



FOR IMMEDIATE RELEASE
May 17, 2010

CONTACT: Janel Causey
jcausey@gopnm.org (505) 298-3662

In Case You Missed It

Op-Ed by Chairman Yates: Entrepreneurs Help Economy

ALBUQUERQUE, NM—Yesterday, an op-ed penned by NM GOP Chairman Harvey Yates Jr. was published in the *Albuquerque Journal*.

As Yates points out: *“Crony Capitalism plagues much of Latin America. Unfortunately, here in New Mexico, crony capitalism has gained vigor under the Richardson/Denish administration, as it now is gaining vigor nationally under the Obama administration.”*

The chairman’s op-ed is printed below in its entirety.

Entrepreneurs Help Economy

Albuquerque Journal

By Harvey Yates Jr., chairman of the [Republican Party of New Mexico](#)

May 16, 2010

Read online at: http://www.abqjournal.com/opinion/guest_columns/16221236opinion05-16-10.htm

Entrepreneurs Help Economy

One can place businesses on a grid. On one end are entrepreneurial businesses. On the other end are government nursery occupants — that is, the businesses that maintain themselves by milking government largess. Between these opposites are businesses that have attributes, in varying degrees, of both the entrepreneur and the nursery occupant. In a free economy entrepreneurial businesses reign. In a heavily government controlled economy nursery occupants dominate.

The public benefits from the existence of the entrepreneurial enterprises. These are the businesses that seek to gain a profit by innovation, by the delivery of a better product,

or by the delivery of more product at a lower cost. These are the businesses whose products and efforts more often lead to an enhancement of our standard of living and to the creation of productive jobs.

On the other extreme, the government nursery occupants often spend their creative capital trying to leverage more government sustenance, or by causing the heavy and inhibiting hand of government to be applied to their competitors. Often such businesses seek to gain for themselves some legally imposed privilege denied to their competitors.

While the public benefits from the activities of entrepreneurial enterprises, politicians often benefit by the existence of government nursery occupants. In fact, politicians often seek to convert entrepreneurial businesses into part-time or full-time government nursery room occupants; a politician may do this for the benefit of the politician or for a favored constituency.

The relationship between a politician and a nursery occupant often needs to be covered by one or more myths designed to disguise the symbiotic relationship and make it appear as if the activities of the milker and the politician are in the public's interest.

Nursery occupants are more likely, than are entrepreneurial businesses, to be responsive to the politician's whims, needs and demands. Why? The politician has an actual or implied chokehold on the nursery's sources of sustenance.

The powerful politician's toolbox contains a variety of devices that can be used on recalcitrant entrepreneurial enterprises or industries to force them toward the nursery room. Among the coercive tools are these: threatened regulatory driven ruin; threatened massive fines, the level of which, while ostensibly set by quasi-judicial boards, are actually set or influenced by the politician; and public demagoguery targeting the recalcitrant enterprise or industry.

Of course, the powerful politician often also has at his command carrots that he can use to entice entrepreneurial enterprises in the direction of the nursery room. Among these enticement tools are: favorable regulatory treatment; access to public money; and regulatory assistance in eliminating or burdening competition.

Often, a symbiotic relationship develops between the nursery room occupant and the politician necessary to it, in one way or another, for a continued flow of vital fluids. Together the politician and the milker sometimes create a "crony capitalism" which, if powerful enough, restrains innovation, limits freedom and reduces the well-being of the citizenry, but which rewards both the milker and the politician.

Crony Capitalism plagues much of Latin America. Unfortunately, here in New Mexico, crony capitalism has gained vigor under the Richardson/Denish administration, as it now is gaining vigor nationally under the Obama administration. Further, both Democrat administrations have displayed a disgusting use of the coercive instruments and

the enticements available from the politician's toolbox, as well as a penchant for contorting enterprises for their own purposes.

Neither this state nor the nation will be the better for it.

Both New Mexico and the nation need more entrepreneurial enterprises and fewer nursery room occupants. This state needs jobs — jobs in enterprises that do not rely on government for sustenance. It needs jobs in enterprises where innovating, creating a better product or creating more of a product for less is the aim of the enterprise and where pleasing a politician is of little importance.

###