the streets because people felt robbed of what they felt was their rightful share of the country's production. These countries had overextended themselves in terms of the benefits

they had promised and simply could not take in enough revenue to fulfill their obligations. This unfortunately has happened in the past and will happen in the future because government-controlled programs continue to grow until they destroy themselves. The founding fathers of this nation were well aware of the perils associated with gigantic government programs, which is why they emphasized limited government and self-reliance. All you have to do is look at Greece and Ireland today to see the results of unrealistic promises made to the populace.

We can already see some of these socialist bubbles being popped here in our own nation. In the not too distant past, public service jobs in the United States usually paid less than private-sector jobs and didn't have as many benefits. It was indeed sacrificial public service. Today, government jobs pay on average 20 percent more than private-sector jobs of the same type and have mind-boggling benefits—all at the taxpayers' expense. Furthermore, if you have ever tried to deal with a government bureaucracy, you probably know how difficult it is to find caring and competent people. For many people, a government job is a ticket to an easy life. The founders of our nation intended for government workers to be representatives and servants of their communities rather than beneficiaries, and they never intended for public servants to be economically better off than the general populace. Such overcompensation places an enormous strain on government budgets, necessitating increased tax rates.

The desire to take care of everyone from cradle to grave is laudable, but I'm also pragmatic and realize that one can only take care of everyone until there's no more money, at which time one can take care of no one—or one can reduce the amount of financial aid and encourage people to live responsibly, to save, and to plan for the future. Obviously the latter option makes more sense in the long run. For some reason, in recent decades our national leaders have stopped looking so much at the long-term issues facing our country and have concentrated on short-term stopgap measures that temporarily make them look good politically.

The problem of caring for the indigent still remains, and as Jesus himself said, "The poor you will always have with you." Some are poor due to mental or physical illness and/or bad luck, and others are poor because they have no desire to work hard. There is a growing third group, however—those who work hard at lower-middle-class, blue-collar jobs, but whose salaries are unable to keep up with the inflation of a reckless government fiscal policy over the past few decades, resulting in real wages failing to keep up with the cost of living for a family. Should we make a distinction between these groups when doling out social benefits?

Believers in the capitalistic model are not likely to have a great deal of sympathy for those individuals who want to live off the labor of others, while believers in the socialistic model make provisions even for those individuals.

I suspect, however, that if you took one hundred people and placed them in a capitalistic society for several months, you would find most of them gainfully employed a year later. If you took that same one hundred people and placed them in a socialistic society for several months, I suspect that a year later you would find a large number of them "on the dole." People tend to do what they need to do to survive and are unlikely to expend extra effort when it is unnecessary. This is the primary reason why traditionally socialistic societies are not highly productive.

HOW THEN SHALL WE LIVE?

There is no one-size-fits-all type of government, and much to the horror of some people, it is a fact that our own government is a blend of both capitalism and socialism. The issue, then, of how to handle able-bodied individuals who simply do not want to work in a society with mixed government, such as in the United States, remains very sticky. The issue can be demagogued

endlessly by both sides without arriving at a solution. Approaching the issue logically, however, there are three practical solutions:

1. Tell those who don't work that they are on their own.
2. Take from those who have something and redistribute it to the individuals who aren't working.
3. Borrow from a third party in order to take care of the nonworking individuals and leave the debt to future generations.

Logically, with solution 1, the individual who isn't working clearly either starves or finds a job. What about solution 2? In this case, those who are forcibly constrained to support the individuals who aren't working eventually lose interest in working themselves, since the fruits of their labors are being confiscated. This, in turn, leads to even more individuals who aren't working. What about solution 3? The other party buys our treasury notes in great quantities, thereby acquiring ownership of a significant portion of our nation. But these investors are unlikely to extend credit indefinitely, nor will future generations continue to remain ignorant of this downward spiral forever. At some point, they will realize that their future is being compromised, and they will refuse to go along with the program. Thus, solution 1 is the only one that stands the test of logic and is the one upon which we should concentrate.

Necessity is the mother of invention, and right now it is necessary for us to create jobs while providing incentives to entrepreneurs and CEOs to keep coming up with new innovations and products. We must realize that excessive pay for executives is demoralizing to workers who don't feel that someone else in the same organization is worth well over three hundred times more than they are. Fortunately "say on pay" arrangements have entered corporate America recently, which allows shareholders to have a voice in compensation for top executives and makes boards of directors more careful in determining organizational compensation.

Is it possible to implement solution 1 in a compassionate fashion? Of course it is when compromise is introduced into the equation. Instead of immediately kicking individuals off the dole, they could be weaned off over the course of several months, giving them the opportunity to make necessary adjustments in their lives. Again, I should point out that we are only talking about able-bodied individuals who are capable of working but simply refuse to do so. I doubt that anyone in America would raise serious objections to taking care of individuals who simply are not capable of caring for themselves. Unemployment benefits certainly can be a stopgap measure for those truly seeking employment, but temporarily out of work. They are, however, not a favor to many who are not truly seeking work, because the longer an unemployed individual is not working, the less employable he or she becomes. Such benefits should be linked to work that needs to be done in the community, such as Roosevelt's New Deal, programs were created to provide jobs and stimulate growth in industry, transportation, banking, housing, agriculture, and many other areas.

WHO DECIDES WHOSE HOUSE IT IS?

So what is the role of government when it comes to taking care of the poor? We can probably answer this question more easily if we leave off labels such as *capitalism* and *socialism*, and instead focus on principles. Government is invested with power by the people, who are governed because it is much easier and more orderly to have a central authority than for each person to serve as an authority unto himself. Natural law dictates that people have a right to protect their

lives and their property, and this is a concept with which there is general societal agreement across all types of governmental systems throughout the history of the world.

As an example, we live in a large country estate about thirty miles outside the city of Baltimore. Our kids are grown and have their own homes, and Candy and I are very content. We have no neighbors within shouting distance, and the drive from our front door to the public road is three quarters of a mile. If someone who lived nearby presented himself on our doorstep and demanded that we trade houses with him because he has a large family with many children and they need the space, whereas we have very few people and an extremely large house, I could refuse or I could voluntarily comply. If I refused and he became belligerent and attempted to forcibly evict us, I could attempt to protect my property, which could have some very unpleasant results, or I could call the police, which is an appropriate arm of our government, whose duty includes the protection of my property and my life. This is exactly what the founding fathers envisioned as one of our governmental functions. If, on the other hand, our government officials decided *my* house was too big and the neighbor's house too small for his large family, and that they should confiscate my house and give it to my neighbor—or at the very least tax me at a high enough rate that they could redistribute money to *my* neighbor, who could then buy a bigger house—that kind of intrusive government would exemplify the very thing our founding fathers tried to avoid.

Not only did Benjamin Franklin, Samuel Adams, and several of the other founding fathers speak out against government redistribution of property, but in 1795 the Supreme Court of the United States declared, "No man would become a member of a community in which he could not enjoy the fruits of his honest labor and industry. The preservation of property, then, is a primary object of the social compact.... The legislature, therefore, has no authority to make an act divesting one citizen of his freehold, and vesting it in another, without a just compensation. It is inconsistent with the principles of reason, justice and moral rectitude; it is incompatible with the comfort, peace and happiness of mankind; it is contrary to the principles of social alliance and every free government; and lastly, it is contrary to the letter and spirit of the Constitution." In our attempt to be kind to the poor, we have deviated substantially from the principles involved in the founding of our nation. The United States is, in fact, historically and currently the most philanthropic nation in the history of the world. But our founders fully realized that prolonged government-sponsored charity would destroy the values of hard work, self-reliance, and compassion.

I am involved with a number of charitable organizations that are dedicated to improving the lives of the many unfortunate people who live among us. One of those organizations is the Curtis D. Robinson Men's Health Institute at St. Francis Hospital and Medical Center in Hartford, Connecticut. The driving force behind this organization—which screens hundreds of men without medical insurance for prostate cancer, and offers free treatment when cancer is found—is my friend Curtis D. Robinson, who traveled from Alabama to Connecticut when he was sixteen years old and penniless. He was very industrious, worked extremely hard, became CEO and owner of various businesses, and is now a multimillionaire. He has given away seven-figure amounts, receiving nothing in return except the satisfaction of knowing that lives that would have been lost are being saved. Many physicians, administrators, and caring citizens have joined Curtis in his efforts, as have I. It is very difficult to travel to any community in our nation and not find charitable organizations specifically created to aid the indigent citizens of that community.

Our government used to fully understand the role of private-sector charitable organizations in ameliorating the plight of the poor. This is why the government offered tax deductions and

exemptions for churches and other charitable organizations. Today the government actually competes with many of these private-sector charities while still offering them tax deductions. How does this wasteful duplication benefit government or us, its citizens? Certainly by creating huge government entitlement programs, the size and power of the government increases dramatically. Before long, people generally depend on government for everything from food and shelter, to health care and education, to a comfortable retirement, instead of looking to government for the basic protection of life and property, as well as providing public roads and public safety.

I believe Benjamin Franklin was one of the wisest men to ever walk the face of the Earth. Was he a womanizer who enjoyed partying a bit too much? Probably! But he was a first-rate scholar, scientist, inventor, writer, and diplomat who was instrumental in the formation of our nation. He warned against inappropriate compassion, such as giving a drunk the wherewithal to buy liquor or smothering the human instinct to strive and excel by providing all basic necessities. I don't think you can say that he was selfish and simply wanted to preserve his wealth, because the same Benjamin Franklin offered to pay the British from his own bank account for their losses during the Boston Tea Party in order to spare the colonists severe retribution by the King. Statements by Franklin and many of the other founding founders make it very clear that they were extremely opposed to the concept of wealth redistribution, which is a basic tenet of socialism.

At an even more fundamental level, they were very much opposed to the concept of a large, intrusive central government, which they felt was really no different than the European monarchies they were trying to escape. Consider the United States' rapid acceleration to pinnacle status by means of a system rewarding hard work and vigorously protecting individual assets while encouraging compassion and charity—why would we want to change unless there is historical proof that another system will work better?

In a socialist society, the government has the right to tax whomever it wishes for whatever amount it deems necessary, whenever it wants. This leads to abusive, unchecked power that can eventually deprive many of the people of their rights—as our Declaration of Independence states—to enjoy life, liberty, and the pursuit of happiness. The insidious nature of socialism, cloaked in a façade of compassion, makes it very dangerous to an uneducated and crusting populace. And as socialism creates dependency, it is well on its way to eliminating freedom of choice and incentives for high productivity and innovation.

UNIONS: STRANGLING THE GOOSE THAT LAID THE GOLDEN EGG

Stealth socialism has the ability to stay under the radar while co-opting legitimate entities such as unions, changing them into something that is barely recognizable. I have been a union member myself, and having grown up in Detroit, I am of course very familiar with the positive aspects of "union representation." In the early days of the Industrial Age, the advent of unions brought about the kind of collective bargaining that resulted in fair wages and reasonable working conditions. Benefits derived through unions helped create the most prolific middle class the world has ever seen. Unfortunately, with time, many of the union bosses began to concern themselves with power and influence, and used union dues (which had grown to become huge pots of money) to change the outcome of elections and to wreak havoc in many areas where money equaled power. By threatening strikes to further their causes, they were able to exact excessive wages and benefits from companies such as General Motors, Ford, and Chrysler, in the long run crippling these companies and rendering them noncompetitive. The union leaders, their lawyers, accountants, and administrators were not dumb people, and they

were well aware of the position they were putting these companies in. Essentially they were strangling the goose that laid the golden egg. The blame for the recent downfall of Detroit's auto industry, however, does not rest solely on the shoulders of the union bosses. Top management in the auto industry negotiated deals that they knew were fiscally irresponsible and would be harmful to the company's future. They also knew that they would receive their golden parachutes—complete with multimillion-dollar severance packages for their irresponsibility—and be long gone when the day of reckoning arrived.

One of the themes you may have begun to notice is that those entities that are bad for our nation tend to want what they want now, without thought to how it will affect future generations. If you use that principle as a measuring stick, in most cases you can easily determine which unions and other entities are good and which are deleterious to the prosperity of our nation.

As this book is being written, massive protests are going on in the state of Wisconsin, where teachers' unions and state workers' unions are disgruntled about the governor's plan to bring the wildly out-of-control state budget back under control. One of the components of his plan involves having those workers make larger contributions to their own benefit packages rather than saddling taxpayers with that responsibility. Even with the increased amount of contribution, these workers will still be getting a much better and cheaper benefits package than their counterparts in the private sector. They realize this, and are therefore capitulating to that requirement. However, they are not willing to relent on the issue of decreased collective-bargaining rights. They feel that if they give on this point, the union will be weakened forever, and they will be at a significant disadvantage when negotiating for future benefits and rights. They do not want to be at a disadvantage when it comes to issues such as class size, tenure, and evaluation of teacher competency. Of course, none of these come under the traditional banner of collective bargaining. The union leaders are focused solely on what *they* want, and refuse to believe that the huge budget deficit is real. They believe the whole issue has been fabricated by the governor and his cronies in order to bring down the unions, but the accounting is fairly straightforward—Wisconsin is but one of many states in dire straits, facing enormous deficits in revenue. It is almost incomprehensible to me how selfish one must be to demand benefits today without consideration for what happens to our children tomorrow. Nevertheless, I do not see those who disagree with me as enemies, and I am happy to engage them in conversations about our future and how to ensure success for our children.

CAPITALISM VS. SOCIALISM: CAN WE INCORPORATE THE BEST OF BOTH WORLDS?

The security provided by socialistic governments can be addicting to the point that citizens are willing to give up many of their individual rights. Although you have the right to accumulate wealth, there is not much incentive to do so if it can be confiscated by the government at will. Although you have the right to work many years beyond the traditional age of retirement, many who are addicted to the socialist system retire as early as possible. In many European countries, citizens often take advantage of this while they are in their fifties. As a result, those societies lose some of their most experienced and effective workers (and potential mentors), who do not want to miss out on overly generous retirement benefits guaranteed to them by a bloated government. When government interferes too much in the private lives of its citizens, the losses can become widespread.

In the previous chapter, we examined the enormous benefits to our country and to the world of an economic system (capitalism) that encourages innovation, hard work, and entrepreneurship. Now, after examining the pros and cons of socialism, we have seen mostly negative effects, even

in terms of its lauded compassionate components, which seem good at first glance, but reveal disincentives to work and fiscal irresponsibility in the long run. Because we live in a free and open society, those who advocate socialism are free to do so, but for the well-read individual, it is easy to discern the agenda of the socialists and how they are implementing that agenda in an attempt to bring fundamental change to America. The agenda? Total government control. For jobs, income, you name it. Anytime you give to government the responsibility and authority to provide government-made jobs, old-age financial security, "free" health care, and "free" education and indoctrination of children, it will control the lives of the people who live under its jurisdiction, and individual liberty and freedom of choice are sacrificed.

Sure, there are several different brands of socialism—at least as many types as there are would-be people-planners who wish to impose their plans to control the moral and economic lives of other people. But are you willing to surrender your precious liberties to a socialist state which promises "security" for everyone and government-enforced equality? Isn't this what Hitler and other socialists promised the German people in his Nazi (national socialist) platform—a country in which government guarantees security and "equality" in exchange for giving up individual freedom? Will Americans fall for the same scam?

Since Americans are by nature individualistic and entrepreneurial, by definition, then, the socialist program is anti-American, to say nothing of totalitarian. Socialism is an old dream. Some dreams are nightmares when put into practice.

It is possible, however, to extract socialism's positive aspects and actually implement them within capitalism. For example, providing basic health care for every citizen can be done quite easily without increasing our national debt one penny. If we address our inefficient and wasteful billing and collections procedures, move to a national electronic medical record, provide people with incentives to use clinics instead of emergency rooms for primary care, and engage in meaningful tort reform to limit costly lawsuits, we would have plenty of money to provide basic health care to all citizens of this country. We could also realize significant revenue by combating fraud in government entitlements such as Medicare and Medicaid. And in our free society, individuals wanting to purchase additional health-care insurance could certainly do so without negatively impacting anyone else.

Social Security, Medicare, Medicaid, and our food stamp program, among others, are all socialist-leaning programs that help provide our nation with a social safety net. Their growth, however, must be controlled, and self-sufficiency must be the goal of our society. The masses should not depend solely upon these social programs: instead, they should be encouraged early in life to make provisions for themselves and their families well into the future.

If we steadfastly resist the excessive growth of government and its ever-increasing appetite for tax money, reminding our government that there is a document known as the Constitution of the United States that defines and limits its role in our lives, then we will have an opportunity to learn from past mistakes and build on successes to create the kind of nation that will continue to work for all of us.