

**PROPERTY, PEOPLE, AND PROSPERITY:  
ADDRESS TO  
THE HOUSTON WORLD AFFAIRS COUNCIL**

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I. BUILDING NATIONS

One of the problems that I always have when traveling is trying to connect world events to the realities that I face when visiting a particular country. One frequent topic of conversation that I encounter is the increased U.S. involvement in nation-building. Many people believe that the United States should become more proficient in nation-building. While an assertive U.S. nation-building policy may seem new, it is a policy that the United States has previously implemented with great success. As it is so often in life, lessons from the past may be used in future challenges.

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Japan's history of nation-building is of particular interest to my home country, Peru. Former Peruvian President Alberto Fujimori<sup>1</sup> is the son of two Japanese immigrants who moved to Peru in the 1930s. Both Peru and Brazil welcomed Japanese immigrants, and the Fujimoris were only one of about one million Japanese families who migrated to the two South American countries.<sup>2</sup> The mass migration itself is not extraordinary. What is extraordinary is the reason the Fujimoris moved to Peru—why the Yushiamas moved to Brazil—and why the Toledos and Lulas did not move to Japan. The reason is the gross domestic products per capita of Peru and Brazil in the 1930s and 1940s were each twice that of Japan. Even though Japan had an army the size of Saddam Hussein's and a concentration of wealth rivaling the ancient Egyptian pharaohs, Japan was not a wealthy country. Japan's economic status has changed in large part because of successful U.S. nation-building efforts.

When the United States went to war with Japan, General MacArthur formed a team to prepare for the post-war reformation in Honolulu. It was led by Wolf Ladejinsky.<sup>3</sup> Ladejinsky planned Japan's reformation for three years, and concluded that many of Japan's expansion problems involved property issues. In Japan, the aristocracy held feudal title to the land, not commercial title. This system ignited over 100 farmer rebellions between the end of the Meiji Restoration and the Second World War.<sup>4</sup> The objective of this feudal class was to hoard land and property throughout Asia. The United States sought to reform Japan's property laws allowing property to be placed in the hands of all Japanese citizens, rather than concentrated in the hands of the wealthy. This would allow the United States to incorporate the rule of law.

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1. Fujimori was president from 1990-2000. COLUMBIA UNIVERSITY, THE COLUMBIA ENCYCLOPEDIA 127 (Paul Lagasse et al. eds., 6th ed. 2001).

2. ENCYCLOPEDIA OF WORLD CULTURES: SOUTH AMERICA 59-60 (Johannes Wilbert ed., 1995).

3. AGRARIAN REFORM AS UNFINISHED BUSINESS: THE SELECTED PAPERS OF WOLF LADEJINSKY 149-50 (Louis J. Walinsky ed., 1977).

4. *Id.* at 80-81.

Other regional events hastened the United States to implement Japanese property law reform. At that same time, Mao Tse-tung—once cornered by Chiang Kai-shek and the Kuomintang in Manchuria—was now defeating Chiang's troops and sweeping through Asia.<sup>5</sup> Mao Tse-tung's fortune had turned when he recognized the power of property rights. He found that by granting communal title, as opposed to private title, he put the law closer to common people through their most cherished assets.<sup>6</sup> As a result, the ranks of his army swelled and became a reckoning force.

General MacArthur and Ladejinsky feared further Chinese dominance as well as a Communist takeover of Japan. By convincing Japanese authorities to embrace widespread property law reforms and Western-style legal institutions of distributed power, the United States launched what has become Asia's largest capitalist nation. These reforms also spread to two former Japanese colonies: Formosa and South Korea.<sup>7</sup> By 1978, both colonies gained such strength that the Chinese Labor leader, Deng Xiaoping, decided that the two empowered colonies were undefeatable. As a result, China pursued a more market-oriented economic approach rather than promoting a communist, centrally planned economy.<sup>8</sup>

The Japanese transformation was one of history's most brilliantly executed policy decisions, allowing the United States successfully to introduce Western institutions to Asia. This eventually led to the sharing of both wealth and power. The Japanese nation-building policy helped establish the United States as the world's wealthiest, most powerful nation. U.S. nation-building policies like these have been successful in the

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5. JAMES PINCKEY HARRISON, *THE LONG MARCH TO POWER: A HISTORY OF THE CHINESE COMMUNIST PARTY, 1971-72*, at 422-31 (1972).

6. JONATHAN D. SPENCE, *THE GATE OF HEAVENLY PEACE: THE CHINESE AND THEIR REVOLUTION, 1895-1980*, at 304-06, 320 (1981); HARRISON, *supra* note 5, at 408-20 (describing the early Communist land reforms from 1945-48, as well as the relationship between land policies and the civil war).

7. SPENCE, *supra* note 6, at 7 (explaining China's cession of the island of Formosa to Japan in 1895 in the Treaty of Shimonoseki; Formosa was restored to China after World War II and is now Taiwan.).

8. Donald S. Zagoria, *China's Quiet Revolution*, *FOREIGN AFFAIRS*, Spring 1984, at 879.

past, and similar strategies should be considered applicable today.

While other often-promoted strategies may be available, the Canadians and the Europeans would be well-served to remember their own nation-building lessons of the past. Until 1945, the Europeans were a very warring people. Between 1914 and 1945, many more people died in Europe than in any Latin American revolution or in the Middle East recently. In the 1950s, Europe began sharing ideas on property ownership after the creation of the European Economic Community.<sup>9</sup> The execution of these ownership ideas ultimately changed the European approach to foreign policy. The first European agreements arising out of the EEC involved ownership of coal, iron, and steel.<sup>10</sup> Gradually, poor European countries—like Spain—grew. In 1978, Spain had the same per capita GDP as Argentina. A quarter century later, Spain's per capita GDP had nearly quadrupled.<sup>11</sup> This economic growth was made possible by the reformation initiated by the EEC-inspired agreements. This process changed European property law without uprooting Europeans from their customs and practices. As indicative of the ideological changes resulting from property law reform, some once-aggressive Europeans now emphatically refuse to participate in the current Middle East conflicts.

## II. PROPERTY, ACQUAINTANCE, AND DESCRIPTION

What happens when you actually create property? What happens when you incorporate the rule of law? Why does the rule of law begin with property? There is something particularly interesting about the relationship between legal institutions and property law that is important to explore.

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9. JOHN GILLIGAN, *EUROPEAN INTEGRATION 1950–2003*, at 53 (2003) (describing evolution of the European Economic Community into the European Union); JEAN MONNET, *MEMOIRS* (Richard Mayne trans., Doubleday 1978); JEAN MONNET: *THE PATH TO EUROPEAN UNITY* (St. Martin's Press 1991).

10. GILLIGAN, *supra* note 9, at 24–26 (describing the events that culminated in the “Shulman Plan” agreements).

11. *Compare* THE WORLD ALMANAC AND BOOK OF FACTS 112 (2005), *with* THE WORLD ALMANAC AND BOOK OF FACTS 513, 575 (1978).

Consider a basket of fruit. In that basket of fruit, there is an apple. Suppose that I am given the apple. The apple became mine, but there is no outwardly visible indication that I own it. A stolen apple looks exactly like a legitimately owned apple—the properties and physical nature do not change. No inherent physical trait of the apple dictates whether it can be sold, loaned, leased, transferred, rented, pledged, or used as a point of collection. In other words, none of the economic dimensions of the apple can be found within the apple itself. Its economic dimensions are found within the property law that says ownership dictates what I can do with the apple. There is the physical state of the apple that farmers grow; it consists of fruit we can see and feel. There is also something intangible, however, in what the apple can mean for social relations.

A fantastic study by the University of Michigan further explains this relationship.<sup>12</sup> The results of the Michigan study were consistent with ideas initially developed by the American political scientist, Samuel Huntington. Huntington argued that one reason that democracy and market economics work in the United States—but fail in places like Peru, Africa, Middle East, and to some extent, the former Soviet Union—is that market economics, property laws, and democracy are based on trust.<sup>13</sup> North Americans possess characteristics that allow them to trust each other.

The Michigan study surveyed citizens of 80 different countries on whether they trust their countrymen. Approximately 65% of Norwegians said that they trust other Norwegians. Similarly, the study found that about 60% of Swedes said that they trust each other, and 40% of Americans say that they trust each other. The drastic change occurs when you get to Latin America. Only four percent of Brazilians and five percent of Peruvians say that they trust their respective countrymen.

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12. RONALD INGLEHART ET AL., *HUMAN BELIEFS AND VALUES: A CROSS-CULTURAL SOURCEBOOK BASED ON THE 1999–2002 VALUES SURVEYS* (2004).

13. SAMUEL HUNTINGTON, *THE CLASH OF CIVILIZATIONS AND THE REMAKING OF WORLD ORDER* (Simon & Schuster 1997).

Passing through U.S. immigration, a man with blue eyes with the Department of Homeland Security asked me to identify myself. I said, "I'm delighted to do so. My name is Hernando de Soto Pular. I come from Arequipa, Peru. Actually my parents, my father's side of the family has been in Arequipa for about 350 years. On my mother's side are the Hasa Pulars, who came to Moquegua about 280 years ago. Now both of them were married to Italians . . . ."

Suddenly, he stopped me and asked, "Will you just show me your passport?" So I did. As soon as I handed over my passport, this man with the blue eyes started identifying me. Through the process of identifying me, he began to discover everything that he needed to know about me. Anything that he did not know from looking at the passport was quickly furnished by a little machine that told him everything else that he wanted to know about me. At that point I understood what Bertrand Russell meant when he said, "A great part of truth in the world is knowledge by description versus knowledge by acquaintance."<sup>14</sup>

Meeting someone in person is knowledge by acquaintance. Most of the things that you actually know in the world (for example, the fact that Kazakhstan exists) are things that you know only by description. Most of the things that you know about Peru, you know only by description. You have read about it. A great amount of our life's knowledge is not the result of direct physical contact, but rather it is the result of description. Through this process you create a different meta-world where people connect in different ways. On one hand, there exists the world of the apples, which philosophers have called the world of *extensional* subjects. This world consists of physical-contact subjects. On the other hand, there exists the world of passports. Philosophers call this the world of *intentional* subjects. This second world is the world of beliefs.

When we meet each other, we all have different beliefs. The question is how do we transmit these beliefs to each other? In other words, we have a world of facts, but everything we know that makes facts like the apple useful to us comes from our

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14. BERTRAND RUSSELL, *THEORY OF KNOWLEDGE* 156-66 (Elizabeth Ramsden Eames ed., Routledge 1984).

beliefs about the apple. What we have learned over time is to make certain beliefs enforceable. Enforceable beliefs allow you to make decisions about things without ever touching them or knowing them. As a result, you can make a deal with someone who is in Nebraska whom you have never seen, simply because he is clearly identified through his property rights, his business entities, and his credit ratings. All of these things create a world that allows you to make a series of interchanges—a recombined product that increases your wealth enormously.

In Japan, the United States created a world of intentions, a world of enforceable beliefs. In doing that, the United States created an interconnected network of millions of individuals. It may be possible for all six billion people in the world to know each other by description, but they can never know each other by acquaintance. Once we are represented within the world of law with credible and enforceable beliefs, however, all six billion people can interconnect with each other through description. This is what the United States gave to Japan. Now that it is in the Middle East, the United States should remember. The Japanese plan was successful because even the lowliest and poorest of the Japanese were afforded a connection through law. To this day, Japan has not rebelled and—along with Taiwan and South Korea—is extremely thankful for where it stands today.

Plato used to say that human beings really never make contact with apples. Further, humans never make contact with each other; we only know each other through representations. Plato told a story of prisoners in a cave to illustrate that people have no first-hand knowledge of others.<sup>15</sup> Human knowledge only consists of shadows cast by the fire outside. Human wisdom and discipline are required to interpret the shadows. That is the importance of knowledge. Kant reaffirmed this. Like all later philosophers, Kant said that human beings have only five senses.<sup>16</sup> Five is not enough; some form of mental extension is required for mutual human understanding. Those

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15. PLATO, *REPUBLIC* 193–96 (Allan Bloom trans., Basic Books 1968).

16. IMMANUEL KANT, *CRITIQUE OF PURE REASON* 83 (J.M.D. Meiklejohn trans., P.F. Collier & Son 1902).

mental extensions are embodied in our laws and representations.

### III. VALUE THROUGH LAW

Peruvians realized the Kantian principle very quickly when we were invited to privatize during Fujimori's government. Privatization began by restructuring the Peruvian telephone company, *Compania Peruana de Telefonos*.<sup>17</sup> In theory, the telephone company belonged to all telephone users; in reality, it was controlled by the government. Each telephone owner held one share. These were quoted on the Lima Stock Exchange. The company was worth \$53 million when my institute began to participate in the privatization. We tried to sell the shares, but nobody wanted to buy them. People did not trust the property title because they did not believe that the papers representing share ownership were specific enough or in accord with international standards. To change this, we rewrote the law along with merchant bankers from London and lawyers from Washington. After about three years, the law clearly enumerated the rights regarding ownership of telecommunications securities. In 1993, we called for bids, tendered the representation of the company, and sold \$2 billion worth of stock—37 times the amount of the initial \$53 million value.<sup>18</sup> In doing this, we did not repair any broken windows, repaint any buildings, or polish any wires. All we did was improve the passport—that is, increase the company's value through the law.

Value travels through law. You can have all the apples in the world, but to have value, those apples must be interconnected so that decisions can be based on future contingencies. Once a company can issue legally enforceable bonds and stock, the company is able to raise capital through public ownership. Through Peruvian legal reform, the

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17. Carol Graham, *People's Capitalism Makes Headway in Peru*, WALL ST. J., Apr. 19, 1996, at A13; Hernando de Soto, *The Secret of Nonsuccess; The Property Systems of the Developing World Exclude the Poor from Capitalism*, TIME, Apr. 16, 2001, at 64.

18. Graham, *supra* note 17, at A13; de Soto, *supra* note 17, at 64.

*Compania Peruana de Telefonos* created its own value and wealth through public ownership.

Imagine that I were representing a buyer willing to pay \$200 million for a hotel. When I asked the owner whether he had legal title, he responded, “I don’t have title, but ask the neighbors. They all know its mine.” How much would that be worth? Value and truth, as any immigrations officer knows, do not travel physically. They travel through law as social contracts manifested in law. If they are not formalized by law, they remain beliefs. They must become enforceable. When a legal system does capture the people’s beliefs—permitting enforceable statements—it allows them to capture capital. Capital is surplus value that is hidden in things—hidden until they are interconnected.

Marx did not like property because he believed it was too sophisticated, calling it “the most metaphysical of all the metaphysical objects.”<sup>19</sup> Marx felt that only the rich were sophisticated enough to capture its intricacies, and he wanted property to be absolutely controlled. Marx did understand that the basis for a market economy, or any functional property system, is essentially metaphysical.<sup>20</sup> Just as one cannot do carpentry work with bare hands, human brains cannot be bare when they interconnect—you need instruments to interconnect you. These instruments are the rule of law, and the rule of law is implemented through property.

Every person in the world has a piece of land because everybody resides on earth’s surface—even in Ethiopia, where the per capita GDP is \$700.<sup>21</sup> Even the most poor may have a tool or an animal protected by close, mutual arrangements, whether founded in tribal beliefs or through negotiations. Before the rule of law in the United States, similar folk deals were made there. For example, approximately 800 claim associations proliferated in the Midwest during the nineteenth

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19. 1 KARL MARX, CAPITAL 106–16 (Frederick Engels ed., Charles H. Kerr & Co. 1906) (explaining the arbitrary nature of assigning value to money and property).

20. ALEXANDER BALINKY, MARX’S ECONOMICS ORIGIN AND DEVELOPMENT 5–6 (1970).

21. THE WORLD ALMANAC AND BOOK OF FACTS 774 (2005).

century, though they were illegal from 1848 to 1856.<sup>22</sup> They developed their own body of law out of necessity, enforcing it at gunpoint. When a government tells people that they no longer have to organize to protect their dearest and most precious assets because it will enforce the law to protect these assets, it is telling them that their rights are now cheaper to enforce nationally. Once people understand this, they understand the rule of law.

It would be impossible to implement the rule of law in Peru by having U.S. judges train Peruvian judges because the role of the judiciary is different in Peru. Peruvian judges do not use common law as U.S. judges do. Peruvian laws are made in parliament and elsewhere.<sup>23</sup> Of course, this distinction is of no importance to someone outside the legal community. What matters is getting individuals to know that the law touches what they sit on, stand on, lie on, and work on for their livelihood. Once an individual touches the law, he will know that he can look to it to resolve disputes. Disputes will always arise; it is human nature. Human beings have imagination, which can be used for lies. With the human tendency to lie, how are standards of truth and falsehood established in law? When individuals contemplate this question, they will become interested in justice.

Once interested in justice, people will become interested in democracy because they begin to wonder who makes the laws. Thus, it is easy to see that there are direct connections between property, justice, and democracy. This is how democracy begins. History shows that this progression worked for the U.S.-led nation-building process in Japan, Taiwan, and South Korea. It will eventually work in China. The move to democracy will occur because this formula is unstoppable.

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22. Allan G. Bogue, *The Iowa Claims Clubs: Symbol and Substance*, in *THE PUBLIC LANDS: STUDIES IN THE HISTORY OF THE PUBLIC DOMAIN* (Vernon Carstensen ed., 1963), quoted in HERNANDO DE SOTO, *THE MYSTERY OF CAPITAL: WHY CAPITALISM TRIUMPHS IN THE WEST AND FAILS EVERYWHERE ELSE* 137 (2000).

23. PERU CONST., tit. IV: ch. II, art. 103-06; ch. III, art. 107-09.

## IV. DEMOCRACY

The Ledejinsky group in Honolulu looked to U.S. history to execute this formula for democracy in Japan. Ledejinsky examined the problems George Washington faced as a large property owner, and as the first U.S. President. A frustrated Washington was unable to evict squatters whom he called *banditti* from his land for fear that they would retaliate by causing property damage.<sup>24</sup> Over the next 100 years, the United States worked out a social contract to determine how to award property rights from Ohio to California.<sup>25</sup>

It took time to establish the rule of law in the United States. In 1832, then-Congressman Abraham Lincoln was shattered when he went to St. Louis. In a speech to a local youth association, Lincoln said he was amazed by the difficulties that he encountered applying the rule of law, an opportunity for which this country fought.<sup>26</sup> Lincoln explained he could not see the sunset in St. Louis due to the number of corpses hanging from the boughs of the trees. As Lincoln lamented, the United States was not getting into the rule of law because people were settling their property disputes at gunpoint. At this time, the United States was a third-world country. Gradually, the United States was able to move from settling disputes at gunpoint, as in Clint Eastwood films, to relying on the rule of law. This progression is the same for all countries. If you do not start from the rule of law, you cannot build a nation. Until 1870, there were approximately 700 U.S. currencies, including the Yellowback, the Brownback, and the Greenback.<sup>27</sup> The U.S. currency was gradually standardized, as were time zones. This is how the rule of law began. First, you got private property, and

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24. AMELIA C. FORD, *COLONIAL PRECEDENTS OF OUR NATIONAL LAND SYSTEM AS IT EXISTED IN 1800*, at 112–13 (1910), *cited in* DE SOTO, *supra* note 22, at 117 n.12.

25. JAMES W. ELY, JR., *THE GUARDIAN OF EVERY OTHER RIGHT: A CONSTITUTIONAL HISTORY OF PROPERTY RIGHTS* (1998).

26. 1 *COMPLETE WORKS OF ABRAHAM LINCOLN* 33–50 (John G. Nicolay & John Hays eds., Lamb Publishing Co. 1904).

27. MILTON FRIEDMAN & ANNA JACOBSON SCHWARTZ, *MONETARY HISTORY OF THE UNITED STATES, 1867–1960* (Princeton Univ. Press 1971) (1963); MURRAY N. ROTHBARD, *A HISTORY OF MONEY AND BANKING IN THE UNITED STATES: THE COLONIAL ERA TO WORLD WAR II* (Joseph T. Salerno ed., 2002).

that led to unification. It took a long time for the United States to unify but not as long as the Europeans are taking.

Like the United States, European countries have been unified through the influence of property. This result is evident in Germany, France, and Switzerland. For example, until 1908, Switzerland was one of Western Europe's poorest countries. As indicative of Switzerland's poor financial condition, the Swiss Constitution mandated that the federal government control travel agencies. The government exercised such control because the agencies were brokers of the Swiss mercenary trade that developed in response to widespread poverty. In 1908, at the behest of the Swiss government, Eugen Hubert managed to establish new laws governing property after twenty years of effort.<sup>28</sup> By establishing a unique Swiss currency, the business community was able to define property in a single way. Today, Switzerland is one of the world's richest nations due to the property law reforms.

## V. REMEMBER NOT TO FORGET

There are two important steps in the nation-building process—finding out what makes a successful nation and avoiding the distractions of the skeptics. The United States has been successful in the past, but it must revisit these two principles to succeed in its current and future endeavors.

### A. *What Makes a Successful Nation?*

The United States used the same Swiss strategy in Japan. The United States must realize its role in world affairs and understand how it developed into a democracy, so that it can better help other countries. The United States should not forget the strategies that have led to its successes. Because the U.S. influences the way the world thinks—not only through its policies, but also through movies and television—it must recognize successful strategies for the sake of developing

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28. Thomas H. Reynolds, *Civil Law Codification in the German Speaking States of Northern and Central Europe*, microformed on Civil Law III Collection (Law Library Microform Consortium). See generally SWISS NATIONAL BANK, THE SWISS NATIONAL BANK IN BRIEF (Dec. 2004).

nations. Thus, the United States should proudly recognize its status as a leader and realize that its detractors too easily forget about the good things that they have, taking them for granted.

A story often told by one of my favorite Austrian philosophers, Karl Popper, illustrates this point. Popper was a great admirer of the Austrian violinist Carl Busch and went with his friend to see Busch perform. The performance was of such brilliance that Popper and his friend were both moved to tears. After the performance, they visited Busch backstage. Busch received them and was likewise very pleased with himself. Busch told Popper and his friend, "Look, I've got no problem telling you how I went from the third to the fourth movement, so let me show you how it was done." Busch put his violin to his neck and took out his bow, but he was unable to ever play it again, mentally stuck by his analysis. This point is also reminiscent of the eight-legged spider that asked the centipede how it managed to organize 100 legs. The centipede responded "it is very simple, just move the 30 front ones and then . . . ." It seems the centipede has been locked in that position ever since.

Nations develop a national conscience just as individuals do. Thus, when a nation does great things, they are passed to its subconscious, just like when a person learns to walk up and down stairs. By passing things to our subconscious, we can automatically do many things perfectly. In the United States, property rights applying universally to the poor and rich alike are embedded in your national consciousness. This consciousness created a solid base for widespread capitalism, building a great nation.

In the United States, nobody minds that Bill Gates has \$48 billion because everyone has the opportunity to apply themselves to secure success. If you have \$48 billion in my country, Peru, then you better be careful. There, we have no social contract that comes through law like in the United States.

The United States has connected with its poor—the people at its base. The United States did the same in Japan, Taiwan, and South Korea; it allowed connection with and among the non-elites. By making this connection, the United States did not just build upon its property system; it built a system of ownership.

The ownership system developed by the United States can be described by what biologists call exaptation. For example, birds supposedly evolved from reptiles during the Ice Age by growing feathers when they got cold. These feathers also allowed them to fly. That is exaptation: it is not consciously planned. Similarly, the works of Adam Smith, John Locke, and other British writers show that the British did not advocate widespread property ownership. Until recently, Great Britain had the smallest middle class in Europe. In advocating widespread property ownership, the United States has unconsciously developed the widest middle class. If the United States continues to engage in nation-building, it must become conscious of all aspects of its success.

*B. Do Not Get Distracted*

Do not let Samuel Huntington and others distract you when they say that the United States is culturally different from other Islamic cultures. This is false. In Egypt, 88% of employment comes from the medium- and small-sized enterprises of poor people, similar to the United States. The poor are very much in need and available for employment. The poor are the real constituency for progress, just as in Mexico.

Mexican President Vicente Fox and I have tried to measure the informal economy. The economy supports about 50% of the population full-time and 30% part-time—80% in all. The economy involves six million enterprises, 11 million buildings, and 134 million hectares. The simple replacement value of these assets is \$315 billion—seven times the value of Mexico's oil reserves. The constituency for creating a broad-based market economy in Mexico is already in place. The United States must address that constituency. The United States should not be convinced that those little brown guys with gold teeth are not of the same culture. They are. Just as George Washington and Paul Revere addressed the masses and ignored the Redcoat authority, the United States must reach out to the lower class of developing nations.

The transition from feudalism, patronal, or tribalism to a market economy begins with property. An intellectual war, abandoned halfway in the nineteenth century, must take place.

In one battle of the war, the United States must advocate against the labor theory of value, which posits that all value comes from labor.<sup>29</sup> Man's power goes beyond manpower. It is also man's capacity to create institutions that create law. The labor theory has not accepted this truth. As a result, it is not taught in U.S. universities. The genesis of law is what the United States has forgotten. Although there is no blueprint of how the United States began, some U.S. founders did have plans that must be considered.

The United States must avoid the enemies today who, in both the United States and Peru, are what I call the "romantics." The romantics are extremely proud of their nation and their patriotism. That is why Samuel Huntington says the United States has a special culture—one incapable of imitation. For this reason, Huntington argues that the United States should limit immigration. Even though the Salma Hayeks and the Gloria Estefans will continue to come to the United States in droves, it matters little that Huntington has convinced the United States that it has something special and should not be shared.<sup>30</sup>

Huntington sounds much like Osama bin Laden who tells Arabs that they should not want to be like anyone else because they have their own culture. Hugo Chavez says this too. These are the romantics—enemies of the Enlightenment and the Renaissance. The romantics believe that the word "civilization" is plural, not singular. Though all humans are different, we have a common trait. Just as a tree has different branches, different twigs, and different leaves, but only one trunk, humans have a common base of knowledge.

Until 700 years ago, the Arabs had a commercial empire spreading from Gibraltar to China. One could draw a check in Damascus and cash it in Canton. The Arabs knew what commerce was about, yet they lacked property law—the enduring power over time. We are all similar in that we strive

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29. THOMAS SOWELL, *BASIC ECONOMICS: A CITIZEN'S GUIDE TO THE ECONOMY* 337–42 (2000); MARK SKOUSEN, *THE MAKING OF MODERN ECONOMICS: LIVES AND IDEAS OF THE GREAT THINKERS* 107, 149 (2001) (discussing David Ricardo discussing Karl Marx).

30. SAMUEL P. HUNTINGTON, *WHO ARE WE: THE CHALLENGES TO AMERICA'S NATIONAL IDENTITY* (2004).

for a market economy and follow a rule of law. We should not be sidetracked by talk of one culture being superior to another. We all take turns in history.

We should also not be sidetracked by technology and the widespread use of computers. Computers are compatible with United States property law because its property law was established on paper before computers existed. Once you are "paperized," you can digitize. The law is rooted in paper; there is no substitute. You cannot enter the digital revolution if you have not yet finished the paper revolution. Eighty percent of Mexico, 90% of Egypt, and 98% of Tanzania is outside the digital revolution. The paper revolution is a property revolution, and the property revolution requires addressing the wide mass of entrepreneurs that exist in the Third World. The United States can teach the world that wonderful lesson because it undertook the property revolution in the nineteenth century. The more that the United States learns from its past, the more it will be able to teach others in the future.