

December 13, 2023

General Stanley McChrystal, USA (Ret.)
c/o McChrystal Group LLC
333 N Fairfax St, Suite 100
Alexandria, VA 22314

Dear General McChrystal:

Devotion and **duty** would seem to be the watchwords of your life, judging by your record of military service to our country. Few Americans today match your dedication in rising to John Adams's call: "*Our Obligations to our Country never cease but with our Lives. We ought to do all We can.*" But your recent writings suggest a third maxim guiding your civilian life. One deployed not to defending America's interests and assets from foreign aggression but that would instead preserve its republican form of government: **egalitarianism**.

In *Lincoln's Call to Service – and Ours*, you noted your concern over poverty. In *At 63, I Threw Away My Prized Portrait of Robert E. Lee*, you wrote how you now equate his image with racial inequality. And in *We fought to defend democracy. This new threat to America now keeps us awake at night*,¹ you deplored our past "*contradictions, prejudices, and systemic inequalities.*"

Yours are the words of a man who remembers our nation's first: "*that all men are created equal.*" Who understands that our republic wasn't conceived to serve the gluttony and vanity of an insatiable few. Who knows that past generations of soldiers didn't fight and die so that present elites could siphon the marrow from our middling core. Who believes, as Lincoln, that ours shall be a "*government of the people, by the people, for the people.*" Who condemns the growing polarization and demagoguery arising from our intensifying political faction. And who fears the day that, when here as in Rome, only the generals can keep the peace. We'll know that our experiment in self-government risks collapse when the people, as Washington warned, "*seek security and repose in the absolute power of an individual,*" and that it has crumbled when, in Polybius's words, they "*massacre, banish, and plunder, until they degenerate again into perfect savages and find once more a master and monarch.*"

Still, describing a fate we wish to avoid doesn't really tell us for what we should strive. What does it mean to defend America? What does true patriotism look like? Merely proclaiming our love of "democracy" or "republicanism" or "freedom" or "equality" gives us no concrete rallying point, as their meanings have been debated since these words were conceived.

We must adopt a clinical definition of "America" in order to identify a clear mission statement. By founding pedigree, that definition is: "a middling political society adorned with Classical precepts and Enlightenment principles." And since neither separation of powers nor natural rights prevail where tyrants and oligarchs do, the first object of American patriotism is ensuring the conditions where they can, channeling all our care to the end of **middle-class primacy**.

¹ Co-authored with Generals (Ret.) Michael Hayden, James Clapper, Douglas Lute, and Mark Hertling, copied.

Founding Mother Mercy Otis Warren wrote that “*Democratic principles are the result of equality of condition.*” She saw that without broad wealth diffusion, there can be no middle class and that with no middle class, there can be no legitimate popular government.

The reasons may be briefly stated. Noah Webster observed that: “*Wherever we cast our eyes, we see this truth, that property is the basis of power.*” In articulating the link between wealth and power, whatever is not explained by outright bribery, plunder, and extortion is explained by the fact that every regime depends upon its treasury and military. When the regime is compelled to reach low enough into the social strata to rely upon independent middling citizens, democracy is the price of their acquiescence. The fact that ancient democracies emerged from military labor strikes and that our popular republic arose from a tax revolt shows that democracy is not based on the fantasy that consent is given, but in the possibility that it be withheld. Frederick Douglass put this truth succinctly after escaping from slavery, stating: “*Power concedes nothing without a demand. It never did and it never will.*”

History confirms the link between democracy and the middle classes. Mankind has experienced two great waves of democracy, the first producing over 300 democracies in the Mediterranean Basin, the second over 100, commencing along the North Atlantic. Both waves were preceded by the entrenchment of independent middle classes.

Sure enough, the principal fact of America’s founding is that despite slavery, it was born middle class. Before Independence, British army officer Lord Adam Gordon marveled: “*Everybody has property here.*” Tocqueville reported that these circumstances persisted 70 years later, stating: “*Amongst the novel objects that attracted my attention during my stay in the United States, nothing struck me more forcibly than the general equality of conditions.*” And modern scholars confirm what contemporaries already knew. Peter Lindert and Jeffrey Williamson’s 2012 paper concluded that “*New England and the Middle Colonies appear to have been more egalitarian than anywhere else in the measureable world.*”²

The Founders understood that our republic depended upon broad wealth diffusion. That’s why **Thomas Jefferson** said “*Legislators cannot invent too many devices for subdividing property.*” Why **Noah Webster** said “*The basis of a democratic and a republican form of government, is, a fundamental law, favoring ... a general distribution of property.*” Why **James Madison** said we must withhold “*unnecessary opportunities from a few, to increase the inequality of property, by an immoderate, and especially an unmerited, accumulation of riches*” and “*reduce extreme wealth towards a state of mediocrity, and raise extreme indigence towards a state of comfort.*” Why **George Washington** said America will be the best nation for those “*possessed of a moderate capital,*” and celebrated “*the facility of procuring the means of subsistence.*” And why **John Adams** said: “*Property monopolized, or in the Possession of a Few is a Curse to Mankind. We should preserve not an Absolute Equality – this is unnecessary, but preserve all from extreme Poverty, and all others from extravagant Riches.*”

Men separate into factions over the pettiest distinctions. But nothing sedates the causes of faction more fully than the optimistic pursuit of gain within an environment of shared prosperity. When this sedative is removed and pessimism drives out optimism, every difference of opinion and belief is noticed and inflamed, polarization grows, ideology and partisanship corrupt the public discourse, and populist and reactionary leaders offer increasingly authoritarian measures. This is why the Greeks praised the middle classes for their stabilizing influence.³

² Peter H. Lindert and Jeffrey G. Williamson, *American Incomes 1774-1860*, National Bureau of Economic Research Working Paper 18396, 2012.

³ See, e.g., Euripides, *Suppliants*, Line 238 *et seq.*, Plato, *Laws* 679b, Aristotle, *Politics*, 1291b, 1295b.

To quiet the faction, quell the pessimism, and preserve our republican model of government, we must accordingly prioritize the first order of patriotism: middle-class primacy. In this, we face a monumental challenge: The common sense of ordinary Americans agrees with the genius of Aristotle: The *middle should own half*.⁴ But today, the middling share is only 28% of America's wealth. This makes the middle class about \$33 trillion poorer than it should be.⁵

To reestablish our middle class and widen avenues of upward mobility for those below, we therefore propose a constitutional amendment that would set household wealth at a prescribed multiple of the national median household net worth such that, ***in order to enjoy any future gains, covered households must utilize their market power to raise the median as their outcomes would thereafter rise and fall lockstep in mathematical proportion thereto.***

Unlike wealth taxes that are intended solely to generate revenues, our objective is to promote voluntary wealth de-concentration via market actors, by scaling capitalism's own device of the management incentive plan from the level of enterprise to nation. The initial median-top wealth ratio would be 10,000:1 (subject to periodic adjustment in pursuit of the optimal ratio) implying an initial wealth cap of \$1.43 billion (averaging 2019-2021 Census Bureau data), a limit today surpassed by around 660 American households whose aggregate wealth exceeds that cap by about \$4.2 trillion. At a 10,000:1 ratio, every \$1 gain to the median increases the upper limit by \$10,000; every \$10,000 by \$100 million, every \$100,000 by \$1 billion. The only limit this plan thereby imposes on the wealth of elite households is the limit of their genius and efficiency in raising the median. They are to be taxed only in proportion to their failure.

The amendment would grandfather preexisting fortunes to the extent located within American territory and provided their owners are not convicted of certain crimes, adding repatriation and good behavior incentives to the underlying market incentive. To incentivize ratification, ***the amendment would distribute all revenues raised by ratio enforcement in equal shares to each State which timely ratifies it, bypassing any Congressional inaction via Article V convention.*** The States can use their respective shares however they wish, to satisfy the preferences of their local constituencies – whether conservative or progressive – strengthening America's bedrock principle of federalism.

If this seems radical at first, know that we aren't the first to suggest a constitutional amendment that would divert luxury tax revenues to the States: Thomas Jefferson proposed a similar idea in his Second Inaugural Address.

Marcus Aurelius resolved to always maintain "a readiness to hear any suggestions for the common good." Sadly, most men cannot do this. Most men must be led by the endorsement of some great name or comforted within the solidarity of their tribe before they accept an idea. But you aren't most men. And the same love of country which inspired your Universal National Service plan conceived our amendment. We know that you'll receive this appeal with the same courage and stoicism which has marked your life until now.

Sincerely,


Tim Ferguson

⁴ Michael I. Norton and Dan Ariely, *Building a Better America – One Wealth Quintile at a Time*, Perspectives on Psychological Science, Association for Psychological Science, 2011. Compare to Aristotle, *Politics*, 1295b.

⁵ Q2 2023 Federal Reserve data shows that total U.S. household wealth is ~\$155 trillion and the middling share is: (a) 28.1%, when defined as middle three asset quintiles by income; and (b) 28.6% when defined as the "middle 40%" (between the top 10% and bottom 50%), averaging 28.35%.

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