

tion. That is the economic integration which the Second Income Plan is designed to accomplish.

Aside from out-and-out redistribution, which is structurally incapable of building a generally affluent economy, there are only two kinds of income maintenance possible. One derives from participating in the production of consumer-useful goods and services, things that minister to the creature needs of living men, women, and children, things that make them comfortable, secure and content. The other derives from the subsidized production of non-economic goods and services, i.e., goods and services not produced in response to normal market demand. More often than not, these are goods and services that do not satisfy any creature need or desire. Frequently, they are economically or physically perilous. Production of such non-economic goods—military overkill goods among them—consume precious natural resources on a gargantuan scale. In the real sense, they impoverish the country, its inhabitants and the world. Income maintained from such production cannot buy affluence, for the goods generated simultaneously with such income are not the substance of human affluence.

The virtue of the Second Income Plan and two-factor economic theory upon which it is constructed lies in its unique ability to achieve general income maintenance through integrating all families and single individuals into the economically productive activity of the nation while expanding the productive economy to the degree required to produce general affluence. Personal income in such an economy flows automatically and justly to those who produce the wealth.

BIBLIOGRAPHY OF ADDITIONAL READINGS

BOOKS

The Capitalist Manifesto, by Louis O. Kelso and Mortimer J. Adler (Random House, New York, 1958). Also available in French, Spanish, Greek, and Japanese.

The New Capitalists, by Louis O. Kelso and Mortimer J. Adler (Random House, New York, 1961). Also available in Japanese.

Two-Factor Theory: The Economics of Reality* by Louis O. Kelso and Patricia Hetter (Random House, New York, 1968).

FILM

The Second Income Plan, the action program for implementing two-factor economic theory (universal capitalism), is described in a 60-minute stripfilm with recorded narration, designed for showing on the Dukane micromatic stripfilm projector (available for rental in all Western Hemisphere cities). The stripfilm set is available for \$25 from The Institute for the Study of Economic Systems, One Maritime Plaza, San Francisco, California 94111.

ARTICLES

"Karl Marx: The Almost Capitalist" by Louis O. Kelso, American Bar Association Journal, March 1957, Vol. 43, No. 3.

"Corporate Benevolence or Welfare Redistribution?" by Louis O. Kelso, The Business Lawyer, January 1960, Vol. VV, No. 2.

"Labor's Great Mistake: The Struggle for the Toil State" by Louis O. Kelso, American Bar Association Journal, February 1960.

"Welfare State—American Style" by Louis O. Kelso, Challenge, The Magazine of Economic Affairs, New York University, October 1963.

"Poverty and Profits" by Hostetler, Kelso, Long, Oates, The Editors, Harvard Business Review, September-October 1964.

"Cooperatives and the Economic Power to Consume" by Louis O. Kelso, The Cooperative Accountant, Winter 1964, Vol. XVII, No. 4. (Published by The National Society of Accountants for Cooperatives.)

"Uprooting World Poverty: A Job for Business" by Louis O. Kelso and Patricia Hetter, Business Horizons, Fall 1964. (Reprinted in Mercurio, Anno VIII #8, August 1965, Rome, Italy; Far Eastern Economic Review, Vol. L #1, October 1965, Hong Kong; and winner of the First Place 1964 McKinsey Award for significant business writing.)

*Title changed after first printing from "How to Turn Eighty Million Workers into Capitalists on Borrowed Money."