even dictators worry about it because no society can be great unless its productive power is unleashed.

Yet the very word "growth" can be misleading, and too many of us may be mesmerized into thinking that it is more or less biological if not automatic, that it can be fertilized, seeded, cultivated, and harvested like so many acres of wheat or cotton, that it can be simply planned from above and ordered into existence, that it can even be accelerated through – presto –revving up the money press.

Only When Free . . .

So we sometimes lose sight of the fact that economic growth, even in a closed society like communism, is an intensely personal matter, that it rests heavily on human psychology, on individual motivation, on voluntary choices. We forget that printing-press inflation is an affront to the individual, a delusion that steals away his savings and corrodes his sense of dedication to work and thrift. Above all, we overlook the essential fact that only when the individual is free can he be fully productive and creative, that society and all social institutions, including the church, government, university, and corporation, live and think and act only through the individual.

But, like "growth," freedom also seems to me to be not always understood. Many Americans, for example, seem to hold that freedom is a grant of government, forgetting that our Declaration of Independence holds that all men are "endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty, and the pursuit of Happiness." If liberty were not so endowed, then what government could grant, government could also take away.

Indeed, the genius of the Founding Fathers was their realization that government is most fallible when it comes to usurpation of freedom, that men in public office should not be blindly trusted, that the American government therefore had to be, through the Constitution, strictly limited in its powers, subjected to checks and balances, and expressly prohibited from infringing on the endowed freedom of the individual. Ours was to be a government of law, not of men. And thus does the Bill of Rights seek to confirm liberty under law.

Again, quite a few of us appear to believe that while free speech, free press, free assembly, and free exercise of religion are thoroughgoing freedoms, free enterprise is somehow an exception to the rule. I call your attention to the growing grid of so-called "voluntary" controls in the guise of guidelines and guideposts.

Importance of the Individual

I believe, in other words, economic growth flourishes under freedom, under responsible citizenship and government, under individual growth. I believe individual growth stems from the individual's ability to serve, from his dedication to service, and from the raising of his sights on his aspirations and possessions—incentives, if you will. And I believe individual incentives are indispensable to growth in a free society and, as the manifold problems of communism prove, in an unfree society as well. Ironically, the individual in communist societies, under a philosophy of materialism, loses both material well-being and freedom. As Adam Smith, that canny Scotsman, father of modern economics and, incidentally, professor of moral philosophy, noted almost two hundred years ago: "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." In brief – responsible self-interest. And thus does the public interest in economic growth involve the lawful private interests of individual growth.

I believe, in short, the social good is advanced through the individual's free but responsible "pursuit of Happiness." So my philosophy for growth comes down to social growth through economic growth, economic growth through individual growth, and individual growth and individual fulfillment through self-investment and self-discipline.

Capital Formation

To be sure, textbooks and economists treat capital formation – adding to the total capital stock of a country – as the road to economic growth. This is true, as far as it goes, but it doesn't go far enough for, again, such thinking can lose sight of the individual tree for the forest. Capital formation is indeed at the center of economic growth, but individual growth and individual investment are the foundation of capital creation. Thus, when we speak of an investment in an industry or in a country, we speak directly or indirectly of investing in people, in the individual. The individual, as a saver, is the beginning of investment; he, as an investor or consumer, is the end purpose of investment. In a free society, in other words, capital investment is of the people, by the people, for the people – or, more accurately, of the individual, by the individual, for the individual.