

## Lesson Ten

# Free Enterprise

### LESSON IDEA

The American free enterprise economic system, while admittedly imperfect, provides a greater abundance of high-quality goods than does communism, socialism, fascism, or other collectivist systems, including government-run enterprises within our own country.

### VISUAL AID

None recommended for this lesson.

**T**HE ECONOMIC SYSTEM of the United States is usually called free enterprise.

Tonight, let's discuss what that means, and how free enterprise compares with other economic systems. Let's see if we can determine why free enterprise can only flourish under freedom, and why it surpasses such collectivist alternatives as communism, socialism, and fascism in providing an abundance of high-quality goods and services.

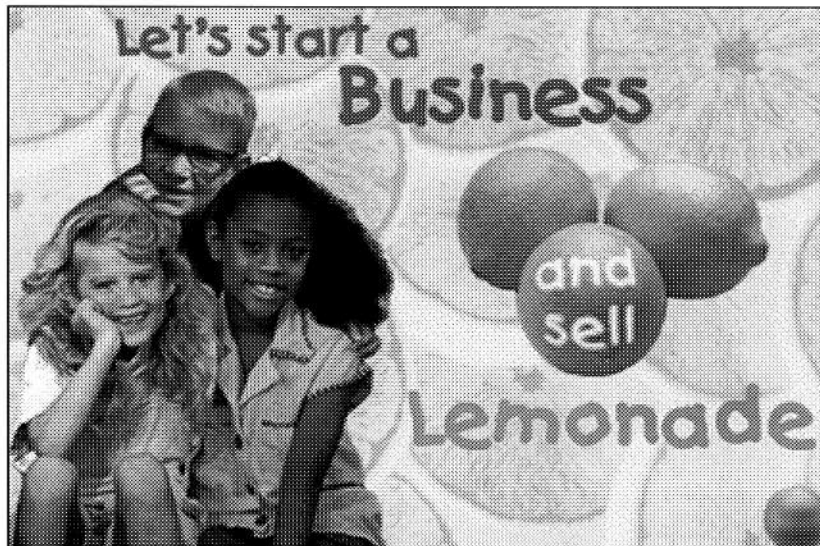
"Free enterprise" is sometimes confused with "private enterprise"; the two terms do not necessarily mean the same thing. Piracy, for instance, is a private enterprise, but it is not a free enterprise, since its success depends on violating the property rights of others. Likewise, the Mafia is a private enterprise, but since it relies on murder, coercion, and theft, it can hardly be considered a free enterprise.

All free enterprises are private enterprises, but not all private enterprises are free enterprises.

Free enterprise entails men and women working voluntarily at whatever tasks they do. They

must also be free to exchange the fruits of their labor with each other. Under free enterprise, we can choose to be an engineer, architect, doctor, bricklayer, truck driver — the choice of professions is virtually unlimited. We can build a factory and make television sets, safety pins, computers, or model racers. We can decide where to buy materials and how much to charge for the products we make or services we offer. In other words, free enterprise means being free to make economic decisions, so long as we do not interfere with the rights of others to do likewise.

Free enterprise made it possible for the United States to have more material necessities and comforts of life than any other nation in history. Whereas communist countries had to erect barriers (such as the Berlin Wall) to keep their people from leaving, we had to pass immigration laws to limit the number of people com-



**Every business, from lemonade stand to large company, benefits from our free enterprise system!**

U.S. Govt. (STANIS) graphic

ing here from other countries, because so many desired to do so.

Not everyone in our country favors free enterprise, however. Some even urge that it be replaced by some type of socialistic system. It is important to note, however, that many of those most actively engaged in criticizing free enterprise depend on its fruits to wage their assault. Their food, clothing, shelter, books, cars, telephones, television sets, radios, musical instruments, microphones, printing presses, computers, and many other items are readily available only because the free enterprise system has worked so well. In many of

