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The Entrepreneur

This issue courtesy of Mr. Eugene Smith, President, G. T. Press, Dallas, Texas

Christianity and Capitalism: Friends or Foes

by

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Lomanco Receives 1981 Sears 'Symbol of Excellence' Award

On September 15, 1981, Del Belden, Chairman of the Board of Louver Manufacturing Company (Lomanco) of Jacksonville, Arkansas, accepted a "Symbol of Excellence" Award presented to his company by Sears, Inc. Lomanco has been a supplier of Sears for the past five years and has received the "Symbol of Excellence" four times. Out of 12,000 suppliers, less than one-half of one percent have received the award four times.

Mr. Belden, immediate past president of the Jacksonville Chamber of Commerce, was the 1980 Chairman of the Harding University Economics Team's Council for Realistic Economic Education (CREED). He made a keynote speech February 10, 1981 in the Benson Auditorium to about 3,000 students and faculty of all academic disciplines to help launch Harding sponsored statewide Free Enterprise Week, February 8-15, 1981.

Founded in 1946, Lomanco today goes about its business as the world's largest full-line ventilation equipment manufacturer. In an economy that is supposed to be in a recession, Lomanco is currently realizing record sales which are expected to be \$25 million this year.

In 1979, Lomanco's \$500,000 gift endowed the Clark David Belden Center for Private Enterprise Education. The Belden Center is dedicated to an extraordinary entrepreneur, Clark David Belden, founder of Lomanco.

Lomanco is currently owned and operated by his son, Del Belden, and third generation Beldens - all dedicated enterprisers in their own right. We salute Lomanco and the Belden family for helping keep free, private enterprise in business and for their generous contribution to assist Harding University in passing the word about the economic system that supports us all so well.

Recently at a prestigious mid-west University, a group of businessmen, scholars and ethicists came together to once again discuss the question, "Can a successful businessman be a Christian?" A senior partner of a major national law firm, criticized business for its reward system, based on self-interest incentives:

If a person for the first 25 years of his career is shaped primarily by self-interest incentives, to say nothing of the period of his educational career with its grades and prizes, it seems unlikely that we will produce corporate leaders who will have an adequate vision of the long-term good of the corporation and its constituencies, much less any broader concept of the common good of society.

A professor in another location recently wrote, "It seems to me that it is quite an unworthy goal for businessmen to go to work for the sake of bringing profit to the stockholders." In both situations, something very basic has been missed. In order to make a profit, the discipline of capitalism dictates that the businessman first satisfy the needs of others, much as religion has imposed similar rules upon those who hope to "profit" in the hereafter.

Whether in the spiritual realm with respect to heaven, or in the academic world for grades, or the business world for profits, rewards and punishments motivate people. This motivation leads to competition; and the competition requires discipline, self-discipline, discipline under civil law, and discipline under God (Hebrews 12:1-11). A result of honest competition is character.

Historically, the competition of the free market has only been possible where a common culture and a common faith lead individuals to cooperate with each other. Men compete for cooperation in the confidence that others respect quality, and they constantly improve their products and service to earn that cooperation. Cooperation dies if competition dies, because then coercion, compulsion, and force replace the free, cooperative operations of the market.

Adam Smith, in his 1776 book, **An Inquiry Into the Wealth of Nations**, stated what experience seems to confirm:

It is only for the sake of profit that any man employs a capital in the support of industry; and he will always, therefore, endeavor to employ it in the support of that industry of which the produce is likely to be of the greatest value.

He generally, indeed, neither intends to promote the public interest, nor knows how much he is promoting it . . . By directing that industry in such a manner as its produce may be of the greatest value, he intends only his own gain, and he is in this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention. Not is it always the worse for the society that it was no part of it.

By pursuing his own interest he frequently promotes that of the society more effectually than when he really intends to promote it.

I don't believe that we can go so far as to claim that capitalism is some kind of God-given dispensation. We can, with reason and good conscience, say that a market economy and limited constitutional government stand or fall together — because both are deeply rooted in the nature of man.

JUDEO-CHRISTIAN ECONOMIC HERITAGE vs. ATHEISTIC REGIMENTED COLLECTIVISM?

I once asked an audience "What's the difference between capitalism and socialism?" The reply came back, "Under capitalism man exploits man . . . under socialism it's just the opposite." Well, I suppose that ignorance paid dividends, most of us at one time or another could make a fortune on what we don't know about economics.

We could say that at one extreme is statism, a system by which everybody shares equally in getting the short end of the stick, spreading the misery evenly. Capitalism, then, is the system which makes the stick longer, and increases everybody's slice of the pie in the process.

The political spectrum for "left" to "right", in present day terms of freedom of the individual, places totalitarianism — which gives the individual only such rights and freedom as the rulers decree — at the extreme "left", and anarchism — which is complete absence of government, each individual "doing his own things" as he sees fit, the law of the jungle at the extreme "right".

The American political system was designed to operate between these two extremes, giving to each citizen the greatest practical degree of freedom and protection of that freedom.

Capitalism contains its own built-in checks and balances. People are required to exercise sound judgment, or suffer the consequences of their own folly. It doesn't carry any guarantee. One risks failure along with the prospect of success. And if we are honest, we know that there are no real guarantees possible in life — not in theory, not in reality.

It was Robert Frost who said it so well:

All men are born free and equal — free at least in their right to be different. Some people want to homogenize society everywhere. I'm against the homogenizers in art, in politics, in every walk of life. I want the cream to rise.

Life is a process of change and risk, growth and setback, and ultimately what one can realistically hope for is to achieve a just measure of success commensurate with one's own ability. This is what capitalism is, and does. It puts the responsibility where it belongs — on the individual — which is, after all, the meaning of independence.

Let it be stated here for the record that capitalism is the system for the working man. It does not reward the idle — only the man who is willing to work for his wages. However, page one of my newspaper tells me that capitalism without God is little better than communism.

American prosperity has really been a by-product of the moral principles under which we produce and exchange goods and services. The strategy of those who would weaken our nation is to weaken our faith in our principles. Men without faith in a higher moral authority readily transfer their allegiance to governmental authority.

The concept of economic individualism is well stated in "The Entrepreneurs Credo:"

I do not choose to be a common man. It is my right to be uncommon . . . if I can. I seek opportunity . . . not security. I do not wish to be a kept citizen, humbled and dulled by having the state look after me. I want to take the calculated risk; to dream and to build, to fail and to succeed.

I refuse to barter incentive for a dole; I prefer the challenges of life to the guaranteed existence; the thrill of fulfillment to the stale calm of Utopia. I will not trade freedom for beneficence nor my dignity for a handout. I will never cower before any master nor bend to any threat.

It is my heritage to stand erect, proud and unafraid; to think and act for myself, to enjoy the benefit of my creations and to face the world boldly and say: This, with God's help, I have done. All this is what it means to be an Entrepreneur.

ECONOMICS AND MORALITY INSEPARABLE

Right now, many of the world falsely think that the Scriptures are not practical. They falsely believe that religion means to relegate one to a life of poverty. Although we shouldn't make a god of materialism, we shouldn't ignore the principles for prosperous living that have been preserved for us. Balance has been provided in Proverbs 30:7-9.

7. Two things have I required of thee; deny me them not before I die:
8. Remove far from me vanity and lies: give me neither poverty nor riches; feed me with food convenient for me:
9. Lest I be full, and deny thee, and say, Who is the Lord? or lest I be poor, and steal, and take the name of me God in vain.

Nothing is more certain that this — the person who cannot be happy without money will never be happy with money. One has only to read the daily papers to seek that the wealthiest are not necessarily the happiest. If money does not make people happy, neither does it keep them from being happy. Happiness is independent of money, but dependent upon the spirit within.

“Materialism” is perhaps an overworked word. It can mean material betterment away from premature death and a miserable existence. We in America are the inheritors of the real revolution to restore material betterment.

Let us never forget that, during all of recorded history, it has only been in the last 200 years, that man has been able to do what he never could before: More than adequately feed, clothe, and house himself. For the first time ever in the history of man, we have, through the Industrial Revolution, fostered real economic growth. Through it everyone has more without anyone having less.

The collectivist idea of making people equal has never worked at any time in human history. This idea is failing now in the controlled economies of the world. The danger of it is that it seems to work for awhile, and the naive attempt to make it work for them.

Contrary to our country's critics, young and old, foreign and domestic, the people of the United States may very well be the least materialistic in the civilized world. This bears some explanation. The word “materialistic” describes people who are too much concerned with earthly goals and indifferent to the idealistic side of life. It suggests money-grubbing and selfishness.

In demonstrating that this need not necessarily be true of the American people, let's first consider the effect of material possessions on man's materialistic outlook. Every normal man instinctively tries to improve his condition by acquiring physical things, whether they be ranch houses or caves, automobiles or camels, motor trucks or wheelbarrows.

The fewer his physical possessions, the greater his need. The greater his need, the greater his concern for acquiring more. And the greater his concern, the greater his materialistic interests. This is natural and inevitable.

The American people do have more physical possessions than any other people on earth, but that permits us to be the most idealistic people on earth. We have less regard for physical things than any other people on earth because we can acquire them so easily. Americans give away more things and support more causes than any other people on earth, not because we are more generous by nature, but because we have so much to give.

I have always dedicated myself to convincing our young people that, in their getting of material goods, they should not let material goods possess them. If we gain the whole world and lose our own souls, we have made a poor bargain indeed.

I am always urging our students to develop marketable skills so that they can earn a respectable living, without having to work seven days a week at two jobs. This frees them to voluntarily give of their extra time, talents and money to be of aid and influence to others for the good of the Kingdom around the globe.

The last chapter of **God's Plan for Financial Success** by Leroy Brownlow deals with how financial success can be a failure. Dr. Brownlow notes ten conditions in which financial success turns to failure:

1. When one is possessed with the love of his wealth;
2. When one covets his money and makes it a form of idol;
3. When pride and vanity step into the picture;
4. When one doesn't enjoy his wealth as God commands us;
5. When wealth makes a fool of a person;
6. When a fortune is gained dishonestly;
7. When wealth overcomes the word of God in a person's heart;
8. When one expects wealth to satisfy all his needs;
9. When one thinks his soul can live on material wealth;
10. When prosperity harms a person in any manner.

The Bible and daily life show that wealth can help or harm us. It is up to us and our attitudes and faith in God.

THE FREE MARKET AND CHRISTIANITY

Capitalism has a wonderful track record, and we should be very pleased to be partakers in it. If we're not, there's really something basically wrong. It's almost (but not quite) like reading the Bible and not being happy.

One reason businesspeople are more vital and seem more alive is their daily engagement with problem-solving and challenges. This is not to say that

businesspeople are in a state of bliss. Rather, as a group they have a comparatively strong sense of purpose, which their work gives them.

Mr. Bill Waugh, founder and chairman of the board of Casa Bonita, and Taco Bueno restaurants was kind enough to pass the following to me recently:

Salute to Competition

My competitors do more for me than my friends do; my friends are too polite to point out my weaknesses; but my competitors go to great expense to advertise them.

My competitors are efficient, diligent and attentive; they make me search for ways to improve my service and products.

My competitors would take my business away from me if they could: this keeps me alert to hold what I have.

If I had no competitors, I would be lazy, incompetent, inattentive; I need the discipline they enforce upon me.

I salute my competitors; they have been good to me. God Bless Them All!

Free enterprise is a social cause. It solves the problems of society better than any system we know because it solves the problems of the individual. It does so much more because it allows you and me to do so much more.

Free enterprise also is an attitude, one of responsibility, of citizenship, of pride, of dignity and decency. Most of all, it is an attitude of thankfulness. For too long, we have emphasized its advantages when perhaps we should be emphasizing its good news.

In fact, Christianity and free enterprise can go hand in hand. Socially, they concern themselves about people; and together, they solve people's problems. They solve

more problems for more people than all the systems in the world. This, to me, is the main thrust of free enterprise. This is what it is all about.

It practices the same principles that Christ taught us: that we are important as individuals; that we are given certain talents by God, that we are to develop and use those talents to the very maximum; that we are to hold our heads high and stand erect and concern ourselves about fellow man, as we put maximum effort into reaching our maximum potential.

THE BOTTOM LINE

Freedom — whether spiritual, intellectual, political or economic — is indivisible. People who enjoy private economic freedom have greater liberty to search for intellectual truth and personal spiritual growth, in all its variety.

So, I ask you to join me in preserving and spreading the word about the human side of free enterprise, so that those of us who have been blessed so abundantly can commit ourselves to leaving our country and our way of life a little bit better for the next generation than it was when we found it.

Economics is the science which examines the production, distribution, and consumption of wealth. God has so created the world in which men now live that they must of necessity concern themselves with the matter of providing food, clothing, shelter for themselves and for their dependents.

I want to go on record that the successful pursuit of a professional career in business, in education, or in any other area is inherently consistent with a righteous life. Furthermore, I believe the close adherence to New Testament principles enhances — not hinders — the probability of professional success. And while you're at it, have a happy, secure, and prosperous forever.



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