

THE RATIONIST

TWELVE ESSAYS INTRODUCING A PROPOSED AMENDMENT TO THE CONSTITUTION OF THE UNITED STATES OF AMERICA TO PRESERVE THE DEMOCRATIC-REPUBLICAN MODEL OF GOVERNMENT.

ADDRESSED TO THE PEOPLE OF THE UNITED STATES OF AMERICA.

BY GRACCHUS, A LOYAL CITIZEN.

NUMBER NINE:

THAT AMERICA'S AUTHORITARIAN POLITICAL TRAJECTORY ARISES FROM MIDDLE CLASS INSECURITY.

To the People of the United States of America:

Two political parties came into control of the city, one of which was called Plutis [Capital], the other Cheiromacha [Labor].

Plutarch

Of the eighty-five essays comprising *The Federalist*, the ninth and tenth are devoted to the question that America's authoritarian political trajectory now urgently compels us to return: the Constitution's ability to quell domestic popular faction.

Alexander Hamilton opened *Federalist No. 9* in allusion to Anacyclosis, recounting the succession of revolutions endured by Greek and Italian republics. And he referenced the Lycurgan brake in extolling modern improvements to ancient political theory, citing as his first example "*the regular distribution of power into distinct departments.*" Our previous essay nevertheless concluded that the Constitution is utterly powerless to suppress the domestic economic faction we now confront. This strain of faction arises chiefly from middling insecurity, and although the Constitution authorizes Congress to regulate every species of commerce, it imposes upon it no duty to protect the middling share of national prosperity.

It was not until *Federalist No. 10* that the socioeconomic aspects of political faction were introduced into the series. In Madison's first contribution to it he famously declared that "*the most common and durable source of factions has been the various and unequal distribution of property.*" But though he here entered the waters of political economy, he kept to the shallow end. Aside from vaguely referencing "*different and unequal faculties of acquiring property*" and "*a rage for paper money, for an abolition of debts, for an equal division of property, or for any other improper or wicked project,*" that celebrated essay investigated neither the specific causes nor the ultimate effects of extreme wealth concentration.

Then again, there was no need to do so at that time. As our prior essay showed, America was born middle class. It enjoyed boundless unimproved lands to the west and no immediate prospect of wealth concentration. America's founding circumstances thus permitted Madison to evade for the moment a complete analysis of these great socioeconomic questions which later writings show persisted in his mind. Skipping that analysis, he pronounced a conclusion that we must now question: that the only methods of "*curing the mischiefs of faction*" are either to

destroy liberty, or to give every citizen “*the same opinions, the same passions, and the same interests.*” Declaring the first remedy to be unwise and the second impracticable, he concluded “*that the **CAUSES** of faction cannot be removed, and that relief is only to be sought in the means of controlling its **EFFECTS.***”

Perhaps Madison’s conclusions are indisputable with respect to those unique and transitory bouts of political faction rooted in cultural evolution and changing social norms, always irritating to conservative morals but seldom leading to civil war. But before accepting them with respect to the ubiquitous and persistent varieties of economic popular faction that eventually do lead ruined middle classes to Caesar, we must first abandon all hope of instead turning them toward Gracchus: are human political societies truly incapable of devising **CORRECTIVES** to extreme wealth concentration? Must we rely on the inadequate and temporary relief furnished by **PALLIATIVES**? Because it seems that the quality distinguishing a palliative from a corrective is the same which distinguishes a treatment from a cure: the power to eliminate the underlying disease by removing its causes, not merely ameliorate its symptoms by controlling its effects. Applied to the middling insecurity which characterizes late-stage Anacyclosis, the question therefore becomes whether reversing extreme wealth concentration would remove its causes, thereby halting its progression.

These may frame the most important unanswered questions in all of political science and economics. For of a longstanding corrective there is no precedent, though the *Lex Sempronia Agraria* sought that end. As noted in our second essay, Dr. Scheidel shows that economic inequality has never been serenely reduced. Not once. Every fleeting lunge toward economic equality in all of history has been accompanied by one of four calamities – what he calls the four horsemen – of catastrophic plague, state collapse, mass-mobilization warfare, or transformative revolution. And of the liberty-destroying mania ever arising from revolutions carried out in the name of economic equality, as Madison remarked and history records, it could never be more truly said that the remedy was worse than the disease.

Although history furnishes no example of a structural corrective for generalized extreme wealth concentration, there are many examples of palliatives designed to assuage economic precariousness. The *Cura Annonae*, various subsidies and tax exemptions in the Han Dynasty, and the Zakat are old examples. Modern policies under consideration to alleviate household insecurity such as safety nets, transfer payments, stimulus payments, and basic income are of like category. Yet because these plans do not reverse or correct the habits causing the underlying wealth concentration which necessitates their existence in the first place, all such measures are at best only palliatives – and cannot be regarded as correctives – to the economic practices now invading the middling share of national prosperity.

So we now return to these important questions in our effort to advance a project never before completed in the history of mankind. We seek to define the first intervention by which advanced market economies and capitalist societies would peacefully, permanently, and productively de-concentrate household wealth. Not because it is fair. Not because it is just. But because it is necessary to rehabilitate the middle-class foundation upon which the democratic-republican model of government rests.

THE DISEASE TO BE CURED IS NOT INEQUALITY BETWEEN THE EXTREMES, BUT INSECURITY IN THE MIDDLE.

Our fifth essay closed by listing the middling virtues essential to sustain authentic and responsible popular government. Abstracted from the first-hand observations of Aristotle and Alexis de Tocqueville, we concluded that an upright middle class is financially independent, jealous of property rights, busy, optimistic in its labors, distracted from propaganda, resistant to patronage, demagoguery, and electoral bribery, slow to accept subsidies, skeptical of new and sensationalist ideas, disinterested in political agitation, holds practical, moderate, and steady opinions, and is not unduly hostile toward the wealthy.

Extreme inequality presents as the most obvious symptom of wealth concentration for the same reason that wealth accumulation has become the primary standard of success: it is easy to measure, and even easier to see. But the acute civil strife and political violence marking the closing stages of Anacyclosis are not finally caused by extreme inequality in and of itself. Inequality is after all nothing new to the world or to America. Plenty of societies have long rested with great stability at a persistent condition of extreme inequality. Where its symptoms have not been avoided by the simple fact of popular disorganization or population diffusion, they have been effectively managed through various forms of suppression and pacification.

Moreover, nothing in our list of middling virtues abhors inequality in and of itself. What the middling virtues instead demand is that the lion's share of the body politic be independent and distracted in the **OPTIMISTIC PURSUIT OF HIGHER STATUS**. When such circumstances prevail – when men of ordinary ambition and ability must work, can work, and believe that the rewards justify their exertions, the people tolerate inequality as the natural product of the “*diversity in the faculties of men from which the rights of property originate.*”

These considerations, united with the most casual observations of our present circumstances, reveal that it is not extreme inequality but **MIDDLING INSECURITY** which creates the virulent species of economic political faction we now endure. Describing the most durable source of factions as “*the various and unequal distribution of property*” as Madison did is not incorrect, but is incomplete. It is not merely that the rich get richer. It is that they get richer at the expense of the middle class. It is not the nominal enlargement of the top fortunes but the pro rata diminution of the middling share that narrows upward mobility, depresses purchasing power, increases debt, feeds pessimism, perpetuates disparities, promotes dependency, demands palliatives, fuels demagoguery and patronage, amplifies polarization, and annihilates the middling virtues. And it is the erosion of the middling virtues which announce the death of the democratic-republican model of government.

The disease to be cured is thus not inequality per se. It is not the mere accumulation of vast fortunes by individuals, for perhaps their inventions and contributions create employment and warrant great rewards. It is not the usual dispositions and conduct of great corporations. Households are the final owners of virtually all wealth, and joint capital accumulation is necessary to undertake great and risky ventures like sponsoring dangerous ocean voyages, building factories, developing drugs, and sponsoring dangerous space voyages. It is not the system of capitalism, which despite all imputations of evil intent is devoid of philosophy and malice. Capitalism is simply an amoral bundle of legal and market techniques like private property, limited liability, corporate franchises, and securities and commodities exchanges utilized to facilitate the useful objectives of accumulating capital and profits. It is not even

mankind's insatiable ambition for status and gain, for without the creative energies spawned in that pursuit we would still dwell in caves.

The disease to be cured – insofar as the preservation of the democratic-republican model of government is concerned – is any system or belief that prefers elite gains over middling gains, conditioning the middle class to tolerate any encroachment into its rightful share of national prosperity. And what should be the middling share? Aristotle recommends that it always exceed fifty percent. If we take his advice to mean that the middle third should hold at least half the wealth, we have strayed very far indeed from where we ought to be. In both the United States and the Mother Country, the middling share today falls well below one-tenth. Surely our middle classes are worth more than a tithe upon the fabulously profitable system of capitalism.

If we wish to depart from our narrowing and quickening path toward Caesar we must restore the middling share of national prosperity so that men do not seek him out. Our next essays will show how this may be accomplished.

GRACCHUS.