

## A call for unfettered capitalism

**N**eville Isdell is right to call for a change in capitalism ["Capitalism must change, says Coca-Cola's Isdell," Sept. 25-Oct. 1), but is way off the mark in the reforms he seeks.

Actually, it is misleading to call our current system capitalist, as it represents a mere shadow of the classical, laissez-faire, free-market model that was based on limited government, private property rights and individual liberty, and was so successful at creating wealth and raising living standards in this country and wherever else it was applied around the world.

We now find ourselves enmeshed in a system dominated by government activism in all aspects of our lives, while our individual freedoms are routinely violated and rarely defended by Fortune 500 company CEOs.

With total government spending approaching 50 percent of our national income, a tax system that forces the average American to work over 100 days to earn enough money to pay their various obligations, a corporate tax rate that is the second-highest in the industrialized world, and a judicial system that routinely ignores the Bill of Rights and the sanctity of private contracts and

private property rights, the private sector, in general, and entrepreneurs, specifically, are being crushed under the boot of an ever-powerful public sector.

So, while Isdell and his band of socially conscious cohorts are obsessing about connecting capitalism to corporate social responsibility, they would be doing much more for humanity, in general, and for U.S. living standards, specifically, if they spent their time and energy focused on restoring and promoting a genuine, classic, capitalist system anchored by freedom.

Idsell's philosophy is not unique among major corporate leaders and represents a disturbing trend that has grown stronger over the past few years. It is characterized by a theory that ostensibly attempts to balance the desire of shareholders with the needs of society but degenerates into a situation where the interests of shareholders (owners) are subordinated in favor of government dictates, labor unions, local communities, Third World nations, and environmentalists. The emphasis on serving society ends up turning the corporation into a cash cow for a variety of non-owners.

It is also important to note that our current financial crisis was overwhelmingly caused by government policy failures. Misguided monetary policy from the Federal Reserve Board, combined with regulatory and legislative missteps, triggered both the housing bubble and subsequent financial meltdown. Most notably, the Community Reinvestment Act, which forced banks to lend to credit-unworthy customers, and Fannie Mae and Freddie Mac, which were created by government and able to borrow below private market rates because of an implicit taxpayer guarantee, channeled far more liquidity into housing than would have been the case in a private, market-oriented system.

Thus, it is imperative that prominent business leaders defend in fearless tones the great principles of freedom and capitalism and demand reforms to restore what has become an acutely diluted system.

This would do infinitely more for prosperity and society than their current model of using shareholder wealth to fund anti-capitalist ideas and legislation.

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