

The wealth of nations

Theodore Roosevelt Malloch tells Alan Taylor that thrift is the path to prosperity

THIRIFT, says Theodore Roosevelt Malloch, "is all about thriving." In his latest book, *Thrift: Rebirth of a Forgotten Virtue*, the renowned American political economist who was once described by Margaret Thatcher as "a global Shogun", endeavours to bring thrift from the cold where it has been for too long, shivering and shamed.

If Malloch has his way, it will not only be reborn but redrafted and shorn of pejorative and negative associations. In so doing he traces its roots back to his own, to the Scotland of the Reformation, to Calvin and Presbyterianism, and to the Protestant work ethic which remains strong to many of his countrymen.

Aligning thrift with other eternal virtues, which include faith, hope and charity, prudence, temperance, justice and courage, Malloch offers no less than a personal and public code of conduct for the 21st century.

Reviewed enthusiastically in such magazines as *Time* and *Fortune*, and endorsed by scholars and divines, CEOs and politicians, thrift has suddenly acquired buzzword status. Its time, it seems, has come again, much to the surprise, one suspects, of its author.

Had he published his book five years ago, says Malloch, speaking by phone on his return to Florida after a few days being buffeted by fierce winds on Scottish Inke courses, he would have been mocked mercilessly. When he asked people what their reaction to thrift was it was rarely positive. The word "thriftspare" arose often. A search on Yahoo threw up a newsletter on "simple living", a guide to so-called good deals called *Cheap Stings* *Revised*, a publication titled *The Complete Thriftspare Guide*, and numerous street ads for thrift shops. This was emphatically not what Malloch had in mind or, for that matter, the likes of John Calvin and his acolyte, John Knox.

"Thrift," writes Malloch, "was not seen as a matter of elegance or branding, both of which exhibit the perversion of property and the failure to put it to creative use. Nor did it demand a retreat from risk or an avoidance of magnanimous and generous gestures.

"Thrift was seen as a matter of the wise use of assets—accumulating where this was possible, investing where this promised a



return, and avoiding waste. Thrift was nothing more or less than wise stewardship, conducted under the eyes of God. And it was exactly what the capitalist economy required: Scotland in the 17th century did not merely join the modern world, it played its own special part in creating it."

How thrift fills from such celestial heights

“His memory haunts me sometimes. His long eyebrows and the brogue

is not easy to chart. Certainly, the cartoonist of the killed Scotsman with a look on his sporan and a mean look on his unflinching face did nothing to enhance it. Malloch's book reads his own schooling in thrift case via his grandfather who arrived in America from Perthshire at the end of the 19th century.

"His memory haunts me some times," says Malloch. "Those long eyebrows and the brogue. He had strong opinions about things like idle time and playing cards and too much drink. He was serious about saving. He was a speculator in land himself and made a lot of money even in the Depression. He was an incredible success."

Growing up in Philadelphia where his father ran the naval shipyard, Malloch was encouraged, like many kids of his

generation, to put spare coins in a jar. Hence the illustration on the cover of his book which is of a jam jar packed with coins. When his publisher sent him the original, he recalls, there was only a couple of pennies and a nickel in the jar. "That's not thrift," he told them. "That's poverty!" The point being that the two are antithetical. Pursue thrift, argues Malloch, and wealth will accumulate. The trick then is how to properly use that wealth.

In this regard he refers readers to those of his heroes of thrift: Benjamin Franklin, Malloch's fellow Philadelphian whose commitment to thrift was peerless; Samuel Smiles, the Haddington-born author of the 19th-century bestseller *Self-Help* who coined the phrase "God helps those who

help themselves"; and Sir John Templeton, the billionaire philanthropist, who was Malloch's friend and mentor and who, before he died last year aged 95, wrote the foreword to Malloch's book.

Templeton, says Malloch, is the personification of his philosophy of thrift. From a relatively humble upbringing in Tennessee he supported himself through

“Unless you produce wealth you can't be philanthropic

Ted Malloch: His experience at Aberdeen made him an 'ambassador' at a very early age



Yale and Oxford, where he was a Rhodes Scholar. In 1937 he began his career in Wall Street where he created some of the most successful international investment funds. Described by *Money* magazine as "arguably the greatest global stock picker of the century", he sold his various Templeton Funds in 1992 for \$440 million.

Thereafter he concentrated on giving his money away, including some \$60 million a year through the John Templeton Foundation, of which Malloch has in the past been the grateful recipient.

"Unless you produce wealth, save and invest that wealth, you can't be the end-be philanthropic and give it away," says Malloch. "The two relate to each other and Sir John, for me at least, embodied that as perfectly."

Now that we're struggling with a deep international recession and money is tight, Malloch's thrifty vision is becoming increasingly popular. Among those championing it are Steve Forbes, who himself has Scottish antecedents. "This book," says Forbes, "could help all of us put our personal and public lives in order."

Malloch is understandably gratified by such high commendations. But he is well aware that while many of us endorse the idea of thrift we seem – even in the midst of tanking share prices, huge government debt escalation and banks teetering on the edge of bankruptcy – to be more inclined to spend rather than save.

It is undoubtedly a paradox but one he welcomes enthusiastically. His own career, which has embraced the United Nations, CNN, the US Senate and state Department saw Yale University as well as the formation of his own strategy company, the Roosevelt Group, suggests he likes a challenge and is always on the lookout for a new one.

Malloch spent a year, 1975, at Aberdeen where he did an M.Ed. "It was very formative," he says. He had a stellar Dan in what was "quite a push around the globe in 15 graduate students from across the globe. The experience, he adds, "made me an ambassador at a very early age."

What he doesn't say, however, is that Aberdeen, often regarded as the world capital of thrift, may have also saved in him the seeds of our future prosperity. ■

Thrift: Rebirth of a Forgotten Virtue by Theodore Roosevelt Malloch is published by Encounter Books www.encounterbooks.com