



Quaker Universalist Fellowship

Commerce, Community,
and the Regulations
of Universal Love

The Contemporary Relevance of
John Woolman's Essay "A Plea for the Poor"

Daniel A. Seeger



Quaker Universalist Fellowship

The Quaker Universalist Fellowship is an informal gathering of persons who cherish the spirit of universality that has always been intrinsic to the Quaker faith. We acknowledge and respect the diverse spiritual experience of those within our own meetings as well as of the human family worldwide; we are enriched by our conversation with all who search sincerely. Our mission includes publishing and providing speakers and opportunities for fellowship at regional and national Quaker gatherings.

Universalist Friends and a QUF pamphlet are published twice a year and are available free to on-line subscribers. These publications are available as web pages (HTML) for browsing, ebooks (PDF) for on-line reading, and pamphlets (booked PDF) for printing. Visit our website at <http://www.universalistfriends.org>. To enter a free on-line subscription you need only enter information into a simple form. You will then be able to access our newest material on-line, and we will notify you via e-mail when our next publications are posted.

If you wish to receive printed copies of these publications by regular mail, send an annual subscription fee of \$12.00 to QUF at our mailing address below. Selected past QUF publications are available free to our on-line subscribers. We will send available printed copies of past publications upon request and on payment of a fee.

We trust that all of our subscribers will support our work by sending a tax-deductible contribution to QUF. You can also contribute by sharing your reflections on our publications and on your own experiences. To make a contribution, subscribe to printed versions of our publications, or ask questions, contact:

Larry Spears, Treasurer
Quaker Universalist Fellowship
15160 Sundown Drive
Bismarck, North Dakota 58503-9206
Tel: 701-258-1899 Fax: 701-258-9177
Email: treasurer@universalistfriends.org
Website: www.universalistfriends.org

Quaker Universalist Fellowship
May 2007
ISBN 978-1-878906-41-0

Editor's Introduction

Two years ago we published a pamphlet on Gandhi's view of technology and its meaning for human economic relations. The present one examines the implications of a market-based industrial economy for the human community and its survival. So the question naturally arises: what does economics have to do with Quaker universalism?

Certainly the relationship of economics to Quaker ethics has been clear for 350 years. In his fiery list of "Fifty nine Particulars" directed to the Parliament of England, which was reprinted by the Quaker Universalist Fellowship in 2002, George Fox demanded: "Let all the poor people, blinde and lame, and creeples be provided for in the Nation, that there may not be a beggar in England nor England's Dominions He that turns his ears from hearing the poor, turns his ears from the Law." And John Woolman's essay "A Plea for the Poor," which provides a starting point for Dan Seeger's reflections in this pamphlet, was a vigorous argument for justice and equality in economic relations.

If the universalist principles of Quaker belief extend an inner light and a spirit of love to all humankind, then certainly in today's global world the ethics of Quakerism must extend to the global economy. In George Fox's time it no doubt appeared that a market economy and capitalism would bring more equality and a better life to western Europe's stratified, semi-feudal society. A century later, in John Woolman's generation, Friends were already questioning the moral crime of making human beings (as distinct from human labor) into a marketable commodity. It seems clear that today both men would be testifying passionately against the devastating effects of an amoral market economy on the living systems of our planet and on the millions of poor who inhabit it.

This essay was originally offered as the 2005 Annual Lecture for the John Woolman Memorial Association of Mount Holly, New Jersey. Dan Seeger, who is a former director of Pendle Hill and currently the clerk of the QUF Steering Committee, has written widely on subjects related to Quaker universalism. His most recent pamphlet for QUF, published in 2004, was *The Mystical Path: Pilgrimage to the One Who Is Always Here*.

Rhoda Gilman

become consistent with the fundamental truth of things, so that they express what John Woolman calls “the regulations of universal love.”

Notes

- {1} Summarized from “The Fall of the Rovean Empire?” by Sidney Blumenthal (October 6, 2005: Salon.com) and from information provided by the Alliance for Retired Americans.
- {2} See “Gross Domestic Politics,” by Jonathan Tasini (October 7, 2005: TomPaine.common sense).
- {3} See *Newsweek*: “The Other America,” at msnbc.com
- {4} Douglas Gwyn, *The Covenant Crucified: Quakers and the Rise of Capitalism* (Wallingford, Pennsylvania: Pendle Hill, 1995)
- {5} The phenomenon of the tragedy of the commons is alluded to by the prophet Isaiah, as well as by Plato, Aristotle and Thomas Hobbes. It was explored in depth by the English mathematician William Forster Lloyd in the nineteenth century. But the concept was given wide currency in modern times as a result of a seminal paper published by Garrett Hardin in 1968.

Commerce, Community, and the Regulations of Universal Love

Ruin is the destination to which the United States is rushing headlong. We look at our political leadership and see that everything is for sale and that all political decisions are reduced to economic decisions. Indeed we are on the verge of having no political system, only an economic system. Politicians, lobbyists and economic operators have become interchangeable.

Businesses pay to play. They kick back contributions to the political parties, give key political hacks lucrative jobs in their firms, and support the party program. In return they receive tax breaks, the loosening of regulations, helpful treatment from government professionals, access to the nation’s common resources which they then sell at enormous profits, and permission to use a repertoire of tricks to suppress the market and limit competitive pressure. The sums industries spend on lobbying are staggering. Take the pharmaceutical industry as one example: In 2004 alone drug companies shelled out \$123 million to pay 1,291 lobbyists, 52 percent of whom were former government officials. In addition, in the 2004 election cycle, the drug industry paid out another million in campaign contributions for candidates running for federal office.

The results have been direct: The Food and Drug Administration has been reduced to a hollow shell, Medicare cannot negotiate for lower drug prices, and a fatally flawed new prescription drug benefit threatens to deliver millions of senior citizens into private insurance schemes with negligible benefits.^{1} According to the New York Times, the share of American income going to the top tenth of one percent of people is growing significantly, while the share going to 99 percent of Americans is falling. Because workers’ wages in real

dollars are not going up, they have to borrow to pay for health care as increasing numbers of them lose insurance coverage. The average consumer is spending \$1.22 cents for every dollar he or she earns, has 13 credit cards and is shouldering \$9,312 in high interest credit card debt—twice as much as ten years ago. Workers are now financing their lives by pulling money out of homes which have risen in value. However, many experts believe that we are experiencing a real estate bubble which will eventually collapse, leaving these workers with big mortgages on devalued homes. Americans have taken \$1.6 trillion out of their homes in equity loans, with a lot of that money going to pay for school costs, catastrophic illness, and long term care for aging parents.

Retirements are becoming increasingly insecure as the prospect looms that some large companies will walk away from underfinanced pension schemes by filing for bankruptcy.^{2} Turning from average people to those living in poverty, since the early 1990s, we find that poor people in America have been offered welfare reform and our benign neglect. We forgot about them until hurricane Katrina brought them shockingly back into view. Thirty-seven million people live below the poverty line in the United States. That is 12.7 percent of the population. This is the highest rate in the developed world and is actually twice as high as in most other industrialized countries.

The hurricane Katrina images misrepresented the situation in one respect: poor white people in the United States outnumber poor black people in absolute terms, although the rate of poverty among blacks is higher than for whites. In 2004, the third year of what is presumed to be an economic recovery, the number of people living in poverty actually increased by over a million. Poverty is defined as an income of \$14,680 per year or less for a family of three. Of course, many people in the category are subsisting on far less than the \$14,680 defined as the margin.^{3}

government to regulate continues to be undermined, America itself is fast becoming one giant commons. It will be exploited until it is destroyed unless we find a way to re-invent a political system which money cannot buy, and then limit the freedom of the commons.

To quote John Woolman:

“The Creator of the earth is the owner of it... His tender mercies are over all his works; and so far as his love influences our minds, so far we become interested in his workmanship and feel a desire to take hold of every opportunity to lessen the distresses of the afflicted and to increase the happiness of the creation... Wealth is attended with power, by which bargains and proceedings contrary to universal righteousness are supported; and here oppression, carried on with worldly policy and order, clothes itself with the name of justice and becomes like a seed of discord in the soil.”

Devising a just economic order for the future will be an exercise in social ethics and spiritual vision. It is a work that will bring joy and fulfillment, but it will involve effort. God, the creator and owner of the earth, both enables us and requires things of us. The economic system of the future cannot be rooted in greed and self-centeredness, but must acknowledge the divinely ordained interdependence of all parts of the earth. Let us, then, strive to ensure that human laws and arrangements

cannot discuss property rights without a concern for what is righteous.

4) Given the essential role of government, taxation is a good thing, and paying taxes may be one of the best uses we can make of our money. While citizens need to be engaged to be sure that government resources are used wisely and effectively, there is no evidence that, in general, government is less efficient than the private sector, where the costs of numerous extravagances and dishonest practices are routinely passed on to consumers.

5) Markets are a useful component of the economic order, but there are profound economic issues and problems that markets are incapable of addressing and that must be resolved by other means. Mutual coercion mutually agreed upon (democratic government regulation) is a key item in the armamentarium of additional coping mechanisms.

6) The earth is the ultimate source of all wealth. It is finite and is in imminent danger of being irretrievably over-exploited. All economic activities must be pursued in a way that guards the longer term sustainability of the planet's resources. Unregulated free-market capitalism has no inherent mechanism for addressing this issue. If left unchecked, the free market will destroy the earth.

7) Maintaining regimens of government regulation which are effective requires constant vigilance. Rules governing the regulation of an industry should be simple and equitable. Complexity is the enemy of honesty. A firewall needs to be established to prevent staff rotation between the regulator and the regulated.

American novelist Mark Twain coined the term "Gilded Age" in an effort to characterize the outwardly showy but inwardly corrupt nature of American society during the industrialization of the late 1800s. We now have even greater disparities in the distribution of income and economic and political power than existed in that era. As the capacity of the

A very troubling aspect of the situation is that even the measure of economic well-being which remains in the United States seems to depend upon our continuing aggression against the earth itself, the ultimate provider of our survival, and on an ever more desperate need to go to any lengths to ensure a flow of natural resources like oil and minerals to ourselves from the poverty-stricken political communities which sit on top of these resources in foreign countries.

These situations have been in the making for a long time, but the drift of things became glaringly apparent 25 years ago, in the early 1980s. Members of the Religious Society of Friends are very outspoken about issues of justice and peace, advocating for racial and gender equality and against war. They also seek to alleviate poverty and to draw public attention to it. But in my view Friends' approach to issues of poverty, obviously with a few exceptions, seems strictly palliative, seems focused on picking up the pieces after the damage is done. Friends appear unable to demand an economy that provides a full-time job with a living wage for every person willing and able to work with the same energy they can give to demanding an end to the war in Iraq.

Friends were largely silent while the Congress passed a tax reform scheme greatly favoring the hyper-rich. This scheme provided absolutely no guarantee that the funds thus transferred from the government's coffers into private hands, thereby endangering numerous vital government programs, would actually be invested in a way that would create additional living-wage jobs for American workers. Friends' response to all of this was less than vigorous.

The earliest Friends — George Fox and the Valiant Sixty — were very concerned about the justice of the economic order, as Doug Gwyn documents in his book *The Covenant Crucified: Quakers and the Rise of Capitalism*.^{4} A century later John Woolman gave serious thought to economic questions in the light of Quaker values. Hoping to pick up a

thread last made visible two centuries ago by Woolman, Pendle Hill, when I worked there, convened a group of people, including professional economists, to consider Woolman's thought and to contemplate its possible relevance for our own day. My recollection is that participants, particularly the professional economists, credited Woolman with sweetness of disposition and with good intentions, but they declared him utterly naive about the workings of the economic system.

The thread seemed to stop there. But I have myself continued to think about this matter as time has passed, as the failures of our political economy have become more and more glaring, and as the future prospects for the nation have grown more and more alarming. I began to wonder if, perhaps, it is the professional economists and not Woolman, who, in the end, are naive. What I propose to do, therefore, is return to John Woolman's essay "A Plea for the Poor," and to consider once again its possible relevance to our present situation. Woolman's essay is very rich in its implications, and it will only be possible to reflect on a few of his themes. I will select three of these themes which strike me as useful places to begin. But we must understand that this can only scratch the surface.

Woolman unequivocally states that our possessions and our prosperity are gifts from God, and that the resources we find at our disposal ought to be treated as a trusteeship which we must employ to further God's purposes in human society. It is, of course, common in Christian worship, and when asking the Lord's blessing before a meal, to give thanks for what we have, and to credit God as the source of everything. These are, after all, commonplace sentiments of Christian piety to which Woolman is giving voice. But to what extent do Christians actually believe these sentiments? Once grace is over and the dinner table conversation about worldly affairs begins, are not we more apt to regard our assets as just deserts for our own hard efforts, and do we not ascribe to ourselves an absolute right to dispose of these resources as we see fit? This sentiment

Lastly, even in cases where a common resource comes to be supervised by the government, a large problem is presented by way of the task of democratically overseeing the regulative agencies. How are the watchers themselves to be watched? Once a regulatory regime is established in a particular sphere, and once public anxiety about a particular assault upon the common resource has been assuaged thereby and things settle into a routine, what is to prevent highly organized interest groups who wish to make incursions into the commons from bringing political pressure to bear on the regulatory agency, and to begin subverting its mission by having the staff of the regulatory agency drawn from the ranks of those who are supposedly subject to regulation? Articulating solutions to the tragedy of the commons remains one of the main problems facing political and economic philosophy today. Never has a philosophical problem been more urgent.

Averting the calamity towards which our nation and world are heading due to a dysfunctional political economy will depend upon a reform program which expresses the following seven perspectives, at least:

1) Wealth must be understood as the product of the political and social arrangements that made its accumulation possible, and not be viewed solely as the creation of the individual or small group which may claim it as a private possession.

2) Government and economic activity are intrinsic to each other. Government both makes economic activity possible and provides the necessary means for guiding such activity in directions that serve the common good.

3) Every economic transaction, every economic arrangement, every economic policy has an ethical dimension which must be made explicit and which must be evaluated in the process of determining the reasonableness of the exchange. The idea that economic study can be carried out as a morally neutral science is a myth. John Woolman puts it succinctly: we

it will be exhausted in 75 years. Iowa will then become a desert, and the nation will be deprived of one of the richest agricultural areas which it needs to supply it with food. This soil depletion has happened even though the land has always been privately owned by families who are presumed to have an interest in passing good farms along to their progeny. In the case of privately owned forests and privately owned mines, the temptation exhaustively to harvest or mine the resource and run off to the bank with the proceeds seems always to prevail over other considerations. So even in those limited cases where privatization is feasible, it rarely solves the problem from the perspective of the community as a whole and its longer range future.

The only solution to the tragedy of the commons which has thus far been invented is mutual coercion mutually agreed upon — in other words, the dreaded idea of government regulation. The government can limit the number of cattle permitted to graze on public range land, can supervise the harvesting of forests, can monitor individual factories' emissions and insist that standards be kept, and, for fisheries within its jurisdiction, can monitor and regulate the catch. Although mutual coercion mutually agreed upon offers the only promising path forward which is now in view, it is by no means a magic bullet. In the case of renewable resources — forests and fisheries, for example — it is theoretically possible scientifically to establish a threshold of sustainability which can then be the basis for regulation. But with respect to resources that are used once and then exhausted, it is very difficult to establish a criterion of judgment regarding how rapidly they ought to be used up. Moreover, even with respect to a renewable resource, if, like a fishery, it is in international waters, the problem of reaching agreement about its management is enormously difficult, and the task of developing arrangements for enforcement becomes truly daunting.

which so contradicts the professions we made when saying grace is apt to be most starkly expressed when the subject of taxes arises.

So let us consider the nature and origins of wealth. As anyone who has visited undeveloped or so-called Third World countries is well aware, the poverty in these societies is not, in general, due to the indolence of the people in them. Before the sun rises people in rural areas and in cities are up and about, often carrying huge burdens on their heads. Markets abound everywhere. People will be selling everything — perhaps a few pieces of fruit they gathered from the forest, or some vegetables from their garden, a chicken, some eggs, some object or trinket they carved, or some new or used clothing. Small children will be shepherding cattle. Fishermen, having arisen very early, will bring their catch to the town square by mid-morning. Bustle and activity is everywhere, all day long.

So why, after many generations of this small-scale entrepreneurship, are there no millionaires? If R.H. Macy could start with a pushcart and build a department store empire employing hundreds of people who actually have pension plans, why has not the same thing happened in Dar-es Salaam or Teguchigalpa? The problem is that economic transactions in these Third World settings are limited to what are called self-enforcing transactions — transactions the gains from which are realized by each party at the moment and in the place that the transaction is made. The role of the state is minimal in such transactions, since the two parties involved in the exchange can jointly see that each treats the other fairly.

~ Although the state has only a minimal role in these transactions, it does indeed have some role. It must maintain law and order. If one party could simply hit the other on the head and run off with his chicken, obviously this sort of market would not work. If, in addition to law and order, the state can also maintain a currency so that the village marketplace has a medium of exchange and people do not have to try to barter

fish for clothing, so much the better. So even the usefulness of simple village markets is socially generated, in that the participants would not be able to derive the benefits of them if there were not a broad social collaboration in the defining and enforcing of law and order, and if a useful currency were not maintained. But wealth as we think of it in modern society could never be built up as a result only of self-enforcing transactions supported by law and order and currency, even by millions and millions of such transactions.

Self-enforcing transactions are ubiquitous in societies which remain impoverished. How does a poor market economy of peddlers in bazaars become a rich market economy like that of Western Europe? The great wealth built up by modern societies depends upon many transactions which are not self-enforcing, which require contracts, because all the parties involved cannot be brought together in one place, and the benefits to the parties cannot be made to occur simultaneously. Think of the difference between what goes into building a house or assembling even a small ship, for example, from the savings and investments that go into establishing a manufacturing plant and getting payments over time from the customer or consumer of the final product. All these agreements and relationships require contracts capable of being enforced by a third party, by an independent judiciary and associated agencies of law enforcement. Setting up such a system of contract enforcement is no mean feat, and many societies have failed to accomplish it. It involves an enormous commitment by all members of the society to do so — a financial commitment to pay the necessary costs, and to establish, maintain and change rules and regulations as needed. It requires an ethical commitment to justice and a social climate favoring fair play.

All wealth, then, is made possible by the social system. Any idea of a self-made man is a deceptive myth. As members of a presumably democratic society, all of us collude in the amassing of great fortunes, no matter what individual person

Northern California sardines, and Southern California abalone. Hardrock mining has caused vast areas in the United States to be fatally contaminated, with cleanup costs of hundreds of millions of dollars facing American taxpayers. The exact future time when we will run out of oil is in much dispute, but no one doubts that this resource will become exhausted some time within the next fifty years, particularly in the light of the escalating demands of large, rapidly developing countries like China and India. The contamination of the atmosphere threatens us with global warming, acid rain, and the depletion of the ozone layer. All of these problems of the commons are not marginal or peripheral or remote in time, but are having major dislocating impacts now which can only escalate in the very near future.

The third thing that should be observed about the problem of the commons is that one of capitalism's most dangerous flaws is that it has absolutely no inherent method of dealing with it. No all-wise invisible hand of the marketplace steps forward to tell us when to refrain from overexploiting the environment. Sometimes it is falsely assumed that privatization of the commons is a solution. Throw everyone off the commons and give it to one or two people as private property so that it will be in their own best interest to preserve it. This was famously done in the Enclosure Acts in England between 1750 and 1850. Aside from the enormous injustices involved in depriving many people of the use of the commons and allocating it to a few to exploit for their own profit, the practice has been shown to have severe limitations in terms of avoiding the tragedy of the commons.

First, obviously, many commons are simply not susceptible to being treated this way — air, water, and fisheries, for example. But in the case of land, where the implementation of privatization is at least technically feasible, doing so still may not help. The topsoil of Iowa has been half depleted due to overintensive uses, and at present accelerating rates of depletion,

that trying to save the commons by an appeal to conscience is to insure that conscience is selectively bred out of the human race.

There are three observations that must be made about the phenomenon of the tragedy of the commons. One is that although the problem is framed in terms of pastures and livestock, it is by no means a problem confined to the segment of society which deals with farms and animals. Fisheries, forests, oil and mineral deposits, public highways, and national parks are all commons. The air in the atmosphere and the water in lakes, streams, rivers and the ocean are treated as commons. Some of these commons are used for their extractable resources, some are used as waste dumps. Some are used for both purposes. In the cases of some commons, what is extracted is renewable provided it is not over-exploited; in other cases the resource is strictly finite — once used it is gone forever.

The second observation which should be made is that we have been habituated to thinking of the commons as infinite in comparison to human need. In many historical circumstances this was true. It hardly mattered how a lonely frontiersman in North America disposed of his wastes. But even in the past the natural world was not as infinite and inexhaustible as an idealized view of the golden olden days might lead us to imagine. There have been many times in history when populations have collapsed and civilizations have vanished due to the over-exploitation of the natural resources upon which they depended.

With the enormous growth of human populations in modern times, and with the intensive use of resources which contemporary life involves, particularly in the First World, many of our commons are on the verge of ruin, or have been ruined already. Fully half the world's forests have been decimated. Among the most important fisheries that have already collapsed are Atlantic halibut, Atlantic bluefin tuna, Atlantic swordfish, North Sea herring, Grand Banks cod,

or small group may presume to own them, and we bear a burden of responsibility to see that such fortunes are not misused. Woolman's assertion that all our wealth is a gift from God which we must use to further God's purposes may be a formulation that sounds antique and quaint, and perhaps even naive to some ears. But it points to an important truth. No one earns his or her income, whether it be modest or whether it amounts to a fortune, single-handedly. It comes as a result of the communally maintained social fabric, and all bear a serious responsibility to employ the resources available to them, beyond what are needed for reasonable personal purposes, for the common good. All private wealth is a creation of the community; without the government and the community individuals may have possessions only in the way a dog possesses a bone.

Economists, in their turn, are naive in their tendency to deal with economic questions as if government were some sort of outside force, instead of understanding that government and economics are intrinsic to each other. They are naive in their tendency to over-emphasize the "privateness" of property, without duly recognizing its inherently social character. They are naive in their assumption that there can be sensible conversation about economics which is value-neutral, which does not in some final sense allude to the proper use of things, as John Woolman repeatedly does in his writings.

One of the characteristics of a modern economy in a large nation-state is that it is really impossible to know what is going on at any given moment, no less predict what will happen in the future. Although some planning in limited spheres is sometimes possible, one of the many flaws of the Soviet system was that it was really not feasible for bureaucrats to amass the data they needed accurately to make plans, and it was impossible reasonably to predict outcomes even during the relatively short five-year periods which were the basis of their famous economic cycles. The contrast to this failure offered by

successful market economies is that they allow entrepreneurs to try everything, and then they reward those who turn out to be rendering a true service by permitting them to prosper and grow wealthy.

Eighty percent of start-up businesses fail within the first five years. Obviously, some of this is due to the incompetence of the would-be proprietors, but over all it is impossible not to realize that luck plays a very large role, and failures and successes are not strictly due to the strengths and weaknesses of individual entrepreneurs. Luck plays a role in a modern economy in many ways. If you are born into a family that lives on one side of City Line Avenue, for example, you are given an education worth \$7,000 per year; if you live across the street in Lower Merion, you are given \$14,000 worth of education every year and are put on a fast track to an ivy league college. Most of the people on Fortune magazine's list of the most wealthy inherited large sums of money, although they may have found ways to increase it substantially. But no one could imagine that the diligent and creative cleaning woman could somehow become CEO of the multinational corporation in which she works as a result of talent and hard work alone; all such Horatio Alger stories involve enormous amounts of luck.

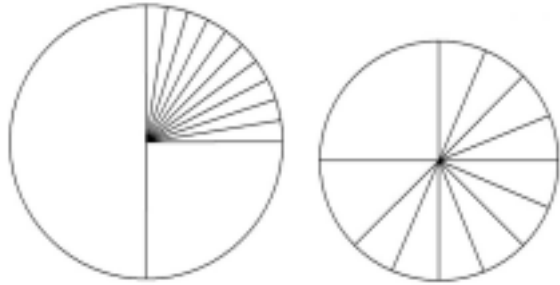
This does not mean that individual talent is irrelevant. Many people might not recognize the potential of a stroke of luck which comes their way and let it pass by unexploited. Others may simply lack the skills needed to respond to a golden opportunity. But it would be entirely wrong to imagine that the person who does make good is highly unique; there are undoubtedly many thousands upon thousands of individuals of greater talent and persistence who could have responded to the situation as well or better, had they had the chance.

Economists like to present the free market system as a meritocracy that rewards those among us who are brighter and who use their superior talents to make a greater contribution to community well-being. This supposition contains the germs

There is obviously not space to review all the situations where the community's needs must be met by arrangements other than the market. But before concluding I would like to refer to one of the most significant and well known of these. Woolman brings this into view in his long discussion of the unfairness of European settlers pushing Native Americans into smaller and smaller areas of the continent.

The phenomenon to which I am referring is known popularly as "the tragedy of the commons." A pasture shared among rational, utility-maximizing herdsmen will inevitably be destroyed under free-market dynamics as a result of the apparently appropriate and innocent behaviors of many people acting as individuals. Such individuals are motivated to add to their flocks to increase personal wealth. Every animal added to the total degrades the common by a discreet amount. The degradation for each additional animal is small relative to the gain in wealth by that animal's individual owner. In other words, the privatized gain realized by individuals exceeds for each the share of the commonized loss. As all owners respond rationally to this fact, the common pasture is ultimately destroyed.^{5}

Even when herdsmen understand the long range consequences of their actions, they generally are powerless to avoid the disaster under a free market system. Idealists may appeal to individuals caught in such a system, asking them to let their knowledge of the long run effects govern their actions. (Incidentally, appeals to idealism are not a market phenomenon). However, even a single greedy non-idealist will ruin the situation for all. The non-idealist will gain a competitive advantage by over-using the commons, undermining the well-being of everyone else. Inevitably, some idealists will renounce their idealism to try to get their share out of the commons before it is exhausted. Idealists will realize that if some other herdsmen add sheep, they too must add sheep if they wish to minimize the personal loss they will suffer as a result of the non-idealists' actions. Some people have gone so far as to argue



portion of the remainder. It is quite possible to see that the huge preponderance of people might be very substantially better off in a society operating at less efficiency than they are in the one with profound inequalities. In the accompanying illustration, the area of the slice allocated to each of the ten nonwealthy citizens is nearly twice as large in the case of the smaller pie as it is in the case of the larger pie.

As I have indicated, markets abound everywhere. It is probably a very natural and innate human instinct to barter things for the respective parties' mutual advantage, and in general, governments which have sought to suppress markets have failed to do so, but have simply succeeded in creating an underground economy, or black market. The task, as we face the future, is not to deny the value of markets, but to identify those aspects of community need which markets fail to address, and to take appropriate steps to make good the failures. In fairness to economists, the profession has identified a rather extensive repertoire of human economic needs which markets fail to address, or which they are apt to worsen. These have been studied at fairly great length. But when the political process is bought and paid for by people with sectarian economic agendas of their own, and they succeed in bringing to power an administration committed to first privatizing and then to deregulating everything in sight, the knowledge of the pitfalls of such action gets buried and fails to effect the outcome of public policy making.

of two very difficult questions: 1) how does a value-neutral discipline, such as economics pretends to be, test this hypothesis "scientifically" without a concept of community well-being or social good; and 2) even if it is shown that rewards are allocated according to social contribution, how can it be shown that the rewards are commensurate in some way with the resulting good? But leaving these questions aside, the meritocracy idea, while it has some measure of validity, simply ignores the degree to which factors of merit are outbalanced and overwhelmed by the degree to which a modern market economy is a kind of lottery.

Friends do not much like the idea of gambling. But we have to face the fact that as citizens of a democratically supported political economy based on free market principles, we are, in effect, shareholders and proprietors of a gigantic casino. And like Donald Trump or any other casino proprietor, it behooves us carefully to assess how much payoff is necessary to keep people playing. Suppose because of taxation policy a person knew that it was unlikely that he or she would accumulate more than one billion dollars in the course of a lifetime. If everything in excess of a billion dollars were to be redistributed to people actually in need who would, inevitably, spend it, thereby creating demand and priming the economic pump, what would be the result? Would the prospect that a person could accumulate no more than a billion dollars crush the entrepreneurial spirit out of the American people, making inventiveness disappear and progress stop?

Even with the progressive taxation rates of the New Deal we were probably operating a casino which was far less profitable for the community as whole than it could have been. With the unraveling of the progressive taxation schedule being carried out since the start of the Reagan era and accelerated under the second President Bush, our casino has become shabby indeed. It behooves us as citizen-proprietors of the vast casino that is the American economy to sharpen up our business skills and

to ensure that, as shareholders, we realize the true profitability inherent in the enterprise by rewarding the players with only so much as is needed to keep them active.

The inherently social nature of all wealth, the accidental component in its resulting distribution, and the tendency of wealth to accumulate in fewer and fewer hands has produced in traditional thought the need for periodic remedies. The Biblical idea of the jubilee is one of these traditions to which John Woolman alludes, a tradition in which, every fifty years, slaves are set free and all property is restored to its original owners, the slate is wiped clean, and the economic lottery is started over from scratch. In our own culture inheritance taxes have traditionally been a way of righting balances and promoting fairness.

John Woolman cautions us regarding the spiritual dangers we might inflict on our progeny by accumulating excessive wealth and then bequeathing to offspring large assets they did nothing to earn. “How vain and weak a thing it is to give wealth and power to such as appear unlikely to apply it to a general good when we are gone,” he writes. It is interesting that in our own day people who have a very sharply etched sense of the dangers to human character posed by government welfare payments meant to stave off hunger and homelessness, nevertheless seem oblivious of the spiritual pitfalls of people getting something for nothing through inheritance. The current program to abolish all estate taxes, modest as these taxes have been, will serve only to accelerate our tendency to generate a parasitic hereditary aristocracy rivaling that of pre-Revolutionary France, without any associated community benefit.

I said earlier that the discipline of economics, imagining itself to be a kind of science, seeks to function without reference to ethical values. There is however, one respect in which values do enter conventional economic theory, in that it does value efficiency, and without declaring efficiency to be an “ethical”

value, does nevertheless act as if it is the highest good. Whatever will increase wealth most efficiently is deemed the best course.

For a nation considered as an aggregate, this measure of wealth production is known as the Gross Domestic Product. There are a number of problems with this commonly used measurement often employed to lull citizens into complacency with assurances that everything is getting better. For one thing, the index will measure as positive economic production all the rebuilding which will occur as a result of hurricane Katrina, but it will not take account as a deficit of all that the hurricane destroyed. The GDP would also count as a positive value the over-exploitation in the present of a limited resource, which upon exhaustion will leave people impoverished in the future. But the most telling shortcoming of this often bandied-about number is that it takes absolutely no account of inequality. It uses wealth creation as an index of the success of an economy without giving any attention to distributive justice. More and more wealth going to fewer and fewer people, even to such an extent that the living standards of a majority were falling, would show as a positive GDP.

I am not certain that it has ever been shown that an economy operating with huge differences in the wealth and income which is allocated to individuals is indeed operating at greater efficiency than a more just one might do, but let us suppose for a moment that aggregate wealth available in a country is maximized by allowing gross disparities of this sort. We can do a thought experiment. Imagine a society consisting of twelve persons. Let us visualize its GDP in the aggregate as a pie, and let us visualize that half the pie is allocated to one person, a quarter to another person, and the remaining quarter divided up among everyone else in super thin micro-slices. Another pie might be fifteen percent smaller, that is, the economy is generating wealth less efficiently, but the pieces are more equal, with one person getting a quarter, a second person getting an eighth, and everyone else getting an equal