



The American Spirit of Enterprise

BY RICHARD M. EBELING

America has been the land of opportunity and free enterprise, an example and a hope for tens of millions of people around the world. In America both the industrious worker and the creative entrepreneur have been hailed as the complementary producers of prosperity and rising standards of living.

Class and caste were meant to play no part in the life of the hardworking individual, with neither political privileges for some nor artificial burdens for others. A Swedish immigrant in the 1880s, for example, could write home that his “cap [is not] worn out from lifting it in the presence of gentlemen. There is no class distinction between high and low, rich or poor, no make-believe, no ‘title-sickness’ or artificial ceremonies. . . . Everyone lives in peace and prosperity.”

And just as the humble hardworking laborer was treated with dignity and respect, so too was the innovative businessman. He was not cast as the social villain or the economic exploiter. In 1886 Walter R. Houghton, professor of political science at Indiana University, published a 620-page book titled *Kings of Fortune, or The Triumphs and Achievements of Noble, Self-Made Men*. Houghton referred to these individuals as men “Whose brilliant careers have honored their calling, blessed humanity, and whose lives furnish instruction for the young, entertainment for the old, and valuable lessons for the aspirants of fortune.”

Houghton added, “The chief glory of America is, that it is the country in which genius and industry find their speediest and surest reward. Fame and fortune are here open to all who are willing to work for them. Neither class distinctions nor social prejudices, neither differences of birth, religion, nor ideas, can prevent the man of true merit from winning the just reward of his labors in this favored land. We are emphatically a nation of self-made men, and it is to the labors of this worthy class that our marvelous national prosperity is due.”

In his studies of many of the successful businessmen of this time, Houghton went out of his way to emphasize that genius and fame were not defined by him only in monetary terms. He also recounted the stories of men who did not always amass great wealth but who had made lasting contributions to their chosen vocations. However, he clearly did not think these people more noble or worthy of attention merely because they had not accumulated money. In his histories of the lives of “noble, self-made men,” wealth was nothing to be ashamed of. Instead, accumulated wealth was the mark of a man who had applied his intellectual abilities, and, through honest, dedicated, and disciplined effort, had made his fortune by revolutionizing the manufacturing or marketing of the goods and services available to masses of the American people in the free market.

The United States was the first country founded on the principles of commerce, trade, and the primacy of peaceful, voluntary exchange. In the 1830s, a French traveler named Michel Chevalier spent two years exploring American life. He returned to France and published a book recounting his journey. (The volume was translated and published in English in 1839 under the title *Society, Manners, and Politics in the United States*.) He explained to his readers:

The American is a model of industry. . . . Figure to yourself an Irish peasant, who at home could scarcely earn enough to live on potatoes, who would look upon himself as a rich man if he owned an acre of ground, but who, on stepping ashore in New York, finds himself able to earn a dollar a day by the mere strength of his arm. He feeds and lodges himself for two dollars a week, and at the end of a fortnight he

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may have saved enough to buy ten acres of the most fertile land in the world. The distance from New York to the West [Ohio] is great, it is true; but the fare on the great [Erie] canal is trifling, and he can easily pay his way by work of his hands. It is also true, that the poorest Irishman would not think of buying so little as ten acres; the least that one buys in the West is eighty. . . .

Chevalier also described the character and the spirit of these nineteenth-century Americans:

The manners and customs are altogether those of a working, busy society. At the age of fifteen years, a man is engaged in business; at twenty-one he is established, he has his farm, his workshop, his counting-room, or his office, in a word his employment, whatever it may be. He now also takes a wife, and at twenty-two is the father of a family, and consequently has a powerful stimulus to excite him to industry. A man who has no profession, and, which is the same thing, who is not married, enjoys little consideration; he, who is an active and useful member of society, who contributes his share to augment the national wealth and increase the numbers of the population, he only is looked upon with respect and favour. The American is educated with the idea that he will have some particular occupation, that he is to be a farmer, artisan, manufacturer, merchant, speculator, lawyer, physician, or minister, perhaps all in succession, and that, if he is active and intelligent, he will make his fortune. He has no conception of living without a profession, even when his family is rich, for he sees nobody about him not engaged in business. The man of leisure is a variety of the human species, of which the Yankee does not suspect the existence, and he knows that if rich today, his father may be ruined tomorrow. Besides, the father himself is engaged in business, according to custom, and does not think of dispossessing himself of his fortune; if the son wishes to have one at present, let him make it himself!

This is the spirit that made America great. The government at all levels—federal, state, and local—kept almost completely out of the way. Government’s primary function was to protect the life, liberty, and property of the individual. Did the government sometimes interfere in the marketplace and busy itself with scandalous wastes of money on public-works projects or subsidies to enterprises run by men close to those who controlled the public purse? Yes, it did. But these were invariably considered evil examples of political corruption and almost always economic disasters. The hallmark of the American system was freedom of enterprise and an open road for the risk-taking speculator and entrepreneur.

Government’s Unending Growth

Compared to much of the world, it is certainly true that America still today represents that example of a spirit of enterprise. But the unending growth in the interventionist welfare state during the last 100 years has eaten away at the image of America that so impressed Michel Chevalier in the early nineteenth century and inspired William Houghton in the 1880s to write about the country’s “kings of fortune.”

In the *World Almanac* of 1868, the entire listing for all the bureaus, agencies, and departments of the federal government fit on one page, and that included all the U.S. ambassadorial postings around the world as well. Today the federal government’s departments, agencies, bureaus, and commissions number around 400 and the listing goes on for pages in the 2007 *World Almanac*.

Wherever we turn, the hand of the government regulates, controls, redistributes, prohibits, subsidizes, influences, and manipulates. At the same time too many Americans consider privileges, favors, and handouts from government to be as reasonable and as legitimate as income earned honestly and openly in the marketplace.

Our task, therefore, is to remind our fellow citizens about what made America so inspirational for so many around the globe. We must work to restore the spirit of individualism and self-responsibility that made America unique. 