

Bringing business here

Saturday, December 8, 2007

On Tuesday in Montpelier, the Vermont Chamber of Commerce convened a summit meeting of the state's business leaders.

The meeting was, more or less, another gripefest about how Vermont's taxes are too high, its regulations are too onerous and how the Legislature needs to do something about both.

"It's at a point where we are almost going off the cliff," said Mark Saba, who heads up the Chamber's governmental affairs office.

But there was one discordant voice in the choir singing the familiar "Vermont Is Anti-Business" hymn that the chamber's members so love to sing, Rep. Warren Kitzmiller, D-Montpelier, is chairman of the House Committee on Commerce. He is also the former owner of Onion River Sports in Montpelier. As the head of the House committee that will be dealing with the Chamber's gripes, Kitzmiller reminded them that they might be overstating their case.

"I'm in the camp that thinks Vermont is a darn good place to do business," Kitzmiller said. "If you're somebody with an idea who wants to start a business, it's easier here than anywhere else."

As for taxes and regulations, Kitzmiller said every state has them, but Vermont's landscape and lifestyle are what attracts people into the state.

"If the only thing you're looking at is profit ... that's a very myopic view of life," he said.

That last statement made conservatives around the state go ballistic.

In an editorial in the St. Albans Messenger, publisher Emerson Lynn wrote that while "we can debate at what level profitability is acceptable, or at what level it should be taxed, or where these profits are best invested ... we can't debate the fact that profitability is at the center of what allows us to survive, or what provides us our quality of life, or what underlies our basic freedom."

Actually, we should debate that fact. Yes, any enterprise needs to achieve and maintain a reasonable level of growth to survive. The question will always be, what is the price of that growth?

Is it acceptable to outsource jobs and put people out of work for a higher quarterly dividend? Is it acceptable to pollute the environment to increase the return to shareholders? Is it acceptable to pay your workers as little as possible while the CEO gets a multimillion dollar bonus?

Under the current rules of capitalism, the answer is yes, yes and yes. The only obligation of a business is to make a ever-higher profit each quarter. How it makes that profit does not matter.

If you are a disciple of economist Milton Friedman, the patron saint of free market capitalism, you believe that government has no role in the economy. You believe that public ownership of anything is an abomination. You believe that nothing should interfere with the divine right of capital.

That's why Friedman's rival, economist John Kenneth Galbraith, once observed that "the American conservative is engaged in one of man's oldest exercises in moral philosophy; that is the search for a superior moral justification for selfishness."

Kitzmiller was not so much questioning the profit motive as he was questioning it being the sole reason for

the existence of a business. Is it possible to make a reasonable profit without exploiting workers or the environment? In Vermont, the answer to that question is yes. There are plenty of businesses, large and small, that practice social responsibility and still make money in the process.

Those are the businesspeople who want to be in Vermont. Those are the businesspeople who aren't constantly griping about taxes or Vermont's alleged anti-business climate.

Yes, there are businesses who roam the planet looking for constantly lower taxes and labor costs. And there are places which will happily oblige and give these businesses everything they desire. But Vermont doesn't need to join the race to the bottom of the global economy - a race where a select few people profit and everybody else suffers. That's because of the power of what some call "the Vermont brand."

The image of Vermont as a human-scaled, environmentally-friendly and socially progressive place is what draws people here. Entrepreneurs who share these values are choosing this state as a place they want to do business in.

While we agree that profit is essential, we also believe that any enterprise that only sees the world in terms of how it affects its bottom line is myopic. This is the discussion that needs to happen in Vermont, and in the rest of the world.