

**Endowed with  
democracy,  
an individual  
bill of rights,  
and  
the flexible economic,  
ethical, and political  
system of  
MIXTURISM,  
there are  
no problems  
which people  
cannot solve.**



# MIXTURISM



## **Dedication**

*This book is dedicated to the people of the future with the vision to bring about the changes needed to create an intelligent society where the principles of mixturism will solve all present and future problems.*



## **Acknowledgments**

*Many people have helped shape my perceptions of what life is and should be. Foremost among them, from the beginning: my parents, my brothers and sisters, my wife, and my children and their families. All have given me insight and inspiration. To them, I express my love and gratitude.*

*I am particularly indebted to two other people: Doug Hullander for his editorial review of this book, and Janie Hensley for her invaluable work in putting the manuscript together. I am indeed grateful.*





# MIXTURISM

**The rational economic, ethical and political philosophy for the 21st century and beyond.**

**Businesses, governments and people working together to meet the needs and desires of all.**

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by

**JAMES M. CARROLL**

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# **My Vision for the 21st Century and Beyond**

For many people around the world, the coming of the year 2000 seems to have little significance...nothing more than a change of numbers on the calendar or a different set of digits on a computer screen or in a personal checkbook. But I view the approach of the new millennium quite differently. To me, it seems a most auspicious occasion, truly a time for a new beginning for humankind...a time when human hearts, minds and souls will be receptive to a new philosophy, a time when people around the world will long for and finally achieve a common mindset...leading to a collective attitude that, for the first time in human history, will usher in a long-lasting era of peace and prosperity for all citizens of planet earth.

Indeed, by the year 2000, many factors favoring an instant mindset change will already be in place...communicative, scientific, and technological advancements; improved worldwide economic conditions; settlement of geographic disputes; and growing political and religious tolerance. These factors will give citizens of planet earth cause to reflect, to adopt a new mindset...one making it possible for those who have plenty to have even

more and those who have not, to have plenty.

At the center of this new mindset are three fundamental principles: One, the world is now, more than ever before, an interdependent society, one where citizens of one country need the products and services of many others. Two, supplies of both people resources and natural resources already exist which are sufficient for supplying goods and services to satisfy the needs and desires of the entire world. Three, the United Nations can be restructured in the following ways: It should be empowered with authority to function as the “world’s police,” with the ability for enforcing a new world order; it should have the right to hold leaders of any nation responsible for conflicts they might cause; and it should have powers of indictment for the purpose of bringing them to justice. The United Nation’s should dedicate itself to helping nations to work together to bring about practical solutions to common problems.

But how can we bring about a spirit of cooperation between government, business and the people? How can we unite public and private sectors in a working relationship such that the doors to individual opportunity will be flung wide open for all? How can we reshape our community so that all people will be able to find their way into society and reap fully the rewards of their labors?

The answer, mixturism, a philosophy that blends the best features of public and private enterprise... where pragmatism, not labels, rules.

History has shown that pure capitalism and pure socialism are deeply flawed. When one or the other system is practiced exclusively, problems are created, not solved. On the other hand, mixturism applies whichever approach seems most likely to solve a problem, regardless of whether it involves the private sector, the public sector, or joint private and public sectors working together.

The philosophy of mixturism recognizes that there are five basic human needs which must be met: First, we must have a health care system that will provide the very best in medical care for everyone, from conception to death. Individual personal income should not determine eligibility. Second, we must develop a public and private system of education that will provide the best possible academic and vocational training for all people. Third, we must establish a reserve-retraining work-force system, surrounded and supported by full-service child-care capabilities. With such a system in place, no one who wants a job will ever be without one. Fourth, we must make it possible for every person to have a decent place to live, be it a house, an apartment or a condominium. To achieve this, we must be courageous enough to limit the number of people through sensible pop-

ulation control. Fifth, we must have a monetary system that will provide a balanced money supply at all times, one that is equivalent to the goods and services people's hands and minds can produce.

Mixturism addresses all these basic human needs. But to maximize the effectiveness of this philosophy, individuals must assume responsibility for their own success in life, recognizing that the family is paramount and that concern for the well-being of others is crucial to maintaining a civilized order. Each nation must work toward becoming a democratic society and must guarantee its people an individual bill of rights. The United Nations must protect these rights. But we must also ensure that the U.S. military can reinforce the United Nations and be independently capable of halting any aggression on its own.

With the dawning of the new millennium, humankind has the opportunity to embrace a new mindset...one which sets aside ideology and selfishness in favor of pragmatic problem solving and cooperation. So, let us look forward to the 21st century. Let us view it as a new beginning as we strive to create a new era of lasting peace and prosperity.



# Interdependency

Two hundred years ago, most citizens of the fledgling United States of America could proudly call themselves rugged individualists. Starting with little more than determination and common sense, these independent settlers carved home places for themselves out of the wilderness, fulfilling the doctrine of “Manifest Destiny.” Toiling long and hard, they cleared forests and used the wood of the felled trees to build cabins. They cultivated fields of plenty on the newly created open spaces, growing crops that put both food on their tables and clothing on their backs. Blessed with a bountiful supply of wild game, they supplemented their diet of homegrown fruits and vegetables with a variety of hearty meat dishes. These early Americans relied on no one for their survival or sustenance. Producing almost everything they used, they took pride in being autonomous. Outside the family unit, their activities had virtually no effect on any other human being, and, likewise, actions of others had essentially no effect on them. Economically and culturally, each person was truly an island unto himself or herself. There was no need to look to others for support or assistance... and no need to call on the government for help or regulation.

But that was then...this is now. The impetus of Manifest Destiny, with its “grab all you can get philosophy” has long since come to an end. Today, there is no more land free for the taking. Practically every square inch from the Atlantic to the Pacific is deeded to some individual or corporation or is held in trust by the government for all the people. The United States has grown to a nation of nearly 300 million, and not a single person can truthfully say that he/she is totally self-reliant, completely independent. Quite the contrary, each person depends on tens of thousands of others to produce the goods and services he/she uses everyday. From food, to computers, to clothing, to fuel...all are produced by the sweat of other people’s brow. Because of specialization of labor, advanced technology, and mass communications, America, and indeed the world, has become an **interdependent** society. Those hardy souls of the past who once lived in a vacuum, providing all the necessities and amenities of life for themselves...those rugged individualists...are gone forever.

But ironically their political philosophy lives on. It’s true. Even though the world is truly a complex interdependent web, there are still those who prefer to solve problems of today by using the techniques that worked in an earlier time. These proponents of rugged individualism would have us believe that each person is, to a degree, still an

island... that every person should be quite capable of succeeding on his/her own without help from others. They would have us believe in nature's law, the survival of the fittest...a world where there should be no need for the government to assist the weak, to free the oppressed, or to regulate the unscrupulous. Such a laissez faire approach might have worked when lives of people did not overlap; but, in today's **interdependent** society, we know all too well that the actions of one inevitably affect the well-being of many. Obviously, in today's world this hands-off approach does not work, a fact which history clearly illustrates.

In the late 19th and early 20th centuries, pure capitalism in this country was given free reign. Profit was king, and it overmatched a weak central government, which exercised little if any regulatory control over activities of business tycoons and industrial magnates. The result: Having no governmental protection, the American worker easily became the target of exploitation by greedy business owners, who, in turn, grew rich and powerful. With no government agency to monitor activities, industries polluted rivers and the air with impunity. This unfortunate state of affairs very nearly destroyed the socioeconomic fabric of the United States, helping plunge it into the Great Depression of the 1930's.

Franklin Roosevelt realized that pure capitalism

was inherently flawed and that government intervention would be necessary to save the country from ruin. Upon his inauguration, Roosevelt instituted sweeping social reforms aimed at addressing the inequities which had been allowed to fester under pure capitalism.

The nation survived this near catastrophe because open-minded politicians dared put ideology aside. Bravely disregarding labels, they mixed elements of capitalism with those of government programs to solve the problems of America. The lesson is clear. The difficulties of people the world over can best be resolved by employing whatever approach works best in a given situation. Under such a plan, public enterprise unabashedly works to solve problems which it is best suited to handle while private, free enterprise works to solve problems it is best suited to handle. Combining these two ideas into a philosophy of government is the last best hope for resolving socioeconomic problems that plague countries around the world. Called "mixturism," this hybrid form of capitalism and socialism is the epitome of pragmatism. Practicing it requires that one discard blind allegiance to a single system in favor of a more noble position...that of improving the human condition.

The American experiment with pure capitalism proved to be a failure, and the former Soviet Union's experiment with pure socialism proved

unworkable as well. We can learn from these examples that doctrines practiced in the extreme merely for the sake of adhering to a philosophy only bring disaster. In this age of global interdependence, where the lives of all are intermingled, we must admit that the free-enterprise system alone cannot solve our problems. We must admit that government programs alone will not work either. We must realize that the private sector must have help from the public sector and vice versa. Embracing mixturism means being open-minded enough to employ the ratio of public/private programs that work best to solve problems. Adopting mixturism means people accepting the fact that, in the long run, it is in their best interest to work toward a system that affords all a fair chance to earn a quality life for themselves.

With strong and decisive leadership from Washington, the United States could lead in bringing about the social, economic and intellectual freedom of the world. The United States could influence the leadership of the world to be perceptive and sensitive as to how the people of the world wish to be treated. The country could foster a flexible system of economic freedom that would influence the whole world.

A democratic political system, a Bill of Rights that gives each individual freedom and the exercise of free speech is what gave America the opportu-

nity to be great. Now that opportunity should be expanded both here and across the globe, making the economic systems of the world servants of the people. There would be enormous benefits. Status quo thinking would be gone. Tolerance for oppression would be gone. Clear thinking, free thinking, would be the norm. Then problems of the world would begin to be solved. Mixturism is destined to be the socioeconomic system of the entire world and become its salvation. The needs of the people must take precedence over profit... although profit is definitely important.

In this book you will see what America's problems are and what it takes to solve them. You will see how the two great resources...people resources and natural resources...are the wellspring from which all goods and services flow. You will see how money should be a medium of exchange for people's productivity, not a commodity. You will come to understand how national planning should not be based on shifting money from one priority to another due to a shortage of money. You will see how it should be based on bringing together people's needs and desires with natural resources and human resources. You will also see how rational human behavior and interrelationships are necessary to realize the full potential of life. Along the way, you will discover the PHILOSOPHY OF MIXTURISM...an all-encompassing

system which promises a rational resolution of the major social problems—economic, ethical, and political—by utilizing what is good from all philosophies...Democrat, Republican, liberal, conservative and others...to promote human progress without trying to fit any solution into one particular mold. The straightjackets of “isms” will be forever removed.





# Mixturism

We have previously defined mixturism as the private sector working together with the public sector to meet the needs of the people. The idea that the use of one economic system, such as socialism or capitalism, can meet the needs of all the people is a fallacy. In order to encompass the different needs and desires of many people, economic systems must be flexible.

Mixturism, unlike other “isms,” would not put people into straightjackets as they try to solve their economic problems. Other “isms” allow for only certain methods to be used in solving problems and limit the number of solutions acceptable to them. In mixturism, the solution to the problem is deemed more important than the method used to find the solution or the method by which the solution is used.

Mixturism would not destroy any system that presently exists, but would call for the flexibility to use what is good in all systems to solve the problems of the people of this planet. Violent revolution and terrorism can be avoided if nations are flexible in their approaches to problems and to their solutions.

Mixturism is a proper mixing of private and public enterprise in any activity of a socioeco-

conomic system so that the needs of all people in the society can be best met and progress promoted for all the people of this planet. The mixing of private and public enterprise, or the partnership of private and public enterprise, should be similar to a reversible reaction.

If public enterprise can do a better job than private enterprise in any area of endeavor, then private enterprise must give way to public enterprise. When private enterprise can do a better job than public enterprise, then public enterprise must give way to private enterprise. When neither enterprise by itself can fill the vacuum that exists in economic development, then private and public enterprise must form a partnership to fill the vacuum. The needs of the people must take preference over profit. Meeting the needs of all the people must be the determining factor as to which enterprise... private, public, or joint private and public...is to be used.

The chief goal of people is to survive their duration on this planet in the best possible fashion. Progress, or achievement of the "best possible fashion," is anything which leads to every person on this planet having the best of all the goods and services that are needed for quality living. At the very least, every person should enjoy the right to a good job, health care and enough space for a home and a place of privacy for the duration of life.

The struggle between socialism and capitalism revolves around the questions of whether every person has a right to a job at wages high enough for quality living. Some say there has to be a top and bottom. If this is true, the bottom should be quality living. No one should be opposed to anyone living rich, just to anyone living poor.

Governments have two main functions: first, to guarantee the rights and freedoms of its people and, second, to provide a political and economic system whereby the people can have quality living. Since the time of the Bill of Rights and the Constitution, governments have had available to them a prototype by which the world could be brought to a higher degree of development.

Any government which does not guarantee its people the means to obtain jobs at wages high enough for quality living has fallen short of its duty to its people. Through the philosophy of mixturism, a government can provide and guarantee quality living for all its people by creating a reserve-retraining work force which would eliminate the need for welfare and unemployment. We'll look in detail at this later.

Mixturism is a middle-of-the-road, hybrid doctrine. It borrows the best features of both capitalism and socialism. Mixturism is pragmatic. It asks what is the problem and what is the solution. It employs whatever method will solve the prob-

lem most effectively, regardless of labels. If public programs are judged to be the more appropriate approach for the solution of a specific problem, then that is the method used. If private enterprise can do a better job, then that approach is taken.

Mixturism is not dogmatic or preferential in deciding whether government or business or both together tackle the problem. The only criterion applied is who can do the job better. The notion that governments should subscribe to only one type of political philosophy at a time, one “ism” is fallacious. With mixturism, the solution to the problem is more important than the philosophy or methodology.

We may draw a stunning analogy between the evolution of life on earth and the development of human society. The first life forms were primitive, yet completely autonomous, single-celled organisms. For a time, they existed quite well without assistance from others. As the number of organisms increased, many cells began to live together, forming colonies. Soon, particular cells in the group began to evolve differently and to specialize in varied tasks for the benefit of the group. With this division of labor, an interdependence slowly emerged. Now cells counted on their neighbors to perform services for them. We see the same scenario unfolding in human culture. Individuals in the beginning were self-reliant, able to meet

all needs themselves. This period was followed by group living, and that followed by division of labor, the result of which is in an **interdependent** society.

We are now far removed from that society of rugged individualism. We have transformed our society into a culture whose individual members depend on one another. We must therefore develop a government ethic which reflects and nurtures that concept. Mixturism fills that bill best, for it ensures that the government takes an active role in guaranteeing the rights and freedoms of its people in providing a system whereby everyone might enjoy a quality standard of living. It also ensures that the country contributes to the UN peace-keeping efforts and maintains a strong national defense. Any government that does less for its citizenry falls short of meeting its goals.



# Nature's Basic Law of Economics

Who hasn't dreamed of what they might do with a 6-foot-high stack of \$1,000 bills or a pot of pure gold. Imagine for a moment you have all that wealth in your possession, free and clear. But there's a catch...you and your riches are on a deserted island, with absolutely no chance of being rescued. What are the gold and currency worth now? You can't eat, drink, wear or drive them. In your isolated situation, they are of no practical value whatsoever. It's obvious, they are worth something only when you are able to exchange them for commodities...food, clothing, transportation, medicine... items or services which bring pleasure or provide sustenance for life. In and of themselves, neither gold nor money can supply any of life's necessities or its luxuries. They are truly worthless.

An elementary, basic concept to be sure, but one which seems all too often to be forgotten by the average citizen...and politicians. After all, in this country, it's easy to forget that money is nothing more than paper and ink or small, round pieces of metal. Why? Here, shortages of most services and products are rare. As a result, money may be used readily and almost immediately

to satisfy whatever we desire. Money, therefore, assumes an importance all its own...itself quickly becoming the object of desire. Is it any wonder then that many people become confused? So close is the association of money with personal gratification that some begin to think of money as having inherent worth, as a commodity to be treasured for its own sake. Rather than viewing money as simply a medium of exchange, they cherish cash, hold big bank accounts in high esteem, and hoard huge investments of stocks and bonds.

Some say this false attribution of value to money and its adulation is behavior akin to worship, and perhaps such an attitude would be harmless were it not for the fact that this kind of thinking distorts reason, engenders false premises and retards real prosperity for all.

When we perceive money as a commodity with intrinsic value instead of as an exchange medium, we often become quite possessive... retentive. We develop a self-centered, self-serving posture which narrows our view. We develop blinders which prevent us from realizing that ours is an **interdependent** society and that much of our personal success has been due to efforts of countless others. Perhaps we even fail to recognize that the thousands of items we all use each day are produced by individuals who each make their own small but important contribution to the economy.



This rather constricted view of our society and of the inaccurate sentiment with regard to the nature of money serves as a barrier for greater economic prosperity for all in two fundamental ways. First, it promotes the belief that money is sacrosanct, and that leads to an inflexible monetary policy toward solving economic problems. Second, this limiting viewpoint leads to the fallacious idea that each person is independent, with little obligation to participate in a cooperative effort.

For example, many accept economic ills such as recession, depression, and inflation as inevitable weaknesses in our free-enterprise system, conceding that there is no way to prevent these dilemmas. But could it be that these problems continue to vex us, in part, because of our preoccupation with money as a commodity rather than as a medium of exchange? Could it be that this preoccupation, this obsession, prevents us from attempting more imaginative, even unorthodox, approaches? Perhaps we should break from our preconceived notions and courageously embrace the idea that money is nothing more than an exchange medium, remembering what Adam Smith, the father of capitalism, exhorted: that “the real wealth of a nation is not the gold and silver laid up in its treasury, but the goods and services that its people produce and are able to enjoy.” Accepting this innovative outlook will open up new vistas

for solving economic woes.

Here are some specifics. Inflation, in reality, is a euphemism for theft, resulting from the simultaneous and arbitrary increase in prices by producers of goods and services. Producers generally incur no increases in the cost of their production, so they automatically reap large windfall profits from the hikes they impose on their customers. To counter this unreasonable practice, we propose a bold remedy...the establishment of a board of monitors to evaluate price hikes of major producers and manufacturers. These monitors would be comprised of a small group of individuals who would determine whether price increases were justified. This board would also periodically publish a "fair-price" list for the benefit of the consumer. Producers would be encouraged to increase profits by increasing production, not by hiking prices. Those who venerate money as a commodity may be skeptical, seeing this plan as a departure from the old school. They may contend that inflation has a more academic cause, blindly accepting the old line of the so-called academic experts, who routinely continue to spout the same propaganda over and over: "Inflation is caused by too many dollars chasing too few goods or by deficit government spending." They don't see that the real cause of inflation is simple unadulterated greed. It and it alone fuels the fires of inflation. It is not

apparent to these people that some restraint must be applied to the greedy. The theorists are fearful of tampering with the law of supply and demand, insisting these two factors along with competition are sufficient for holding prices down. They don't understand a fundamental truth: that because of price-fixing and price-gouging, true competition does not even exist.

So implementation of a price-monitoring board will help keep inflation in check; but, to counter inflation that has already occurred, we propose that the supply of circulating money be adjusted. Let us say, for example, there is a 1% rise in the cost of goods and services. In a \$6 trillion economy, that's equal to a \$60 billion decrease in the supply of money...\$60 billion dollars worth of goods and services which cannot be exchanged, or bought. We suggest replacing that missing \$60 billion with new money. This will restore the balance between the money supply and the supply of available goods and services, enabling consumers to continue buying and saving the jobs of millions of workers.

Traditionalists may disagree. But remember we are only suggesting a restoration of monetary balance, not a wholesale printing of money. Once again a courageous pragmatic approach, unencumbered by orthodox ivory-tower theories, is indicated. Let us not forget either that the con-

stitution gives the government the right to create money in an effort to guarantee every citizen the right to a job and adequate standard of living.

Another issue in need of reform is the minimum wage...currently at a rate which ensures that no matter how hard the individual works, abject poverty will be his or her lot. We believe that the minimum wage should be tied to the average national wage...that it should be no less than 15% of congressional salaries which should be frozen until this percentage is reached. The wage disparity in our country must be corrected.

Rejecting the concept of money as a commodity will help us accept a program for eliminating poverty, unemployment and welfare. By instituting a government-financed training program, we will at long last be providing every citizen with a means of earning a day's pay for a day's work. Those displaced from their old jobs by technology or for whatever reason will be retrained so that they may enter the work force again. This project will reduce unemployment, provide employers with a ready-trained work force and lift millions from poverty and the welfare trap. And, as a bonus, there is good reason to believe the crime rate will drop. If each individual has the opportunity to earn an honest living, theft becomes less attractive.

The Federal Reserve system is yet another area ripe for reform. Our antiquated ideas regard-

ing the role of money have allowed this body to become dominated by the banking industry. By acquiescing to the demands of private banks, the members routinely raise interest rates, a major cause of inflation itself. We propose restructuring the Federal Reserve so that it is more responsive to the economic needs of the nation. This can be accomplished by freeing it from the control of the commercial banks. We will look at this in more detail later.

Nature's Basic Law of Economics states that the real wealth of a nation is measured by the value of goods and services its workers can produce and enjoy from developing natural resources. When we confer a false value upon our exchange medium, money, we become self-centered and fail to realize the interdependent nature of our system. We then inevitably impose artificial constraints and limitations upon our ability to solve problems. This, in turn, prevents us from reaching our greatest potential.

When we embrace Nature's Basic Law of Economics, we free ourselves of the idea that money has innate value, and we become less concerned about money for money's sake. We see that the only real wealth are the goods and services produced by labor, the collective sweat of our brows. We see that personal assets are a reality because of our own hard work and because of

the **interdependent** nature of our system and the hard work of countless others. Realizing that we don't "make it alone," we may be more willing to abandon the rigid precepts which are based on the false notion of money as a commodity. We may be more willing to consider programs which would help abolish unnecessary economic disasters such as inflation, recession, welfare, unemployment, crime and poverty.

If we stretch our minds enough to accept the fact that money has no worth except as an exchange medium, that we depend on each other for economic survival, and that an individual's financial well-being is related directly to the well-being of others, then we may even be willing to accommodate a new approach to government.

**To reiterate, Nature's Basic Law of Economics teaches: There are only two kinds of resources—people resources and natural resources. All goods and services are produced when people resources work with natural resources. As long as these two resources are available, there is no reason for not producing the goods and services needed and wanted by the people.**

# The Real Wealth of a Nation

**Adam Smith, the father of capitalism, tried to point out to the mercantilists of his day that the real wealth of a nation was not the gold and silver it had in its treasury but the goods and services people produced and were able to exchange and enjoy.**

Mr. Smith thought the best way to produce the maximum number of goods and services would be to feed the greed of the capitalist. **He had no way to visualize that the problems in America in the 20th century would be an overproduction of goods and services and a government so impotent in thought that it would not produce an adequate amount of money for exchanging these goods and services.** He had no way of knowing that a few producers of goods and services would monopolize production and openly fix prices, making competition just a word. He never dreamed that television advertisements would create images of products that would be impossible to compete against. He never thought that fat, overpaid corporate executives would use a price marker to make windfall profits rather than make profits the honorable way with efficiency and increased production and sales, which would increase everyone's standard of living and employ

more people. He could not have foreseen executives of big automobile companies trying to sell automobiles to foreign countries with steering wheels on the wrong side and then whining because sales were so low. **He would never have believed that people could be robbed and the robber could excuse it and go free by calling it inflation (euphemism for theft).** He didn't know that Congress would turn its responsibility over to the banking industry to manage the money supply and allow inflation to destroy it.

**At the dawn of the 21st century, Americans are still obsessed by the idea that money is the good or service and not the exchange medium.** If politicians could really understand Nature's Basic Law of Economics, they would have no trouble fulfilling the aspirations of the framers of the constitution. Members of Congress have such misconceptions about money that they are not able to see that the constitution gives them three adequate ways to balance the government's budget: **collect taxes, borrow money, and create new money (Article I, Section 8).** All three methods provided for in the constitution should be used to maintain a balanced money supply. But Congress has turned its responsibility over to an **inadequate Federal Reserve system** rather than using its constitutional authority to create the money necessary to bring together the people resources and



natural resources to create a wealth of goods and services—and to make these goods and services available to all people by making sure they have a job that provides enough money for quality living. **Politicians really don't understand that the real wealth of a nation is in the goods and services it produces; if they did, they wouldn't waste people resources on welfare and unemployment.**

If the founding fathers could return from their graves for a few hours and take inventory of people resources and natural resources available and see people on welfare and unemployment because of a misunderstanding of the money supply, they would wonder how politicians could be so blind as not to see that there are more than two ways for the government to balance its budget.

**The time has come to end deficit spending as a way for the government to balance its budget and for it to create the capital needed to produce the maximum number of goods and services — the real wealth of a nation.**



# **Inflation: Euphemism for Theft**

In 1950 a soft drink cost about five cents, bread about 15 cents a loaf and a new car about \$2,000. Today, these items cost ten times more.

Economists euphemistically call these increases inflation; but retirees, who have watched their life savings shrink, are more likely to call it theft. Sure, the number of dollars in their savings accounts may have remained the same, but they know full well these dollars are worth far less and will buy only a fraction of what they would have bought when they started saving. Look at it this way. If their money buys only 10% of what it would have bought in 1950, then 90% of their purchasing power has disappeared. Imagine, \$900 out of every \$1,000 of their savings gone...stolen. In essence, \$100,000 deposited and saved down through the years is now worth only \$10,000. Euphemisms are little comfort to these individuals who saved all their working lives in hopes that they might enjoy their later years. Theft masquerading as inflation has destroyed their future.

Retirees are not alone. The business person, the young professional, and the factory worker are all victims of this constant erosion of our currency. Inflation steals from us all. The money we earn

today always buys less tomorrow... next year.

But is it inevitable? Is it an inherent defect in the market? Pose such questions to most all economists, and they are likely to answer in the affirmative. They support their views with theoretical concepts, explaining that inflation results from too many dollars chasing too few goods, from deficit government spending, or from low unemployment. They may say that an overheated economy leads to excess spending and that is what drives prices up. The inference here is that natural economic forces at work in a free-enterprise system will, as a matter of due course, produce inflation. That may sound impressive in the classroom, but it obfuscates the real causes of inflation and sidetracks all efforts aimed at solving the problem; for if we accept inflation's inevitability—if we base our strategy for combating it on nothing more than theory—we have lost the battle before it begins.

We prefer to take a more positive and constructive approach. When we look beyond the smoke and mirrors of esoteric economic theories, we see that the real cause of inflation is not an inherent defect within our system, but a fault lying within ourselves. That fault is raw greed...human avarice, the desire to gain the most profit from the least effort...that starts an inflationary spiral.

Just talk to your fellow citizens. Ask retailers why they raise prices on merchandise, and they'll

answer that they were forced to do so because wholesalers raised them. Ask the wholesalers why, and they'll say the manufacturers increased prices. Apparently everybody blames the other person and we're left to wonder who started it all, who's responsible.

The guilty party is the person or company who is not satisfied to make a reasonable profit and who wants more and more. Consider this scenario from the real world: Big companies manufacturing the same product are enjoying a dramatic increase in the sales of their products. Gross income is up significantly. The company executives are pleased, of course, but are hungry for more. So they decide to take advantage of the situation by increasing prices. After all, they reason, the demand for their products is high enough that they can get away with an increase of 10-40% and still maintain their high sales volume. They smugly admit that they are going to get whatever the traffic will bear. And this is for them the best part: Since they incur absolutely no increases in the cost of their operation, all these price increases are going to be pure profit, an enormous windfall. Bonuses for everybody. Going a step farther, they decide to seal their upcoming good fortune by informing competitors of their plans. Naturally the competitors hike prices as well. Now all products cost more and the poor consumer has no choice

but to pay up—an example of blatant arbitrary and simultaneous price gouging and illegal price fixing.

The company executives should be content to earn additional income from a higher volume of sales alone, but they allow greed to dictate policy. They raise prices. They raise them for one reason and one reason only...to make more money over and above what is reasonable or necessary. Here is the root of our problem. Here is where the theft of inflation begins. All along the chain, from wholesaler to retailer, the increases are passed along. And who gets stuck with the higher prices in the end? Yes, the consumer, who has no one to pass them on to.

It's true, big oil companies, big paper companies and other companies like them are the real culprits. Just as the greed of thieves compel them to steal from their victims, so does the unbridled greed of company executives compel them to steal from the public by imposing higher prices. But what can be done? Apparently, we cannot depend on big companies to control their own selfish impulses. However, they can be controlled by requiring all those who have gross sales of over \$100 million a year to report any proposed price increases with justification to the Federal Reserve, the Treasury Department, the Commerce Department and the Justice Department at least 30 days before mak-

ing them. Companies would not need approval to make price increases, but the Justice Department could and should sue companies when they deem price changes to be unjustified. It should also be a crime for a company to notify their competitors before submitting proposals for price increases.

Let's liberate the economy from the oppression of the big businesses that cheat the public.





# Reform the Federal Reserve

“Feds raise interest rates... again!”. Headlines like this appeared in the nation’s newspapers on many occasions in recent years, and beneath those forbidding tidings, a story invariably reading the same. “The Federal Reserve, anticipating a new round of inflation, put the brakes on the economy today by boosting the rates member banks must pay to borrow money”...or words to that effect.

But reading the story beneath the banner doesn’t reveal the complete picture. One must read between the lines and then do some critical thinking to see through a veil of confusion. For example, many economists commonly hold the misconception that inflation is an inherent built-in defect, an inescapable feature of our economy. That is, it is something we just have to live with. These same individuals would have you believe that inflation is caused by an imbalance between the supply of goods and services and the amount of money in circulation. Nothing could be farther from the truth. As previously noted, inflation is caused by one simple factor...human greed, the desire to gain the most benefit from the least effort. In the business community, this drive manifests itself in arbitrary and simultaneous price increases—and, as we’ll see, the Federal Reserve aids and abets

these acts.

So that we may form objective opinions on this issue, let's first look closely at this body and its method of operation. Exactly what is the Federal Reserve? Who owns it? What's its real purpose? How does its decision-making affect the average consumer? Are its actions based on sound economic principles? Is it playing a numbers game with the American people? And, perhaps most important, is it truly an independent agency?

The Federal Reserve is controlled by a central board of governors. It acts as a central bank of the United States. It was created in 1913 by the assimilation of the country's national banks after their failure. One of its provisions states that all national banks must belong to the Federal Reserve. At its inception, the Federal Reserve was charged with supervising the nation's money supply for the purpose of bringing about economic stability. Unlike commercial banks, though, it was to have no direct contact with private citizens. Rather the central bank was to serve as a "bankers' bank." As such, it maintained on reserve the deposits of member commercial banks and acted as a checking account for the operation of the national government. The Federal Reserve also was given the power to regulate the country's money supply by issuing currency and making loans out of the funds deposited by its member banks and by

buying and selling precious metals and foreign currencies, thus influencing the value of the dollar on the international market.

Here's how it is organized. The Federal Reserve is comprised of 12 "so-called" independent and privately controlled main banks, plus 35 or so branch banks. However, it is important to recognize that these banks are independent in name only. Stock in these institutions is wholly owned by commercial banks themselves. So how could they possibly be autonomous, truly independent of influence by the banking industry? It's a fact: Banks throughout the country exert enormously powerful leverage and authority over these 12 institutions, influencing monetary policies that practically guarantee handsome returns on their investments. This is an example of flagrant conflict of interest.

The 12 banks are located in Atlanta, Boston, Chicago, Cleveland, Dallas, Kansas City, Minneapolis, New York City, Philadelphia, Richmond, St. Louis, and San Francisco and are regulated by a board of seven governors, headquartered in Washington. These individuals are appointed by the President and, after Senate confirmation, assume their positions for 14 years. They may not be removed. Heading the board of governors is the chairman. Joining the seven governors of the board, are five presidents of Federal Reserve

banks. Together, these 12 individuals make up the open-market committee, a group often referred to as the country's monetary authority...and for good reason. They make the critical decisions affecting the national banks and hence the national economy.

But what are the mechanics of the Federal Reserve System? How do its policies impact the economy? All banks in the system are required to make noninterest-bearing deposits to the central bank. The amount of each bank's deposit is calculated as a percentage of their transaction balance. One of the methods of controlling monetary policy, and indeed the supply of available money, is to require the banks to increase the size of their deposit. This has the effect of reducing the amount of currency available to the general public.

The open-market committee controls the quantity of money by authorizing the sale or purchase of U.S government securities on the open market. If the group deems that money should be removed from the banking system, it sells these securities. The money paid to the central bank for the securities is no longer available to member banks or their customers. When the committee wants to increase the money supply, it buys securities, issuing checks for their purchase. This bolsters the reserves and money supply of the banks and makes more money available to consumers.

Another method used by the Federal Reserve to control the money supply is the discount rate. That's the interest rate it charges member banks for loans, money they use for their operations. In theory, low interest rates to banks are passed on to consumers. Low interest rates to consumers generally have a stimulating effect on the economy. If fewer dollars have to be paid for interest, then developers, builders, entrepreneurs and private citizens should have more money to spend on goods and services. That translates into more jobs in most every segment of the economy. Low interest rates would appear to be beneficial to almost everyone except perhaps the lending institutions or the person who depends on savings investments for an income.

But the Federal Reserve becomes anxious when rates are low and employment, production and retail sales are up. Why? They view these conditions as harbingers of impending inflation. They subscribe to the theory that with more money to spend, demand for goods and services will be greater, putting pressure on prices to increase. But is that a realistic assessment? To answer this question, first consider who would benefit most from higher interest rates? It's most certainly not the consumer. If businessmen must pay more for loans to help finance the operation and expansion of their companies, they are forced to pass their

increased overhead on to their customers in the form of higher prices. If developers must pay more for loans, they must pass along higher expenses to the consumer in the form of more costly housing and construction. If house payments for millions of families increase by \$200-\$400 per month, these folks have less to spend on other items. And if consumers spend less on manufactured goods and services, employers supplying these must reduce their work force, eliminating thousands of jobs.

It seems more reasonable to assume that, when the Federal Reserve arbitrarily increases rates and member banks simultaneously follow suit, the stage is set for a major inflationary spiral. Higher rates don't neutralize inflation. They exacerbate it. At the same time, large numbers of jobs are lost and the standard of living for millions of working families decline. And while the Federal Reserve is raising interest rates to supposedly curb inflation and dampen the economy, other members of the government are calling for tax cuts to stimulate spending—a contradictory policy which dramatically underscores the fallacy of the Federal Reserve's premise.

Obviously, the consumer isn't the beneficiary of higher interest rates. But who is? We don't have to search too long and hard for that answer. It can only be the ones who receive the interest payments on the higher-priced loans...the banks.

Now, remember who makes up the Federal Reserve board. Recall it's comprised of seven governors appointed by the President and five other individuals on the board who are actually the presidents of five Federal Reserve banks. These 12 members have the power to arbitrarily increase the cost of borrowed money, and surely they have every incentive to do so. Even a rise of 0.5% opens the floodgates and funnels billions of additional dollars into the vaults of the institutions these policy makers head...billions of dollars removed from the pockets of consumers. And speaking of percentages, doesn't the Federal Reserve play a numbers game with the public? For instance, let's say the Federal Reserve states that it raised interest rates 0.75%, from 4.75 to 5.5%. True enough, that amounts to a difference of 0.75%, but it's dishonest to call that a 0.75% increase. More correctly, a 0.75% increase represents a percentage rise of 16%, because the number 5.5 is actually 16% bigger than 4.75. To see this for yourself, just divide 5.50 by 4.75 to get 1.16, a 16% increase. We'll look at this more closely later.

By increasing interest rates, the banking industry creates for itself what has been called windfall profits. We prefer to describe them as an avalanche of excess, for the profits aren't a one-time event. The extra dollars continue to flow into the banks indefinitely as long as the higher rates are in effect.

So the banking industry has an ideal arrangement. The presidents of the Federal Reserve Banks are also members of the Federal Reserve board's open-market committee, which is able to dictate monetary policy. The commercial banks who own all stock in the 12 Federal Reserve banks are in the position to reap the profits. Now if you were in such an advantageous position to increase your income by voting to raise rates, would you be tempted?

The original purpose in establishing the Federal Reserve System was to provide a means of distributing money in a way to keep a balanced money supply. But Congress was deceived into believing the Federal Reserve would be independent of the banking industry. However, its charter by no means precluded close association with the banks. So today we find the board being completely dominated by banking industry interests and totally isolating the American people and the government of elected officials from having any say in this one industry which controls the lifeblood of all businesses in America. We must therefore suspect the Federal Reserve's self-serving actions and be wary of its unchecked power. It is the ultimate example of flagrant conflict of interest. While professing to be watchdogs of our economy, independent of any special interest group, it functions in reality as a price-fixing agency for the banking industry.



Using the threat of inflation as an excuse, rather than accepting the real definition of the cause of inflation, the Federal Reserve diverts billions of dollars from the U.S economy into its own coffers. The American people are being duped.

But there is a solution to this problem. First, let's change the composition of the Federal Reserve open-market committee from 12 members to 15 members. We propose giving the people a voice by allowing the House of Representatives the power to appoint one member to the committee, the Senate one member, and the Commerce Department one member. The remaining positions could still be filled by representatives of the reserve banks. Term limits of eight years should be imposed on all open-market committee members.

Second, let's make the open-market committee truly open. All meetings should be accessible to the public through television coverage by C-Span. No longer would the directors and bank presidents be able to formulate policy in private, making decisions that often adversely affect every citizen. Closed-door meetings deny citizens their right to information and policy-making—and, in fact, are a violation of the freedom of information act and contrary to all democratic principles.

Third, let's rigidly define the scope of Federal Reserve activities. The Federal Reserve board (a government agency) should be charged with

monitoring the supply of money and economic indicators. Their primary function would be to advise the Treasury Department in regard to regulating the country's money supply. The purpose of such regulation would be to make certain that there is always a balanced supply of money, one equivalent to the ratio of goods and services produced.

To achieve this balance, four approaches are suggested. The first approach would be to put the 12 Federal Reserve banks and their branches under the control of the Treasury Department. The second approach would be to index the tax rate on a scale of 1-10. If the open-market committee and Federal Reserve board determined that there was excess money in relation to the value of the nation's output, tax rates would be adjusted upward toward the maximum rate passed by Congress. This would cause surplus funds to flow from the economy into the government treasury, bringing the money supply into balance. If the board determined, after input from several sources that there was a shortage of currency, tax rates would be lowered. This would allow more money to be left in the consumer's paycheck which then could be spent to fuel the economy. The third approach would be to require the Treasury Department in the event of a money shortage—and after concurrence with the Congress, the Federal Reserve board,

and the open-market committee—to authorize the release of additional currency into the general circulation by making up the loss of money due to lowering tax rates. These additional funds would be sufficient ONLY to compensate for temporary losses. Make no mistake! This is NOT advocating the wholesale printing of money. That would result in a catastrophic devaluation of the dollar. However, if the GDP grows by say 2%, there should be an equivalent increase in the money supply. This would make the amount of currency equal to the value of goods and services. The fourth approach would be to require the Treasury Department to implement monetary policy through the exercise of these specific additional duties: Setting the primary discount rate at which the Federal Reserve can borrow money from the Treasury Department; endowing new programs created by the Congress; making direct loans to soft spots in the economy; making direct loans to first-time home owners whose income is below the national average; and making lump sum payments on the national debt.

This restructuring of the system would accomplish two primary objectives: (1) to control the nation's money supply through a balanced input from business, government, the citizenry and the banks so that no one segment of the economy would be able to dictate monetary policy and (2) to maintain a balanced money supply at all times.

Ivory tower economists have long perpetuated the theory, really the myth, that inflation is caused by too many dollars chasing too few goods, by very low unemployment rates, or by deficit spending. But we repeat that the simple truth is that inflation is caused by nothing more than greed. Producers and manufacturers of goods and services stand poised and ready to make windfall profits any time they can arbitrarily and simultaneously increase their prices without incurring an increase in the cost of their operation. Some do exactly that, and they reap excessive profits, stealing money out of everyone's pockets. Indeed, inflation is truly a euphemism for theft. As we've seen a prime example of thievery, disguised as inflation, can be found in large companies producing the same product simultaneously in lockstep raising their prices to customers. This arbitrary action brings to mind a number of disturbing questions: How can suppliers raise prices so easily in unison... in concert with one another? Isn't this collusion... conspiracy? If so, why are these companies not investigated for price-fixing under the Sherman Anti-Trust Act? Where is our Justice Department? Did these companies increase prices because they suffered an increase in their cost of labor or raw products? Or did they simply jump prices because they deemed the psychological climate—created by the Federal Reserve and the open-market com-

mittee whom no one voted for—was right?

To answer this question, these companies were poised, lying in wait, ready for some agency or body to provide them with an excuse to ask for more money. And sadly, the Federal Reserve came to their aid. It's interesting that price hikes often coincide with the increases in interest rates imposed by the Federal Reserve board. This is not an uncommon scenario. By raising interest rates, the Federal Reserve bank all too often provides many in the business community with just the reason they need to justify, in their own minds, price hikes of their own. Much of the inflationary spiral is born on the steps of the Federal Reserve.



# A Mythical Pile of Money

There is a myth promoted by nonthinking conservatives in America about money. This group has led the American people to believe that there is a big pile of money which can be spent by either business or government. The theory is that if the government spends the pile of money, it will have a negative effect on the economy. However, if business spends the money, it will have a positive effect. This is a misconception which creates a problem that must be addressed. We must dispel the myth to ensure that truth prevails: That is, both government and business spending are equally important to achieve progress.

Money in motion, exchanging goods and services produced by people, has a multiplying effect that creates even more money, whether it is spent by business or government. Much of the so-called “pile of money” doesn’t even exist until it is spent by the government.

Both government and business spending have a very positive effect on the economy because money cannot be spent without exchanging a good or service of some kind by someone.

Exchanging goods and services is the producer of jobs...a job being the first great right of every American. All other things are meaningless unless

one has the right to earn a living.

If conservatives would think for a minute, they would see that the money supply should be balanced against the goods and services to be exchanged, not by a gold standard or what Wall Street thinks or what the chairman of the Federal Reserve board thinks.

**The Treasury Department needs a better way to inject new money into the economy without having to pay interest to the banking industry.**

The creation of new money is necessary in order to have economic growth.

To sum up, we need to put the Federal Reserve under the Treasury Department and let commercial banks stand on their own feet like other industries. No longer should an elite group be allowed to use dictatorial tactics to increase rates...to siphon funds out of the economy and in their direction—a practice which produces the excuse for inflation.



# A Fair, Simple, Graduated Tax System for Individuals and Businesses

For mixturism to work most efficiently, several revisions in the current practices of how the country does business must be made...among these, creating a fair tax system for both individuals and businesses. There are several possible ways. The following is one example of how a fair, simple, graduated tax system would work.

## INDIVIDUALS

For individuals we would use a tax rate of one-quarter of one percent per \$1,000 of income with a maximum tax of 25%.

$$\frac{\text{Taxable Income}}{1,000} \times .25\% = \% \text{ Rate}$$

Taxable Income x % Rate = Taxes to be Paid

There would be only five standard deductions for the individual taxpayer.

1. \$5,000 for each individual taxpayer filing separately or jointly.
2. \$2,000 for each individual IRA

3. \$1,500 for medical savings accounts for each individual taxpayer
4. \$1,500 for educational savings accounts for each child or for each adult retraining.
5. All interest paid on a mortgage.

*See sample individual tax return on page 57.*

## **BUSINESSES**

*The same tax rate applies to all businesses  
after specified deductions.*

**All businesses, regardless of how they are structured—sole proprietorship, partnership, corporation, etc.—would be able to deduct any expenses which are part of the cost of what they produce or sell in the tax year.**

If a business purchases a piece of equipment or a piece of property for \$1 or \$1,000,000, it would be fully deductible in the tax year paid.

If a piece of equipment or property is purchased on the installment plan, all installment payments including interest and handling charges plus any down payment would be fully deductible in the tax year paid.

If a piece of equipment or property is leased or rented, the full lease or rent payment would be deductible in the tax year paid.

If a business purchases a piece of equipment or builds a building and then sells the equipment or building, any down payment, installment pay-

ments or other expenses would be fully deductible; and then the balance would be entered as gross income.

The interest and service charges paid on loans would be fully deductible in the tax year paid.

To avoid double taxation, any profits paid out in the form of bonuses, dividends, etc. would be deductible since the individual receiving the money would pay the individual tax. The profits left in any kind of business—sole proprietorship, partnership, corporation, etc.—after all expenses are paid would be taxed at the same rate as an individual.

**Business deductions would include all operational expenses paid out in the tax year—including 100% on equipment, property and dividends.**

*See sample business tax return on page 58.*

## **NEEDED ADDITIONAL REVENUE**

Any additional revenue needed to balance the budget after all legitimate spending cuts are made would be obtained by creating new money or a surtax on individuals and businesses that make over \$250,000 per year.

This simple tax system could also be made variable to leave more money in the pockets of consumers when the economy needed to be fueled. The tax rate of .25% per thousand dollars of

taxable income or the maximum tax of 25% could not be exceeded. The tax would be indexed by the IRS so less money could be taken out of the wage earners paycheck if the Federal Reserve board deemed that more money should be available to exchange all the goods and services that people can produce. Again, any loss of revenue would be offset by the Treasury Department creating new money or a surtax levied on individuals and businesses making over \$250,000 per year.

## Individual Tax Return

S.S.# 000-00-0000

*Jane Doe  
123 Main St.  
Metro City, USA*

<b>Income:</b>		
Wages .....	\$20,000	Gross Income ..... \$20,150
Interest (regular savings).....	\$150	Less Total Deductions ..... \$14,000
<b>Gross Income</b> .....	<b>\$20,150</b>	<b>Taxable Income</b> ..... <b>\$6,150</b>
<b>Deductions:</b>		
Individual Deduction		\$6,150
(# of persons x \$5,000) .....	\$5,000	<u>(Taxable Income)</u> x .25% = 1.54 % Rate
IRA*		1,000
(# of personal accts x \$2,000) .....	\$2,000	\$6,150 (Taxable Income) x 1.54 % Rate
Medical Savings Account*		
(# of persons x \$1,500) .....	\$1,500	
Educational Savings Account*		
(# of persons x \$1,500) .....	\$1,500	<b>Taxes to Be Paid</b> ..... <b>\$94.71</b>
Interest on Mortgage .....	\$4,000	
<b>Total Deductions</b> .....	<b>\$14,000</b>	Signature: _____

\*Note: contributions must be made before deductions are taken

## Business Tax Return

Button Factory  
123 Industrial Parkway  
Metro City, USA

Fed ID #00-0000000

**Gross Income** ..... \$236,540      **Taxable Income** ..... \$110,440

**Deductions:**

Regular operations deductions ..... \$84,600       $\frac{\$110,440}{1,000} \times .25\% = 27.61\% \text{ Rate}^*$   
(include separate itemized list)

Property ..... \$25,000

(include separate itemized list)

Equipment ..... \$12,500

(include separate itemized list)

Dividends paid to shareholders ..... \$4,000

**Total Deductions** ..... \$126,100

\$110,440 (Taxable Income) x 25% Rate

**Taxes to Be Paid** ..... \$27,610

Gross Income ..... \$236,540

Less Total Deductions ..... \$126,100

**Taxable Income** ..... \$110,440

Company name: *Button Factory*

Signature: \_\_\_\_\_

Title: *President*

# Social Security

“Projections indicate social security will be broke by 2010.” “Babyboomers looking at empty social security coffers.” Headlines, such as these proclaim the imminent insolvency of the Social Security System. Politicians of almost every persuasion warn that action must be taken immediately to avert certain bankruptcy. The government must, they say, reduce spending on Medicare and Medicaid and increase payroll deductions on workers or employers or both.

The truth of the matter is that the system cannot go broke as long as there is a sufficient number of people working to produce the goods and services necessary to meet the demand of consumers. So long as adequate quantities of goods and services flow from the producers to the consumers, the issue of money supply is a moot point. We should recall that money in and of itself is worthless. Money functions only as a medium for the exchange of goods and services...commodities which do have real, intrinsic and tangible value. If we take care to maintain the equilibrium between the supply of goods and services and their demand, monetary equilibrium will inevitably follow, and the question of a bankrupt Social Security System will become meaningless.

The 21st century will see baby boomers reaching retirement age and changing demographics at a dizzying pace. The ratio of workers producing goods and services to retirees consuming them is steadily decreasing. That has been the trend since social security's inception. In the 1940's there were 12 workers for every retiree. Today the worker/retiree ratio is about 3 to 1. By 2010, there will only be two workers for each retiree. As these numbers become reality, our real worry should not be money inflow versus money outflow. Rather we should be concerned with whether there will be sufficient numbers of people in the work force to meet the demand generated by all those who will be consuming...those additional millions of retirees, who fuel the economy with spending but who produce no goods and services themselves. Again, if production and consumption are balanced, the money supply will self-adjust.

But how do we ensure that this equilibrium between production and consumption is sustained? The most obvious way is by keeping more people in the work force for a longer period. One way that may be accomplished is by extending the age of retirement from 65 to 68 or 70. How can we justify advancing the age of retirement, and how would that help alleviate the imbalance? Over the last several decades, medical science has steadily increased the human life span. At the time of so-



cial security's inception in the 1930's, the average worker lived only to age 64; and, with retirement age set at 65, the number of those collecting benefits was relatively low. The surplus grew. But today the demographic picture is much different. The average life span is some 10 years greater. That, of course, translates into more people collecting benefits for a longer period of time. It also means there are many more consumers demanding goods and services...services produced by a shrinking (in relative terms) work force. Keeping individuals in the work force longer will ease pressure on two fronts: It reduces the financial drain on the system, and it ensures that sufficient numbers of workers will continue to produce goods and services to meet the increased demand. Productivity and consumption will once again be in balance.

Additionally, to encourage the elderly to continue working, flexible work schedules, both in hours per day and days per week should be adopted and the cap on earnings should be eliminated. Older workers should be allowed to earn as much as they want without the handicap of having their social security benefits reduced. With this incentive they may continue working for as long as they desire. These two steps, alone, will help maintain a labor supply sufficient for producing the goods and services demanded by increasing numbers of retirees.

To ensure that their later years are even more

comfortable, employees should be encouraged early on in their careers to contribute to IRA's. And employers should be allowed to contribute deductible matching funds to the employee accounts. Upon retirement, these funds could be used to supplement social security payments.

The Social Security System trust fund, contrary to popular belief, has amassed a substantial surplus...some one-half trillion dollars to date. This money is not presently being invested so as to produce maximum return. But a portion, say 25%, allocated wisely in a diversified stock portfolio could return enormous revenues to the system with minimal risk. The additional income generated would ensure retirees an even more comfortable and worry-free later life.

Remember, social security is a pay-as-you-go proposition. As long as we make sure that we produce as much we consume, the system will continue to function, working for the next generation... and generations ad infinitum.

# The Stock Markets

Economic decisions often are unreasonably based on what the stock markets do. The problem is not the stock markets themselves but on the mythology surrounding them. We must cut through this mythology to make people aware that the stock markets do not play the role we are led to believe they do. Then we must use this knowledge to prohibit their undue influence on the basic economy. We must base our economic decisions on the mixturist philosophy of proper utilization of people and natural resources and a balanced money supply.

To more fully understand this, let's take a realistic look at how stock markets function. The rise and fall of the stock market is essential for the stock market to work at all. If prices continually decline, no one would buy stock. If stock prices continually increase, people would put all their money in the stock market, which would bankrupt the rest of the economy.

**The economic effect of the rise and fall of the stock markets is a misconception and is, in fact, just the opposite of what people are told.** Most of the hundreds of stocks that are listed on the New York Stock Exchange, NASDAQ and the American Exchange are not new stock issues.

Most of them have been on the stock exchanges for years. When a new stock is issued to raise money to start a new company, it has a very positive effect on the economy by creating new jobs which produce more goods and services — the real wealth of a nation. What a stock sells for after the initial sale has no positive effect on the economy unless it sells for less. When the price of old stock drops, it takes fewer dollars to pay for the same stock certificate; therefore making more dollars available to purchase other items. If the price of an old stock goes up, it merely takes more dollars out of the economy to purchase the same stock certificate. This has the same destroying effect on the money supply as inflation.

**The up and down cycles of the stock markets are made to work by the people who have seats on the stock exchanges, program buyers, and by institutional managers of many different kinds of pension, money-market, and a host of other funds. These people can make the stock market go up or down by selling or buying big blocks of stocks or by using any kind of psychological or capricious ideas around to justify their actions.** Whichever direction the wind blows, the stockbrokers receive their commission. Stockbrokers have the best of both worlds; they get a commission when the stock is purchased and also when the stock is sold. **Whether the stock is selling high**

**or low or whether the stockholder is making money or losing money, the commission is still paid.**

No one is suggesting that the stock markets should be done away with, but the real role they play in the economy ought to be understood so that their influence on economic stability is lessened. **Whether the stock markets are up or down, the thing that should provide for a healthy, growing economy is an adequate money supply...one which can exchange all the goods and services the highly productive American workers produce.**

The stock markets are truly legalized gambling for anyone who buys stock hoping that the price will increase so they can cash in their winnings. This legalized gambling is a good thing in a capitalistic system, making it possible for stockholders to become millionaires if they play it right; **but the true value of any stock is found in the dividend that it pays per share in company earnings.**

So that anyone...not just stockholders...might have the chance to become a millionaire, what is needed in America is a national lottery. Then every American can buy a lottery ticket each week for \$5 with a one in a few million chances of becoming a millionaire. If a hundred million dollars is taken in each week, 25%, or \$25 million, of the money should be invested in the stock market to

help eventually pay off the national debt and the other 75% or \$75 million should be given to 75 winners — which would produce 75 new millionaires each week. **It could then truly be said that every American who has \$5 has a chance to become a millionaire. If we have gambling casinos and the stock markets for the well-off, we should have a national lottery for all people.**

# Cabinet Department of Consumerism

Another reform mixturism would make is to give consumers greater protection by making sure they are well informed about products offered for sale. To understand this need, consider the following example. A certain automobile is sold in one city for \$22,500. Thirty miles away in another city that same model with the exact same options has a sticker price of \$23,900. Similarly, there are varying prices for thousands of other products. Are these inconsistencies merely the market place's reaction to supply and demand fluctuations, or are they the result of a "charge whatever the market will bear" mentality on the part of business leaders? We believe it is the latter, and we think there is a way to put an end to this type of consumer victimizing.

How? Information. We are in the midst of an information revolution, and like the agricultural and industrial revolutions that came in an earlier time, this revolution has already had a dramatic impact on the lives of every citizen. With powerful computers linked together in a worldwide network, it is now possible to gather, store, analyze and disseminate billions of pieces of data. But, sadly, with regard to consumer information, the potential

of this system is far from being realized.

We propose that this shortcoming be rectified in the following manner: The federal government would establish a cabinet-level Department of Consumer Affairs devoted to using this technology to ensure the consumer is protected from unfair pricing and from unreasonable price increases. Here's how these goals would be accomplished:

First, this new department would establish a "fair market price" for essentially every consumer product and service based on an average price for them. Prices for each item would incorporate the cost of production, materials, and/or legitimate expenditures, plus a reasonable amount for profit.

Second, the department would monitor all price increases. In each case, the circumstances leading to the hike would be scrutinized in an attempt to determine objectively whether the increase could be justified.

Third, the department would publish its findings on the vast computer Internet. Thus individuals anywhere in the world would be able to determine the fair-market price of virtually any item...from avocados to window shades...simply by using their home computer. They would also be able see which suppliers had raised prices and for what reasons. For those who do not have access to a computer, the same information would be made available in conventional print media.



Having such information would allow consumers to make wise purchases, buying only from those vendors who offer merchandise at the published fair-market price. Consumers would be able to avoid doing business with merchants who ask more. This is the type of atmosphere that encourages true competition and real free-enterprise.

Why cabinet level involvement? The President's cabinet is now comprised of 14 individuals, each representing various groups and segments of the population... education, energy, transportation, agriculture, etc. Conspicuous by its absence, though, is the largest group of all, the American consumer. We believe it is time this group had representation...an ally in government, an agency to look after its interests.

Isn't it time that government used the great potential of computer technology to help consumers protect themselves? Armed with accurate pricing information, the consumer could save thousands of dollars over a lifetime, and the true spirit of competition would be rejuvenated in the process.



# What You Should Know About Interest Rates

Mixturism requires that people be well informed about the important issues which shape or even control their lives. The truth about money is one such issue which we've discussed extensively. But there is one other important fact about money most people do not realize—what interest rates really are. If people fully understood the true situation, they probably would...through influencing congressional action...see that rates were better controlled to the advantage of the public.

The public must be educated to understand that when banks pay 3% or \$3.00 per \$100.00 to rent money and then rerent it for 18% or \$18.00 per \$100.00 on credit cards, they make 500% gross profit; not 15%, as they would like for people to believe.

EXAMPLE:  $\$18.00 - \$3.00 = \$15.00$  gross profit

$$\frac{\$15.00 \text{ gross profit}}{\$3.00 \text{ investment}} \times 100 = 500\%$$

If a bank pays 5% interest for money and then lends it for 9% interest, they would call that cost plus 4% so you would think they were only making 4% on their investment which is not true.

EXAMPLE:  $\$9.00 - \$5.00 = \$4.00$  gross profit

$$\frac{\$4.00 \text{ gross profit}}{\$5.00 \text{ investment}} \times 100 = 80\%$$

It is understandable if the public is not aware of the quintupling of money made off credit cards and 80% on home mortgage loans, but it is unforgivable that politicians allow the public to be ripped off because they are either ignorant of the facts or don't care.

The banking lobby would like for the public to believe that banks do not make any money off credit card users who pay their bills promptly each month. First, it costs the credit card holder a certain fee per year for the privilege of using a credit card, but this is only the beginning of what financial institutions make off credit charges to the over 40 million people who pay off credit charges each month. When you go into a store and purchase \$100.00 worth of goods and charge them on a credit card, the merchant who accepts the credit card takes his/her paper to the bank where it is discounted. In other words, the store owner can pay up to \$6.00 per \$100.00 for the privilege of accepting your credit card. If you pay your credit card charges every month in order to avoid paying interest, you will only use the money for thirty days. The bank can then lend the same \$100.00 another eleven times that same year. In order to see how much money the banks make off

of credit card holders who pay up each month, you must take the \$6.00 per \$100.00 charge and then multiply it by 12 since you only use the money for no more than 30 days.

EXAMPLE: \$6.00 per mo.  $\times$  12 = \$72.00 per yr

This is a \$72.00 gross profit for a \$100.00 investment. And this does not include compounding. The banks are always whining about what they lose on people who do not pay their credit cards, and act as if all people are deadbeats. They don't tell you that there are 40 million people (a big number) who pay promptly each month on whom they make a gross profit of more than 72%. They do not tell you that if a person charges something on a credit card and then fails to pay for it, they will in many cases charge it back to the merchant's account who accepted it.

Banks lend millions of dollars of businesses' and the general public's checking account money every day without paying them one penny of interest.

They also make undeserved money in other ways. Did you know that if you have \$12,000 in your checking account and you wrote six checks — one for \$12,000, one for \$300, one for \$200, one for \$100, one for \$50 and one for \$30 — which arrive at your bank on the same day the bank would bounce all of the checks and charge your account \$20 each or \$120, rather than pay all

except the \$12,000 check? You figure the profit on that transaction.

Why the government allows one industry, the banking industry, to control the life blood (money) of all enterprise is absurd. If there were a better system, a balanced money supply could be maintained all the time which would make all enterprises healthy all the time. In a free enterprise system, each enterprise should have to stand on its own feet, including the banking industry. **The time is long past that a reexamination of the monetary system is needed so the economy can stay on track all the time.**

# Free Market

The philosophy of mixturism encompasses the establishment of a truly free market. **A free market is one in which government does not interfere with the establishing of a marketplace for a good or a service at a fair price for the consumer.** A free market is not a place where consumers are robbed with a price marker. Getting whatever the traffic will bear is theft in the first degree. A free market involves reciprocal trade agreements in which countries allow each other to open distributorships for their products. A free market is not free if one country can set up distributorships anywhere they wish but disallow another country to do likewise.

**To market any product, a marketplace is required where consumers have access to the good or service.** If a country has a marketplace for automobiles in America on the average of one for every 20,000 people, America should have an equal number of dealerships in that country where consumers have access to American-made automobiles at the rate of one for every 20,000. **The street must run both ways.**

But let's look at some essentials. There are at least four important factors in successfully market-

ing a product in one's own country or in a foreign country:

1. Build a product that people want. Build it with the people in mind to whom you're going to sell it. For example, if people in a foreign country drive on a different side of the road, be sure the steering wheel is on the proper side.
2. Establish a marketplace run by the people in the country where the products are to be sold.
3. Use the best methods possible to advertise the good or service. Make the consumer desire the good or service being sold.
4. Keep the dealership supplied with goods and give decent service.

**Capitalist have a right to make all the money they can through increased production and increased sales but never through a windfall profit with a price marker. This is inflationary.**

Free trade must mean the selling of goods and services anywhere on planet earth without governments interfering with the setting up and supplying of dealerships where all consumers have access to a product at a fair price. **Governments have an obligation to interfere in the marketplace to keep the consumer from being cheated.**

There should be no cross-purposes between consumers and producers. Each needs the other.



For one to steal from the other is unjust. **Free trade also means fair trade.** The cost of any good or service must always be relevant to the people resources and the natural resources required to produce the good or service, plus a fair profit. The shortage of a good or service must be overcome with increased production. **The shortage must not be used as an excuse to raise prices.** Raising prices will only reduce the standard of living for everyone and change the equivalent ratio of the medium of exchange to the good or service being sold. Inflation (theft) benefits no one in the long run except the greedy producers.



# How to Solve the Problem of Welfare and Unemployment

**The waste of human resources on welfare and unemployment must end by creating a reserve-retraining work force, making employment available to everyone. If it makes sense to have a reserve backup force for the military, it also makes sense to have a reserve backup for the civilian work force.** No longer would any person be unemployed except on a voluntary basis if a reserve-retraining work force were created so that people could always be working or training.

This group of disenfranchised people, the unemployed, represent a large, diverse segment of our population, including not only single parents and inner-city teenagers, but also people with families who have recently been laid off from good jobs and who realize they must acquire new career skills to support their families.

Almost every town in this country has an employment security office, whose purpose is to match the unemployed with appropriate work. A noble effort, but of little benefit to the millions who lack skills and training that would qualify them for decent paying jobs. **But the employment security offices could be the doorway for a reserve-retraining work force.** The reserve-re-

training work force would do more than maintain meaningless job listings for people who can't fill them. Through this initiative, the mission of the old employment security agencies would be dramatically changed. They would be transformed into centers for the redirection of lives. People could report to these offices and be assigned to training courses in the public or private educational systems to learn new jobs; or they could serve as a backup work force for people taking vacations, sick leave, or leave to look after family members who are sick. Employers would have a ready source of people for new jobs—or to fill in for one day, one week or one month, while a regular employee is absent.

By giving people on-the-job training, every job could be learned by someone who would be ready when needed in the regular work force. The nation would have a large pool of workers qualified to perform a wide variety of jobs. On call for temporary work assignments or permanent positions, these retrained millions would form a cadre of workers, a reserve to bolster our nation's labor force—ready and qualified to step in at a moment's notice. No longer would the operation of small and large employers alike be compromised and threatened by the temporary absence or the permanent loss of any personnel.

**Child-care centers could be established in**

**conjunction with the reserve-retraining work force—staffed by competent people needing work—to care for dependents of trainees and others who work through the reserve-retraining work force. These could be operated on a 24-hour, 7-days-a-week basis.**

With the establishment of the reserve-retraining work force and child-care centers, no longer would any individual be able to honestly lament that they were powerless to improve, to earn a paycheck, or to become productive. There should be virtually no excuse for unemployment. By supplying trained personnel, no job should remain unfilled. No worker should remain idle. With all able-bodied individuals earning an income, the need for welfare payments would be all but eliminated. Those certified to be truly unemployable because of physical or mental impairment would still receive income from the government. Those able-bodied individuals who refuse to be retrained or to work afterwards would receive no further government assistance. The door of the reserve-retraining work force would always be open, where one can get a day's pay for a day's work.

**How would we pay for this new approach to helping those who help themselves?** The money now being spent on a host of dead-end welfare programs and unemployment compensation, paid by employers, could be diverted to the start-up and

support of this effort. Employers would benefit by having a supply of pretrained workers. Eventually, as increasing numbers of individuals receive training, obtain jobs, leave the welfare rolls, and begin earning salaries and paying taxes, cash flow would reverse. The program would actually save the government more money than it costs. We would see the reserve-retraining work force program starting to pay dividends...dividends that not only affect the bottom line but, more importantly, the human spirit as well.

A basic premise: Since earning a living is a person's first requirement in life, this need must be met before one can realize social and intellectual potential. Any government that does not provide a means by which all of its citizens can partake completely in society has more of which to be ashamed than proud.

Individually, a person, a company, or a corporation cannot provide a job for every citizen at all times; but together they can. The injustice of unemployment cannot wait for better economic times. Passage of time does not solve problems; only people can solve problems. The solution to the unemployment problem is long overdue.

For people who are employed to allow the government not to become the "employer of last resort" without strong protest loses any legitimate claim they may have as part of society. To say

that anyone who wants a job can find one without establishing a system to accomplish it is an excuse for the inexcusable.

When America establishes a reserve-retraining work force so all of the people can have a job all of the time, the country will be in a position to eliminate many injustices. Once the injustice of unemployment has been corrected, America can then see clearly how to correct all other existing injustices. Furthermore, America will also be able to correct new injustices as they arise.

For any country, much less America, to have an office of Employment Security where people receive unemployment checks for a few weeks and then continue to be unemployed without a check is a result of the poverty of the minds of government leaders. For 95% of those who are employed to work any overtime without protesting while 5% of their fellow persons go unemployed demonstrates a lack of care.

All the people in society, collectively through their government, have sufficient resources to be the employer of last resort. To place people on welfare or give handouts rather than establish a system that will provide a job for anyone desiring one is unforgivable.

For labor unions to have a system by which people retain their jobs simply due to seniority, while those of shorter employment lose all, is

not justice. All employees should share in the percentage of loss. If a set number of employees can work overtime when there is more work, all the employees should work less when there is less work.

How in good conscience can those of us who share the wealth of the richest, most powerful, innovative nation on earth be content while millions of our fellow citizens live in poverty, trapped in the welfare cycle? **A reserve-retraining work force is the answer to unemployment and welfare. More than enough money is already being spent on unemployment compensation and welfare benefits to pay for it.**



# **Solution for Public Education Problems**

For over two hundred years, one institution has served our nation admirably. It has nourished the potential of gifted individuals, enabling them to make noteworthy contributions in all fields of endeavor, from agriculture to zoology. It's also given millions of others the skills they've needed to earn a living and raise their families. It is the one establishment that has opened its door widely enough to provide the masses with the opportunity for a richly rewarding life. It is the one institution charged with making certain that all the accumulated knowledge of the past centuries is not lost... that this information is preserved, that it is passed along to each new generation. It is the one facet of our society whose effectiveness determines whether our country retains its status as a leader of the free world. We are speaking of our system of public education.

Yes, public education's record of achievement is testimony to the soundness of the concept. In spite of the fact that they are beset by increasingly difficult problems, our public schools continue to function. But how much longer can they continue to be effective if we refuse to address their problems? Critics constantly remind us of high school

graduates who can't fill out job applications...of 12th graders who can't solve sixth-grade mathematics problems...and of the millions who never finish their education. These situations are all too real; but are they the result of an inherently flawed system, or are they caused by our failure to make concerted efforts to improve and modernize the existing system? We submit that the latter is the case. The basic concept of public education is far superior on the whole to anything an elitist private educational system provides.

Public education should not be dismantled or even restructured. It only needs to be updated, to be brought into the 21st century, an approach, we believe, that will confront and ultimately solve two of its most pressing problems: (1) lack of teacher support, particularly in providing access to the latest innovations in electronic teaching equipment and methods, and (2) disruptions in the classroom caused by a small number of problem students.

Let's examine these problems a little more closely. In reference to the first, technologically our approach to instruction is antiquated, having changed little since the one-room schoolhouse days. The teacher of 150 years ago was expected to educate, inspire and perhaps entertain a roomful of students with nothing more than a blackboard, a piece of chalk and a few textbooks, a daunting task even for that time. Walk into the average classroom

today and likely you'll see the teacher struggling to accomplish the same goals with basically the same tools, a near impossible task in today's techno-environment. Nearly impossible because today's students have been raised on television and computers. Their expectations and attention spans are geared to electronic media. How can a teacher maintain the interests of students in academics for six hours a day, five days a week, with only chalk and blackboard, given that at home most have the latest in sophisticated electronic gadgetry? How could we possibly expect the teacher to plan and implement an instructional program that could come anywhere close to the sparkling presentations the students are accustomed to seeing elsewhere...single presentations whose production requires the work of an army of professionals. We can't. It's far too much for one, an unrealistic demand. The solution is simple. We have to provide the teacher with help...help in the form of instructional media, such as computers, computer software, videotapes, CD-ROMs and any other relevant materials available which concentrate on the specific topics found in textbooks and presented by the teacher. Why shouldn't we take advantage of the marvels technology has produced to improve our educational program and enhance the effectiveness of our teachers.

Updating our instructional methods will inevi-

tably update the image of the teachers. With these aids, they can become directors of well thought out programs, with ample time to coordinate and plan peripheral activities for student enrichment. Then there would be time to clearly define learning objectives and time to plot a course by which these goals may be reached. Supervisors and administrators should work closely with their teachers in developing and carrying out curriculum objectives, and the federal, state, and local governments should take the lead, providing the necessary funding to ensure that these plans are realized.

The second pressing problem plaguing our public schools, that of disruptions in the classroom, must be addressed. Regardless of the equipment available to the teacher, teaching is impossible when there is constant disruption in the classroom. Most would agree that the teaching of proper conduct should begin in the home. Unfortunately, too many parents lack the skills required to teach their children the importance of good behavior. Others don't have the time or, sadly, the concern.

To address this problem, we suggest assistance be directed toward the child and the parent. Alternative schools should be established in each area. Uncontrollable students would be removed from the traditional classroom and be required to attend

sessions supervised and taught by counsellors specially trained to deal in discipline problems. Psychologists would also be available to help those with emotional and drug-related problems or those with learning disabilities. The goal would be to eventually return the child to the normal classroom setting. But behavior problems are likely to resurface if conflicts at home aren't resolved. Therefore, we propose counselling services for the parents as well.

The investment in classroom equipment and in the personal services for the wayward is not insignificant. But can we afford to continue as before? One of the most crucially important institutions in our society, our educational system, needs our help. The productive potential of large numbers of people is being ignored. What will these uneducated cost our society? Plenty. As someone once said, "If you think education is expensive, you ought to try ignorance."



# Universal Health Care Plan

Most Americans believe that competition is an important force in a free-enterprise system... that it benefits the consumer by keeping prices down. In theory, that's the way it's supposed to work, but in reality free competition in many segments of our society does not exist at all. As a case in point, consider the health care industry, perhaps the most flagrant example of stifled competition.

Competition in this industry has for many years survived in name only. In particular, health insurance companies have refused to engage in a legitimate, open and free rivalry with their fellow insurers, preferring instead to practice a form of collusion, price-fixing. Would-be competing insurance companies have worked repeatedly and in concert to increase prices, eliminating the consumer's option to buy from the lowest cost supplier. For the poor consumer, the simultaneously price hikes have meant that all suppliers suddenly became equally more expensive. Insurance companies have succeeded in supplanting true competition with conspiracy. And the results have been catastrophic, with the cost of health care rising at an exorbitant three to four times the rate of inflation. The insurance industry has been successful in preventing natural competition and

the laws of supply and demand from operating. The end result? Companies enjoy windfall profits by exploiting consumers who have no choice but to pay the higher prices. Ironically, health care reform bills have been defeated in part because opponents preyed on public fears that a government run plan would eradicate competition in the health care industry. A deceptive ploy indeed, for no competition ever existed to begin with.

The restoration of genuine competition to the market place is the real key to keeping health care costs down. But how can that be accomplished? We propose a plan by which the government and private enterprise would cooperate to introduce real competition in the market place...competition that would dissolve the clout that now allows insurance companies to act in contempt of our economic well-being.

Here is how it would work: The federal government would create a program that would pay all claims over \$50,000. Since statistically, only 1.6% of all claims exceed this amount, the total cost of this program would be approximately \$14.4 billion per year, a small fraction of the nation's total health care bill. What about the other 98.4%? These claims would be paid by privately insured company-run cooperatives. Because small or even midsize businesses cannot assume the risk of catastrophic claims running upwards of a



million dollars, self-insured plans are not presently feasible. Only the huge insurance companies are capable of taking such a hit. But that all changes when the burden of paying a potential claim exceeding \$50,000 is lifted. With this threat removed by the federal government, small businesses can feel comfortable that their company plan would be able to meet the smaller claims of their workers. Employees and employers alike would contribute a percentage of salaries to an escrow account, and the funds would be made available to meet the medical expenses of participants. The moneys could be invested and the earnings used to reduce premium payments.

The benefits of this arrangement to the consumers would be bountiful. With tens of thousands of businesses now free to self-insure, the monopolistic grip of insurance companies would finally be broken. No longer would they be able to ask whatever the traffic would bear. Their stranglehold on this segment of our system would be shattered. Faced with this challenge to their survival, they would be forced to offer plans equal to or better than those conceived by the many self-insuring groups across the country. True competition would be resurrected and once more it would be permitted to operate in the best interest of the consumer. Price increases in health insurance would, most assuredly, be held to a minimum.

Self-insured cooperatives might also wield their newly acquired economic power with another group...primary care givers. Negotiating for the best deal, they would pledge their business to the hospital or doctors' group which submitted to them the most beneficial cost-effective plan. Thus private cooperatives would be able to exert pressures on the health care providers as well, fostering healthy competition within this group to keep prices from rising.

For those individuals on Medicaid, for those who would not be covered by employee-sponsored health care plans, or for the uninsurable, states would be required to establish group programs similar to those already adopted in several states. These programs would be financed by diverting funds now used by the state and federal governments on their health care programs and by small payments from individuals in the program.

By combining the resources of the state and federal governments with those of private insurance and employees-sponsored cooperatives, universal health care coverage truly could become a reality for every citizen. And we could attain this necessary goal without the creation of another government bureaucracy, without the socialization of medicine, and without an increase in taxes. The solution is simple: Provide an atmosphere conducive to authentic competition by protecting

employer cooperatives from rare but ruinous catastrophic claims.

In summary, we can vastly improve the health care delivery system and lower its cost by mixing the best features of the free-enterprise system with government assistance...a prime example of mixturism at work.



# A Home for Everyone

What if private investor capital were the only method for financing massive enterprises such as the construction of our interstate highway system, the erection of mammoth utilities such as the Tennessee Valley Authority, or the cost of our national defense? Are there individuals or groups who would have the resources or even the desire to underwrite such enormous undertakings? Probably not. Considering the magnitude of the contributions, investors understandably would view potential returns on their investment as dubious at best. Only the federal government has the resources to shoulder such endeavors, so vital to our national security and well-being.

It should therefore be quite obvious that while the private sector flourishes in many segments of the economy and fulfills a vital role to be sure, there are specific areas where private enterprise falls short. It is here that the public sector, government, must step in. But even in areas where government involvement is a seemingly appropriate approach to solving problems, success is by no means guaranteed. In fact, in too many cases, the project fails miserably, only exacerbating the problems it was intended to solve.

As a case in point, consider the government's

rent-subsidy housing program for low-income individuals. For several years now the federal government has subsidized the construction of low rent units, paying contractors top dollar for building such units. Upon completion, these units are then rented out to qualified tenants who pay only 50% or less of the fair market price. The government then makes up the difference to the contractor.

Has this government-run program been a success? Well, the answer seems to depend on whom you ask. Contractors and bankers are very happy with it. After all, the contractors receive generous payments for their services; plus they are guaranteed that the units will produce a handsome steady income. What's more, they still own the properties. The bankers? Sure, they are delighted. They make huge profits on any moneys loaned in connection with the program.

But now ask the tenants and you'll hear a far different story. They're likely to be deeply concerned about the crime rampant in most all public housing. They are upset over the lack of maintenance and general poor physical condition of the facilities. They are discouraged and defeated because they know that they will never know the pride of home ownership as long as they are trapped in what are sometimes described as "inhuman conditions".

Now ask yourself. As a taxpayer, do you feel that your money is well spent on public housing? Do you think it genuinely helps people better their lives, or is it simply perpetuating a lifestyle and standard of living abhorrent to us all? Remember, the taxpayers' money paid to contractors/landlords in rent is gone forever, and neither the tenant nor the government has anything at all to show for it. Isn't that like pouring money down the proverbial rat hole?

On balance, this program appears to be a failure. But let's not, as the saying goes, "throw out the baby with the bath water." That we need some sort of public housing assistance for the poor goes without saying. Just look at the statistics. The average cost of a new home in this country has escalated rapidly. There are millions of hard-working adults with families who simply cannot afford either the down payment or the monthly mortgage payment. For these people, the American dream of owning a home of their own is far out of reach.

Every person has the right to adequate housing. We therefore know the need for housing assistance is real, but we know that the present program is not working. We also know that it is in the best interest of all Americans to assist those less fortunate; thus we must ask ourselves what we can do. How can we overhaul the program so that people will have a chance to experience the dignity that comes with

ownership? How can we ensure that government money will be used to help those in need, rather than going into the pockets of manipulative builders and bankers? How can we institute a program that will eventually be self-sustaining...a program that would ultimately cost the taxpayers nothing and in the long run save them money?

There is a way. First, we propose that builders construct more housing that is affordable to those whose income is below the national average. Mortgage payments would not exceed 20% of monthly income and down payments not more than 10% of annual income. Second, the government would create a self-sustainable endowment, aimed at providing low interest loans (below 4%) for first-time buyers whose annual income is below average. Buyers would repay the loans to the government in the form of monthly installments, according to a sliding scale based on their income. Although funds for the purchase of homes would be made with up-front federal money, there is every reason to believe that this initial investment would be repaid, and with interest. Eventually, the program would experience a positive cash flow.

So what will this program accomplish. It will put an end to the lining of the contractors' and bankers' pockets with taxpayer money. It will enable millions to own their own property, raising their living standard and engendering a personal



pride that will likely spill over into other aspects of their lives. And it will stop the never-ending waste of taxpayer dollars, an absurdity that benefits none.

Government-operated programs don't have to be wasteful and ineffective. With the application of a little common sense, the housing program could be run like a profitable business. If that happens, everyone will win.



# Population and Pollution

Our constitution guarantees all citizens the right to life, liberty and the pursuit of happiness. Implicit in that affirmation is the right of all people to live in a pollution-free environment. Few would disagree that foul air and contaminated water are incompatible with a sense of well-being or happiness.

All humans, regardless of political or geographic divisions, share this one planet...our only home for the foreseeable future. Because each individual is dependent on the earth's natural resources, it is critical that every person do whatever is necessary to prevent the degradation of the environment. It is important to realize that no single person has any more right to spoil the pristine beauty of nature than to foul the yard of a neighbor. Remember, we are all global neighbors and the whole earth is a community "lawn." It should be the human race's highest priority to preserve the life-sustaining riches of our world.

Pollution is the most ominous threat to our species, and it is inextricably linked to overpopulation. There is a relationship between world population figures and the amount and the severity of pollution. More people on the earth lead inevitably to a greater incidence of pollution. It's a

simple fact...people cause pollution. To be sure, government regulation and technology may slow its insidious effects for a time, but eventually these band-aid approaches will be no match for the pollution generated by an ever-growing population. It follows then that the only real solution to the pollution problem lies in controlling the growth of our population...our birth rate.

To prevent further deterioration in the quality of life, it is imperative to stabilize the population now. Why? The resources of the earth are limited; there is a finite amount of land on which to live and to grow food; the oceans, the atmosphere and freshwater supplies can absorb only so much human-caused contamination. In short, there is a limit to the number of individuals the earth's resources can support, and there is a limit to the amount of contaminants that can be inflicted upon the environment. Slowing or stopping the pollution increase will lessen the burden on an already overstressed environment.

But how can we slow this growth? First, we must try to influence the governments of all nations, particularly the so-called "third-world countries," to institute incentive plans to discourage couples from having more than two children. Tax benefits or other forms of monetary reward could be offered to those who limit family size to include only two children.

Second, efforts in research must be redoubled to develop better drugs that would preserve the woman's "right to choose." Taking such a drug would avoid the need for making painful decisions about abortion later.

Third, everyone on this planet must be made aware of the inevitable consequences of runaway population growth. They must understand that we are on a path of certain self-destruction. Every person must be made to feel an individual sense of responsibility to reverse the trend. Having as many children as one can should no longer be considered an option. The mass media, civic groups, government, and institutions of learning all have a duty to see that all people are warned of the consequences. Keeping population growth at bay is the only way to safeguard the future...the only way to keep pollution from doing irreparable harm to our world.

But what can be done about the pollution that is damaging our planet today? Citizens must become informed on the issue of pollution. They must reject the idea that consumerism and pollution control have a negating effect on one another...that they are at cross-purposes. This is an absurdity, promoted mainly by those who wish to avoid the expense of installing pollution-control equipment in their businesses or industries. The truth is that pollution-control technology creates additional

and novel consumer goods and services, spin-offs as they are called. It's a fact, pollution-control efforts, rather than stymie consumerism, actually enhance it. They accomplish two goals at once... protection of the environment and stimulation of consumerism and the economy. We should all encourage the development of technologies that would control pollution output.

Citizens should join forces with private and public enterprise to help continue the cleanup efforts already underway. Both manufacturers and consumers must accept the fact that pollution control and clean-up of the by-products of manufacturing processes requires sacrifice and monetary cost... and both must be willing to pay the price.

The government should be supported in its effort to set tough standards. The citizenry must become concerned enough to demand that flagrant violators of pollution laws be caught and punished. Every effort should be made to enforce those regulations designed to protect us from dangerous chemical and hazardous wastes. Government should also make funds available for research into methods of pollution control.

Some would have you think that one segment of society should assume a greater degree of blame for polluting than another. They would suggest that the groups causing the pollution should pay all the cost for measures to prevent it. The truth is

that because we are an **interdependent** society we all benefit from the output of business and industry. Since we are consumers, we must contribute to the solution of the pollution problem. Therefore, we all should make the sacrifices required to do this. This includes paying for the costs of preventing pollution which companies add to the price of their products.

We're aware of the problems and we know how to solve them...and solve them we must. To do less is to sentence future generations to an uninhabitable world and to abandon our highest and noblest responsibilities as stewards of the only home humans know. Government, people and private enterprise working together...mixturism... can solve the problem.





# Prison Reform

In the United States, more than a million people are behind bars. That's double the figure of just a few years ago. It would seem that if the goal of our prison system is to reduce the crime rate by rehabilitating criminals, then these figures indicate the penal division of our justice system is failing miserably. But why? Could it be the result of society's failure to view the prisoner as a fellow human being? Could it be that society is so eager to punish offenders to exact that "pound of flesh," that it forgets the potential worth of the person? Could it be that we have neglected to adopt a "get-tough" policy toward violent and hardened criminals? Let us never forget two very important tenets: First, society will gain nothing by forever coddling violent, confirmed career criminals; and, second, prisoners are human and therefore entitled to humane treatment and, most important, the opportunity to become rehabilitated.

However, let us hasten to add that as important as rehabilitation is, it should NOT be extended to violent confirmed criminals. Those who repeatedly commit violent acts should be permanently removed from society. Those who choose deliberately to kill another...war, self-defense and law enforcement excluded...should automatically

forfeit their right to live. Once a jury returns a guilty verdict and appeals to higher courts have been rejected, murderers should be allowed to choose from a menu of ways to end their own lives. Should they elect not to choose, then the state would impose its own choice. For human life to have significant meaning in any society, those who take a life must pay with their own lives.

A uniform law under which all people charged with murder are tried should be implemented. The law should be consistent without any exceptions. A foolproof system should be established for completely investigating any occurrence in which life is lost so there will be no mistake as to the charge to be levied.

It is, indeed, absurd to think that current practices could do anything but intensify the criminal inclinations of prisoners and exacerbate the crime problem in general. Consider the following:

1. First-time nonviolent offenders are often imprisoned with violent, hardened criminals, who spend their time teaching the novice how to be better at their “trade” and perhaps how to become more violent.
2. Prisoners are denied the right of privacy with family members...an ironic and cruel inconsistency since prison, itself, is an intensely private institution.

3. A majority of those in prison spend countless hours in idleness. How much better if they used that time to reeducate and retrain themselves for a productive life on the outside. Current strategy, unfortunately, simply returns the people to society without skills or knowledge to provide for themselves. Lacking skills to acquire gainful employment, the former prisoner is very likely to return to crime as a means of support.
4. Many prisoners have serious emotional and mental problems that require treatment by mental health professionals. It's illogical and absurd not to correct these problems before prisoners are released. Neglecting them will only worsen their problems, resulting in an even more aberrant individual being turned loose on society.
5. Prison is a stark, austere place, devoid of the things most people on the outside take for granted. Being suddenly released to a world of freedom is an adjustment many ex-prisoners find difficult to cope with. Unable to relate, they respond by committing criminal acts once again. Perhaps the transition from severe prison life to freedom could be made gradually. Even at the outset of one's term, there is no justification for depriving

prisoners of normal daily activities simply because they are inmates.

We must change our philosophy regarding the objectives of the entire criminal justice system... particularly as they relate to the prisons and those who inhabit their cells. No longer should we view prison as an institution solely for administering punishment, of exacting revenge. We should instead consider it a place where violators can be temporarily housed...removed from society until their rehabilitation is complete. No longer should we think of prisons as places where the courts can dispose of their problems temporarily. Putting the criminal behind bars does not by itself solve the crime problem.

We should look at prisoners not as objects upon whom we can avenge our anger and frustration but as human beings, many of whom, with proper treatment, can become productive law-abiding citizens. And upon release, society should have no reluctance in accepting the ex-prisoner completely as a contributing member of the community, extending every available opportunity for self-improvement.

A very necessary part of this acceptance and encouragement is the establishment of a reserve-retraining work force program. Supported by government agencies, it would offer training

to newly released ex-prisoners. The program's mission and goals would be to train individuals to become competent in a chosen trade or skill, sufficiently enabling them to find employment and, therefore, to become contributing members of society. It's a fact: many ex-prisoners return to a life of crime primarily because they cannot qualify for most available jobs. A reserve-retraining program would break this vicious cycle. Completed successfully, the program would provide the individual with the prerequisite expertise to land a good-paying position.

But, as previously discussed, the reserve-retraining work force program would not be limited to ex-prisoners. It would be open to all, who, for whatever reason, seek training in a field that interests them. This program would effectively guarantee that no person should ever be able to honestly say that he or she cannot find a job. All who want to work would be able to because each person would have received the training necessary to fill vacant positions. In time, establishment of this reserve-retraining program should all but eliminate unemployment. And since lack of income and lack of opportunity fuels crime, criminal activity should be reduced dramatically as well. Give people a means to earn an honest living with a decent wage, and most will shun crime.

But we also should temper all this compassion

with reality and adopt a get-tough policy. It is naive to think that all people can be rehabilitated. Some plainly cannot be. Therefore, it should be the duty of the penal system to identify those prisoners who cannot, segregating the incorrigible from the others. These should be confined to prison without parole. And those who commit two violent acts should likewise spend the rest of their days in prison. First offenders, however, convicted of nonviolent crime should be placed under house arrest, but allowed to leave to work at civilian jobs, earning money to repay their victims.

The goals of rehabilitation should be the return of each person to society, a “new person,” able to function normally on the outside. As a part of the rehabilitation program, every effort should be made to correct the conditions which led an individual to commit a criminal act. Those placed in the rehabilitation category should be further subdivided into smaller groups according to need. While behind bars, prisoners should work daily on regular prison duties. They would be paid an hourly wage, but the cost of their upkeep (food, accommodations, medicines, etc.) would be subtracted from their paycheck. Also, deductions would be made to compensate their victims. Any surpluses would be placed in an account to be used by ex-prisoners upon release. In this way they would have money for their transition back

into society.

In short, we should treat those in prisons humanely. We should educate and train those who can be rehabilitated. We should show them that society can be responsive to their needs, so that they may never feel the need to prey upon others again. At the same time, we should make it clear to those inside prison and out that violent behavior and repeated offenses will not be tolerated.





# The United Nations

Law enforcement agencies supported by the people they are sworn to protect are not a new concept. Citizens of democratic societies have long seen fit to imbue levels of government... municipal, state, and federal...with the power and authority to impose order and to maintain peace among its populace. At the same time, societies have realized the importance of preserving individual rights and freedoms. This balance has worked well in our country and in others for centuries.

The time has now come to apply this approach at the global level. Just as domestic authorities work to prevent unprincipled individuals or groups from trampling the rights of the innocent, so should an international police force work to prevent outlaw groups, nations or dictators from committing acts of aggression or terrorism against members of any ethnic group or country.

A mechanism for implementing such an effort already exists. It's the United Nations. But, because of the constraints imposed upon it by its current constitution and because of apathy of millions of people, the UN is ineffectual at best. The organization needs an infusion of vigor, vision, and purpose from the ground roots level up and a

revision of its procedural code.

We base these proclamations on the following premises. In war, it is the lives of young soldiers and private citizens, not those of the leaders or the initiators of conflict, which are at stake. Privates die in battle. Generals usually do not. The saving of human life is far more important than the “saving of face” of those who claim to be world leaders. It is important to hold those who make arbitrary military decisions accountable for their actions. It is important to pursue peaceful solutions as a way of overcoming the pride, hatred and selfishness, which so often leads to war.

Consider the following absurdities associated with war:

1. People go to war for peace.
2. People are taught to hate and kill others for a cause.
3. National pride or honor is more important than peace.
4. Patriotism is equated with ill-will toward other countries.
5. We make war heroes of those who have killed other humans in battle.
6. Older leaders declare wars, but young men and women fight and die in them.

7. A country's greatness is measured by its destructive capabilities.
8. It is necessary to destroy to save.
9. Countries stockpile enough weapons to kill humankind many times over.
10. Young men and women are sent to die in a conflict not of their own making.
11. In times of war, countries deny their own citizens quality life for the sake of military victory.
12. Countries build elaborate defense systems when no country is willing to attack first.
13. Countries go to war to prove superiority or often to divert attention from economic problems.

Recognizing that warfare is illogical, irrational, destructive and deadly, it is imperative that all people of this planet, regardless of their station in life, assume the right to determine war and peace issues by organizing and establishing a peace-keeping institution.

How can the citizens of the world channel their abomination of war into constructive ventures? They should insist that the United Nations be empowered to keep the peace and that all disagreements between nations should be settled by that

body.

To make this organization more effective and potent, the people should see that the following actions are taken:

1. The UN will pass a formal resolution declaring itself to be the peacekeepers, the police, of the world and declaring that invasion of one nation by another will be considered an act of war, leading to the aggressor immediately being stopped by UN forces.
2. Each country on this planet will pay a percentage of its gross national product to the UN for the purpose of maintaining a peace-keeping force sufficient to provide personnel and equipment necessary for a permanent military force. The five permanent members of the UN Security Council will provide an equal and major portion of that force. Other members will contribute at a rate of 20% of its own military expenditures.
3. Each member of the UN including the five permanent members of the Security Council will have a military force not to exceed five times its contribution to the UN force.
4. Nuclear weapons initially will be limited to only those countries which presently have

them. There must be an inventory of all nuclear weapons and their delivery systems. These countries would progressively reduce their inventories under inspection by the UN until all are gone.

5. The UN will possess a conventional force of ground, air, and naval weapons and personnel as great as the force of the country with the largest force. The United States will always maintain a military force fully capable of reinforcing the UN.
6. All weapons will be inspected regularly by the UN.
7. Each nation will agree to the stationing of UN troops on its soil as needed for the purpose of maintaining the peace.
8. Nations which cannot resolve disputes between themselves must bring the matter to the UN for settlement. If the UN is unsuccessful in mediating the dispute, the quarreling nations must draft their own plan and present it to the UN. If the UN concurs, the plan must be accepted by both parties. If not, the UN will make and enforce its own plan.

A concerned world citizenry supporting a restructured and revitalized UN will help ensure

that wars are aberrations of the past...that never again will people lose their lives in battle...never again will cities be reduced to rubble. It's a most worthy goal and quite attainable. We only have to resolve that intellect and reason should prevail over primitive urges to kill, and the UN can be the instrument for such change.

Surely a civilization that can develop super-computers and send men safely to the moon and bring them back is smart enough to cease the killing of its own kind and the destruction of the accomplishments of previous generations. The only thing necessary is for the present mindset of people to change—all else will follow.

One way to help ensure peace on planet earth is for the UN to establish free paths all over the world so that everyone can move freely from point to point. Everyone uses free paths every day in every country of the world to get from one place to another. Apartment dwellers, whether in Moscow or Washington, D.C., usually get along with their fellow apartment dwellers because each person can open a door into a common hallway. Everyone else in that apartment building has an equal right to use this area without obtaining permission from another resident.

The people who live in communities, whether in China or Argentina, get along with each other because they can use a free path that everyone has

the right to travel without obtaining permission from anyone else.

People in Tennessee are amicable because there is a free path that all can travel to get from county to county.

The people of the United States get along with each other because there are no roadblocks in the free paths that criss-cross the country.

The fear of having free paths for all people should be less than the dangers of not having them.





# The Free Press in Politics

What do you think of the press in America? Is it biased? Does it favor liberal causes and politicians? Does it slant the news so as to shine a positive light on this approach to government? Or does the press do just the opposite? Does it consistently belittle the liberal viewpoint, interpreting news events in an effort to discredit the political left. Does it support the conservative cause?

Not surprisingly, opinions on this issue depend on the political persuasion of the respondents. Many self-described conservatives see the press as the enemy. They believe it is managed by corporate editors, staff writers and reporters who are decidedly “left-leaning” and bent on moving America toward a socialist government. To substantiate their claims, they cite examples of what they believe to be biased coverage, seeing in daily reporting subtle nuances that cleverly suggest inherent fallacies in the conservative agenda. They may also cite instances of what they feel is blatant misrepresentation of the facts...stories written specifically to demean the conservative cause. While the “liberal press” is busy discrediting their conservative causes, these right-leaning press watchers insist that it consistently portrays liberal programs, politicians and ideas in a favorable light.

They resent the fact that the press uses its power to promote the liberal agenda and its politicians.

Simply reverse the words “liberal” and “conservative” in the paragraph above and you have a picture of press as seen through the eyes of the liberal. Like their conservative counterparts, they too feel the press is unfair...that it slants information so as to cast conservative policies in a positive light, while projecting a negative image of liberalism.

Logically, the conservative and liberal views of the press cannot both be valid. On the contrary, if both groups are equally convinced that the press favors the opposite side, then we must assume that the press is truly neutral. Only when one side or the other feels the press is “definitely on its side” should we, the public, become alarmed.

A neutral, unbiased press is the sentinel of democracy. Why? A dispassionate press should report only the facts. It should refuse to interject opinion into stories or to make judgments on them. Such responsible reporting empowers citizens, putting them in command of unadulterated facts... facts with which they may formulate unfettered opinions. An informed public, fed by an unbiased fair-minded press, is essential to the preservation of democracy. For how can citizens make decisions on the running of their country...how can they control their own destiny...if they are not

informed. Perhaps worse yet, how can they plot an intelligent course if they are ill-informed by a biased press? The free election of public officials to government posts is a hallmark of democracy. But without a vigilant press to report on the actions of such individuals...without a conscientious press to shine a light on their performance after assuming office, this valued right to elect officials would have a hollow ring. Public servants should forever be aware that press coverage of all their activities...good and bad...come with the territory. The press should not take this responsibility lightly.

Many politicians complain that they cannot get their message out to the public. They, of course, blame the press for this “failure in communication.” But maybe the problem lies with the message and not the messenger. How many of these disgruntled politicians have examined their message for substance...for clarity? Could it be that their positions are not getting through because basically they have no message to deliver...no new ideas to promote and no plan of action for the country’s problems? Perhaps the politicians in many cases aren’t articulate enough to sell their program to the press or the public. No wonder they find it necessary to enlist the services of Madison Avenue, hoping the advertising world can manufacture for them what they cannot do for

themselves...an image and game plan.

On the other hand, politicians with solutions to real-world problems don't need slick Madison Avenue ad campaigns because they effectively present a message that resonates with the public. It is able to stand on its own and, consequently, receives the press attention it deserves.

So let those on both ends of the political spectrum complain. Their cries of a bigoted press only confirm that it is alive and well...doing its job...exercising first amendment rights in the preservation and protection of liberty.

However, we must always stand ready to bring the press to task if it strays from its responsibilities for fairly presenting the news to slanting it for sensationalism or for promoting personal agendas or personalities.

# A View of Religion and Government

One religious view is that God created humans fully developed only a few thousand years ago. Another view is that the evolution of humans has taken a long time...at least four billion years. Starting as single cells, organisms gradually grew more and more complex. Eventually humanlike creatures appeared on the planet. At some point in their evolution, the brains of these individuals became so complex and sophisticated that they were able to conceive of a power higher than themselves. They began to believe in a god or gods. These are only two of many views. But whatever the view, most humans have felt the need to recognize, honor and worship a supernatural force or forces.

Did God create humans or did humans create God? Does it matter? What does matter is belief. Believing that a supernatural force championed and even rewarded moral actions, humans developed codes of conduct. Perceived spiritual codes from on high became incorporated in the laws of the land. Violations would result in punishment in the present life by one's peers and in the afterlife by one's god. Specifically, most religious leaders warned citizens that causing harm to others was a

sin, punishable by eternal damnation. Conversely, unselfish acts of caring and love were to be rewarded. To encourage individuals to practice sound ethical principles, as well as to revere a supernatural deity, religions were established.

The laws of the lands usually complemented the moral teachings of religion. Both had the same objective...to protect humans from themselves. With notable exceptions, in which incomprehensible atrocities were done in the name of religion, this alliance has worked quite well for several centuries; and it continues to be essential to the preservation of a civilized society. It is no stretch of the imagination to say that enforcing basic laws would be extremely difficult were it not for the admonitions of religion. The police cannot be present everywhere all the time in their efforts to prevent misdeeds. But an omniscient, omnipresent God can. And, if the individual really believes God is always looking over his/her shoulder, the chances of transgressions are greatly diminished.

So religion is enormously beneficial in helping deter immoral behavior. But we feel there are some areas in which its effectiveness might be improved. First among these is that organized religions should more clearly recognize that they have an obligation to teach moral behavior as a practical way to live peacefully in the world with others and not consider divergent concepts

enemies to be stamped out. They should show worshippers why it is always in their own best interest and that of others to seek truth and infinite intelligence. It should not be necessary to threaten intelligent people with the prospect of an eternal hell or the promise of a heaven in order to persuade them to live a moral life. Let religions focus on the logic of using the golden rule as the best way to avoid a society in which the depraved prey on the weak. Let them show that the human species is inter-dependent...that when any one person is deprived we are all the poorer for it. Based on this premise, it is easy for most to see that it is in our own best interest to make sure that all people have the opportunity for a full and complete life.

Religions must take a more active role in reaching individuals who would be potential violators... those trapped hopelessly in a cycle of poverty. Religions must reach out to these people before, out of desperation, they commit acts of violence and intimidation against others. They can show these individuals that immoral behavior can only result in self-destruction and lead to anarchy for all.

Sadly, however, many religious leaders seem to be interested only in seeking out those who out of fear, guilt, or misunderstanding are willing to finance their personal projects. We must discredit these charlatans who prey on the disadvantaged.

Down through history, tyrannical governments have sometimes abused individual liberties in the name of religion. Recognizing this, in an attempt to create an atmosphere where freedom of religion could flourish, the founding fathers incorporated into the U.S. constitution the principle of separation of religion and state, to this day an essential feature of a democratic society.

Some say that granting a tax-exempt status to religious groups violates this principle. How? The taxes that they do not pay must be exacted from all other citizens. In effect, all taxpayers are forced by their government to subsidize religion. While we do not call for rescinding the tax-exempt status of these groups, we do feel that, because of this special dispensation granted them, they are all the more obligated to society to help those in need... to help make our communities a better place by improving the lives of those in need.

Most all agree that government and religion should be kept separate. But so should religion and politics. Too many religious leaders use emotional and controversial political issues to provoke a frenzied attitude among followers. The purpose... to generate dollars for the "cause." Controversial issues should be settled by rational, logical discourse...not by an hysterical evangelist whose primary goal is to separate followers from their money.



All religions should work together to formulate a common rational code of ethics reflecting sensible rules for living. Such a code would be generic in nature without allegiance to any specific group. Acceptable to all religious groups and obligated to none, they would serve both the individual and society well. We propose that these rules for living be incorporated in a secular national code of ethics reflecting the nation's ideals and be taught in schools...perhaps in required civic responsibility courses or course segments that could be repeated at appropriate intervals and levels. Fear of violating the separation of the religion-state doctrine is unwarranted, because ethics...not religion...would be taught. Students would come to understand and appreciate what the nation expects of them.

Finally, government should take a cue from religion's edicts to take care of each other. In today's complex interdependent society, that means combining the resources of government, private enterprise, and people to help those who have not been able to succeed by themselves. This is mixturism, a blending of activities to accomplish what is best. Together these elements of our culture can unite to bring about a lasting era of peace and prosperity—an era in which individuals care about and help one another, a time when the true meaning of religion is practiced and benefits all.



# Summarizing Theses of the Mixturist Philosophy

We can summarize the philosophy of mixturism in several theses, which if put into practice will save America from economic disaster and make the preamble to the Constitution a reality by ending unemployment and welfare, providing health insurance for everyone, establishing economic justice, ensuring domestic tranquility, allowing for a stronger defense, promoting the general welfare, and securing the blessings of liberty for ourselves and future generations. They are as follows:

1. Both defense and economic stability are paramount. America has the human resources and the natural resources to provide both. Politicians need only see the abundant resources and maximize their productivity and distribution.
2. Unemployment of any person except on a voluntary basis degrades humanity. Unemployment should be tolerated only if some insidious disease has invaded the people resources or if a famine or some other catastrophic disaster has destroyed natural resources.

3. Wasting human resources on welfare and unemployment must be stopped by creating a reserve-retraining work force, making employment available to everyone. The real wealth of a nation is the goods and services which people produce and exchange.
4. The key to a healthy, growing economy is a balanced money supply: an equivalent ratio of money to the goods and services which people's hands and minds produce. The money supply must be thought of as a medium of exchange, not as a commodity.

The banking industry does not have the power or the will to maintain a balanced money supply. That responsibility must be given to the federal government. It must assume its responsibility under its constitutional authority for this. All three methods that are provided for in the constitution (Article I, Section 8) must be used to balance the budget: taxation, borrowing, and the creation of new money.

5. People must be educated about what is important for them to know to bring about change. For example, interest rates, the stock market, and product pricing. They should understand that when banks pay 5%

to rent money and then re-rent it for 20% on credit cards, they make 300% gross profit, not 15% as they would like for people to believe. They should understand that the stock markets work on cycles of ups and downs, but do not play the economic role that people are led to believe; that we must decrease their influence on economic decisions; and that Nature's Basic Law of Economics is the real key to economic growth and stability. They should understand that businesses raise prices to make all they can...that consumers need protection at a cabinet level of government.

6. The economy is consumer driven; therefore, a variable fair tax system that allows consumers to save or spend money as needed to maintain balance in the money supply must be put into place.
7. Producers of goods and services must not stand poised and ready to make a windfall profit by increasing prices when any excuse presents itself. Any shortage of goods or services must be overcome by increased production. The shortage must not be used as an excuse to raise prices. The cost of any good or service must always be relevant to

the people resources and the natural resources required to produce it, plus a fair profit.

Capitalists have the right to make all the money they can through increased production and increased sales but never through a windfall profit by using a price marker.

Cross-purposes between consumers and producers must end; buyers and sellers are interdependent. Each has a responsibility to maintain balance by working together.

8. Inflation is the prime cause of recession by changing the equivalent ratio of money to the goods and services exchanged, thereby creating a shortage of money. The fallacious concept of inflation must be changed to the real definition: "Inflation" is a euphemism for "theft." Inflation rates do not start back at zero at the end of each year, but they continue to add up week after week, month after month, and year after year, destroying the money supply.

Simultaneous inflation and recession is caused by the mixed economy of essential goods and services and luxury goods and services. As the price of essential goods and services increases, money is shifted from

buying luxury goods and services to buying essential goods and services.

9. Denial of health insurance to millions of Americans must end by establishing federal and state group health insurance programs to supplement private ones.
10. Provisions to better deal with catastrophic events are the right of people. We must establish a national disaster fund financed by tax deductions to fully restore property losses.
11. We must have a truly free market. A free market is one in which governments do not interfere in the establishment of a marketplace for a good or service at a fair price for the consumer...but a free market is not getting whatever the traffic will bear or permitting unfair competition.
12. Social security, paid for by the people, is not welfare, but is one of the chief drivers of the economy. We must ensure its continued viability by sensibly changing work practices.
13. Every person's dream to to have a decent place to live must become a reality by creating a workable federal loan program.

14. The environment must be protected. People of planet earth have a right to drink pure water, breathe clean air, and live in a pollution-free environment.
15. Educational systems must use the best of science and technology to educate America's children.
16. People of planet earth have a right to live in peace. Measures must be taken to ensure they can. Religious groups must contribute to the effort by more clearly stressing rational moral codes and promoting tolerance and truly ethical behavior.
17. The first provision of any ethical standard must be based on economics: First, take thought not only for yourself but also for others. By demanding the economic well-being of others, you guarantee your own. Second, learn the truth about money. It is a medium of exchange, not a commodity. The fact is that all goods and services are provided by the sweat of someone's brow.
18. People must treat other people fairly. We must create conditions to make this possible.



19. Whatever needs to be done should be done by either public or private enterprise or a combination of both...depending on who can do it better. This philosophy of mix-turism will yield the greatest wealth to any nation.



# Guidelines for a Rational Ethical Society

Every rational ethical philosophy must include guidelines for interrelated behavior. The following guidelines encompassed by the mixtuist philosophy summarizes how rational behavior can change the world.

1. *Think of others. By demanding their economic, social, and intellectual well-being, you guarantee your own.*

The real way for a person to take thought of others is to require our government to establish a reserve-retraining work force. This institution will open the door through which anyone can enter society and participate fully in its resources.

2. *Be appreciative of others' contributions.*

In an interdependent world where even the buttons on your clothing and the soles on your shoes were probably not made by you, remember that the hundreds of items you enjoy everyday were made by the labors of others the world over.

Next time you think your position is more important than others, take into consideration all

the things you use and enjoy. See how many of these your job actually produces and then count the number that other people's jobs make. You will probably reevaluate your thinking.

People worldwide need to realize that they are interdependent, not independent. They need to realize that they depend on goods, services, love, and respect from many different people from all parts of the world for happiness and well-being.

For people to fight and destroy each other's resources and peace of mind is meaningless. If only people would use the same efforts for building instead of destroying, the wealth of the world would be enormous.

Unless people become aware of this interdependency, they will never escape the adolescence of technology without total destruction of life on the planet earth. Humans will find togetherness in living or they surely will find it in dying. If they do not see the need to be their neighbor's keeper, they will not be able to be their own forever.

### 3. *Do not assault or kill others.*

To injure or kill another person by using mind, body, or weapon, except in the case of self-defense, war, or law enforcement, is inexcusable.

Control your mind and body. Injure no one with tongue or fist. Instead, settle your arguments with

the use of your mind. Any problem can be solved with your mental faculties, but few, if any, can be solved with the fist.

Fighting is inhumane. Designing any type of game in which there would never be an injury might be impossible. However, if the game does not penalize attackers severely when they deliberately injure others, the game is inhumane. Any sport that is designed for the purpose of injury is not a game, but an assault.

4. *Don't steal and don't make it necessary for others to steal by collectively denying them the right to jobs.*

What is the difference in the character of people who are in jail for shoplifting and the character of people who steal from their employers by taking for their personal use items they are not supposed to take? There is no difference in the character; only the consequences are different.

What is the difference in the character of people who do not do the job they are given and the character of people who go to jail for embezzling money from a bank? Even though no one checks to see if the job is done, the person who fails to do what is required is just as guilty of stealing as the embezzler.

There is only one forgivable reason for stealing: A person is placed in a situation with no way to get a job to earn money to buy the essentials for life. For any government not to have a reserve-retraining work force so there will never be a forgivable reason to steal is the greatest theft.

For any government not to see that its young, its old, and its disabled are taken care of actually steals more from itself than it would cost to provide.

For a country to have a natural disaster that steals all the possessions that one has without fully replacing what the disaster took adds to the theft. For a government to declare a national disaster and merely subsidize high-interest bank loans as an excuse for caring is a fraud. All thieves should be compelled to replace what they take; the government should replace what a natural disaster takes. We can ensure the full replacement of any theft caused by a natural disaster by all people paying a small amount.

5. *Don't lie; language must be for communication, not for deception.*

Nothing is more notable than the actions of people who reflect the true meaning of their own words. Language must be used to communicate ideas, not to deceive another person about those

ideas. Any person who uses words to convey something other than the real essence of the idea intended is a liar. The deception can be due to the ambiguity and/or arrangement of the words used. Therefore, advertising and sales talk that misrepresent the real qualities of goods or services is an inexcusable lie.

Hiding the truth in the small print of a contract so the buyer will not fully understand the true meaning of the contract is an example of an enormous lie. Using legal jargon to mislead people into believing something is what it is not is not only a lie but should be illegal.

It becomes the responsibility of people whose education is higher than others with whom they are dealing to use words that communicate ideas well. It is a lie to knowingly use words that another does not comprehend.

People who seek public office and use words that do not convey the true essence of their philosophies are the greatest of all liars. To truly know people is to observe their actions to see if they reflect the true meaning of their words.

Propaganda put out by one government to deceive another government serves no one's purpose. If the lying government gets caught up in its own lie, the intended purpose is defeated. A government that lies to other governments lies to

itself and its own people. Any time words do not reflect the true meaning of any idea, they lie.

The worst problem with a lie is that the person must be a liar to lie. Liars lie to themselves first.

6. *Be perceptive of how others wish to be treated; then treat them accordingly.*

Doing unto others as you would have them do unto you is certainly an excellent rule to follow. However, that profound idea may be refined somewhat. That is, be perceptive of how others **wish to be treated**. Then treat them in that particular way.

People have different wishes and desires. Things that might not bother you might bother someone else. Everyone should respect the feelings and customs of others, even if these are different.

7. *Don't be deceived about money.*

Money should be a medium of exchange, not a commodity. It is a fact: All goods and services are provided by the sweat of someone's brow.

Ask these questions to yourself: What did I do for the good things I enjoy? Where is the contribution I made?



Make certain you work at something constructive, even if you have lots of money. Make certain also that others are ineligible for welfare by supporting a reserve-retraining work force, so everyone will always have a job. You live in an interdependent world. You are not independent, even if you have money.

8. *Don't be narrow-minded about labels and isms. Use your intelligence to select the best from all things.*

One of the biggest handicaps America has in solving its problems is the narrow brackets, or straightjackets, that some people place around their minds merely to adhere to some label or ism. They envision only one way to solve problems. There are many ways to solve problems which mixturism takes into account. This philosophy allows for solving all social, economic, and intellectual problems by accepting what is rational from all sources.

People must be able to throw off the straight-jacket labels and isms to govern themselves. Any government that does not allow its people self-government misuses the greatest resource it has: human resources.

9. *Don't be opposed to intelligent new ideas.*

Since everything is in a constant state of change, it is necessary to constantly think of ways to adapt to those changes even before they take place.

A person or a state should not believe that some ideas that have served well for a long period of time will always serve well. An idea that is sufficient for reaching a plateau may not sustain that plateau unless it is refined and amended. An idea used to clear a wilderness will no longer be viable once the wilderness is cleared.

To sum up, do not oppose change for the sake of not changing. Neither is it intelligent to change for the sake of changing.

Any person or state that can correctly anticipate change and have a new set of ideas designed for that change before it takes place will leave behind all others. With the rapid change that is taking place, a person or state cannot afford to have minds trapped inside any kind of conservative brackets.

An open mind that will continue to evaluate everything and act upon the true evaluation is a requirement for a secure and higher standard of living for all people.

10. *Love, protect, educate, and provide for those for whom you are responsible.*

The greatest responsibility any person can ever have is that of rearing children. Do not take lightly this awesome task of training your child. Do not leave your child's instruction entirely to the educational system.

Make certain you teach your child to be responsible. Since humans are creatures of habit, teach your children good habits. Then as they grow they will practice those good habits and will teach their children in turn.

By teaching your children to be responsible, they will do well wherever they go—despite the number of irresponsible people with whom they may come in contact.

Teach your children to be honest by being honest with both them and others.

Teach your children never to hate by not carrying any animosity in your own mind for others. Talk of love, not of hate.

It is also your responsibility to understand your children. You have had the experience of living the same life process as your children—plus much more. Do not be upset if your children do not understand you. They will when they are older. To know your children well is to remember your childhood realistically.

Be certain to teach your children the importance of the interdependency of all people. Your children will help ensure their own future as well as yours. People who do not love their own children more than themselves exhibit the most corrupt type of child abuse.

The greatest gift children can receive is parents who love them and who provide good honest examples for them to follow.

*11. Be glad you are able to work.*

There are 168 hours in a week. To have the privilege of working 6 to 8 or even more hours a day at a job fills only a small part of the 168 hours you must live, regardless of what you do.

Be certain that others have the opportunity to work by having a country where no one is denied a job. You can do this by supporting a reserve-retraining work force. Demand that your government create a society in which everyone has a job, good disability insurance, good retirement, and no need for charity.

*12. Don't overlook two normal, yet beautiful, aspects of life: (1) life is a process which has a natural beginning and a natural ending and (2) your purpose in life is to write your*

*own script, including your fellow persons as co-stars. You play the starring role.*

The most beautiful aspect of life is that it is not preordained. You are free to choose your own purpose. Write and rewrite the script until you achieve that purpose.

You are the star of your own show. You select your co-stars from the actors of an interdependent world. They help you write the script and, therefore, have a part in your purpose. In addition, you are the producer, the director and the make-up department. You negotiate your own contract.

The magnificent flow that life's process takes is in the upward direction from beginning to end.

Life is not a bore. A person follows the process of life only once. A person could ask nothing more than to be free to seek his own goals in life, change those goals, and seek new ones as the others are reached.

What more can a person ask of life than what life gives? Nothing.

*13. Don't spend time worrying about things you can't control.*

Look at whatever problem you may have and think of all the ways it can be solved. Seek help. If there is no solution, that **is** the solution. Accept

this solution, and do not worry about the problem any longer.

Also, don't worry about death. For people to waste life because they are worrying about death is absurd. The only time a person has is now. To get the most out of life is to live now. Work and plan now for tomorrow; if tomorrow arrives, great; you will be ready. The road a person travels is a precarious one, so be cautious. Obey the safety rules. Do all you can to preserve life; then let death come when it may.

*14. Be an optimist. Rid your mind of fear, jealousy, hate, revenge, greed, superstition, anger, worry, animosity, and pessimism.*

Be happy with yourself. Remember that you are a form that reflects light just as any other form does. One form is not any more beautiful than another. As to how you like your light reflection is merely a mental process.

So, have a good opinion of yourself. Your world is the only world you can live in. It can be a happy world or an unhappy world. It is usually a matter of your choosing happiness over unhappiness—a matter of having a positive attitude. Those who wallow in a sea of self-pity and shame do so to their own destruction.

Be at peace with yourself. Accept what you are after you have done what you can do. Don't think of what you could do if you were someone else, but be busy doing what you can do. There is no one more important on earth than you. You must live with yourself 24 hours a day, 365 days a year. Love yourself, and others will love you. Love others, and they will love you more.

Be all that you can be, and be happy!





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