

Case 10

Here is another issue that concerns the newly elected President. Certain important, and troubling, aspects of the economic condition of the United States that began in the last two decades of the twentieth century have continued up to the present time (2020). The standard of living for average and lower income Americans continues to stagnate or decline, and the historically wide gap between the lowest and the highest income groups in the United States continues to widen. IRS data for the year 2016 indicated that the top 4 percent of wage earners in the United States earned as much in salaries as the bottom sixty percent. In comparison, the top 4% earned as much as the bottom 51 % in 1989, and as much as the bottom 38% in 1970. Similarly, during the 1960's every 1% of increase in the gross national product (GNP) added \$2.18 to the weekly wages of the poorest 10% of workers. By the 1980's, however, the bottom 10% actually saw a reduction of about 30 cents per week for every 1% of increase in GNP. This trend has continued into the twenty first century. Speaking of the economic trends of the past quarter century (1995-2020) one economist has said: "The higher up you were, the more you gained, the further down you were, the more you lost."

The American workforce now (2020), as in the 1980's and 90's, has large numbers of cynical, distrustful, disheartened, and embittered individuals. Homeless persons, who became a common sight in United States cities in the latter part of the twentieth century, have increased in number rather than decreased.

The newly elected President has come to believe that the above described aspects of the American economy may reflect a deep problem in both the United States and world economies related to major technological innovations of the late twentieth century. These innovations, primarily associated with computer technology and the computerization of countless business and industrial processes may have resulted in a significant decrease in employment opportunities world-wide, especially for individuals with limited education. The President is persuaded that the current economic trends will continue for the foreseeable future. She thus considers it possible that economic policies of the past, designed solely to promote economic growth, which were based upon the assumption that such growth meant job creation, no longer can solve, or even significantly address basic economic problems of the United States.

The newly elected President has become convinced the country needs to take a closer look at new ideas that represent a dramatic break with past ways of thinking about economic and social policy. In this connection, she recently came

across an old book (1963) entitled Free Men and Free Markets by an economist named Robert Theobald (the word 'Men' instead of 'People' or 'Persons' in the title indicates the book is old.) Here is an extended quotation from Free Men and Markets that sums up one of its central ideas:

In a world in which conventional job availability will steadily decline, the principle of an economic floor under each individual must be established. This principle would apply equally to every member of society and carry with it no connotation of personal inadequacy or implication that an undeserved income was being received from an overgenerous government. On the contrary, the implication would clearly be one of responsibility by the total society for ensuring that no member of society lived in a manner incompatible with the standards acceptable to his fellow men merely because he lacked purchasing power.

We will need to adopt the concept of a ... constitutional right to an income. This would guarantee to every citizen of the United States, and to every person who has resided within the United States for a period of five consecutive years the right to an income from the federal government sufficient to enable him to live with dignity.