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The New Liberalism

By Steve Palmer

America faces some serious economic challenges. We all know that socialism means to take from the rich to give to the poor. But our nation is faced with a more complex problem than this customary type of wealth redistribution. Our problem is what I refer to as reverse socialism. If we wish our nation to be free for future generations then We the People must fix this problem.

Free enterprise is, among other things, a legal structure that treats all individuals and business entities equally before the law. The proper role of a free enterprise-promoting government is to simply protect unalienable rights—not to favor one man over another through benefits and entitlements.

Our national political debate has become convoluted between two sides with equally flawed premises and goals. The liberals want social programs to benefit the poor, while most mainstream conservatives want the government to serve and protect “big” business, even if it means to favor a large corporation over a small start-up. What neither side seems to recognize is that both are equally as dangerous and detrimental

to freedom and prosperity. They both lead to the exact same result, and that is the concentration of too much power in the hands of too few.

Most people who believe that wealth redistribution programs are wrong see only the government taking from the “haves” to give to the “have-nots.” But what has been lost in the shuffle of “progressive” social policy is the fact that our legal structure has also evolved into favoring those with capital over those with little or none. Those who recognize the problem of taxing the wealthy to give to the poor seem to be virtually unaware of the dangers of favoring large corporations over small businesses.

Here are two examples of this reverse socialism.

1. In my town, when Wal-Mart decided that they wanted to open a store here, the city council waived most of the fees and gave them about 5 acres of land. But the individual citizen who wishes to open a small retail store is subject to all of the mandated regulation and fees, and a land grant to them wouldn't even be considered. 2. A friend of mine is an owner/operator of his own tractor trailer. He told me that the biggest trucking companies in the country pay almost half as much for fuel as do the small companies or individual truckers.

Whether you take from the rich to give to the poor, or if you favor the rich over the poor, the effect is the same. In both scenarios you wind up with an unnatural and inequitable economic system with the majority of the wealth concentrated in the hands of a few people. Here are some statistics to illustrate the state of the American economic system. According to the U.S. Census Bureau, in 2001 the bottom quarter of families in the United States had zero net worth. The bottom 90% of families had less than 20% of the net wealth, and the top 10% owned 80.7% of all the net wealth. Federal Reserve research in 1995 found that the wealth of the top one percent of Americans was greater than that of the bottom 95% and that the net worth of the top one percent was 2.4 times the combined wealth of the poorest 80%.

The sad thing is that it hasn't always been this way. In 1800, census information showed that over 90% of our population were owners of the means of production—mostly small business owners and farmers. In 1900 that statistic was the same—over 90% of us were owners. In 2000, those numbers were exactly reversed—less than 10% of our population are now owners.

Economic power in many cases equates political power. So what we have arrived at is precisely the same thing that has caused all nations throughout history to fall, and that is too much power in the hands of too few. Aristotle wrote that, “The only stable state is the one in which all men are treated equally before the law.” Our nation is unstable because our forms of law have been corrupted.

The first step to solve the problem of these large discrepancies in wealth distribution is to identify the cause of the inequity. The cause is two-fold, but both aspects of the cause spring from the same root. One reason is that the majority of our citizens have bought into the dependence model of employeeship and government entitlements. The other cause is that we have changed the forms of our Constitution to allow for illegitimate wealth redistribution. This redistribution is allowed by our legal structure in two ways: Taxing the rich to give to the poor, and also by favoring those with capital over those with little or none. Both of these causes spring from the same root, and that is that we as individual citizens have failed to take personal responsibility both in our individual financial lives and in our public duty to maintain a strong and free Democratic Republic.

Identifying the cause of the problem now leads us to the solution. First of all, we as individuals must take the responsibility to start being a “have,” as opposed to a “have-not.” Taking from the rich and distributing down will simply mean that we all lose, because no wealth is being created; it simply leads to an impoverished mediocrity. But if the 80% of us that were mentioned in those Census Bureau statistics would simply create

wealth from the bottom up, then everyone rises together. Those of us who have little capital must employ our mental resources to create wealth. The problem of economic inequity can only be solved from the bottom up—not the top down.

There is one other thing that must be fixed in our political structure if we wish America to remain free. We must renovate our Constitutional forms so that our legal structure will again—as it was created by the Founders in the original Constitution—treat all individuals and entities equally before the law. It is an improper and dangerous use of government to take from one person to give to another, or to favor one business over another. The proper role of government is to treat everyone equally in the defense of their unalienable rights. When the government steps out of that realm it concentrates too much power in the hands of too few.

We are at a critical point in our nation’s history. History has shown repeatedly that the 200 year mark is where nations must either reinvent and reform themselves, or fall because of their inability to check and balance power. Our chance for an American renaissance is now or never, and We the People have the inescapable responsibility for that rebirth. We must all, individually, create our own financial freedom and become owners of the means of production. And we must educate ourselves to gain the power to fix our bent governmental forms. Our government must treat all individuals and businesses equally before the law and stop all forms of unnatural, forced redistribution.

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