

SUMMARY OF EFFORTS (from page 6)

will permit me to raise a number of philosophical issues not normally discussed where policy initiatives are concerned.

"The intent of this writing permits only a brief digression into the nature of our relationship with one another -- as individuals, as citizens of the same society and as members of one species. The reasoning I draw on is not mine but comes in part from the philosopher and educator Mortimer Adler, whose book *The Common Sense of Politics* should be required reading by every American. Adler traces the philosophical origins of our form of government to the writings of John Locke and the concept of 'sovereignty of the individual' over oneself and one's 'property'. From Locke we received the 'natural rights' doctrine and a concept of liberty defined as 'freedom constrained by justice'; actions violating the liberty of another fall, then, into a realm Locke identified by the term 'license', the nature of which made such actions legitimately subject to societal control. As members of the same species, adds Adler, is there any question that we have the same inherent human rights? Accept that we do, and the next question is what those rights are.

"At this point, the discussion of rights, liberty and license requires bringing in the ideas of another philosopher with whom you, Mr. Maxwell, are somewhat familiar. I am referring to the nineteenth century writer, Henry George, who accepted the Locke/Adler logic for treating all humans as fundamentally equal and deduced therefrom specific rights we each possess. In doing so, George supported Locke's theory of property in one's labor and the products of one's labor, a definition consistent with liberty. What could be more just than that one should rightfully own oneself and one's products. Which raises the most important and unresolved socio-political issue in history: Who has a right to own nature, which is the source of all production but is not itself produced by man?

"The ownership of nature falls not within the labor basis for property but in Locke's realm of license, as a form of privilege. What we have largely ignored in our thinking about the justness in our laws is that titles to nature and to claims on the economic value of nature exist only within the political framework of a society. And, throughout history, an overriding human motivation has been to secure and retain privilege within the legal framework; unfortunately, as our legal and tax systems have taken on greater and greater complexity, the underlying injustices have become obscured. The economic value attached to licenses, whether titles to nature or monopolies against competition, or merely processes to ensure minimum qualifications of certain practitioners of a trade, are societally-created and not individually-produced. From this fact, Henry George stated that justice required two actions on the part of legitimate government:

"To collect the economic value of titleholdings and licenses for use in providing for necessary public services (distributing, if available, any excess back to all citizens on a pro rata basis as a sort of public dividend); and

"Protecting legitimate private property (i.e., production) from confiscation by either private groups or the government itself. In this sense, taxation of wages or of capital or produced goods is a form of confiscation and should be held to an absolute minimum.

"It is generally acknowledged that wealth is becoming more and more concentrated in our own society and throughout much of the world. Armed with a flawed understanding of Keynesian demand management theory, our economic planners and political representatives embarked on a spending spree designed to minimize poverty in America without having to look too far into its causes. As we have learned, the welfare state is an expensive proposition that has enormous negative side-effects. Today, our concerns have shifted to the production side of the equation in the form of 'supply-side' initiatives. So long as there was little international competition for American businesses, our social welfare legislation achieved somewhat of a leveling by means of transfer payments. Now that real economic growth has slowed and government expenditures are out of control, however, public resistance to higher and higher taxes has given us two options: finally move toward collecting unearned income derived from titleholdings and licenses; or, finance current expenditures (largely by borrowing from the unearned income received by those who hold such titles and licenses), to be repaid by taxing future production. I would add that policies of monetary intervention have added fuel to the fire by building in an inflation premium into the price of goods and services.

"The indictment I have set down for your consideration is one that is not widely appreciated or accepted. For example, while a large number of economists specializing in problems of the less developed countries recognize monopoly privileges as the cause of maldistribution of wealth and a primary reason for political upheaval, they do not see any correlation between these circumstances and the structural unemployment characteristic of the bottom socio-economic group within the American population. It was interesting to me that in the Senate a few years back when the aid package to El Salvador was being debated, and opponents were demanding land redistribution as a condition for approval, Jessie Helms suggested that if having 5% of the families owning 95% of the land called for land redistribution in El Salvador, then the same was true for our own country, where the concentration is just about the same and becoming more so.

"As American policymakers are beginning to understand, the globalization of technology and, hence, production capabilities, now seriously limits unilateral policy changes. Every action taken is counterbalanced by all other players in the marketplace. The resulting challenges to our overall standard of living are reflected in the vast numbers of personal and business bankruptcies, the demise of family farms and the millions of homeless across this country. Again, the connection between these facts and the inherent structural flaws in our system are not widely appreciated.

"An area where this is evident is in the policy changes recommended by the IMF and other agencies working to restructure the debt of the LDCs. It was, by and large, the formation of O.P.E.C., one of history's most effective monopoly-driven transfers of accumulated financial reserves, and the resulting 'stagflation' in the industrialized West that sent the international lenders to the LDCs, desperate to find a home for the 'hot potato' of reserves O.P.E.C. could not spend on massive development projects of their (continued on p. 11)