

SMITH VS MARX - BOUT OF THE AGES

These two men, Adam Smith and Karl Marx, have imposed major impacts on the world's economic and cultural lives. While they both had in mind the improvement of the well being of humankind, their means of achieving the result were diametrically opposed: freedom for capital and enterprise vs. government ownership and control. This contrast is the subject of this writing. But first let's take a closer look at each of these two famous men.

Adam Smith (1723-1790)

This is what the "Concise Encyclopedia of Economics" has to say about Smith

Adam Smith was born in a small village in Kirkcaldy, Scotland, where his widowed mother raised him. At age fourteen, as was the usual practice, he entered the University of Glasgow on scholarship. He later attended Balliol College at Oxford, graduating with an extensive knowledge of European literature and an enduring contempt for English schools.

In [The Theory of Moral Sentiments](#), Smith wrote: 'How selfish soever man may be supposed, there are evidently some principles in his nature which interest him in the fortune of others and render their happiness necessary to him though he derives nothing from it except the pleasure of seeing it.

*Smith did not view sympathy and self-interest as antithetical; they were complementary. "Man has almost constant occasion for the help of his brethren, and it is in vain for him to expect it from their benevolence only," he explained in *The Wealth of Nations*.*

Today Smith's reputation rests on his explanation of how rational self-interest in a free-market economy leads to economic well-being.

Adam Smith has sometimes been caricatured as someone who saw no role for government in economic life. In fact, he believed that government had an important role to play. Like most modern believers in free markets, Smith believed that the government should enforce contracts and grant patents and copyrights to encourage inventions and new ideas. He also thought that the government should provide public works, such as roads and bridges, that, he assumed, would not be worthwhile for individuals to provide. Interestingly, though, he wanted the users of such public works to pay in proportion to their use.

Many people believe that Smith favored retaliatory tariffs. A retaliatory tariff is one levied by, say, the government of country A against imports from country B to

*retaliate for tariffs levied by the government of country B against imports from country A. It is true that Smith thought they might be justified, but he was fairly skeptical. He argued that causing additional harm to one's own citizens is a high price to pay that tends not to compensate those who were harmed by the foreign tariff while also hurting innocent others who had no role in formulating the tariff policy.*¹

Karl Marx (1818-1883)

The same folks have this to say about Mr. Marx.

Karl Marx was COMMUNISM's most zealous intellectual advocate. His comprehensive writings on the subject laid the foundation for later political leaders, notably V. I. Lenin and Mao Tse-tung, to impose communism on more than twenty countries.

Marx was born in Trier, Prussia (now Germany), in 1818. He studied philosophy at universities in Bonn and Berlin, earning his doctorate in Jena at the age of twenty-three. His early radicalism, first as a member of the Young Hegelians, then as editor of a newspaper suppressed for its derisive social and political content, preempted any career aspirations in academia and forced him to flee to Paris in 1843. It was then that Marx cemented his lifelong friendship with Friedrich Engels. In 1849 Marx moved to London, where he continued to study and write, drawing heavily on works by DAVID RICARDO and ADAM SMITH. Marx died in London in 1883 in somewhat impoverished surroundings. Most of his adult life, he relied on Engels for financial support.

At the request of the Communist League, Marx and Engels coauthored their most famous work, "The Communist Manifesto," published in 1848. A call to arms for the proletariat—"Workers of the world, unite!"—the manifesto set down the principles on which communism was to evolve. Marx held that history was a series of class struggles between owners of capital (capitalists) and workers (the proletariat). As wealth became more concentrated in the hands of a few capitalists, he thought, the ranks of an increasingly dissatisfied proletariat would swell, leading to bloody revolution and eventually a classless society.

¹ <http://www.econlib.org/library/Enc/bios/Smith.html>

It has become fashionable to think that Karl Marx was not mainly an economist but instead integrated various disciplines—economics, sociology, political science, history, and so on—into his philosophy. But Mark Blaug, a noted historian of economic thought, points out that Marx wrote “no more than a dozen pages on the concept of social class, the theory of the state, and the materialist conception of history” while he wrote “literally 10,000 pages on economics pure and simple.”¹

According to Marx, CAPITALISM contained the seeds of its own destruction. Communism was the inevitable end to the process of evolution begun with feudalism and passing through capitalism and SOCIALISM. Marx wrote extensively about the economic causes of this process in Capital. Volume one was published in 1867 and the later two volumes, heavily edited by Engels, were published posthumously in 1885 and 1894.

The labor theory of value, decreasing rates of profit, and increasing concentration of wealth are key components of Marx’s economic thought. His comprehensive treatment of capitalism stands in stark contrast, however, to his treatment of socialism and communism, which Marx handled only superficially. He declined to speculate on how those two economic systems would operate.²

Definitions

According to Merriam-Webster, capitalism is defined as:

...an economic system characterized by private or corporate ownership of capital goods, by investments that are determined by private decision, and by prices, production, and the distribution of goods that are determined mainly by competition in a free market”³

I would add, "freedom to exercise one's intellect and enterprise in the manner one sees fit given the opportunities that exist".

² <http://www.econlib.org/library/Enc/bios/Marx.html>

³ <http://www.merriam-webster.com/dictionary/capitalism>

They tell us this about Socialism:

Any of various economic and political theories advocating collective or governmental ownership and administration of the means of production and distribution of goods.

I might add that not only ownership of enterprise is an objective of socialists but control of all enterprise and culture by the government through regulations and taxation is a strategy of modern day socialists.

And communism:

A system in which goods are owned in common and are available to all as needed.

Musings

Smith was apparently a true Scotsman "holding an enduring contempt for British schools", and I suspect all other things British.

In Smith's "[The Theory of Moral Sentiments](#)" he states:

How selfish soever man may be supposed, there are evidently some principles in his nature which interest him in the fortune of others and render their happiness necessary to him though he derives nothing from it except the pleasure of seeing it.

On first reading, this strikes one as a rather naive observation. But on reflection, think of folks like Andrew Carnegie, John D. Rockefeller, and Bill Gates; all hard headed businessmen. Their philanthropy is well known. My home town of Pipestone, MN was one of many across the country that enjoyed a free public Carnegie Library. These men along with many others, such as Henry Ford and Harvey Firestone, during the course of their wealth accumulation, brought affordable goods and services to millions of people.

It's interesting to note that Marx supported himself, not by producing goods or services, but through developing and writing about his economic/political philosophy.

It's also interesting to note that Marx's writings were long on pointing out the defects of capitalism but short on envisioning just how socialism and capitalism would work. To his defense on this point, I suppose he had working models of capitalism, albeit not "free", which he observed in actual practice while socialism and communism had not been tried on a large scale.

A comparison of the two systems

Certainly the two systems, when written as theories have great appeal. Marx's idea that all goods would be shared equally amongst the citizenry sounds appealing to one's sense of fairness. Why should one person have more than another? The presumption, of course, is that all would have plenty. All would live comfortably.

Smith's premise that all should work hard and be good producers makes logical sense; the more worthwhile goods and services produced by a society the better the standard of living. He acknowledges that some would end up with more goods than others. The greater fortunes would result from superior education and intelligence, hard work, freedom of enterprise, and freedom to apply capital as the market place dictates. I might add the obvious, that some success is simply the result of good luck. Smith relies on the compassionate nature of humankind to help those who cannot help themselves.

But How Do They Work in Practice?

It should be born in mind that we have not had any operating systems wherein there was complete freedom nor where there was absolute government control. There is always a mixture of both freedom and control. In a free society, for instance, we are not allowed to murder our fellow citizens nor speed excessively on the highway. In the communist Soviet Union I presume individuals enjoyed some freedoms, e.g. choosing the food they ate to the extent it was available within their means, or couples having sex whenever they chose, etc.

We have an advantage that Marx did not possess. We have seen both systems in practice on a large scale and in a variety of forms. So let's take a look at how they have done. First we'll look at communism. In judging success and failure we will rely heavily on per capita gross national product (in some cases gross national income is used, which is much the same number).

The Soviet Union

Communism in the USSR stemmed from the Russian revolution. The Encyclopedia Britannica summarizes it this way:

Following their victory in the [Russian Civil War](#) (1918–20), the Soviet communists followed a cautious policy of limited capitalism during the New Economic Program until Lenin's death in 1924. Then the powerful general secretary [Joseph Stalin](#) and leaders around him moved to assume the leadership of the party. The Stalin group easily defeated such rival leaders as [Leon Trotsky](#), Grigory Zinoviev, and Lev Kamenev. Then, in the late 1920s, opposition arose from Stalin's ally [Nikolay Bukharin](#) to the policies of rapid industrialization and collectivization. Stalin eliminated Bukharin from the leadership in 1929 and

sought to eradicate the last remnants of opposition within the party by launching the Great Purge (1934–38), in which many thousands of his real or assumed opponents were executed as traitors and millions more were imprisoned or sent to forced-labor camps. During Stalin's years in power the party's size expanded from about 470,000 members (1924) to several million from the 1930s on.⁴

Under Stalin the USSR rapidly moved from an agrarian to an industrialized economy. A series of 5 year plans developed by the central government drove this industrial revolution. All enterprises were controlled by the central government. Farms were collectivized, again controlled by the government. Unintended consequences came into play. The five year planners had difficulty in recognizing the wants and needs of the consuming populace. The result was shortages of some goods and services and surpluses of others. The collectivization of the farms and the policy of "all sharing equally" seriously eroded individual initiative and motivation. The result was gross inefficiencies. And ultimately the USSR failed economically. The great Communistic experiment was finished.

But we might look at other places where full blown communism has been tried.

China

From Stanford University we learn:

Communists came to power after World War II. They patterned themselves in the industrialization effort after the Soviet Union example. This, however, was a gross disaster leaving many people starving. Their leader, Mao Zedong then took the country through the cultural revolution, killing and persecuting political enemies. Totalitarian control reigned.

After Mao's death, the ideals of China shifted under Deng Xiaoping to a form of "market socialism." He instituted changes in the economic system where they developed what he considered to be socialism with Chinese characteristics. He decided to use policies that had been shown to be effective and followed less the ideologies of the earlier leaders. He instituted the "Four Modernizations", describing agriculture, industry, science and technology, and the military. Deng is commonly credited as the person who turned China into the economic world

⁴ <http://www.britannica.com/topic/Communist-Party-of-the-Soviet-Union>

power that it is today. He opened up China to the outside world and industrialized successfully.⁵

I recall when China was inviting foreign private capital into the Chinese economy. Some of my friends were involved in negotiating deals with the Chinese government. Reports were that the Chinese drove hard bargains. But many western companies persisted and did invest in China.

But, in my mind, the big deal was the opening of the economy to free market principles. The educated, intelligent, and enterprising Chinese people were unleashed. And the results have been remarkable. We use Gross National Product on a per capita basis as a measure of economic well being. Take a look at what happened after free market was introduced in China.

The World Bank assesses the results as follows:

Since initiating market reforms in 1978, China has shifted from a centrally planned to a market based economy and experienced rapid economic and social development. GDP growth averaging about 10 percent a year has lifted more than 500 million people out of poverty. All Millennium Development Goals have been reached or are within reach.

China's dramatic progress in reducing poverty over the past three decades is well known. More than 500 million people were lifted out of poverty as China's poverty rate fell from 84 percent in 1981 to 13 percent in 2008, as measured by the percentage of people living on the equivalent of US\$1.25 or less per day in 2005 purchasing price parity terms⁶. (Emphasis added by author.)

As reported by the World Bank, data shows the dramatic increase in Per Capita Gross National Income (very similar to GDP) from 1980 through 2013.⁷ Seen in the table and chart on the following page.

⁵ Stanford University

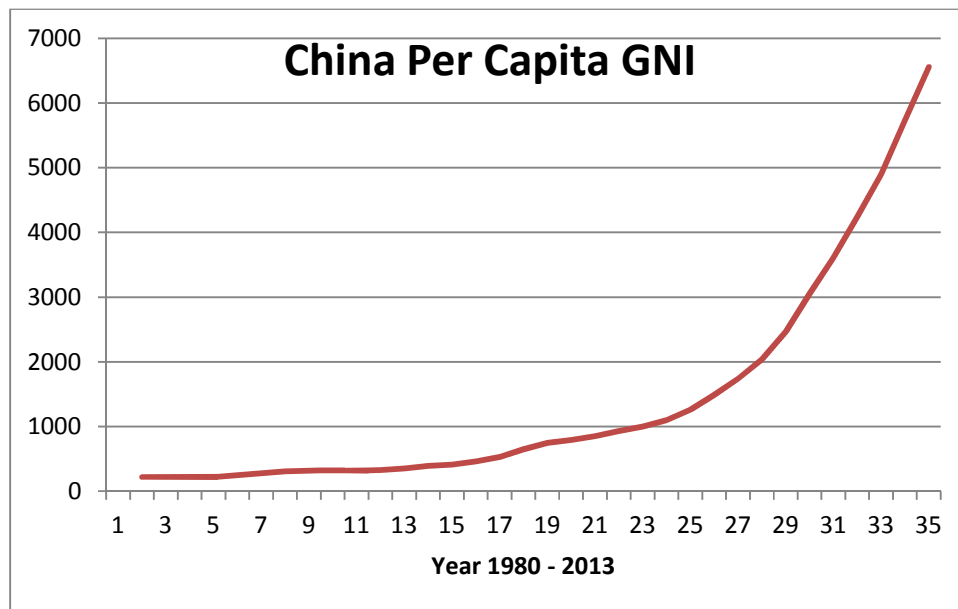
<http://cs.stanford.edu/people/eroberts/cs201/projects/communism-computing-china/china.html>

⁶ <http://www.worldbank.org/en/country/china/overview>

⁷ <http://data.worldbank.org/indicator/NY.GNP.PCAP.CD?> - Atlas Method

**China GNI (GDP) Per World Bank
Expressed in Constant US Dollars**

Year	Per Capita GNI	Year	Per Capita GNI
1980	\$220	1997	\$750
1981	\$220	1998	\$790
1982	\$220	1999	\$850
1983	\$220	2000	\$930
1984	\$250	2001	\$1,000
1985	\$280	2002	\$1,100
1986	\$310	2003	\$1,260
1987	\$320	2004	\$1,490
1988	\$330	2005	\$1,740
1989	\$320	2006	\$2,040
1990	\$330	2007	\$2,470
1991	\$350	2008	\$3,050
1992	\$390	2009	\$3,610
1993	\$410	2010	\$4,240
1994	\$460	2011	\$4,900
1995	\$530	2012	\$5,730
1996	\$650	2013	\$6,560



It's clear that it took a number of years for the changes to have a significant impact, but after about fifteen years it really took off; a dramatic demonstration of the difference in results between freedom and government control. In raising 500 million people out of poverty it

demonstrates that free capitalism offers people the opportunity to move upward and escape poverty.


North Korea

Let's compare North and South Korea. The two have markedly different Government and economic systems. North Korea, officially known as the "Democratic Peoples Republic of Korea, is in fact a very undemocratic republic. The CIA World Fact book describes it thus:

System of government is a communist state one-man dictatorship.
(Author's comment, this renders the official name rather ironic.)

North Korea, one of the world's most centrally directed and least open economies, faces chronic economic problems. Industrial capital stock is nearly beyond repair as a result of years of underinvestment, shortages of spare parts, and poor maintenance. Industrial and power outputs have stagnated for years at a fraction of pre-1990 levels. Frequent weather-related crop failures aggravated chronic food shortages caused by on-going systemic problems, including a lack of arable land, collective farming practices, poor soil quality, insufficient fertilization, and persistent shortages of tractors and fuel. The mid 1990s were marked by severe famine and widespread starvation. Significant food aid was provided by the international community through 2009. Since that time, food assistance has declined significantly. In the last few years, domestic corn and rice production has been somewhat better, although domestic production does not fully satisfy demand. A large portion of the population continues to suffer from prolonged malnutrition and poor living conditions. Firm political control remains the government's overriding concern, which likely will inhibit changes to North Korea's current economic system.

Per capita GDP data for an extended period of time for North Korea is not available, but rough estimates for recent years are shown below.

GDP - per capita 

\$1,800 (2013 est.)

\$1,800 (2012 est.)

\$1,900 (2009 est.)

note: data are in 2013 US dollars⁸

⁸ <https://www.cia.gov/library/publications/the-world-factbook/geos/kn.html>

South Korea

The CIA World Fact Book tells us this about the government of the Republic of Korea:

An independent kingdom for much of its long history, Korea was occupied by Japan beginning in 1905 following the Russo-Japanese War. In 1910, Tokyo formally annexed the entire Peninsula. Korea regained its independence following Japan's surrender to the United States in 1945. After World War II, a democratic-based government (Republic of Korea, ROK) was set up in the southern half of the Korean Peninsula while a communist-style government was installed in the north (Democratic People's Republic of Korea, DPRK). During the Korean War (1950-53), US troops and UN forces fought alongside ROK soldiers to defend South Korea from a DPRK invasion supported by China and the Soviet Union. A 1953 armistice split the Peninsula along a demilitarized zone at about the 38th parallel. PARK Chung-hee took over leadership of the country in a 1961 coup. During his regime, from 1961 to 1979, South Korea achieved rapid economic growth, with per capita income rising to roughly 17 times the level of North Korea. South Korea held its first free presidential election under a revised democratic constitution in 1987, with former ROK Army general ROH Tae-woo winning a close race. In 1993, KIM Young-sam (1993-98) became the first civilian president of South Korea's new democratic era. President KIM Dae-jung (1998-2003) won the Nobel Peace Prize in 2000 for his contributions to South Korean democracy and his "Sunshine" policy of engagement with North Korea. President PARK Geun-hye, daughter of former ROK President PARK Chung-hee, took office in February 2013 and is South Korea's first female leader. South Korea held a non-permanent seat (2013-14) on the UN Security Council and will host the 2018 Winter Olympic Games. Discord with North Korea has permeated inter-Korean relations for much of the past decade, highlighted by the North's attacks on a South Korean ship and island in 2010, multiple nuclear and missile tests, and a five-month closure of the inter-Korean Kaesong Industrial Complex in 2013.⁹

In the table below you can see that the per capita GNI of South Korea at \$34,620 dwarfs that of North Korea's \$1800. This comparison dramatically demonstrates the superiority of free enterprise over Communism.

⁹ <https://www.cia.gov/library/publications/the-world-factbook/geos/ks.html>

Republic of South Korea Per Capita GNI 1990 - 2014 In Current Dollars					
Year	1990	1991	1992	1993	1994
Per Capita GNI	\$ 8,590	\$ 9,650	\$ 10,330	\$ 11,130	\$ 12,230
Rate of Growth		12.3%	7.0%	7.7%	9.9%
Year	1995	1996	1997	1998	1999
Per Capita GNI	\$ 13,450	\$ 14,540	\$ 15,470	\$ 14,520	\$ 16,250
Rate of Growth	10.0%	8.1%	6.4%	-6.1%	11.9%
Year	2000	2001	2002	2003	2004
Per Capita GNI	\$ 17,960	\$ 19,070	\$ 20,700	\$ 21,310	\$ 22,920
Rate of Growth	10.5%	6.2%	8.5%	2.9%	7.6%
Year	2005	2006	2007	2008	2009
Per Capita GNI	\$ 24,030	\$ 25,770	\$ 27,790	\$ 28,720	\$ 28,330
Rate of Growth	4.8%	7.2%	7.8%	3.3%	-1.4%
Year	2010	2011	2012	2013	2014
Per Capita GNI	\$ 30,500	\$ 31,510	\$ 32,350	\$ 33,330	\$ 34,620
Rate of Growth	7.7%	3.3%	2.7%	3.0%	3.9%
Source: The World Bank					

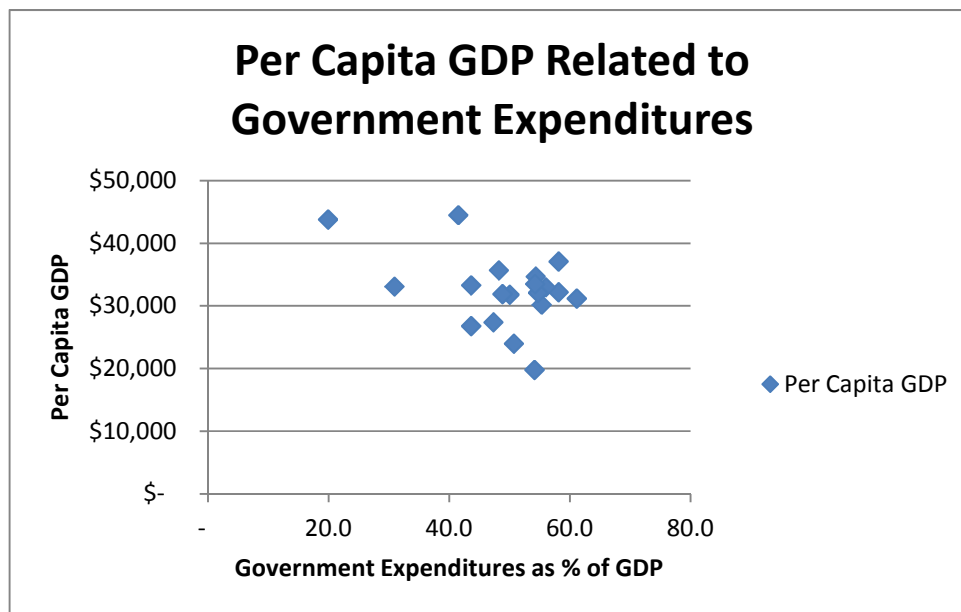
<http://data.worldbank.org/indicator/NY.GNP.PCAP.PP.CD>

How does Socialism fare?

I have used, as a measure of the degree of socialism (DOS), the percentage of GDP that is made up of government spending. Not a perfect measure as it ignores the other forms of government control, e.g. regulations, taxation, etc., but it's the best measure I could find. My first thought was to make a comparison of DOS with per capita GDP for all countries. But then it became clear that such a comparison would be distorted as the developing countries would show much lower GDP results, not as a consequence of government control but simply because they are still early in their development. So I selected a number of "fully" developed countries for our

comparison. The results are shown in the table and chart below. Note that it shows a negative correlation. That is to say that the greater the government domination of the economy the lesser the GDP is likely to be; the lesser the economic well being of the populous.

Developed Countries per Capita GDP - 2007		
Country	GE as % GDP *	Per Capita GDP
France	61.1	\$ 31,200
Sweeden	58.1	\$ 32,200
Denmark	58.1	\$ 37,100
Belgium	56.0	\$ 33,000
Italy	55.3	\$ 30,200
Netherlands	54.7	\$ 32,100
Austria	54.3	\$ 34,700
Finland	54.2	\$ 33,500
Portugal	54.1	\$ 19,800
Greece	50.7	\$ 24,000
United Kingdom	50.0	\$ 31,800
Germany	48.8	\$ 31,900
Canada	48.2	\$ 35,700
Spain	47.3	\$ 27,400
Israel	43.6	\$ 26,800
Australia	43.6	\$ 33,300
Ireland	41.5	\$ 44,500
Japan	30.9	\$ 33,100
United States	19.9	\$ 43,800
Coefficient of Correlation		-0.4280748
* Government Expenditures as a Percent of Goss Domestic		



Source: Government Expenses as Percent of GDP - St. Louis Federal Reserve
<https://research.stlouisfed.org/fred2/series/GFDEGDQ188S>
 Per Capita GDP - CIA World Fact Book, 2007

This fairly well demonstrates that the greater the government involvement in the economy, the less well off the people are in economic terms. I suppose that some might argue that "in a socialist society people are more contented as they don't have to confront as much stress in supporting themselves and their families". I, on the other hand, would argue that this contentment will be offset by more frustrations with loss of a variety of freedoms, e.g. the unhappiness generated by a 4 plus hour ordeal in the DMV, simply because we don't have the freedom to go to a competitor to obtain our driver's license. And there is reduced level of satisfaction from having done something productive. This is not to say that all government work is unproductive, but a substantial proportion of it is.

Greece

Mrs. Margaret Thatcher, once prime minister of the UK, is reported to have said, "The problem with socialism is that you eventually run out of other people's money." Today's Greece is a classic example of her proclamation. Greece has had a very socialistic society for many years. Much of the socialist's regulations are built to reduce the amount of work one individual has to do, as though work were a bad thing.

Greece's pension system has turned out to be an expensive proposition. According to CNN:

The Greek pension system is messy, convoluted and downright weird, giving preferential treatment to some workers like hairdressers, sausage makers and policemen, while penalizing farmers.

The expensive, hodge-podge system has contributed to Greece's debt crisis, so the government must commit to fix it before it gets its \$96 billion bailout. But the Greek government has resisted these changes for years. Why? Because it's exceedingly difficult to overhaul a system that citizens (aka voters) depend on.

To understand the big, fat, Greek pension problem, here's a look at some of the key facts and numbers:

1) The average retirement age in Greece has been falling for years, with men retiring at 62 and women retiring at 60, according to OECD data, even though the 'official' retirement age was recently raised to 67.

Pensions expert Professor Platon Tinios, who works at the University of Piraeus in Athens, said there are countless exceptions to the rules, which allow some Greeks to retire as early as age 50. In many cases, workers are motivated to retire early to avoid the dismal, unstable job market.

What about the retirement age of 67? "Hardly anyone who is retiring now is affected by the new retirement age," he said, noting that it could take a generation for the rules to take effect.

2) Greece spends more on pensions as a proportion of its economy than any country in the European Union -- more than double the spending of Estonia, Ireland and Slovakia.

3) Roughly 2.7 million Greeks are receiving pension benefits out of a population of 11 million. This figure has been rising for years and is expected to keep climbing [as the population ages](#).¹⁰

Then there is paid leave. All employees receive 4 or 5 weeks annual leave paid at time-and-one-half.

Greece's socialistic practices have lead to a national debt equal to more than 170% of annual GDP, making them essentially bankrupt. The European Union, the European Central Bank, and the IMF have rescued them a number of times with the requirement that Greece institute a series of austerity measures. The Greek voters recently elected a government which ran on a platform

¹⁰ <http://money.cnn.com/2015/07/15/news/economy/greece-economy-pensions/>

of opposition to austerity. An important lesson to be learned here; once voters receive government goodies they won't give them up easily.

Adding to Greece's socialistic woes is corruption. According to the "Guardian", a British newspaper corruption is a major problem:

Corruption in [Greece](#) is alive and well,” said Aliko Mouriki, a sociologist at the National Centre for Social Research. “In fact, if anything, people are now so squeezed they have fewer inhibitions about taking bribes than before the crisis.” The practice of fakelakia, or little envelopes, changing hands was supposed to have been consigned to the dustbin of history when creditors demanded a root-and-branch cleanup of a public system seen as the source of much of the country’s financial ills.

Five years on, Greeks are still cheating, bribing and evading their taxes – spurred on by the lack of punishment meted out to offenders.¹¹

Where the Greek crisis will end up is anyone's guess. But it should be a good object lesson in where socialism can lead any country.

Incidentally, there are a few European countries not far behind Greece in racking up national debt. In 2012 Lithuania's national debt as percent of GDP stood at 168%, Italy 127%, Portugal 124%, Ireland 120%, and France 101%.

Why Socialism Continues

According to my analysis, Capitalism and Free Enterprise offers a much more effective economic and political system than do Socialism and Communism. So why do socialism and communism continue to be so popular in many parts of the world? The answer is simple: seduction and envy. The prospect of receiving economic support from the government is just so appealing to people who don't bother to worry about where the money is coming from. They believe it will come from the rich people who don't deserve to have so much more than the rest of us. Of course if we took all the wealth from the rich it would not be sufficient to meet all the "needs" and capital necessary for economic growth would flee the country. The envy factor is, of course, what Marx predicted.

¹¹ <http://www.theguardian.com/world/2014/dec/03/greece-corruption-alive-and-well>

But the natural result of socialism is an unsustainable level of government debt. And we are heading down that road. The U.S. national debt has soared from 74% of GDP at the end of 2008 to 103% at the end of 2014¹². The growth of social safety-net programs at faster pace than economic growth over the past six years has brought us into dangerous territory. Many voters have been seduced.

Why Free Enterprise and Capitalism Succeed

To summarize the reasons freedom in the economy has been so successful:

1. The innovative instincts of people are unleashed. Imagine if Steve Jobs and Bill Gates, for instance, had been working for a government owned computer company where they would have been controlled and inhibited by internal working procedures and assignments from a supervisor. Do you think our tech software and hardware would be where it is today?
2. Entrepreneurial instincts are unleashed and motivated. Henry Ford's assembly line concept was born in the mind of an entrepreneur. People with vision are free to build what they see, not what some bureaucrat or governing committee dictates .
3. People are free to escape poverty and emerge into the middle class. Opportunities appear and people are not trapped in a government support system. They are given the chance to do better and over our country's history that is what has happened. However, our socialistic tendencies have tended to stifle us over the past few years.
4. Capital goes into ventures which satisfy the wants of consumers.
5. Finally competition and the desire for profits and personal gain drive motivation and result in better products and services at lower prices.

Folks, these driving forces can't be beat, except by gullible voters.

I'm sad to say that the struggle between the two systems continues in the United States to this day and freedom is not winning. We drift further and further in the direction of government control.

It's time for us to correct course and do our country a favor.

This is my opinion

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¹² Federal Reserve of St. Louis:

<https://research.stlouisfed.org/fred2/series/GFDEGDQ188S/downloaddata>

