

Freedom and Free Enterprise

by **Ezra Taft Benson**

At the time this talk was given, in 1965, Elder Ezra Taft Benson had been an apostle of the Church of Jesus Christ of Latter-day Saints for 22 years. President David O. McKay, then President of the Church, listened as part of the audience as it was given. Elder Benson had left the Cabinet of Pres. Eisenhower just 4 years prior, after serving as the Secretary of Agriculture for 8 years.

My soul is subdued and my feeling a bit tender as I look into your faces tonight. I speak to you humbly and gratefully. I am not here to tickle your ears or entertain you. I shall speak to you honestly and frankly. The message I bring is not a particularly happy one. But it is the truth and time is on the side of truth. I love this county with all my heart I love America. I have traveled abroad just enough and returned to the shores of this land scores of times to make me appreciate deeply what we have here. And as I return, I often think of the words of Scott when he said,

*Breathes there the man with soul so dead
Who never to himself hath said,
This is my own, my native land!
Whose heart hath ne'er within him burn'd
As home his footsteps he hath turn'd
From wandering on a foreign strand?
If such there breathe, go, mark him well!*
(Sir Walter Scott, 1771-1832, Lay of the Last Minstrel. Canto vi. Stanza 1)

...and so on. Sometimes I think of the words of Van Dyke in that great poem, "America for Me", part of which goes,

*'Tis fine to see the Old World, and travel up and down
Among the famous palaces and cities of renown,
To admire the crumbly castles and the statues of the kings
But now I think I've had enough of antiquated things...*

*Oh, it's home again, and home again, America for me!
I want a ship that's westward bound to plough the rolling sea,
In the land of youth and freedom beyond the ocean bars,
Where the air is full of sunlight and the flag is full of stars!*

And so tonight, I appreciate more than I can say this opportunity to speak to you frankly as an American; one who prizes his citizenship in this blessed land. It seems appropriate that I should say a few words in regards to freedom and liberty. It is by vigilance by business people such as you represent who rely on our great inspired free enterprise system that our liberties will be maintained.

However, far too many today are enjoying a comfortable complacency. As a lead into my message I quote from my friend, Dean Clarence Manion in the Manion forum bulletin of July 3, 1977. He said in these days of pompous highbrowed drivel about the establishment of human rights throughout the world it is most encouraging to find two distinguished university professors publishing jointly the following fact of history. Listen to it. "Humanity has survived in various states tyranny for thousands of years. One might even say that this is the natural state of affairs for man. Future historians may look back and see the period 1776-1976 as a brief 200 year accident." I don't believe it's an accident in the history of man in which real freedom existed for all. Yes, we are a prosperous nation, our people have high paying jobs, our incomes are high, our standard of

living is at an unprecedented level. We do not like to be disturbed as we enjoy our life of ease. We live in the soft present and feel the future is secure. We do not worry about history. We seem oblivious to the causes to the rises and falls of nations. We are blind to the hard fact that nations usually sow the seeds of their own destruction while enjoying unprecedented prosperity. I say to you with all the fervor of my soul, we are sowing the seeds of our own destruction in America and much of the free world today.

It is my sober warning to you today that if the trends of the past forty years and especially the last fifteen years continue we will lose that which is as priceless as life itself: our freedom, our liberty, our right to act as free men. It can happen here, it is happening here. The outlook for free enterprise in the world has never seemed so uncertain as now.

Nationalization is growing rapidly especially outside of the Western Hemisphere. Many nations have a mixed economy brought about by an increase in state control and a corresponding weakening of the private enterprise system. In our own country we unmistakably see a trend toward welfare statism, what one has called pension fund socialism. It seems in vogue for some to raise the question, will capitalism survive? More appropriately the question might be stated; Do we as American citizens have the desire and will for capitalism, and free enterprise to survive?

Today it seems evident that we are rearing generation of Americans who do not understand the productive base of our society and how we came by such prosperity. Evidence of this fact is found in surveys taken among some of our high school and college students. The majority of whom it is reported believe private enterprise is a failure. Although they don't have a clear understanding of what private enterprise is. With them as with many adults there is a vague notion that it is some unfair system which stands to give special advantage to big corporations and wealthy individuals. From a study done by the Council of Economic Education, in 1973, 50% of the high school students could not distinguish between collectivism and a free enterprise society. 50% did not know the United States economy was based on free enterprise. From another study done by the Opinion Research Corporation, the median estimate of the U.S. public was that corporation profits are 28% of the sales dollar. Actually profits are 4 or 5%. These attitudes may be the result of the propaganda by certain textbook writers who hold the idea in many instances that a planned economy is the remedy for all of our economic ills and weakness in our American way of life, to which they readily point without referring to the magnificent fruits of the system.

Before a welfare state can flourish, a welfare state mentality must have taken root. Are we not today yielding the harvest of seeds sown from the days of the great depression to the present? The ethic of the day seems calculated to indoctrinate our citizens for a dependency on the state. Our founding fathers recognized that certain rights are inalienable, that is, God given. Today the state is looked to as the guarantor of human rights, life, liberty and property. Our forbearers practiced the biblical ethic that man should earn his bread by the sweat of his own brow. Today's ethic seems to be that it is right to be supported by the sweat of another's brow.

Tonight may I state the case for the free market and how it operates? You folks know already pretty well how it operates. I would also emphasize why a free market is essential to regaining political and economic freedoms. The more I become acquainted with the appalling lack of understanding of our free market system, the more I become convinced that we must return to something of a basic primer to explain our economic system. Perhaps this parable will illustrate.

Two fathers lived side by side as neighbors. Each had two sons. Both fathers had good jobs, roomy homes and material means to provide the best of life's luxuries. The essential difference between the two fathers was one of philosophy. Mr. A's objective with his two sons was to instill principles that would bring about self respect, personal responsibility and independence. His methods narrowed our scrutiny. When his boys were young he taught them how to work, that of simple tasks by his side. When they became more mature he developed a work

incentive program. The pay scale was commensurate to the quality of work performed. An average job for example paid 50 cents, above average 60, and exceptional job, 75. A one dollar job the impossible task a goal that he soon observed his boys were striving after. He impressed on his sons that the only limit on the earning were their personal initiative and desire. He emphasized that necessity to postpone immediate wants so they could save for the future. The lessons were well learned over a period of time. There was an under girding moral element to Mr. A's philosophy. A principle more caught than taught. A simple example will suffice. One day the boys, now young men were working in Mr. A's plant. He observed some sloppy work being done on one of the products. He asked to see the products and proceeded to remove the name plate. One of the boys resisted, "Why are you doing that dad?" Mr. A replied, "I'll not have my name attached to a shoddy product. When my name goes on, my customers must know I've given them my best workmanship. Would you want to own this product?" It was an answer which provided a lesson that would last a lifetime. How could the golden rule be emphasized more effectively in business?

Mr. B also had a philosophy, albeit a reactionary one to his early struggles of youth. I'll not have my kids go through what I did. His philosophy was to remove the struggle from life. His method also merits our consideration. Regularly his sons were provided with generous allowances. Little work in their formative years was expected. In later years the boys were encouraged to work, but were now too comfortable in their security. After all they had all of their material wants satisfied. At this junction Mr. B made a profound discovery: wants always exceed basic needs and are never satisfied unless disciplined. To counteract the lack of self discipline Mr. B. embarked on a routine of imposed restraints. To his chagrin, he found his boys embittered toward him, ungrateful and frequently disobedient to the rules imposed on them. Need I draw the conclusions from this parable? Is it not apparent which philosophy leads to a productive, contributive member of society and which philosophy sponsors dependency? Is it also not apparent which philosophy will best prepare one for an emotional or economic crisis? I do not apologize for the simplicity of the illustration. One may argue the characters are exaggerated. But even a child can understand the effect of Mr. B's care taker philosophy. Is not this philosophy analogous in many ways to the government official who argues, "in this county welfare is no longer charity, it is a right." More and more Americans feel that the government owes them something. But it is not Mr. B's philosophy that commands our attention tonight, it is Mr. A's. Why is it the elements in his philosophy are so unfamiliar to so many that they believe that their government owes them something? Our task is to make Mr. A's philosophy both familiar and credible. When it is understood and believed, it will be defended with the same determination and vigor that our founding fathers pledged their lives, their fortunes and their sacred honor. Many of you see the idea of the free enterprise or the free market system as only an alternative economic system to our other systems. This is a serious oversight and causes many to miss the most crucial element to the free market system. May I mention some of these features?

1. The free market system rests on a moral base.

Before one can appreciate why this premise is true, two questions must be answered:

1. First, what is man?
2. The second question, a corollary to the first, is from what source does man derive his rights?

Our governmental system like ancient Israel and biblical Christianity recognized man as a special creature of God, a special creation of God. He is not as some theorists reason, a product of chance or merely an educated animal. His paternal origin comes from God. Thus man inherently possesses God implanted attributes and potential: reason, free agency, judgment, compassion, initiative, and a personal striving for perfection.

From what source does man derive his rights? There can be only two possible origins of man's rights; rights are either God given as part of the divine plan or they are granted by government as part of the political plan.

Reason, necessity, tradition and religious convictions all led the founding fathers of this republic to accept the divine origin of these rights. If we accept the premise that human rights are granted by government, then we must be willing to accept the corollary that they can be denied by government. I for one shall never accept that premise. As the French political economist, Frederick Bastiat phrased it so succinctly. "Life, liberty and property do not exist because men have made laws. On the contrary, it was the fact that life, liberty and property existed beforehand that caused man to make laws in the first place."

Since God created man with certain inalienable rights and man in turn created government to help secure and safeguard those rights, it follows that man is superior to government and should remain master over it, not the other way around. Even the non-believer can appreciate the logic of this relationship. Thus we see that the principle of supremacy of the individual over government is rooted in religious precept. This is why the founders of our nations were so influenced by the writings of John Locke, which declared that man was naturally in a state of perfect freedom, that he had a right to preservation and property, and that the source of all this was God.

The founding fathers recognized that no people can maintain freedom unless their political institutions are founded on faith in God and belief in the existence of moral law. They realized that to survive, this new nation needed a reliance on the protection of God. In the Declaration of Independence we find their appeal to the supreme judge of the world and to the laws of nature and nature's God. The document includes their acclamation of a firm reliance on the protection of divine providence. The implication of this moral basis to our political economic system is that God is the dispenser of mans rights not government. The inalienable right of free choice is implanted in the human breast. Man is born to choose for himself. This is why man cannot be driven indefinitely or led by despotic leaders to intellectual, physical or economic bondage. Fear and despotism may rule for a generation, two or three, but in time the human spirit rebels. The spirit of liberty manifests itself and the tyrannical hand of despotism is overthrown. May it ever be so.

Once a person awakens to the truth of his divine identity he demands his rights, the right to property, the right to make his own decisions, the right to plan his own welfare, the right to improve himself materially, intellectually and spiritually.

2. The free market is based on the right to property.

The right to property is again based on a scriptural precept. It recognizes that the earth belongs to the Lord, that He created it for man's blessing and benefit. Thus man's desire to own property, his own home and goods, his own business is desirable and good. Utopian and communitarian schemes which eliminate property rights are not only unworkable, they deny to man his inherent desire to improve his station. They are therefore contrary to the pursuit of happiness. With no property rights, man's incentive would be diminished to satisfying only his barest necessities such as food and clothing. How this truth is evident in the communist countries today! No property rights, no incentive to individual enterprise to risk one's own capital because the fruits of ones labor could not be enjoyed. No property rights, no contractual relationship to buy and sell because title to possession of goods could not be granted. No property rights, no recognition of divine law which prohibits man from stealing and coveting other possessions; one cannot steal that which belongs to everyone, nor can he covet that which is not another's. No property rights, no possibility of the sanctity of ones own home and the joy which come from creation, production and ownership. A free market society recognizes private property as sacred because the individual is entitled to ownership of goods and property which he has earned; he is sovereign so far as human law is concerned over his own goods. He may retain possession of his goods; he may pass his wealth on to his family or to charitable causes. For one cannot give what one does not own. James Madison recognized that property consisted not only of man's external goods, his land, merchandise and money, but more sacredly he had title to his thoughts, opinions, and conscience. The civil government's obligation then is to

safeguard this right and to frame laws which secure to every man the free exercise of his conscience and the right and control of his property. No liberty is possible except a man is protected in his title to his legal holdings and property and can be indemnified by the law for its loss or destruction. Remove this right and man is reduced to serfdom. Former United States Supreme Court Justice George Southerland said it this way. "To give man liberty but take from him the property which is the fruit and badge of his liberty is to still leave him a slave."

3. The free market is based on the right to enjoy private enterprise for profit.

As a country we have suffered under half a century of liberal propaganda demeaning economic success. This was done by referring to men who are willing to risk their capital, their profit in tools and equipment, as coupon clippers, economic royalists, capitalists, and profiteers, as though there were something inherently evil in profit. Profit is the reward for honest labor. It is the incentive that causes a man to risk his capital to build a business. If he cannot keep or invest that which he has earned, neither may he own, nor will he risk. Profit creates wealth. Wealth creates more work opportunities. And more work opportunities creates greater wealth. None of this is possible without incentive. There is another benefit to profit. It provides man with moral choices. With profit man can choose to be greedy and selfish, he can invest and expand thereby providing others with jobs, he can be charitable. Charity is not charity unless it is voluntary. It cannot be voluntary if there is nothing to give. Only safe profit creates more jobs, not government. The only way government can create jobs is to take the money from productive citizens in the form of taxes and transfer it to government programs. Without someone generating profit which can be taxed, government revenue is not possible.

4. The free market is the right to voluntary exchange of goods and services, free from restraints and controls.

Nothing is more to be prized, nor more sacred than man's free choice. Free choice is the essence of free enterprise. It recognizes that the common man will make choices in his own self interest. It allows the manufacturer to produce what he wants, how much, and to set his own price. It allows the buyer to decide if he wants a certain product at the price established. It preserves the right to work when and where we choose. In his first inaugural address, Thomas Jefferson said that, "the sum of good government shall leave citizens free to regulate their own pursuits of industry and improvement and shall not take from the mouth of labor the bread it has earned." Why does our system produce more bread, manufacture more shoes and assemble more TV sets than Russian socialism? It does so precisely because our government does not guarantee these things; if it did there would be so many accompanying taxes, controls, regulations and political manipulations that the productive genius based on freedom of choice that is Americas would soon be reduced to the floundering level of waste and inefficiency now found behind the Iron Curtain. When government presumes to demand more and more of the fruits of a man's labor through taxation and reduces more and more his actual income by printing money and furthering debt, the wage earner is left with less and less to buy food, to provide housing, medical care, education and private welfare. The individuals are left without a choice and must look to the state as its benevolent supporter of these services. When that happens liberty is gone.

5. A free market survives with competition.

Were it not for competition among goods and services, there would be no standard by which a buyer could discern shoddy merchandise or inept service from excellence. Were it not for competition, the seller could price his goods and services according to his own fancy. It is competition that determines what is good, better, and

best. It is competition that determines the price for products or services. If goods are overpriced in comparison with other comparable goods, the buyer refuses to buy, thus forcing the seller to drop his price. There is a glaring paradox in our society; in the one hand legislation has been enacted to allegedly prevent one business or combination of businesses, monopolies, from disrupting or eliminating competitors in the market; on the other hand we have yet to fully awaken to the worst form of monopolistic practice currently impeding the free market. I refer to government monopoly. When government, by either ownership or regulation, prevents the full freedom of action by sellers, this of course regulates and controls prices. No better example exists today than the so called energy crisis. As a nation we have artificially regulated the price of natural gas for over 20 years. The Federal Power Commission has set prices and burdened the oil industry with regulations. Consequently the oil industry has not had the incentive to discover natural gas or drill for oil even though the reserves are there. The environmentalists, with the help of activist lawyers, have combined to make it almost impossible to drill for oil economically. What industry wants to risk its capital fighting through the hearings and lawsuits which double and triple its investment costs? So exploration does not take place. Our reserves are kept off the market to await the day when government will deregulate. (There is a skip in the audio here) The most effective energy policy our government could devise would be to step out of the regulatory business. This would provide, once again, the incentives for industry to make investment and make exploration. Freedom from bureaucratic monopoly is essential to allow our free market to work properly. I hope we wake up to this serious lesson before our freedoms are lost altogether.

We have talked so far about the vital elements to a free market operation. How does it all work together to bring about needed goods and services? Let me illustrate. There could be many illustrations. How do our cities and towns each day obtain the quantity of food products they demand? Of all agencies engaged in supplying cities with food almost no one knows how much the city consumes or how much is being produced. Despite this ignorance the cities receive about the amount of food needed without great service or shortage. How is this accomplished without a central directing body telling each producer what it should produce? The answer of course is the operation of the free market, free enterprise in action. Suppose, for example, that a given city did not receive the amount for food products needed to satisfy its demand. Rather than go without, many people would be willing to pay higher prices. Thus prices would increase and the volume of production would rise, or the volume flowing to that city would increase. This would end the shortage. More food would be shipped to this city and less to other places. Or suppose there was an oversupply of food products. To avoid spoilage the seller would lower his price; this in turn is a signal to a producer to cut back on production. Thus the over supply is automatically regulated. Less food is shipped to that city and more to other cities. No bureau in all of Washington could perform this service. It has been tried and failed in many industries. Just as price regulates the distribution of food in a given city, so it also determines the total amount produced in the country. Greater profits provide farmers with the incentive to produce a greater product. If the supply increased at a pace faster than a demand for a product, farmers and ranchers are compelled to lower their prices. As it becomes less profitable to produce potential producers, marginal producers are deterred from engaging in this occupation and the unprofitable producers divert to something else or abandon farming altogether. This is how this remarkable system works. This is how it has built this nation as the strongest nation in the world. Yes, this is how it works in all industries when government controls and planning controls and price fixing are left out. Yet few of our citizens seem to understand this. Economic literacy among our people has not been one of the bright spots in our 200 year old history. Yet it is apparent that when ignorance prevails the people eventually suffer. The principles behind our American free market economy can be reduced to a rather simple formula. Here it is, and I hope if you forget everything else I said, you'll remember this formula. It is so basic and so simple.

Free Market Economy's Simple Formula

1. Economic security for all is impossible without widespread abundance.

2. Abundance is impossible without industrious and ambitious production.
3. Such production is impossible without energetic, willing and eager labor.
4. This labor is not possible without incentive.
5. Of all forms of incentive, the freedom to obtain a reward for ones labors is the most sustaining for most people, sometimes called the "profit motive". It is simply the right to plan and to earn, and to enjoy the fruits of your labor.
6. This profit motive diminishes as government controls, regulations and taxes increase to deny the fruits of success to those who produce.
7. Therefore any attempt through government intervention to redistribute the material rewards of labor can only result in the eventual destruction of the productive base of society, without which real abundance and security for more than the ruling elite is quite impossible.

Yes, what worked for Mr. A. in producing self disciplined, responsible, contributive sons to society works for a community. What works for a community will work for a state and what works for a state will work for this nation if we as American citizens demand that government officials perform only those duties provided by the Constitution and the Bill of Rights. The Constitutions of the United States, an inspired document, is a solemn agreement between the citizens of this nation that every officer of this government is under a sacred duty to obey. The Constitution provides that the great bulk of legitimate activities of government are to be carried out at the state or local level. This is the only way in which the principle of self government can be made effective and safeguarded. The smallest or lowest level that can possibly undertake the task is the one that should do so. The smaller the government unit and the closer it is to the people, the easier it is to guide it, to correct it, to keep it solvent and to keep our freedom. A category of government activity that poses the greatest danger to our continued freedom is the activity not within the proper sphere of government. The Constitution provides the federal government with no authority to grant such powers as welfare programs, schemes for redistributing the wealth and activities that coerce people into acting in accordance with a proscribed code of social planning. *There is one simple test to the constitutionality of a principle, do I as an individual have the right to use force upon my neighbor to accomplish this goal?* If I do then I may delegate that power to my government to exercise it in my behalf. If I do not have that right, I can not delegate it. If we permit government to manufacture its own authority and to create self proclaimed powers not delegated to it by the people then the creature exceeds the creator and becomes master. Who is to say this far but no farther? What clear principle will stay the hand of government from reaching farther and farther into our daily lives?

Grover Cleveland said, "That though the people support the government, the government should not support the people." Once government steps over this clear line between the protective or negative role into the aggressive role of redistributing the wealth through taxation and providing so called benefits for some of its citizens it becomes a means for legalized plunder. Examples abound in the world of the failure of alternative systems to the free market. What amazes me is that we cannot see from their example the obvious failure of socialism, what it does to a nation's economy, and how it morally debilitates a people. Great Britain is a tragic example of this. I was there just a short time ago. Here's a nation which I love, and here is a nation which has provided the free world with a tradition of freedom and democratic rights stemming from Magna Charta and coming down through other historical documents and statements through famous Englishmen, yet even today is losing her freedom. She has become a giant welfare state. Today government spending in Brittan amounts to 60% of her total national income. This is socialism. Medical doctors under socialized medicine are leaving Great Brittan in record numbers as are thousands of others. British Prime Minister James Callaghan in a speech last September said, "we used to think that you could just spend your way out of a recession and increase employment by

cutting taxes and boosting government spending. I tell you in all candor that that option no longer exists and that in so far as it ever did exist, it only worked by injecting bigger doses of inflation into the economy, followed by higher levels of unemployment as the next step. That is the history of the past 20 years."

Such confession has led the renowned economist, Dr. Milton Friedman, to comment, "That must surely rank as one of the most remarkable and courageous statements ever made by a leader of a democratic government. I'll read it again. Savor it. "It is a confession of the intellectual bankruptcy, of the policy that has guided every British government in the post-war period, not only labor governments, but also Tory governments, of the policy that has guided almost every other western government, including the United States, under both Republican and Democratic administrations, of the policy that is now being recommended to Mr. Carter by his advisors."

Consider another example, our neighbor to the north, Canada. For 20 years, 1944 to 1964, Saskatchewan, Canada lived under a socialist government. Here is what their Premier, the honorable W. Ross Thatcher, said about this experience: "In 1944, the socialists said they would solve the unemployment problems by building government factories. They promised to use the profits to build highways, schools, hospitals, and to finance better social welfare measures generally. Over the years they set up 22 so-called crown or government corporations. By the time we had taken over at the end of the 20 year period, 12 of the crown corporations had gone bankrupt or been disposed of; others were kept operating by repeated and substantial government grants. During the whole period, the socialists waged war against private business. The making of profits was condemned as an unforgivable sin. What was the result? Investors simply turned their back on the socialists. Dozens of oil companies pulled up stakes and moved out. Gas exploration ground to a complete halt. Prospecting in our vast north became almost nonexistent. During the period, Canada was experiencing the greatest economic boom in her history. Saskatchewan received only a handful of new factories. After 18 years of socialism, there were fewer jobs in manufacturing than existed in 1945, this despite the investment of 500 million dollars, in crown corporations. During the period, more than 600 completely new taxes were introduced; 650 other taxes were increased. Per capita taxes in Saskatchewan were soon substantially out of line with our sister provinces; one more reason why industry located elsewhere. The socialists promised to make Saskatchewan a Mecca for the working man. Instead, we saw the greatest mass exodus of people out of an area since Moses lead the Jews out of Egypt, since the lower of 270,000 of our citizens left Saskatchewan to find employment elsewhere. If there are any Americans who think socialism is the answer, I wish they would come to Saskatchewan to study what has happened to our province."

We say it can't happen here. The lesson of New York City should tell us this same thing is happening here to us, now. As Dr. Friedman has pointed out, "New York City is no longer governed by its elected officials; it is governed by a committee of overseers appointed by the state of New York. New York City has partially lost its freedom." When will we learn the lesson that fiscal irresponsibility leads to a loss of self government? When will we learn that when you lose economic independence, you lose political freedom? We have accepted a frightening degree of socialism in our country; the question is how much? The amount of freedom depends upon the amount of federal control in spending. A good measurement is to determine the amount or percentage of income of the people which is taken over and spent by the state. In Russia, the individual works almost wholly for the state leaving little for his own welfare. Scandinavia takes about 65-70% of the increase of the people; England some 60%. The United States is now approximately 44%. America was built on the principle of faith in God, self reliance, the profit motive, individual action and voluntary charity. It was built by those who believed the surest helping hand was at the end of their own sleeves. These forefathers of ours shared one thing in common: an unshakable faith in God and a faith in themselves. There are indications that America is moving away from the philosophy that made her the most prosperous nation in the world.

In effect we are moving toward the philanthropic philosophy of Mr. B and abandoning the work incentive philosophy of Mr. A. Mr. B's philosophy has crept in unawares under the guise of a new name, egalitarianism.

It is of course the socialist doctrine of equality. It struck a sympathetic chord with most Americans because its initial goal was equality of rights. Today, however, the goal for the proponents of equality is to restructure our entire economic system, using the power of the federal government to enforce their grand design. They now advocate throughout our economy that they redistribute wealth and income, a good definition of socialism. Our present middle of the road policy is as Von Mises, whom I class as the greatest economy unit that we have ever known suggested: socialism by the installment plan.

Americans have always been committed to taking care of the poor, aged, and unemployed. We've done this on the basis of Judaic Christian beliefs and humanitarian principles. It has been fundamental to our way of life that charity is to be voluntary if it is to be charity. Compulsory benevolence is not charity. Today's egalitarians are using the federal government to redistribute wealth in our society, not as a matter of voluntary charity, but as a matter of right. The chief weapon used by the federal government to achieve this equality is through so called transfer payments. This is a term which simply means that the federal government collects from one income group and transfers payments to another by their tax system. These payments are made in the forms of social security benefits, housing subsidies, Medicare, food stamps, to name a few. Today, total cost of such programs will exceed one hundred and fifty billion dollars annually. That represents about 44% of the total of all government federal spending, or about one dollar out of every seven of personal income.

When will we resolve as Americans that a dollar cannot make the trip to Washington D.C. and back without a bureaucratic bite being taken out of it? Medicaid, the government's regular health program for the poor, cost tax payers thirteen billion in '75. Medicare, the program for the disabled and elderly cost fifteen billion. Aid to families with dependent children cost over five billion. And about three billion is spent on food stamps. This is to name only a few of the so called benefits paid out. Our present social security program has been going in the hole at a rate of twelve billion dollars a year and yet the party now in power wants to increase the benefits to include a comprehensive national health insurance program. Recognizing that the present program will be insolvent by 1985, President Carter has now recommended that social security be funded out of a general income tax fund. Charges are made in the last election campaign that the social security program was going bankrupt. These charges were denied. Now the truth is out. The President's recommendation must be regarded as an admission of the failure of the present system and as a calculated policy to take this country into full scale socialism.

Our major danger is that we are currently and have been for forty years transferring responsibility from local and state governments to the federal government, precisely the same course which led to the economic collapse of Great Britain and New York. We cannot long pursue this present trend without it bringing us to national insolvency. Edmund Burke, a great British political philosopher warned of the threat of egalitarianism, socialism. He said, "A perfect equality will indeed be produced. That is to say equal wretchedness, equal beggary, and on the part of the petitioners, a woeful, helpless, and desperate disappointment, such is the event of all compulsory equalizations. They pull down what is above, they never raise what is below and they depress high and low together beneath the level of what was originally the lowest." All would like to be equalized with those who are better off than themselves, I suppose. They fail to realize that income is different and will always differ because people differ in their economic drive and ability. History indicates that governments have been unable to prevent inequality of incomes. Further equalization efforts stifle initiative and retard progress to the extent that the real incomes of everyone are lower. We must remember that government assistance and control are essentially political provisions, and that experience has demonstrated that for that reason, they are not sufficiently stable to warrant their utilization as a foundation for sound economic growth under a free economic system. The best way, the American way, is still maximum freedom for the individual guaranteed by a wise government that provides for the police department and national defense. History records that eventually people get the form of government they deserve. Good government which guarantees the maximum of freedom, liberty, and devolvement of the individual must be based upon sound principles. We must ever remember that ideas and principles are either sound or unsound in spite of those who hold them. Freedom of achievement has

produced and will continue to produce the maximum of benefits in terms of human welfare. *Freedom is an eternal principle. Heaven disapproves of force, coercion and intimidation. Only a free people can be truly a happy people.*

Of all sad things in the world, the saddest in the world is to see the people who have once known liberty and freedom and then lost it. I have seen the unquenchable yearning of the human heart for liberty. On an unforgettable occasion, yes on several occasions, this particular experience is indelibly etched on the memory of my soul. I saw this yearning spirit in the faces of many European people in the aftermath of World War II. It fell my lot, as President under the direction of the church, to be among the first to go without my family into war torn European countries and distribute food, clothing, and bedding to the suffering members of our church and others. I saw during that year long visit first hand entire nation's prospect, flat on their backs economically. I looked into the face of hunger, the pale within, the many dressed in rags and some are foot. I saw the poor refugees, the poor unwanted souls who were driven from their homes to destinations unknown. They came with all their earthly possessions on their backs. I visited some of their homes, shacks, where as many as twenty two people were living in one room, four complete families. I saw many enslaved by habit barter their scanty ration of food and clothing for a cigarette. I saw some fortunate to get hold of an American magazine and pour over its pages and wonder if what they saw could possibly be true. I saw once happy freedom loving people in bondage under godless leadership. I saw the struggle on every hand to get to America, some legal and others illegal, all in an effort to enjoy freedom and liberty. These were the people, many of them who had once known some freedom, but had lost it.

Yes, we are a prosperous people today because of a political, economic system founded on spiritual values, not material values alone. It is founded on freedom of choice, free agency and eternal God given principles, and personal virtue. The Founding Fathers, though inspired they were, did not invent the priceless blessings of individual freedom and respect for the dignity of man; no, that priceless gift to mankind sprang from the God of heaven and not from government. Recognizing this truth, they forged the safeguards that would bind men's lust for power to the Constitution. They recognized that freedom must be perpetually preserved to be enjoyed. Each new generation must learn that truth anew. Yes, America's foundation is spiritual. Without the moral base to our system, we are no better off than any other nations which are now sunk into oblivion. There are some in this land among whom I count myself, whose faith it is that this land is reserved for only a righteous people and we remain here as tenants only as we remain in the favor of the Lord. And he is the landlord as far as this earth is concerned. If we are to remain under heaven's protection and care, we must return to those principles which have brought us our peace, liberty and prosperity. Our problems today are essentially problems of the spirit. "We here in America," as Theodore Roosevelt said over a half century ago, "hold in our hands the hope of the world, the fate of the coming years and shame and disgrace will be ours if, in our eyes the light of higher resolve is dimmed, if we trail in the dust of golden hopes of men." You who gathered here tonight are dedicated to maintain that light of high resolve in the American people. As you do so, *may I leave with you this challenge that you help others see that the real issue is not over economic systems, it is the issue of freedom and limited or no freedom, the same issue that brought about this nation's birth and independence.* Yes, with God's help and inspiration perhaps we may rekindle a flame of liberty that will last us long as time endures. For this I pray and thank you for this opportunity of meeting with you tonight.

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