

A Proposed Amendment to the Constitution of the United States of America to Protect the Democratic- Republican Model of Government from Degenerating into Mob-Rule and Authoritarianism.





America Has Advanced Far Down the Path that Ends in Authoritarianism.

- Over the past fifty years, America has changed both its character and its master. We have transformed from a democratic-republic accountable to its domestic middle class into a plutocratic-republic accountable to a global billionaire class.
- This transition has entailed the deterioration of our independent middle and working classes into precarious and dependent underclasses.
- The growing pessimism, animosity, and distress experienced by ordinary households aggravates political polarization, multiplies the objects of political faction, and intensifies demagoguery, anticipating an authoritarian political trajectory.



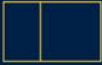


America Has Become the Very Aristocracy the Founding Fathers Repudiated.

- In 1776, America's top household owned wealth equivalent to about 1,000x the national median. In 1950, that ratio had increased to around 40,000:1. Today, America's top household owns wealth equivalent to about 2,000,000x the national median, and the richest 1% is wealthier than the entire middle class.
- Such wealth concentration subsists at the expense of ordinary workers: After 50 years of stagnation, wages fast fall behind living expenses. The median bank account balance is \$5,000. Most Americans live paycheck-to-paycheck and have less than \$1,000 in savings

In wealth concentration, America now resembles the stratified aristocracies of Europe more than the hopeful egalitarian republic the Founders established.

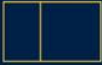




The **LEGAL FORM** of a Democratic Republic Depends Upon the Rule of Law...

- The people must be sovereign.
- The legislative, executive, and judicial powers must be separate.
- The judicial and legislative powers must be limited (through specific enumerations of power, bills of rights, and due process).
- The legislators must be chosen by frequent and fair elections, and subject to removal for bad behavior.
- Above all, the government must be “*bound by fixed laws, which the people have a voice in making, and a right to defend*”. **John Adams, 1775.**





But the **POLITICAL SUBSTANCE** of a Democratic Republic Depends Upon the Broad Diffusion of Wealth.

John Adams, 1787: *The original meaning of the word republic could be no other than a government in which the property of the people predominated and governed; and it had more relation to property than liberty.*

John Adams, 1776: *Power always follows Property. ... the Ballance of Power in a Society, accompanies the Ballance of Property in Land. The only possible Way then of preserving the Ballance of Power on the side of equal Liberty and public Virtue, is to make the Acquisition of Land easy to every Member of Society.*

John Adams, 1776: *“A genuine republican measure”* (writing to Abigail Adams on the *Lex Sempronia Agraria* of Tiberius Gracchus, which capped household claims to public land and reallocated parcels to landless Romans).





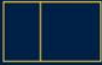
America's Founding Fathers Understood that Wealth Must be Widely and Productively Diffused.

Thomas Jefferson (Draft Virginia Constitution) 1776: *Every person of full age neither owning nor having owned [50] acres of land, shall be entitled to an appropriation of [50] acres.*

George Washington, 1788: *America ... will be the most favorable Country of any in the world for persons ... possessed of a moderate capital ... it will not be less advantageous to the happiness of the lowest class of people because of the equal distribution of property, the great plenty of unoccupied lands, and the facility of procuring the means of subsistence.*

James Madison, 1829: *It is a lot of humanity, that of this surplus a large proportion is necessarily reduced by a competition for employment to wages which afford them the bare necessities of life. The proportion being without property, or the hope of acquiring it, cannot be expected to sympathize sufficiently with its rights to be safe depositories of power over them.*





They Understood that Extreme Wealth Concentration Creates Economic Patronage and Political Faction.

Alexander Hamilton, 1788: *A power over a man's subsistence amounts to a power over his will.*

James Madison, 1787: *The most common and durable source of factions has been the various and unequal distribution of property.*

George Washington, 1796: *The alternate domination of one faction over another, sharpened by the spirit of revenge ... is itself a frightful despotism. ... Sooner or later the chief of some prevailing faction ... turns this disposition to the purposes of his own elevation, on the ruins of public liberty.*



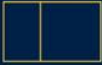


The Founding Fathers Accordingly Condemned Extreme Wealth Concentration.

John Adams, 1765: *Property Monopolized, or in the Possession of a Few is a Curse to Mankind. We should preserve not an Absolute Equality – this is unnecessary – but preserve all from extreme Poverty, and all others from extravagant riches.*

Thomas Jefferson, 1785: *I am conscious that an equal division of property is impracticable. But the consequences of this enormous inequality producing so much misery to the bulk of mankind, legislators cannot invent too many devices for subdividing property, only taking care to let their subdivisions go hand in hand with the natural affections of the human mind.*



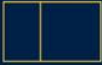


They Created a Constitution That Guarantees the **LEGAL FORM** of a Democratic Republic.

- Articles I, II, and III divide the legislative, executive, and judicial powers.
- The right to vote is secured by Article I, Section 2, Article II, Section 1, and Amendments XIII, XIV, XVII, XIX, XXIV, and XXVI.
- Due process resides in Article I, Section 3, Clause 7 (Impeachments); Article I, Section 9, Clause 2 (*Habeas Corpus*); Article I, Section 9, Clause 3 (No Bills of Attainder or *Ex Post Facto* laws); Article I, Section 9, Clause 7 (No Titles of Nobility; Foreign Emoluments); Article III, Section 2, Clause 3 (Trial by Jury); Article III, Section 3 (Treason), and Amendments IV – VIII, and XIV.
- Article IV, Section 4 guarantees the Republican Form of Government.

But Nothing in the Constitution Guarantees the **POLITICAL SUBSTANCE** of a Democratic Republic.



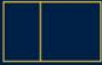


The Constitution Must Now be Empowered to Preserve the Substance of a Democratic Republic.

- A large, stable, financially **INDEPENDENT MIDDLE CLASS** among which wealth is productively diffused.
- Reasonable prospects for productive, unsubsidized, and dignified **UPWARD MOBILITY** for regular households laboring below.
- The **MIDDLING VIRTUES** of modesty, industry, loyalty, civility, sobriety, and equity incidental to a moderate and hopeful economic station.

A stable and moderate society administered by authentic democracy will exist, and political faction and patronage will be contained, wherever these conditions prevail.



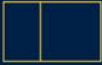


The Substantive Welfare of a Democratic Republic Can be Measured by its **SOCIAL ASPECT RATIO**.

- The social aspect ratio describes the relationship between the **TOP** and the **MEDIAN HOUSEHOLD NET WORTH**.
- The lower the social aspect ratio, the more egalitarian society is.
- The more egalitarian a developed economy, the more moderate it is, the greater the economic opportunity, the stronger the middling virtues, the lesser the objects of faction, the role of government, the bonds of economic patronage, and thereby the prospects for depositism.
- In 1776, America's social aspect ratio was 1,000:1. In 1950, it was around 40,000:1. Now it is 2,000,000:1.

To save our democratic republic we must **ROLL BACK** America's social aspect ratio to **10,000:1**.



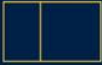


To Roll Back the Social Aspect Ratio, Let Us **ANCHOR** the Top Households to the National Median:

- Require the Census Bureau to calculate the **NATIONAL MEDIAN HOUSEHOLD NET WORTH** every five years. (Currently appx. \$120,000.)
- Permit no **HOUSEHOLD** to exceed a net worth cap equal to **10,000x** the national median. (Currently around \$1.2 billion, 650 households. Existing fortunes would be grandfathered subject to conditions.)
- Distribute 100% of the revenues raised thereby to the States that timely ratify **IN EQUAL SHARES**. (Direct and downstream revenues could exceed \$6 trillion over time.)

Proposed Amendment XXVIII would implement a theory of political economy called **RATIONISM**.





RATIONISM. An Economic Theory to Preserve the Democratic-Republican Model of Government.

- When the fortunes of the top households rise and fall **LOCKSTEP** in mathematical proportion to the national median, all energies shall focus on **INCREASING THE NATIONAL MEDIAN**.
- At a 10,000:1 Social Aspect Ratio, every \$1 by which the national median increases raises the wealth cap by \$10,000, every \$10,000 by \$100 million, and every \$100,000 by \$1 billion.
- By **ONLY OPERATING ON HOUSEHOLDS**, Rationism **LETS THE MARKETS DECIDE** how to raise the national median.
- Rationism incentivizes the markets to generate **PRODUCTIVE DISTRIBUTIVE FORCE** to mitigate the adverse impacts of immigration, labor expatriation, labor-saving technology, and pay disparities.

NO GAINS FOR THE MIDDLE, NO GAINS FOR THE TOP.





Rationalism **NULLIFIES ADVERSE IMPACTS** on American Labor and Promotes **UPWARD MOBILITY**.

- The national median net worth is dragged down by **OUTSOURCING OF JOBS**, **LABOR-SAVING TECHNOLOGY**, and **IMMIGRATION**. Anchoring the top households to the national median prevents them benefitting from **WAGE-REDUCING TACTICS**.
- The easiest way to raise the national median is to raise household net worth near and below the national median.
- In addition to serving the middle class, this will **BENEFIT BLACK AMERICANS** (without injuring White Americans) while reducing economic patronage; the Black median is less than one-tenth the White median. Eliminating Black wealth disparities alone would raise the cap by over \$400 million, to over \$1.6 billion.

Rationalism will promote **PRODUCTIVE**, **DIGNIFIED**, and **UNSUBSIDIZED** upward mobility in spite of globalization and automation.





The Question is Not **WHETHER** the Government Shall Intervene in the Economy, but **HOW**.

- Unlike Socialism, Rationism creates no new regulations, subsidies, corporate taxes, or household taxes beneath the \$1.2 billion net worth cap.
- Socialism is benchmarked against the **MINIMUM**, seeking to guarantee that all households receive taxpayer-funded goods and services, but tolerates abuses by, and perpetuates dependency of, program beneficiaries.
- Rationism is benchmarked against the **MEDIAN**, enhancing the value and opportunities for work while conferring no benefits to those who do not.
- Socialism relies upon the **GOVERNMENT** to redistribute wealth in the form of subsidies, while Rationism incentivizes **MARKET ACTORS** to raise the median net worth without reliance upon subsidies.

Rationism: America's **ANTIDOTE TO SOCIALISM**.





Enforcement Could Raise Over \$6 Trillion in Revenues, Which Shall Benefit **NO SPECIAL INTEREST**.

- Enforcement would be accomplished via taxation. To the extent markets raises the median, the net worth cap correspondingly increases. To the extent markets fail to raise the national median, any wealth diverted from middle households is simply recovered from the top households.
- Expatriation of wealth cannot evade a net worth-based tax.
- No new legal or accounting technique is required for administration, which is based on appraisals of **FEWER THAN 1,000 HOUSEHOLDS**.
- 100% of direct revenues would allocated equally to each State whose **UNIVERSITY ENDOWMENTS** and **EMPLOYEE RETIREMENT FUNDS** could make efficient use thereof.

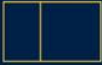




Without Appropriate Intervention, the Survival of Legitimate Popular Government in America is Improbable.

- The growing pessimism, animosity, and distress now experienced by ordinary households aggravates political polarization, multiplies the objects of political faction, and intensifies demagoguery, charting an authoritarian political trajectory.
- This political trajectory generally agrees with ancient Greek historiography on regime change (*ἀνακύκλωσις*) (see, *e.g.*, Herodotus (III. 80), Thucydides (VIII. 97), Plato (*Rep.* VIII. 544 C) (*Laws*, III. 677 A), Aristotle (*Pol.* VI. 1293b), Polybius (*Hist.* VI), Dionysius (*Rom. Ant.* VII, 54-56)).
- America's evolutionary path also shares fundamental uniformities with the evolution of its nearest historical approximation: the Roman Republic (commencing with *Ti. Gracchus* and ending with *Caesar Augustus*, c. 133BC-27BC).





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