Revolution is rapidly gaining momentum. In addition to the accelerating rate of decline of the Big and creation of the little, he finds the remaining Big are seeing the handwriting on the wall and are rapidly introducing "intrapreneurial practices": that is, more and more firms are breaking themselves up into largely autonomous teams that compete with each other in bidding for company projects.

The New Message

The general point is to internalize losses and profits into the smallest idea-creation and product-manufacturing team possible—*bring the market incentives to each individual as directly and immediately as possible,* while at the same time optimizing all the powerful motivating forces of team work ("fellow feeling"). As Macrae is well aware, this idea has long been used by very successful American companies like Arthur D. Little. But what is new is the rapid spread of the practices and—even shocking—the spread of the message. There are now consultants in Sweden and the U.S. (such as Mr. Bob Schwartz's Tarrytown School for Entrepreneurs outside New York) and even professors (such as Reg Revans at Manchester College of Science and Technology) who are propagating the message. And even Prophet Macrae is being honored in his own day, having been invited to give talks on the Revolution of littleness in twenty nations.

As technology and competition increase, what is now an early but powerful trend will become a tidal rush. If the government ever stops mandating inflation and punishing small business, the Revolution of Littleness will sweep all before it. And the Age of Little Business will be an age of greater economic freedom, thus of ever greater creativity, efficiency and growth for all of us.

IDEAS ON LIBERTY

Regulatory Taxation

TAXES on profits interfere with these important signals. They weaken the signal of encouragement to a profitable business and confiscate the means needed for expansion. Thus, taxes frustrate the adjustment the market demands, destroying the dynamism of competitive enterprise, protecting inefficient operators at the expense of more capable competitors. The capitalist economy thus loses its characteristics of quick adaptability, managerial efficiency, and keen competition. The fundamental pillars of the free market are dangerously weakened by the present taxes on business profits.

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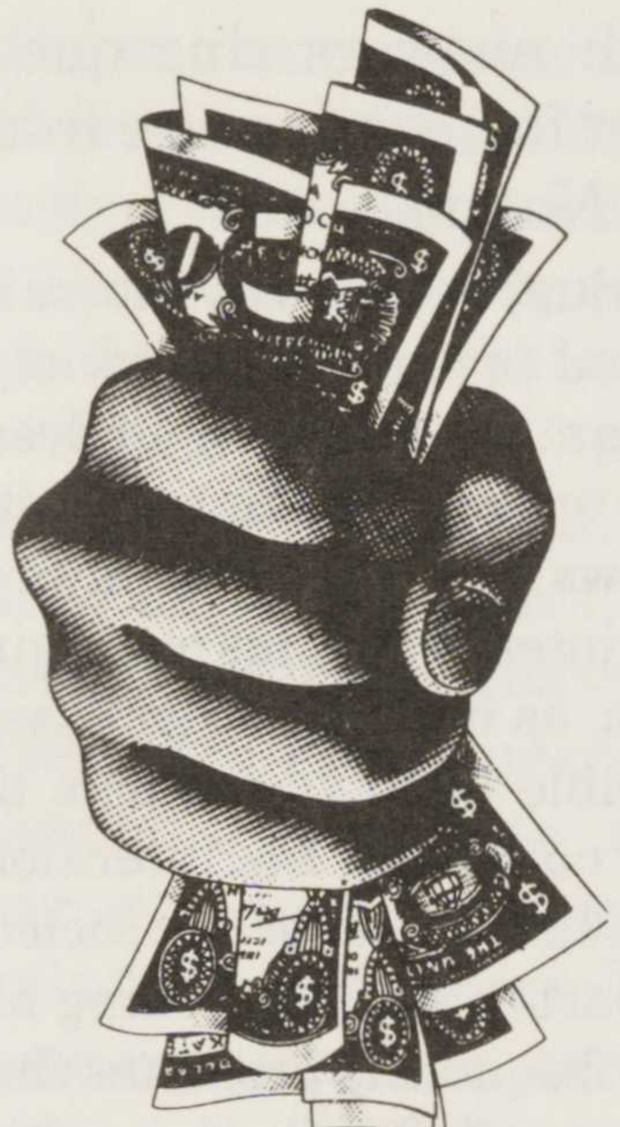

James Doti

CAPITALISM AND GREED

BEFORE ECONOMICS became a science of economic models, theoretical proofs and irrational rationality it was called moral philosophy and dealt with how individuals live their lives. A comprehensive philosophy of life was presented during the latter part of the eighteenth century by Adam Smith. In his path breaking work, *The Wealth of Nations,* Adam Smith described an economic system based on self-interest. This system which later became known as capitalism is described in this famous passage:

> It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity but to their self-love, and never talk to them of our own necessities but of their advantages. (Smith, p. 14, Modern Library edition, 1937).

Thus, the forces of self-interest determine individual actions. It is difficult to reconcile this practical religion of capitalistic societies, however, with any system of thought or morality that can be described as Christian. Surely, an underlying theme in Christ's teachings is that love and charity toward one's neighbors rather than self-interest should guide an individual's actions:

> But I say this to you who are listening: Love your enemies, do good to those who hate you, bless those who curse you, pray for those who treat you badly. To the man who slaps you on the cheek, present the other cheek too; to the man who takes your cloak from you, do not refuse your

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