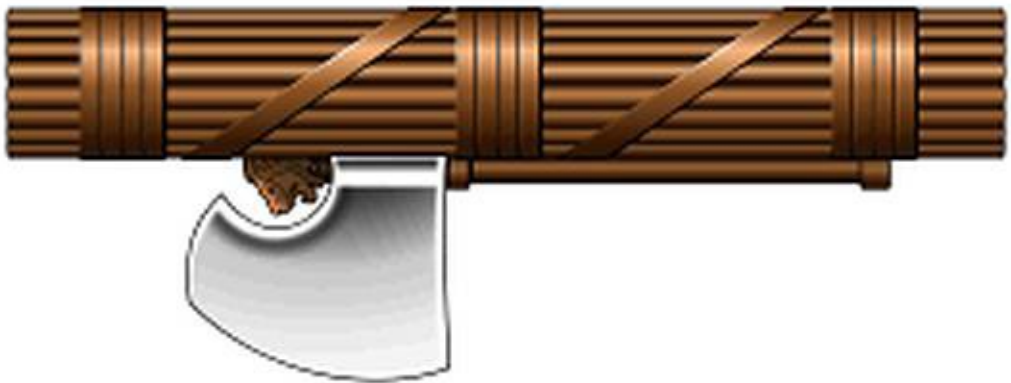




# To FREEDOM from Fascism, America!

By Jim Davies



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Resolve to serve no more, and you are at once freed. I do not ask that you place hands upon the tyrant to topple him over, but simply that you support him no longer; then you will behold him, like a great Colossus whose pedestal has been pulled away, fall of his own weight and break in pieces.

*Etienne de la Boëtie, 1553.*

To Amy, Nathanael, Kirsten,  
Evan, Karina and Cora

whose bright young faces encouraged me  
from the laptop screen every time  
I turned it on to write this book

**Front Cover:** part of the Gadsden flag, that symbolizes freedom: to go peacefully about one's business if left alone, but to resist any and all interference in that basic human right; "Don't Tread On Me."

At the foot is the bundle of rods and the ax that cut them, used in the Roman Empire to symbolize the authority of the State, and adopted by Mussolini as the symbol of his National Fascist Party.

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# *1: How Bad Things Are*

The late Aaron Russo's final movie [America: from Freedom to Fascism](#) was produced in 2006 and made a wide audience aware of the steep decline in our enjoyment of personal freedoms during the 20<sup>th</sup> Century. Mr Russo died far too young, but I think that, because of that documentary and its relatively wide reception, he died happy; few can have done more to sound the alarm.

The film told of how the US income tax is not just onerous and complex but also illegally imposed, with the connivance of all branches of government and media, and of how the Federal Reserve Bank has all but destroyed the value of the once-mighty US Dollar. It warned also of massive intrusions into privacy gathering momentum even as the movie was being made, and of the threat of total control of individuals and how we operate our lives and spend our resources. If the present reader hasn't seen it, take advantage of its currently free availability, via the Internet, at [www.video.google.com](http://www.video.google.com) Knowledge of what it reveals forms a valuable background for this book.

“AF2F,” as it has been known, ended with a call not only to be aware of the loss of liberty but also to take action to stop and reverse the slide into Fascism. This book offers some specifics about how to do that, as well as exploring what the terms “freedom” and “fascism” imply. This first chapter explores what is meant by the latter and how far this country has become fascist; the second traces the process that caused it to get worse and suggests what

might be a reasonable remedy, and the third will examine what is meant by “freedom,” and how in practice it can be achieved so that, within a single generation, America will really become “the land of the free.”

## **Fascism**

Since 1945 this word has been useful as an insult, as in for example “Fascist pigs!” when being bullied by police. It's worth starting by examining more coolly what it means.

In modern times the word was first used by Mussolini as the name for the National Fascist Party which he founded in 1921, which led a March on Rome the following year – as a result of which he was appointed head of the King's government. Two years later he had manipulated the Italian political system so as to dispose of all rivals.

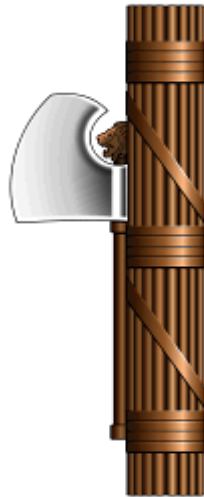
It's also used to describe the very similar nature of the German political party that began at about the same time and gained power in that country a decade later: the National Socialist German Workers' Party, abbreviated to the “Nazis.”

Both movements emphasized socialism – summarized well by the French Socialist pioneer Louis Blanc in 1840 with the slogan “From each according to his ability, to each according to his need” which contradicted the (classical) liberal belief in the right of the individual to profit from his own labor and to retain its proceeds. Fascists share with other socialists a belief in the primacy of the State, but differ from them by emphasizing the primacy of the *particular* State, such as Italy or Germany, between 1920 and 1945 – hence the strong nationalism in



their propaganda. They also differ in economic strategy, for they usually do not take “public” ownership of major industries and operate them as was done in the Union of Soviet Socialist Republics, but rather leave traditional capitalist forms in place and milk their profits with taxes and control them by regulations as need may be perceived. Indeed, Mussolini defined fascism as “bureaucratization of the economic activities of the State” and others have said that the close association of government and business is “corporatism” or “state capitalism.” (Though useful and descriptive, I'd say that latter term is an oxymoron.) At any rate, under fascism big companies and government are in each others' pockets; the former support government policies and finance any needed re-election expenses, while the latter enacts laws to hinder the entry of small, nimble competitors. We lose, both ways.

Fascists are also well known for being authoritarian, militarist, and bigoted. The latter is not, I'd say, a defining characteristic; the Italian fascists did not name Jews as a scapegoat like the German Nazis did, and while as allies during WW-II they co-operated in the Holocaust by shipping Jews out of the country for “special treatment” they did not do so with more enthusiasm than many other countries under Nazi influence. On the other hand, authoritarian rule is absolutely what makes a fascist a fascist; obedience to laws is their primary demand and the very source of the name.



*Fasces* were bundles of rods or canes,

used to punish resistors to authority in ancient Rome. They were present in both the Republic and in the autocracies. A big part of Mussolini's appeal after WW-I was that under his strong leadership as “Il Duce”, some of the glory of that Roman Empire would be regained, and images of these bundles were adopted as the Party symbol. It was accurate; more than anything else, Fascism is about authority, and rule. Do as we say, or we will cane you – or even (with the ax) cut off your head. This is the very antithesis of freedom.

The symbol survived the Party, I noticed in a 1968 visit; every city omnibus in Rome had it painted on the side, over the letters SPQR; those stand for *Senatus PopulusQue Romana*, or “The Senate and the People of Rome” and was the main slogan of the Empire.

Although Mussolini liked to be known as the one who made Italian trains run on time, German fascism, under Hitler, was probably organized with greater, ruthless efficiency. The State was fully centralized; as Leader he made every key decision and all opposition was banned and silenced. His popularity was immense, for the Nazis actually fulfilled many of their electoral promises! - something almost unheard of today. They were good too at smoke and mirrors; they claimed to have beaten the unemployment that plagued the world in the mid-1930s, but in reality achieved it mainly by doctoring the statistics.

20<sup>th</sup> Century Fascism is probably best known for its militarism. Mussolini's version of that was to expand his new Roman Empire by conquering nearby States that had substantial landholdings but were so primitive as to be virtually defenseless. His first victim was Abyssinia, now

known as Ethiopia, an ancient kingdom with the only Christian tradition in North Africa. Italian airplanes bombed its helpless civilians with explosives and poison gas, in the first-ever use of that technique of warfare, and capitulation was swift; the war lasted 7 months in 1935-36 and added handsomely to the land he controlled. His next victim was Albania, in two stages (1937 and 1939) and that too was painted in to the map as Italian, as if starting to make the Mediterranean once again a Roman lake. He also sent military assistance to his fellow Fascist General Franco in Spain (as did Hitler) but this time it was a tougher fight; victory took three years to achieve.

German expansion, meanwhile, is perhaps better known and the Nazis were smarter than their Italian allies; they regained by 1939 most of what had been stolen from Germany by the 1919 Versailles Treaty, with hardly a shot being fired; hence Hitler's vast popularity by then. A little later, it was of course a different story. At his peak however in 1942, fascism had given Germany control of the whole of continental Europe.

Before we consider the extent to which contemporary America is fascist, we need to re-emphasize that fascism is first and foremost a system of **authoritarian rule**. Its prominent characteristics of strident militarism and highly centralized State control are colored in different places by different styles and emphases; free speech is forbidden, the media are controlled, political opposition is always suppressed, but racial bigotry or scapegoating is not universal (little in Italy, none in Spain) and military expansion was not carried out uniformly; the Italians did little else (until they began to lose) but the Germans used its army last of all, much preferring to win territory by

bluff in negotiation. The Spanish fascists won control and kept it until 1975, but never ventured abroad at all. So we'll try to measure America's degree of fascism less by those secondary characteristics, more by the primary one of government control and denial of individual freedom, bringing every person into the service of the State. There are several ways to list the characteristics of fascism, but the simplest for our purpose may be this:

- Authoritarianism: we command, you obey
- The individual is subservient to the State
- No dissent is allowed
- A strong military is used as needed
- Nationalism is the binding motivation
- Big business and government co-operate closely

### **American Fascism**

So to this chapter's header: how bad is it here? How far has America descended into fascism?

It's interesting to me that recent US governments have been called "fascist" not only by some conservatives, but also by many on the political "left." For example the Project for the Old American Century (POAC, see [www.oldamericancentury.org/14pts.htm](http://www.oldamericancentury.org/14pts.htm)) lampoons the Bush presidency as fascist, on the basis of 14 points of comparison between his administration and those of Hitler and Mussolini; and perhaps surprisingly, several of those fourteen will resonate well with conservatives. It seems to me that many across the political spectrum are focusing too much on the secondary characteristics of fascism rather than on the root, primary one of authoritarianism –

but it's rare to see such unanimity. It suggests that Russo wasn't far wrong to say that America has become fascist.

The symbol of fascism – the bundles of canes, the *fasces* – have been used in America for much longer than he may have realized. I first noticed them in 1990 while attending the trial of the late Jim Lewis, for failing to obey what the government claimed were its laws that tax “income”; he put up a spirited defense, but was imprisoned for a year. The spectator benches in the courtroom in New Haven, CT had, however, this fascist symbol carved into the wood at the end of each, and it was reproduced again in larger form somewhere on the paneling behind the judge. Very clearly, it said to all: We (government judges) are here to exercise authority, and to punish those who disobey.



I've since found that it appears in many places. In 1916 the government minted the “Mercury Dime” with the fascist symbol prominent – perhaps to celebrate its triumph in gaining control over money, after the Federal Reserve had been founded three years earlier.

The seal of the US Senate has two crossed *fasces* at its foot, to suggest the power and authority at its base.

No doubt we have many times watched the State of the Union speech given by Presidents from the dais in the Congress, and have



therefore many times had our eyes upon the wall behind him. I wonder how many of us noticed the prominent pair of *fasces* embossed there?



Yet there they are, in plain sight, to say “We have authority, and will use it as we see fit.” The axes seem to be missing from the Congressional symbols – possibly the designers felt that the threat of execution was a bit too savage and obvious for good P.R. - but the message is unmistakable, if only we read it. The Federal Government in its courts, its Senate and its House embraced the fascist symbol from the beginning.

Lastly, here, the coat of arms of the National Guard shows two prominent *fasces* crossed, over the American Eagle. These days the Guard seems to prefer its alternative symbol of a Minuteman, but there at



root we have the message again: obey, or be punished. And this time, those deadly axes are back in place; and the Guard is supposedly under the command of State Governors, so this conveys the lethal message that it's not just the Feds who are fascist at heart. The student victims at Kent State would understand.

Symbols are one thing, but how about the reality?

It's hard to improve on Aaron Russo's account of how far Americans are now subject to the overbearing authority of the government, at each of its three different levels. Using the machinery of their departments of motor vehicles, set up supposedly to ensure the safest possible standards of road usage, each State government now requires every driver to *renew* his license every few years (something wholly unnecessary for that purpose; once one can drive, one does not forget how) and uses the renewal process not just to extract some useful revenue from fees but also to imprint the license with ever more identifying information – to the extent that “government photo IDs” are now required by all manner of organizations from airlines to banks. As the AF2F movie revealed, plans are afoot for tagging human beings with identifying devices *under the skin*, as if we were dogs needing to be traced if we stray from home; so that government can control when, where *and whether* we'll be allowed to buy food. Mussolini and Hitler could barely have dreamed of such devices, they would have salivated at the news of their development, and are perhaps right now laughing in their graves at the posthumous triumph of fascism in the very country that supposedly defeated it. “Sieg, heil!” (“Hail, victory!”) indeed!

Control of individuals, and of our money, is already tight thanks to the ubiquitous Income Tax and its me-too lookalikes in 44 States. This is an absurdly inefficient way to collect revenue, which costs a large fraction of what it yields, but it's a gold mine of information about 130 million working people and that is, I believe, a main reason why it still survives (another is that the database it produces enables Congresspersons to engage in their favorite pastime, to favor one group over others so as to purchase their votes.) As Göbbels knew well, to gather information is crucially important; you have to classify the population accurately before you can control it. How else could you exterminate all Jews, if you had not already marked every Jew as a Jew, complete with a file in some Gestapo office?

Whether this rich information source, this “income tax” is properly legalized is a question addressed at length in AF2F, and it's one to which we'll return in Chapter 2; but meanwhile let's note that it would be just as lethal to our wealth and privacy even if it were. It is a device used by most developed governments worldwide, and is lawful everywhere else, at least. Only in the US does the Constitution forbid the Feds to tax individuals directly, and we'll see later how governments deal with such limits.

Government's control over money is also a subject AF2F treats at length, though in my perception it understates a vital fact: the Federal Reserve Bank, which was set up by an Act of the US Congress in 1913, is indeed a private club of bankers but its special powers are granted only by that Act. Therefore, if Congress were to repeal that Act tomorrow morning, the Fed would revert to being merely a trade association with no power at all over our money.



The power that was granted was in effect a deal, from which each party drew benefit. The key purpose of all central banks is to lend money (to the government, so that it can operate a vote-producing activity without the need to increase taxes at once) and so one of the first things Congress ever did was to establish one, in 1791. It took a shocking amount of time to end that, but the job was finally done in 1836 and during the most productive period in US history (1836 to 1913) it managed without.

The prohibition was circumnavigated in 1913 by the Federal Reserve Act, which empowered private bankers to lend large sums to the Federal Government upon request *when they did not have the money to lend*. The trick is for the Feds to write an IOU (a “Treasury Bill”) and hand it to the Fed in exchange for a check which it kites. By the time the check is deposited, the T-Bill has arrived, to furnish the backing for the check and it's by this shell-game that the “debt is monetized.” This would of course be wholly fraudulent, except that that law permits it. As the T-Shirt says, “It's not Fascism, when WE do it.”

The other provision of the Act is to entitle member banks to engage in a second fraud, “fractional reserve banking.” The idea is that upon receiving a deposit (of \$100, say) the bank is authorized to lend out \$89 of it (currently) at interest, to borrowers. This would be outrageous if it were not legalized, for it means the depositor is secured only by the probity of that new borrower. Then subsequently the borrower deposits the \$89 into his own account (at the same bank or another within the cartel) and a further ninth of that can be lent out at interest; when the cycle is repeated, as much as \$1000 can be loaned out for each

\$100 of original deposit. This is the primary engine for the creation of paper “money” and since this central bank (in drag) was set up in 1913, so much has been created that the US dollar has lost about 98% of its value. Other countries whose governments have directly controlled central banks without the subterfuge of “private” ownership have printed similar amounts, with the result of similar damage to their respective currencies.

So, banks earn real interest on unreal “money”, while the government gets “money” to spend without the immediate need to raise taxes – and before it loses value due to the price inflation it causes. It's a great deal for both parties.

However there is one common belief about this, which unfortunately found its way into AF2F, that is incorrect: that all the income tax goes to private bankers as interest. In FY 2008 the income tax yielded a hair under \$1T, while the net interest on the whole debt was \$240B<sup>1</sup> – and the Fed holds only about half of the government's debt so the interest paid the Fed was about \$120B. That is only 12% of the income tax yield and only 4% of the total spent by the Feds; so this urban legend is long overdue for burial. Those figures will have increased some as a result of the big post-2008 bailout, but the allegation is still false. It distracts from the main issues and damages our credibility.

Is the debasement of the currency a specifically fascist activity? I'd say, yes - in the sense that it's one aspect of government's *control* over everything; here, money. When non-fiat forms of money (gold and silver coin) are the currency used in a society, its value remains rather stable

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1 See [www.tinyurl.com/ytodsp](http://www.tinyurl.com/ytodsp) at page 101

or even increases; this was so everywhere prior to the 20<sup>th</sup> Century with exceptions few and well-known, such as the French “assignat” certificates that were printed up to help finance the aftermath of the 1789 Revolution.

One of the other exceptions came in the last three centuries of the Roman Empire. The Caesars had not figured out how to print paper money (there was no paper, for one thing) but by diluting silver coins with tin they did manage to cause an annual 4% inflation rate so as to pay for projects to buy public support. That rate destroyed the Empire; it collapsed from within because the coinage became worthless and people were starving.

Since 1913, the Fed / FedGov deal has inflated the dollar at fractionally under that same 4% a year, by what seems to me an ominous coincidence. Every known attempt to replace government paper (“Federal Reserve Notes”) with real (gold) money have been savagely suppressed by the government's courts. Silver “Liberty Dollars” have been outlawed<sup>2</sup> and the founder indicted, and even E-Gold, the on-line payment system, has been forced to allow government scrutiny of all electronic gold accounts as a condition of remaining in business. Such is fascism.

Once we understand that the primary attribute of fascism is authority, rule, control, we can easily see that American society has been fascist even at the local Town level, for a very long time. The witch-hunts in Colonial New England are well enough known, and expressed the local fascists' resolve to compel religious conformity by all residents. Both before and after the Revolution townships financed

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2 See [www.libertydollar.org](http://www.libertydollar.org)

expenditure by a tax on property (real estate) which is absolutely an expression of authoritarian rule: pay up, or we'll seize your house. The scope of that outrage became much greater after the mid-19<sup>th</sup> Century when local taxes paid for government schools (whether wanted or not and whether used or not) and so were far higher, but the principle of compulsory funding was set in much earlier times and it absolutely imposes authority over individual preference so clearly qualifies as a “fascist” activity. It incidentally means that there is in America no such thing as ownership of real estate, and never has been since such property taxes were first imposed.

That the new Federal Government was fascist from its earliest days can be seen from what action it took as soon as it had been chartered. In 1789 in its very first session, the Congress performed six Acts. Five of them were Constitutional, one was later ruled otherwise, and all except the first (about administering oaths) were, I shall reason, fascist from top to bottom.

Act 2 imposed “Hamilton Tariffs” on certain imports. So now those goods were more expensive than they would have been without that interference in free trade. That had the side-effect of pleasing domestic manufacturers of competing goods (mainly in the North) and of displeasing customers for them (mainly in the South) and so of fostering discord between people in the two groups of States; but the main effect was to take money that would have been spent the way the owners wished, and compelling its expenditure on what the government wished. Right there, if we think about it, we can see the fundamental flaw in the theory that government is a good idea; if it were really a good idea, people would pay for it

without compulsion, like we do for everything else we buy. Yet it makes sense that this would not work; who in his right mind would say “Here's \$1,000; please govern me for the next month, in whatever way you see fit”?

Act 3 established a Department of Foreign Affairs, now called the State Department. That was needed only to make sure that some foreign governments were treated less favorably than others.

Act 4 set up a War Department (now, “Defense”) so that if any of those less-favored nations should get antsy, their agents could be efficiently killed.

Act 5 established the Treasury Department, to account for all the compelled payments of support, and the spending.

Act 6, known as the “Judiciary Act” was the most interesting, because while the others were constitutional, this was not: it provided for a certain court structure but also granted a new power to the Supreme Court (to hear certain cases as a court of original jurisdiction, not just on appeal) just as if Congress had the power to amend Article III. Fourteen years later that was shot down by the very Supreme Court to which it had purported to grant the power, in the *Marbury*<sup>3</sup> case – of which we'll see more in the next chapter.

So in this very first session, Congress took the time to impose taxes and prepare for war, and demonstrated its disregard for the constitutional limits on its powers. All that it did involved the assertion of Authority over lesser

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3 See Appendix for full names and references of cited court cases

beings like individual Americans, so it seems plain to me that these were all essentially fascist measures.

So much for 1789. I've already mentioned the attempt in 1791 to found a central bank, so let's next take a "snapshot" five years later. In 1794 the residents of Western Pennsylvania were outraged by a Federal plan to tax the distillation of whiskey – an activity in which they had been engaged for generations. So they said, No way, no how – and promised a rough reception for any Revenuer who should happen by.

President Washington raised and personally led an army of 12,000 to suppress this "rebellion," so demonstrating that he too was a fascist, enforcing his government's authority over individuals (that, recall, is the primary characteristic of the subject of this chapter.) The distillers were so intimidated that resistance faltered; I'm not clear whether any were killed, but the rebellion failed. Ever since, tax gatherers have ridden triumphant over Americans. George himself reflected accurately on the nature of what he had done: "Government" he said "is not reason, it is not eloquence, it is force: and force, like fire, is a dangerous servant and a fearful master." Very possibly he did not have an easy conscience; unlike Hitler and Mussolini he may have regretted the perceived necessity of suppressing resistance. But his action was every bit as fascist as theirs.

A final, and dreadful example of what was actually done while America's founders were still alive and active: under President Adams in 1798 the Congress enacted the Alien and Sedition Acts, which set out savagely to punish any who spoke against the government's threatened war with France. That it could do that in the face of the absolute

prohibition of any infringement of free speech allegedly “guaranteed” by Amendment I is a breathtaking proof of how little they cared about restrictions on its power, even as it exercised power derived only from that same charter.

That throttling of expression was as brutal as any that Göbbels carried out on German resisters to Nazi rule. Yet the Act was not repealed; it just expired, when the Adams government fortunately yielded to Jefferson's in 1803.

We must move on, though notice before we leave: Aaron Russo was accurate in saying that America is fascist, but mistaken to imply that the trouble began only in 1913. Having once understood what fascism actually means, we can see that it was there from the get-go.

The 19<sup>th</sup> Century was far less authoritarian in America than the 20<sup>th</sup>; there Russo was quite right. There are certainly *degrees* of fascism, gradations of liberty. With three major exceptions, the 1800s were relatively free and (no coincidence and no surprise) peaceful. The pace of discovery, invention and development was such that standards of life grew at a rate unprecedented in human history, in America as in Britain and some other countries. I attribute that to the fact that government growth was, for that century, unable to keep up with economic growth; as usual it stole part of what people produced, but they produced so much so fast that more of the surplus than ever before was re-invested for further growth. In America, that growth proceeded even in the face of massive immigration! - which should have put paid to the common myth that immigrants hinder progress.

What was the most free and successful century ever, was

marred in America by three sinister government actions, each of them deeply fascist (authoritarian) in nature.

The first was the forced introduction of government schooling. Pressure for it had begun about 1820, and by 1840 it was instituted in parts of New England; thirty years later it was operating nationwide. This had never been “needed”, for home-schooling with private and church schools were producing graduates more literate than any since; but a nasty alliance of religious groups (eager to proselytize children of waves of Roman Catholic immigrants at taxpayer expense) and socialists (eager to train each rising generation in the virtues of government) and teachers (eager for the security of salaries funded compulsorily) combined to bring them about. Costs have risen and standards have fallen ever since; most particularly, each new crop of graduates is almost fully indoctrinated in the alleged need for ever more government.

The second stain on 19<sup>th</sup> Century history was of course the war between the States, which was fought not over slavery but over the right to secede. Southern states were tired of being bullied by the Northern majority in Congress, so decided to leave; the Northern ones decided to stop them. Unfortunately, the Constitution did not specify whether States forming the new Union could, or could not, later quit; but the question was answered in the blood of half a million Americans, one in fifty of the population. If a comparable war were fought today with similar casualties, it would leave six million dead.

Now, it's not obvious to me that even if the Constitution *had* provided for secession, those opposing it would have



paid any heed; we've already seen how little Congress cared for limitations on its power. Even so, the omission was tragic. That war was fought to retain authority in Washington. By the criteria we saw early in this chapter, that makes it a thoroughly fascist war.

The third was even less excusable: during the 19<sup>th</sup> Century the US Government slaughtered *another* half million human beings, allegedly under its “protection,” who had resided in these parts for several thousand years and who wished only to be left alone; I refer to “native Americans.” True, there was a massive clash of cultures going on, a really heavy problem of how equitably to divide the land resources between nomads and farmers. But the solution was imposed at gunpoint, and it was bloody; a permanent, deep stain on the fair name of America. This was genocide – every bit as much as was Hitler's slaughter of the Jews. Earlier we saw that racial bigotry was a secondary, not a primary feature of fascism – but it is a feature, and it does result from its essential authoritarianism, and it was executed here in America. Had they known the term, there can be no doubt that every one of those half million victims would have described what was being done to them as “fascist.”

Sadly, then, yes there is no doubt of it: America is a fascist country. And yet we have hardly mentioned, yet, the 20<sup>th</sup> Century upon whose fascist developments Russo focused.

He's correct to identify the 1913 Acts that set up the Fed as a modestly disguised central bank, and the income tax, allegedly made feasible by the newly-ratified Sixteenth Amendment, as the bringers of terrible news. That was followed swiftly by America's entry to WW-I in 1917, in

time to tilt the balance in favor of Britain and France, and to establish America as a player on the world stage. We've seen that militarism is a component of fascism, albeit not the primary one; therefore this first projection of US military force overseas was another strong indicator of the fascism underlying its government. The cost was a mere 117,000 American lives.

It's worth noting the connection between the first event just mentioned, and the third. By doing its deal with the Fed, the Feds had made a kind of partnership with banks. In 1915 and 1916, leading bankers loaned money to the UK government to buy arms (from US manufacturers) so they had an immediate interest in a British victory. They put pressure on their new friends in Washington to enter the war on Britain's side, even though of course there was no threat to US security at all from a victorious Germany.

This first needless foreign war was followed a couple of decades later by a second, this one costing another half million American lives but leaving the US Government in a very strong international position, able to impose its will on a large part of the world. President Roosevelt was able to provoke Japan into making an initial attack, so as to disarm the large majority of Americans who wanted no part of it all, and – in a brilliant though cynical “leakage” trick called “Rainbow Five”, to make Germany declare war on the US, so as to avoid having to do the reverse. This was a very sophisticated form of militarism, but militarism is what it was – thrusting American might across two oceans at the same time, and winning. And as we saw, strident militarism is a large though secondary component of fascism. WW-II was a war between fascists, two of whom were allied with a communist state. Wars

make curious bedfellows.

Since 1945 American military power has been projected all over the world, with US bases in nearly 150 countries. It is not called an empire, but those bases, together with financial carrots and sticks largely funded by the income tax, enable the US Government to run by far the most powerful empire in history; a full successor to the Roman one of two millennia earlier, and equally fascist to the core. It spends more on that military muscle than all the “defense” budgets of all other countries combined, and one amazing sign of its success as such is that it is still composed of volunteers, despite deployment in two major theaters of war at this writing, neither of which involves or involves the least credible threat to America. That is a tribute not just to high salaries, but to the indoctrination of the youth who make up that force, carried out in government schools. Young men – and even, women! - are willing to cross the world to kill (and yes, to risk being killed) just to secure and extend this worldwide empire. This is militarism, refined to a degree Der Führer, Il Duce and all the Roman Caesars would surely envy.

Let's check a further characteristic of fascism, as listed above on page 12: dissent. Is that still permitted, here?

Not, at any rate, when it matters. During WW-I even a sitting Congressman (LaFollette, of WI) was imprisoned for speaking against US participation, right in line with the tradition of the Alien & Sedition Acts. But generally, I'd say that it is not suppressed as vigorously as in pre-war Italy and Germany, and the suppression is far more subtly carried out. Prior to the internet, it was possible to say almost anything against the ruling élite, but not to enable

it to be heard; for all the mass-circulation media were under government control. Radio and TV were and are subject to FCC licensure, and those vital bits of paper can be pulled in a heartbeat if the broadcaster veers too far in to anti-government territory. Then came the AM Talk Show, giving vent to anti-Establishment conservatives like Rush Limbaugh, and they enjoyed so much success as to be branded a “vast right-wing conspiracy” by Hillary Clinton while First Lady. They continue today, dodging threats by Obama aimed at Glenn Beck and his ilk. In print media there are still a few that question the ruling socialist premises, but not many; and print newspapers are probably going the way of the Dodo bird in any case. The internet is where most dissent is being expressed, and happily there is no shortage. Periodically government seems to test the waters about censorship (by publicizing marginal problems like kiddie-porn) and rumors about that private communication (eg with PGP encryption) may have been compromised by PC makers' provision of a government “back door” to the associated passwords. Government in China has shown what can be done given the will; it has literally armies of censors monitoring the Net 24/7 and ordering sites taken down when they fail to conform to official orthodoxy; as I write, the search engine Google has decided no longer to co-operate in that censorship and has decided to quit the country. That kind of suppression hasn't happened here yet; but given the precedent above from as early as 1798, watch this space.

Dissent where it may count most – in elections – has for long been neutralized. “Third” parties like Libertarians and Constitutionlists have been “allowed” to take part – at the enormous cost of obtaining ballot-access petition signatures – but have been successfully marginalized by

the ruling R/D duopoly so as never to muster more than an “also ran” vote total of a few hundred thousand nationally. Suffice it to say that no new political party has succeeded since the Republican one in the 1850s.

Americans have, in the 20<sup>th</sup> Century more than ever, been reduced to beggars at the government table, subjected at every encounter to the status not of discriminating customers (as in a market society) but of petitioners. Say “boo” to a government goose at any level – local, State or Federal – and watch the apparatus of authoritarian rule swing in to action. Cops still say “Sir” during traffic stops, but if anyone believes they feel genuine respect when doing so, I have a bridge in Brooklyn you'll want to buy; and as for extracting an honest answer from IRS agents, their level of silent arrogance is legendary. There is a fascist in every politician and every petty bureau-rat in the country; alas yes, America is well and truly fascist.

### **Government ≡ Fascism?**

Before reaching the conclusion that all government is equivalent to fascism (mild, extreme or somewhere in the middle) let's check a couple of possible exceptions.

Is a **communist government** also fascist? - re-visit the list of attributes on page 12. The first four, headed by authoritarianism, certainly apply. The last two generally do not; communist governments were international in outlook, typically (as in, “Workers of the World, Unite!) rather than patriotically nationalist, eg Russian. Stalin pretty quickly reverted to appeals to Russian nationalism in 1941 when his German allies double-crossed him and attacked, but in any case I see that as a distinction without

a difference. To Ivan in the street, it was six of one or half a dozen of the other; he was, alas, subservient to the State.

The final attribute is also non-applicable to communists, for they take ownership of major companies for the State, whereas fascists seldom do so, preferring to let the profit motive bring the best possible results – ready for them to tax; and control is done by shelves full of regulation. But again, this difference is minor; it's just an alternative way of arriving at a similar result: *control*.

Finally is a **limited democracy** really fascist? Certainly it is, and the American examples above provides the proof. It really doesn't matter whether the dominating is done by a tyrant or by an elected parliament, or whether its laws are passed by a majority of 51:49 or by 99:1; the individual is still made subservient to the state. Imagine a conversation between you and a US Government customs officer, at the dock gates on the first day on which the Hamilton Tariffs went in to effect. You have just unloaded a consignment of goods from a ship from Hamburg, and are heading your wagons for your warehouse across town.

*Importer:* Walk on!

*Revenuer:* Halt! Your receipt, please, Sir.

*Importer:* Whoa! [To revenuer] Which one? - I have three.

*Revenuer:* The import duty receipt.

*Importer:* I neither have nor need one of those. I paid the German manufacturer of these goods, and have his receipt. I paid the shipper to bring them here, again under contract,

and his receipt is here. I have paid the dock owner for his services as agreed, and his receipt is right here. I have not contracted with anyone else. When the road owner requests a toll, I will show my E-Z Pass to confirm I have paid that too. So stand aside and let me travel!

*Revenuer*: No doubt you have. But today a new law went in to effect. You import these goods, you pay duty.

*Importer*: I never agreed to such a law, and will not pay.

*Revenuer* [drawing pistol]: Then I must arrest you, Sir.

*Importer* [also drawing]: Stand aside, highwayman, or I shall shoot you in self-defense!

I'll leave you to compose the rest of the story! - for its point is clear. The Tariffs were perfectly legal, perfectly constitutional, but totally unacceptable to any sovereign person. They made him subservient to the state, ruled him whether he wanted it or not; they were fascist. So are all other laws (in sharp contrast to freely-drawn contracts) and since all governments enforce their will on their subjects, all governments are fascist. No exceptions.

## 2: *Questions Arising*

So far we've discovered that far from exaggerating the bad situation America is now in, Aaron Russo's documentary "America: From Freedom to Fascism" rather understated the bad news: not only is the country fascist, it has *always been* fascist and "fascism" means pretty well the same thing, always, as "government." Government is about some people imposing their wills on the rest of the population, and that is exactly what fascism means also: authoritarian rule.

That provokes some questions:

- How does fascism go from bad to worse?
- Is moderate fascism the best we can hope for? or
- Is government necessary at all?

In this chapter we'll explore possible answers to these, and then get to consider what can be done in practice.

### **From Bad to Worse**

We've seen that authoritarian rule was present in the very first session of the US Congress. However, clearly the size and scope of government in 2010 is far worse than what was experienced in those early days; Russo's AF2F traces massive increases in tax, control and surveillance during the 20<sup>th</sup> Century alone. How did this process happen?

It got from bad to worse also in Hitler's Germany. His Nazi Party was elected in as fair an election as most, and



remained highly popular for a decade; but the degree to which he exercised absolute rule increased a lot during that time and it was no accident. The key to the change was that in February 1933 the Nazis set fire to the parliament building (the Reichstag) and blamed it on their communist rivals, then used that as an excuse to abolish parliament and rule by decree. From then on, they didn't have to bother with debates, rivals or voters.

The use of a crisis to consolidate rule is a favorite trick of governments. They make the population afraid and insecure, then promise security if only they are granted a little additional power. The crisis may be real, or (like the Reichstag fire) contrived. The promise of a solution is always a fraud, and is never fulfilled. War – the threat of attack, real or fictitious – is another often-used example.

The 9/11 attacks were a perfect case in point, and were used immediately to increase authoritarian control and reduce freedoms with the infamous “Patriot Act” which had been written and held ready for several years and which was voted into law before Congressmen had bothered to read its text. That was followed fast by the launching of a war, and a little later by the launching of another. At this writing, both continue and more Americans have died in them than died on 9/11.

Some have correctly recognized those facts, and alleged that 9/11 was so valuable to the FedGov that it must have been a “false flag” operation, actually carried out by its agents. That is quite possible (again, like the Reichstag fire) but in my opinion very unlikely; government people are not smart enough in my view to mount such a complex operation successfully and to keep it secret ever since

even though many hundreds of people would have had to have had knowledge of the plot. Perhaps Bush and his cronies did have advance notice of the attacks and did nothing to stop them – that's the “LIHOP Theory”<sup>4</sup> – but anything more, I can't credit. In any case, it barely matters. They certainly took full and terrible advantage of them to increase their rule over supposedly-free Americans, to make a bad fascist situation a great deal worse.

That's a recent, major way the Feds have given their degree of rule a big boost. Another was to bypass the often tedious process of enacting laws – for example, to collect massive sums of money with an income tax that was never written into law, as AF2F showed so well - and the source of that goes back to the birth of the Union.

The key to this trick is **Article III**.

It's worth reminding oneself what it says, because it says so very little. Judges are to maintain an undefined standard of “good behavior”, and to enjoy an irreducible salary; the Supreme Court is to be one of Appeals except for a few named types of case, and there are to be juries - of size unspecified. Little else, though already that's a whole lot; if courts can judge whether someone broke the law, they must also have the power to *interpret* laws, to say what they mean; and so Congress could enact a rather vague law and a court would later give it an exact meaning – one that might not correspond at all with the intention of the voters who sent the legislators to enact it. No explanation of the powers of the judiciary appears, what it can and cannot do – and there is the huge contrast with Articles I

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4 “Let It Happen On Purpose.”

and II, which are extensively occupied with those subjects and take nearly *ten times* as many words to say so as are found in Article III. Did the “judicial power” include for example the power of “judicial review” - ie to review laws Congress enacted and declare them constitutional or not?

No question: Hamilton and others certainly thought so and certainly wanted it so,<sup>5</sup> yet Article III is silent. Others, as shown by the Anti-Federalist, strongly opposed the idea for it would make the judiciary the final dispenser of law - it would make the Union a dictatorship of lawyers, not a democracy at all. Yet on this vital issue, it says nothing. It is hard to see that omission as anything but deliberate.

As I see it, this “blank check” of Article III is of central importance in our search for understanding of how this country progressed from mild fascism to strong fascism. It was the ultimate ace-in-the-hole for those who planned all along that the new government would operate without serious limits on its power; for all that would be needed would be for Congress to enact some legislation desired and then for the Supreme Court to declare it constitutional even when it was obvious to everyone else that it was no such thing. I don't say this “ace” was played often during the first century of our history, but I do say it was played whenever a critical need arose, such as in its second century, on which Aaron Russo focused much attention in his documentary.

First, the blank check had to be filled in and cashed, and that task was performed by the first case to test the 1789 Judiciary Act, which purported to grant the Supreme Court

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5 See the Federalist Papers #78

the power to hear certain cases with original jurisdiction. Such a suit was filed by one William Marbury against Jefferson's Secretary of State, James Madison, in 1803.

Its details need not concern us, but it relied upon that power supposedly granted by Congress, and the Supreme Court under John Marshall denied the suit, on the grounds that it had no such jurisdiction; because the Judiciary Act had been unconstitutional (as indeed it had.)

Thus, Marshall fell in to the trap; because in declaring the Judiciary Act unconstitutional, *he himself* was acting in an unconstitutional way! - Article III never having granted the Judicial Branch the power to say what laws were, and were not, constitutional. Possibly he fell into it reluctantly; I doubt that, because of the enthusiasm evident in the wording of his decision, including:-

**IT IS EMPHATICALLY THE PROVINCE AND DUTY OF  
THE JUDICIAL DEPARTMENT TO SAY WHAT THE LAW IS**

That extract was chosen to be engraved in the wall of the present Supreme Court building when it was constructed in 1935, and is exactly what Hamilton wanted Article III to assert, but it did not. The omission was now repaired. After the 1803 *Marbury* case, America was no longer a limited constitutional republic but an oligopoly of lawyers who would “emphatically say what the law is”, open to the influence of any powerful cabal of FedGov members. Just as, I believe, was always intended.

So by 1803 the Judicial Branch had two powers, both of which were allowed by the empty wording of Article III but neither of which was explicitly stated – because, as I

see it, an explicit statement would have been fatal for the urgent process of ratifying the Constitution. Approval was obtained because it appeared heavily to limit the new Federal Government; had it been clearly seen to be a grant of almost unlimited power, it would have failed.

Come 1913, from when Russo reckons the deep plunge into fascist rule began, those judicial powers were fully used to impose an income tax in America. This tax has assumed vast importance because it now furnishes half of all FedGov revenues directly, a further third indirectly, plus all *State* income taxes by induction. It is by far the largest tax in world history. Here in brief summary is how the trick was pulled.

Recall that in its nature, a tax on personal earnings (wages, personal business profits...) is certainly a *direct tax*; it relates to an individual's personal property (his labor) and money is paid directly from taxpayer to the government. Therefore, according to three provisions of the US Constitution, it must be “apportioned” according to State populations, like congressional seats.

Congress enacted one in 1894 without apportionment, and in the 1895 *Pollock* case the Supreme Court declared it void. Still eager for new sources of revenue the Congress then proposed in 1909 what four years later became Amendment 16, to say that taxes on something called “incomes” did not need to be apportioned:

The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration.

Notice that this wording failed to define “incomes”, and that this is the only place that word is used in the whole Constitution. It tells us only that the entity has numerous “sources,” which suggests at once that wages are not to be included in the term; for what “source” can a wage have? However, all definition is lacking. Since the word was and is ambiguous (it might mean wages, salaries and personal profits or it might mean corporate profits and is so used to this day in some reports to shareholders) it does certainly require a crisp definition if it's to be used in law.

Further, since it's undefined in the Constitution, it can not be defined *outside* the Constitution (for example by an Act of Congress, or by a court decision) for such a definition would then amend the Constitution and that, by Article V, can be done only by three fourths of the States. So right off the bat, Amendment 16 is a Class-A mess without any clear meaning whatever. Enter, the Supreme Court.

Following the declared ratification of Amendment 16 the 1913 Income Tax Act was passed, and at once there were several contentions that reached the courts. Upon appeal, these were settled by Supreme Court opinions between 1916 and 1921. They all agreed that the Act was constitutional, but said, for example, that:-

- “The [16th] Amendment contains nothing repudiating or challenging the ruling in the *Pollock* case.” (*Brushaber*)<sup>6</sup>
- “The provisions of the 16th Amendment conferred

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6 See Appendix for full names and references of cited court cases

no new power of taxation...” (*Stanton*)

- There can not be a federal tax “lying intermediate between these two great classes and embraced by neither... and any such proposition... if acceded to, would cause one provision of the Constitution to destroy another: that is, they would result in bringing the provisions of the Amendment exempting a direct tax from apportionment into irreconcilable conflict with the general requirement that all direct taxes be apportioned. This result ...would create radical and destructive changes in our constitutional system and multiply confusion.” (*Brushaber*)
- “The whole purpose of the Amendment was to relieve all income taxes when imposed from apportionment from a consideration of the sources whence the income was derived.” (*Brushaber*)
- “A proper regard for its genesis...requires that the [16th] Amendment shall not be extended by loose construction...so as to repeal or modify...those provisions of the Constitution that require an apportionment...for direct taxes upon property, real and personal.” (*Eisner*)
- “The word [income] must be given the same meaning in all of the Income Acts of Congress that was given to it in the Corporation Excise Tax Act [of 1909] and that what that meaning is has now become definitely settled by decisions of this court.” (*Merchants' Loan*)

The last of those defined “income” - but as we saw above, that is something the Judicial Branch is not empowered to do, for it amends the Constitution and only the States can to that, by a three fourths majority. So the definition given may be “correct” but the Supreme Court ought not to have said so; once again, a government branch was exceeding the powers it had been granted. What it ought to have said was something like “this Act, resulting from this Amendment, is for ever meaningless and void, for the meaning of its principal term, 'income', is undefinable.” That, however, would have really set the cat among the pigeons, and the Supreme Courtiers did not, it seems, have quite that much *chutzpah* even though, in the rulings above, they clearly said that the new Amendment did not do what Congress presumably intended it to do.

So far (through 1921) the Judicial Branch acted to deny Congress' power to tax individual earnings, and did so by the actions of its Supreme Court. Thereafter, alas, its policy changed. Ever since then,

- the Executive Branch (the IRS) ignored the rulings above and continued to collect that tax
- lower courts in the Judicial Branch supported that action in numerous decisions ever since, frequently quoted by the IRS to demonstrate its legality
- the Supreme Court has ignored many appeals from those defective, lower court decisions, thereby condoning the tax despite its own earlier rulings
- the Legislative Branch (Congress) also ignored the 1916-21 decisions except that in 1954 it amended its Internal Revenue code very quietly, so as to



remove all mandatory language about the income tax and to delete words like “wages.”

The policy change was so dramatic and consequential that it may be worth digressing, to speculate how it may have been brought about. The time frame is fixed: in 1921 the Supreme Court clearly ruled in *Merchants' Loan* that the tax was an excise upon corporate profits, while in 1927 it treated the case of *US v Sullivan*<sup>7</sup> as if it were a direct tax on individual earnings. So something happened during those six years to change its mind. What?

There were numerous personnel changes on the Court, and in 1927 Oliver Wendell Holmes wrote the *Sullivan* opinion – though he had also been a member in the 1910s. Sullivan was a car dealer and bootlegger, and he did not file a tax return for the good reason that by doing so he would be giving up his rights under Amendment V not to incriminate himself regarding the latter business. The Circuit Appeals court agreed, and if its decision had stood, the tax as we know it would have died.

The Department of Justice then appealed the case to the Supreme Court – itself unusual – and the case was heard. Holmes could quite easily have written that the question of Sullivan's Fifth Amendment rights was moot, because no evidence showed him to have made corporate profits and therefore he was not obliged at all to file a return.

But he didn't. Instead he assumed that such an obligation did apply, and ruled only on the Fifth Amendment issue (in a scurrilous and convoluted way that denied Sullivan's

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7 See Appendix for full names and references of cited court cases

right to silence.) Without actually saying so, therefore, Holmes had just implied a reversal of the whole set of 1916-21 decisions.

We can only speculate what caused him to do so, but I can imagine what might have happened. During this period the IRS (the Executive Branch) had been enforcing the tax just as if those decisions had never been made, and some useful revenues were being produced. That was, I think, just what Congress had intended when Amendment 16 had been drafted – even though it was done so badly that *Stanton* ruled that it gave it “no new power of taxation.” So it's fair to suppose that the Executive and Legislative Branches were in a buzz and a panic; somehow, they had to persuade the Judicial one (which “emphatically says what the law is”) to change its mind – for a new, vital and potentially huge source of revenue was at stake.

To suffer such a rapid change of mind openly and clearly would have been so undignified as to damage the Court's public credibility, so the stratagem of doing the job by an unstated implication in Holmes' unusually short opinion was the method chosen, after whatever pressure that was applied, had been applied. Perhaps threats were made that the President would stuff the Court with members who would support a tax on individual earnings. Perhaps that was *actually done*; during those six years five new judges were appointed, four by President Harding. Such critical decisions are often never written down with a rationale, so we may never know. We can only see the result.

We might take the speculation a stage further. Ever since 1927 the Supreme Court has been able to have it both ways; it has explicitly ruled against an individual earnings

tax and can call on those rulings any time it wants to undermine the entire government industry (a “nuclear option” available in case some intra-government plot were ever hatched to deprive it of the power to “say what the law is.”) Yet it has also gone along with the other two Branches implicitly, in its *Sullivan* ruling and by declining to hear ever since any appeal that argued the income tax is void; and like everyone else in the government industry, its members enjoy all the fruits of this enormous levy.

So this, the largest of all taxes, is collected without explicit laws existing and on the basis of how the Judicial Branch used its powers in Article III. Upon complaint to The People's alleged representatives, Congress can wring its hands and say the courts have ruled such and so; the Supreme Court can innocently point to its favorable decisions of 1916-21, and the Executive Branch can enjoy enforcing the tax and spending what it yields while its IRS zips its lips when asked to explain what statutes entitle it to collect such money. The entire government industry subsists on this tax, yet it can be enforced only because the lower courts do as Article III and *Marbury* allow: they say emphatically what the law is, while the Supreme Court does nothing to contradict them.

One of the highlights of AF2F was Aaron Russo's interview with Sheldon Cohen, a former chief counsel and Commissioner of the IRS; there can hardly be anyone more knowledgeable on the subject, yet Russo's polite and simple questions tied him up in knots. Eventually he said, in Yiddish, that if Russo were to act on what he was asking about, “Nothing will help you!”

So he knew of no laws, but also knew the courts would for

sure enforce them anyway; that they would “emphatically say what the law is” - even to the extraordinary extent of *deliberately misquoting the words of a statute*, in the 2005 case against Cohen, Neun and Schiff.<sup>8</sup> Legislation by silence, rule by deceit; fascism at work.

Such is how government grows, how fascism goes from bad to worse. Now let's consider...

### **Is Moderate Fascism the Best Available Option?**

The same question is sometimes posed as “Isn't a limited government the best possible form of society?” - that is, the questioner supposes that if only we could get back to “constitutional rule,” no further improvement would be feasible or necessary. We have seen however that America was fascist at its birth, without departure from the rule of the Constitution, so the question can be asked as posed.

If the answer were “yes,” I'd see it as terrible news. First, the kind of society we'd have would certainly be fascist, so with the best will in the world and a careful, respectful obedience to Constitutional limits, we'd still live in an authoritarian society and that is not a happy outlook for free human beings. Then secondly, we have just seen that in practice, once they exist at all governments do not, in fact, adhere to any limits they find it feasible to break; that mild or moderate fascism is not a *stable* option. Once they are given an inch, they will take a yard – using one form of trickery or another. One cannot sustain a mildly fascist society, in other words, any more than one can become or remain mildly pregnant.

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8 See [www.TakeLifeBack.com/irwin/juryinst](http://www.TakeLifeBack.com/irwin/juryinst) at Instruction #19.

At the same time, I recognize that if I can't describe or visualize an alternative, that may still be the least harmful option – to try again. My attempt to do so follows below, under the heading “Is government needed at all?”

Meanwhile to “try again,” if that were somehow possible, would place us again at the beginning of Congress' first session, in 1789; for I don't challenge at all the view that the US Constitution is the finest attempt possible to create a government with limits. Note though, again, what took place: five non-administrative bills were enacted. Four of them took advantage of the Constitution's grant of power, and the fifth exercised a power it did *not* grant, so as to give the Supreme Court the chance – grabbed later in *Marbury* – to seize a far greater power yet, so as to “say what the law is.” Clearly, that first Congress was not interested in obeying limits. How exactly would such an interest be fostered in some future, first-time congress? What could be done differently the next time around?

That's one problem without any answer that I can see. A second is that in any case and supposing those politicians could have their spots changed and respect the supreme law, that law by no means protects anyone from fascist rule. Much has been said of its fine limits; notice however the powers it *was*, apparently, granted by Us the People. They include the following:

- It can levy taxes, and there is no stated limit of size. Provided it apportions direct taxes and levies indirect ones uniformly, Congress can impose them at 100%, 1000%, or at any rate it sees fit.

- It can borrow money, so shuffling responsibility for repayment on to future taxpayers, who may not be presently represented – or even born.
- It can “regulate” major commerce; precisely what fascists love most to do.
- It can regulate immigration, so denying human beings their natural right to offer their labor any place they please.
- It can impose bankruptcy, so denying creditors the opportunity to negotiate a better deal.
- It can coin money. Not create it out of nothing, but still “coin” it. Why? - why not leave it to market participants to decide what form of coins they will use for money?
- It can “take” property (by Amendment V) provided only it pays a price it declares is “just” and puts it to “use” that it says is “public.” Again: ownership of property in America is an expensive illusion. This is perfectly legal, perfectly constitutional, and perfectly fascist.

There are more, and can be read in Article I Section 8, but I hope the drift is clear. Even a Constitutional America would be authoritarian, fascist, repugnant to liberty. Even if government were to stay strictly within its limits.

So two problems with the idea of settling for moderate fascism, a limited government, are that no way is known for preventing it breaking limits and becoming a lot less moderate, and that even if one were found it would still be horribly authoritarian. A third is even more troubling: the whole notion that “the people” delegated such powers to a government in the Constitution is patently false.

Consider what it means to “delegate.” I might appoint you as my representative in a certain matter, to negotiate an agreement or dispose of my property after death, etc. You would have my “power of attorney” and could do anything within its terms of reference that I could do if present in person. I could delegate any or all of the powers that I possess. *But I could not delegate any powers at all that I do not possess.*

If I do not have the power or right to stand at the dock exit and require that importer to pay a duty on what he just imported from Germany, I cannot delegate that power to anyone else! And, of course, I don't; and nor do you.

Do I have the power to borrow money on the basis of a promise to repay after having taken the money by force from some future victim? I suppose I might have the right to propose such an outrageous loan, and it's just possible that some lender would go along with the scheme; such things may be done in the criminal underworld. However since such repayment depends on the commission of a crime, I suggest it's fair to say I don't have the “right” to do it, and therefore I cannot delegate that right to another.

If I do not have the right to make or accept promises in deals with foreign governments on behalf of anyone but myself (and I obviously do not) then I cannot delegate that power to anyone else.

If I do not have the right to prevent someone crossing an imaginary line drawn on a map, then I cannot delegate that power to anyone else. And I do not have it. Nor do you.

And so on; every one of the powers that Article I says the “people” delegated to the Federal Government were far beyond their ability to delegate because they did not own those powers in the first place. On its face, therefore, the US Constitution is a complete fraud, and that’s the third of three problems with the notion of settling for a moderate fascism, a limited government. Together, they are fatal.

### **Is government needed at all?**

Our options are running out! - so this is a very good question to consider. Could society function without any government whatever? Thomas Paine thought it could not, for he famously wrote “Government, even in its best state, is but a necessary evil.” He knew it was evil, but thought it was still necessary; presumably less evil than having none.

He came awfully close, but got no cigar. He also wrote, immediately preceding that quote from his “Common Sense,” that “Society in every state is a blessing” and so showed that he did understand the difference between society and government. Many today do not.

Paine argued for the necessity of government by asserting that mankind has a bias toward evil. Two further quotes:

Some writers have so confounded society with government, as to leave little or no distinction between them; whereas they are not only different, but have different origins. Society is produced by our wants, and government by our wickedness; the former promotes our happiness *positively* by uniting our affections, the latter *negatively* by restraining our vices. The one encourages intercourse, the other creates distinctions. The first is a patron, the last a punisher...



For were the impulses of conscience clear, uniform and irresistibly obeyed, man would need no other lawgiver; but that not being the case, he finds it necessary to surrender up a part of his property to furnish means for the protection of the rest; and this he is induced to do by the same prudence which in every other case advises him, out of two evils to choose the least.

Paine's pamphlet enjoyed phenomenal success, and acted as the intellectual cement binding participants in their struggle for independence – for the bulk of it went on from those quotes to show why Britain and its King and Parliament were not fit parties to provide the government in America which Paine argued was necessary. That's not the issue in our time; the issue today is whether or not he was right in believing that *any* government is needed. His case was simply that, evil though it is, the alternative of doing without government altogether is the greater of two evils; that without one members of a society would lack “protection” from the “wickedness” of some because “vices” would not be “restrained.”

Paine's perception is right in line with the arguments used today to justify the existence of government, on the rare occasions when we can find anyone willing to use them (more commonly, they ignore the question and/or use brute force to silence the questioner.) Notice how clearly his premise states that people are wicked and vicious and in need of restraint. This corresponds exactly to the way in which the Christian religion justifies government, even when it is known to be savagely repressive; in Paul's letter to Christians being persecuted in Rome, he writes (13:1) "Let every person be subject to the governing authorities. For there is no authority except from God, and those that exist have been instituted by God." A couple of verses

further on he continues: “Rulers are not a terror to good works, but to the evil.” Ha! Tell *that* to the millions of innocent Jews about to be exterminated in a government gas chamber.

The same religion teaches, of course, that mankind is born with “original sin” around his neck – dating from the Garden of Eden. This was the culture in which Paine and all his readers had been raised, so it's not too surprising that it was accepted without question.

Very obviously, human beings are *capable* of doing awful, evil things, most particularly when they are handed power over other people, as is the case with governments; but is there really a bias towards evil in every person? Paine's premise is that there is, and if that premise is incorrect, his whole argument collapses like a punctured balloon.

I suggest that it is wrong; that no such natural bias exists, that the doctrine of “original sin” is a nasty myth woven so as to justify the otherwise needless existence of priests and other purveyors of pointless pardons. So it's interesting that this single premise underlies both church and state! - and is therefore critically important to verify.

Once it's questioned, it melts away rather quickly. Think of anyone you know, and ask: is this person *evil*? Of course he isn't. Virtually everyone we know, in their own capacities as persons, are decent and well-meaning and to one degree or another, benevolent. Perhaps you know someone who recently took part in the government's campaign of murder in Iraq, or Afghanistan, and who was responsible for directing bombs that killed several of the government's enemies, and perhaps even non-combatants

close by, part of the “collateral damage.” Is your friend “evil”, when back home playing with his children?

Of course not. The system that he served is evil, it trained him to do terribly evil things, but he is not. Occasionally I've encountered IRS personnel, doing wicked things in their professional capacity; but as individuals, they are as kindly and benevolent as the next man. Yes, there must be a degree of blame somewhere, that their consciences did not stop them being immersed in that system, but a form of Paine's argument that their choice was the “least of two evils” would have played a powerful part. The bit they – and he - missed is that the lesser of two evils is still evil.

The other great weakness in Paine's premise about human wickedness is that if it were correct, the pool of people from which the “restraining” government would somehow be selected is still evil; thus, the process (whatever form it takes) would take evil people and equip them with power over other evil people, all on the pretext that the net result will reduce, restrain or otherwise minimize evil! This is so grotesquely absurd that no further reasoning is required.

Still, we have to deal with the fact that in human society some evil things get done. Sometimes people lose their cool, and damage their neighbor. As I write this, the day's news is that a couple has been arrested for murdering an acquaintance of mine, Dr Gene Mallove, six years ago. The evidence is far from complete and the reports, scant; but a read between the lines suggests that the man was enraged that Gene had terminated the rental contract he had for Gene's house, and killed him in a fury of revenge. No question; if that proves to have been the case, it was an evil act and needs a justice system to put it right. So I must

demonstrate that absent government, such a system of justice is feasible; for while most evil comes from the hand of government, some of it does not. I have to show how, in a zero-government society, justice would be done.

**Justice** without government would be delivered in the same way as all other goods and services in demand, such as food, shelter, clothing, education, transportation, fuel, and hundreds of thousands of others; by the natural operation of a free market, unhindered by government.

A market in justice would have several components, and one clear objective in demand: *restitution*, or recompense. If somebody suffers aggression such as theft of his property, he will want it back. That's the market demand. That demand will be met by several players in the market; *detectors* to find out who committed the aggression (and already private investigators exist who might form the nucleus of that part of the industry), then *apprehenders* to bring the accused person to account for his action (today bounty hunters sometimes do that, so might be the first to offer that service), *courts* in which the facts would be determined (and already private arbitrators offer services and might pioneer that part), and *executors* to carry out the court's verdict (collection services already exist.) Finally *insurers* will, I think, play a useful part by smoothing the whole process; if a victim doesn't want the hassle or delay of processing his claim through the courts (much more efficient though they would be) insurers might settle with him at once and take over his rights and position in the action, making profits by taking a regular premium plus the amount of the award; in effect, he settles quickly but at a discount. That won't apply to all, but would attract some.

Even though private arbitration services already operate, a lot of people have difficulty understanding how a court operating for profit could possibly be impartial and effective. There are two parts to this: how could they keep a balance of judgment, and how could their verdicts be enforced, in each case without government enforcers.

It's really not all that hard, once we grasp that in a society rid of all government, everyone's ability to earn a living would depend very heavily upon his *good reputation*. Anyone known as a con artist or a scoffer of court verdicts will not be readily find anyone to trust him to keep to his obligations in any new or proposed contract, of any kind. Therefore, there will be a very powerful incentive on everyone to maintain a trustworthy reputation; to show that even if he erred and suffered a court judgment against him in some matter, he obeyed that judgment and paid what was owed, so discharging the obligation he had undertaken.

That's how enforcement would work. A private court's impartiality would be ensured in a similar way, for courts too would be players in the market, and if one got the reputation of being biased, in some direction, the business brought to it would swiftly dry up.

But still, it may be asked, what's to compel a person to attend a court hearing, when accused? - answer, again, nothing – except a desire to maintain an unblemished reputation. Someone accused (publicly, or course) of swindling (violating a contract) *and* refusing to appear in his accuser's chosen court – will quickly find himself short of opportunities to engage in fresh contracts, ie to earn a living. That's why he will show up. In fact, if he knows

the accusation is just, he will instead “settle out of court” because that way, there will be no adverse publicity at all, and fewer expenses for him to meet.

A final objection relates to how a free justice industry would handle cases of bodily harm, including murder. It is not there a matter of proving theft or fraud and ensuring repayment, it's one of making persons whole again; and sometimes, sadly that's not possible, as in the case of Gene Mallove. One cannot compensate a dead victim.

If the harm has been repaired medically, the court can order the aggressor to pay all or some of the costs (the rest being covered by the victim's insurance company.) In the case of death (whether caused deliberately or by careless conduct) that's impossible – but still, some compensation can and will be ordered paid by the court to the victim's family at the expense of the person who caused the damage; and once again, he will pay it because of his urgent need of a good name in the marketplace. Who would employ an unrepentant murderer?

Those concerns are valid, but the answers are good; and to the surprise of many people they are not just theoretical - they have been used before, in actual history. The occasion was all too brief, but for two centuries after Iceland was settled by Norwegian refugees in 850 AD, there was no government at all. Killings (accidental or deliberate) did take place occasionally, and the normal practice was that the killer visited his victim's family to offer compensation. If he didn't, eventually a court (“Thing” in Icelandic) would order it to be paid - but there was no punishment at all, as such; no government or god to be propitiated.

Cases of death or injury are especially hard to settle justly, but this focus on the payment of compensation is about as fair as can be achieved in real life, and a market system as above would certainly deliver it. Contrast that with the present, government-infested alternative, based as it is on a theory of punishment instead; the actual victim is almost ignored, the perp is punished and ruined (prisons see a high rate of recidivism) – all at the expense of bystanders called “taxpayers.” It is ludicrous that this system should ever be described with the term “justice.” Then on top of all that, the government “justice system” punishes a large number of *victimless* criminals, those who have harmed nobody at all except possibly themselves; drug dealers, gun owners, tax evaders. That's no great surprise; recall, Article III was written to set up a system of enforcing government decisions rather than doing justice between members of society.

**Let's recap:** we have been discussing how justice would be delivered in a zero-government society because of the very common premise, that Paine shared, that a justice system requires government. I have shown it does not. Therefore, that reason to have government has vanished.

The other reason Paine mentioned is protection. Government, he said, is needed to *protect* peaceful people from those who do evil.

Nonsense.

Government does *not* protect anyone, and has even stopped pretending that it does; many of its courts have ruled that police departments are *not* responsible for protecting people, and as Marc Stevens well observed,

"the word 'protect' is mysteriously not included in any definition of 'govern'." By its outrageously aggressive foreign policies the Feds actually expose Americans to harm rather than protecting us, and local governments normally show up *after* a crime of violence has occurred - as in the case of Gene Mallove. Then they may or may not solve the crime; currently a majority even of murders goes unsolved. I hope this particular one will be an exception, but even though the accused killer was known to have been evicted just prior to the murder, it has taken police *six years* to gather evidence enough to charge him. Some "protection", despite the ubiquitous claims on cop cars that they exist "to protect and to serve."

Protection and punishment of evildoers was why Thomas Paine thought government was necessary, but there are other reasons sometimes advanced - in the form "Without government, who would provide X?" - where X is some service the questioner thinks vital. It might be roads and bridges, or schools, or welfare for the poor, or health care, or protection from ruthless profit-seeking pharmaceutical companies, etc, etc. In a book of this size I have no room to answer all of them; governments do so much, the list is potentially very long indeed.

The answer for each of them does however have the same form: if X is in demand, *the market will provide X*. That is, if people want X and are willing to pay for it, then X will be provided by somebody in search of profit, shortly after he detects the demand. His calculation will be simply: how much is being offered for X? - and for how much can I buy or manufacture X? Then if a profit is perceived he will go ahead and offer it.



If a profit is not perceived, by one businessman, it may be perceived by his rival who has a smarter idea for making X at lower cost; or it may not. If nobody can see a profit, X will not be provided. Why not? - because the demand is not strong enough; buyers are bidding too low. That is a very good result, for it means nobody wastes resources producing goods or services that buyers aren't willing to buy. When this profit calculation is not performed (and in the case of government providers it is never performed!) then if X is produced anyway, resources are squandered and the result is another component of the massive hole in the ground known as “government waste.”

When a zero-government society begins (and as the next chapter shows, I think that will happen quite soon) there will be huge adjustments to prices. A single provider of a service is called a “monopolist” and he can raise prices to a level unsustainable in a competitive marketplace. If his customers have no alternative, they have to pay. In the case of government providers, such a monopoly always prevails, and while “profit” is not a term applicable to them, high prices certainly are. A good example is schools; residents of an area are forced by law to pay the prices charged by school providers, subject to complex formulae and endless boards of control, and it now costs around \$18,000 to “educate” one child in its system for one year. Private competitors are not forbidden, but taxes for the government schools have to be paid first, whether the places offered are used or not. This is a monopolist's dream! The few rivals come in two flavors: expensive, gold-plated “prep schools” for the wealthy, and low-cost bare-bones establishments for those of the rest of us who know how bad a job is being done in the government classrooms. The latter usually charge only a fraction of

that \$18,000 a year, but are not numerous; the best known are church-affiliated schools that provide good value.

Thanks to the internet, real education will in future (and it's already beginning) be offered for 10% of the cost of the government monopoly, or even less. Interactive classes will be used from the home, with live-chat experts being available online for consultation as needed and with parents participating (and probably learning rather a lot!) with young children. The main impediment to this highly desirable development is that government-school fees are still being collected by force anyway; there is little money left over for even that very modest fee. When that force is removed, however, when the zero-government society starts, the market will explode and real education, begin.

I'll take one other example for "X" and show how the free market would provide it, in a zero-government society; money, because Aaron Russo's AF2F gives a lot of space to how government runs it with the Federal Reserve Bank.

**Money** is a medium of exchange to make it easy to trade without being obliged to barter. To do that job it must hold its value over time, so that we can sell something today (our labor, perhaps) but not have to spend it until next month, if that happens to be convenient. Also it's good to save a little (that's the essence of true capitalism and the only source of economic growth) so that saved money must hold its value over several years, or else saving is futile. Therefore money must have an inherent value.

Those requirements have, over history, been best met by precious metals, notably gold and, for small change, silver. Therefore I believe that a free market will choose gold.

Since paper meets none of those requirements, we can be quite sure that paper money will not be chosen, except in the form of certificates to other forms of wealth such as gold held in safe storage. Therefore, when government disappears it will certainly take its money with it; paper, “fiat” money (the kind conjured into existence by the magic described on page 17) will become worthless.

The supply and form of money will be just what the market desires, neither more nor less. Anyone who wants to turn gold nuggets or dust or melted jewelry into coins will be free to do so, and nobody will be compelled to accept them in payment. The most acceptable ones will be stamped with the name of a well-respected minter, and will show its exact weight; weights (ounces, or by my own preference, grams) being the *units* of the currency. Thus, an automobile might be priced at 20 gold ounces, or at 600 gold grams. No doubt electronic gold would be freely available, so that with a plastic card purchases could be made at the supermarket, for example to an accuracy of 0.0001 gold grams (today about one-third of a cent.)

It's predictable that the total supply of money (gold) in circulation will be rather stable, with a little extra being mined and minted each year. If that rate happens to equal the rate at which work is becoming more productive (as it naturally will) then prices will tend to be very stable. For sure, continued high inflation rates will be history.

Banks will revert to being the safe-storage warehouses they were originally, and if any chose to lend out any of the money it was storing, depositors would expect to be paid a good rate of interest rather than to pay storage fees;

for there would be a risk factor at work. This would tend, I think, to make credit relatively difficult to get, with the result that the price of assets such as houses now typically bought on credit will be considerably lower.

Let me wrap up this chapter by pointing out how the zero-government society here visualized is the exact opposite of the fascist one which Aaron Russo so rightly deplored, and whose attributes are listed on page 12.

Instead of **authoritarian rule**, members of a truly free society would each *rule himself*, as every human being is properly entitled to do.

Instead of being **subservient to the State**, individuals would be *sovereign* in themselves.

Instead of **dissent being forbidden**, each person would be free to *say anything* for which he will take responsibility.

Instead of a **strong military** serving the State, each person would *defend himself* as he sees fit, possibly by hiring a protection service under contract.

Instead of blind **belief in Nationalism**, each individual would believe only in his *own values and ideals*.

Instead of a **business/government alliance**, all businesses would offer goods in a *competitive, free market*

Thus, a free society would be an anti-fascist society, the diametric opposite of one in each particular respect. As I see it, that is the only proper, acceptable, logical objective. It requires, of course, that each individual member accepts

that he is responsible for his own life; that nobody owes him a living and that he owes nobody else anything at all that he has not promised in a voluntary, explicit contract. It requires also that each person accepts that everyone else has the same right as he does to own and operate his own life by his own values – even though those values may differ sharply from his own. Freedom, it's been well said, is the only thing you can't have without letting everyone else have it too.

Those things said and meant, our only remaining question is: how can a zero-government society be obtained?

### 3: *Freedom*

The task of turning a nation of over 300 million people addicted to fascism into becoming free, sovereign individuals is huge, and before showing how readily it can be done, we need to sense how huge. How big is the job?

By my estimate around 18 million people work for government directly, in all of its three levels – Federal, State and local. Then there are about another 22 million working for government contractors, in such a way that most of their working time could be attributed to filling government contracts; most of those firms have business with other customers also, so it's a mixed picture. But if those are about right, 40 million Americans are working for the organization that we need to demolish; around one worker in every three. That's no walk in the park.

For one thing, assuming it could be done (and it can) how would those 40 million people earn their living? Must we who want to liberate America from fascism get busy to “provide” 40 million new jobs in the “private sector”? - which would then, of course, be the *only* sector.

For another: those 40 million will not stand idly by, but will vigorously protest the plans to change their working lives, for presumably they derive satisfaction at present.

And most particularly, everyone else will not stand idly by as their government welfare checks and other goodies are canceled, leaving them to take responsibility for their own lives. If government were abolished today by the waving

of a magic wand, the howl that would arise would shake the very heavens, and by tomorrow at 9 am there would be a line of slimy politicians ready and eager to answer it by reinstating what had been taken away.

Ugly and fascist though it is, government in America has dug itself in very thoroughly; people may not like it, but people would squeal like stuck pigs if it were removed. This is the paradox we will have to overcome.

Then we have to face the fact that among those 40 million government people there are a few who fully understand what they are doing and who intend to continue doing it and passionately believe in it; these are the top leaders, the government junkies, the fanatical fascists. They may not number more than one in a thousand – but even that is 40,000 fanatics with an army of well-armed thugs at their disposal and as soon as they sense that their empire is in danger of dissolution they will apply those resources to prevent it happening. Recall the last time well-entrenched fascists were defeated; it costs hundreds of thousands of lives to drive them into their Berlin bunker and even then the top few (Hitler, Göbells, Himmler, Göring) killed themselves rather than submit to their enemy. These few are hard-core and ruthless and are not open to reason.

So in a nutshell: we are planning to release prisoners who will resist liberation, while their captors do all in their considerable power to stop us!

These very sobering facts tell us that some potentially promising methods will simply not work. The one that comes at once to mind is that of taking **political action** to get control of government and then abolish it; clearly we

should now see that as completely non-feasible. Not only has the ruling R/D duopoly sewn up the electoral process very tightly so as to prevent any radical but underfunded alternative party gaining traction, even if somehow a freedom party were to win a majority and take that action, as we noted above there would be such a howl of protest the next day, from the 49% who resist the reform, that it would collapse in ruins. This is simply not an option.

Included in “political action” would be the kind of protest marches and civil disobedience recommended at the end of AF2F, and unfortunately I must disagree there with Aaron Russo. Civil disobedience will be a most valuable activity when the number of freedom-seekers is large and the ability of government to suppress it has been hobbled, as it will be a few years hence under a better strategy, but now when the reverse applies it can lead only to noble martyrdom. In addition, even if “successful” it would lead only to a smaller government, not to a zero government. It says only “make these reforms, and we’ll be happy.”

Another potential method has surfaced since the fiasco of 2008, when the economy turned South; its advocates say that as the depression deepens (as it may) chaos will spread and a few bright, freedom-seeking, influential business leaders will **somehow take over** failing functions previously performed by government, and lead society towards a free market without many understanding or needing to understand what is happening. This seems to me highly improbable, very messy, and in any case not to be a liberation plan at all; merely a hope that somehow if the pot is stirred with sufficient vigor, something tasty will be cooked up. I think we need a far more rational plan.



Here then are its objectives:

1. Government employees must *want to quit* their jobs; not to be fired or caused to lose their pay, but actually to choose no longer to perform evil work
2. Government dependents must come to *wish to be self-reliant*, so as not to protest cancellation of their handouts
3. Government leaders (that top 40,000 or so) must be rendered *incapable of interfering*
4. Everyone in society old enough to understand must *appreciate and desire* to live in a free market, forcing nobody to serve them but interacting with others in only voluntary ways.

Those are the requirements, if fascism is to be removed from this society. They are very far from trivial.

Requirement #3 above dictates that whatever plan is formed, there must be **no leaders**. That means there must be no “central office” or school or broadcast studio or publisher or web site, for when a whiff of its existence comes to the noses of the 40,000 fanatics any such central leadership will certainly be taken out; any organization of that kind or structure will be decapitated.

The other three requirements tell us that the task clearly has the form of **education**. This society of 300 million (or, say, a quarter billion people old enough to understand) has to be re-educated; taught the kind of things that appear in this book, and then some. Once a person grasps what is

meant by freedom and what government really does, he will not wish to work for it, he will yearn to control his own destiny and rely on nobody, and will wish to force nobody to act against their own will.

So we can see that the task is to teach freedom to a quarter billion people, without alerting their slave-masters to what is going on, and complete the job quickly so as not to lose momentum. I suggest that “quickly” means about one generation, or a quarter of a century.

That then is the task, neither more nor less. Any ideas?

### **How It Can be Done: The Power of One**

I can see only one way, and am pretty sure no others exist, but if you can think of an alternative please let me know.

Disseminating ideas on such a massive scale cannot be done with some central facility, online for example, because of the expected hostility of government censors; they would simply order closure of the web site. Nor can it be done with a physical facility or chain of facilities for the same reason – and for the added one of enormous cost, to compete with the government propaganda machine known as “public schools” funded with hundreds of billions of stolen dollars every year.

But they can be spread *one to one*.

You, for example, dear Reader, could teach them (with a little assistance, perhaps) to a friend of yours. Correct? First become familiar with them if any gaps exist in your understanding of the principles of a free society, then take

them to a person who respects you, and introduce them to him too. Take your time, let it sink in. Feasible?

Suppose that “little assistance” took the form of a series of interactive lessons held on a CD, ready to plug in to any computer, and suppose your only rôle was to give your friend the CD, get a promise to use it, and stand ready to help with answers to any questions. Feasible, then?

Of course it's feasible. It would take very little time or effort. Now, could you do that once every year?

Everyone knows about 200 people, and at any one time most of them will decline such an invitation – they will not be interested. However at any one time a few of them *will* be interested, and so one will accept your invitation to take part, coming as it does from a friend. So that target of one per year is by no means too many, right?

Do it for 25 years, that's 25 friends you'll have helped get the needed education so that, once graduated, each will want to take part in a free, voluntary society and no longer want to participate in fascism, if they happen to be holding a government job. And they will of course be glad to do as you have just done, and bring one of *their* friends each year to the same interactive course they just took.

Note the effect, to compare with the four requirements above: if working for government your friend will *quit his job* because he wants to quit. He will want to get ready to trade (to sell his labor or his products) only on a *voluntary* basis, and not to depend on handouts from stolen money. Additionally, this radical change in his outlook will have come about with nobody knowing except you and him; no

government snoop will be any the wiser and so will have no way of interfering. So, all four of those essential objectives will have been met.

The rest is math. Even though no one participant need find and help more than one friend per year, that doubles the number of graduates each year, so causing rapid growth:

Period (year)	0	1	2	3	4	5	6	7	8	9	10
Number	1	2	4	8	16	32	64	128	256	512	1024

That annual doubling multiplies the number of graduates by over 1,000 every ten years! - so in twenty years your contribution will have served over one million. In 25 years the multiplier is 2 to the 25<sup>th</sup> power or 33.5 million; given seven other people like you and the job is done. The whole population will be ready for freedom and will have quit any government job held. Since government consists only of people working for it, our task will have been finished.

Best of all, that “little assistance” in the form of a freedom school on CD already exists; so as soon as you decide you are ready to take part, you're ready to roll. In fact, there are already many hundreds taking part so the job will be completed in less than 25 years; my expectation is that government will evaporate in 2027 and I've given the name “E-Day” to the day when the last government employee walks off the job and so ushers in freedom.

The referenced CD can be downloaded free at [tolfa.us](http://tolfa.us) or if that site has disappeared, ask around or contact me.

## What Freedom Will Be Like

After government evaporates on E-Day, and when the celebrations are over, Americans will get to work and will succeed to a degree never before contemplated. History will enter a new phase. Instead of suffering the removal of a majority of the “agricultural surplus”<sup>9</sup> we produce, to be frittered away by the parasite class, that surplus will all be invested as each of us sees fit to save, ready to generate new wealth as that capital is put to use. Over a very few years, the standard of life achieved will have risen to an almost unimaginable degree.

Just prior to and just following E-Day, there will be a vast amount of job-changing. Above were mentioned forty million government employees who will need to find a productive occupation, and that's unprecedented.

It's interesting to predict in broad terms how the changes will take place. It's not quite as scary as it may seem.

First, the whole government-school population will start to be educated, many of them at home by a parent. If we estimate there are 45 million, representing 22 million homes, that's 22 million pairs of parents who will decide with them what form that education will take. It may well be that 10 million of them will choose home schooling, perhaps more, and the parent doing that work will usually vacate his or her regular job. If so, that's 10 million new “jobs” that will open up, during the same period that 40 million come to need one. Granted, home-teaching will

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9 The “agricultural surplus” is the difference between the value of what producers produce, and what they need to live on.

not pay “wages” - but the rewards (to the teacher!) will be far, far greater than those of a mere pay check; while the benefit of a whole new generation of properly educated children will be so huge as probably to defy calculation.

Then there will be need to staff the companies that will form to carry out functions previously done by government, for which a market demand is found. These would include road maintenance, teaching those children in for-fee schools whose parents do *not* home-school them, running a form of air-traffic control, maintaining databases of real-estate ownership, administering a system of justice (true justice, for the first time ever!) and running the new charities that will form rapidly, to take on the work of caring for those unable to care for themselves, once government “entitlement” programs disappear. That is one of the very nice things about wealthy societies; as more money comes in to the hands of individuals, almost always they become more generous and look for ways to give some of it away.

One of the boom industries that will for several years absorb a lot of folk in need of work will be that of cleanup. The mess left by government will be appalling. While its apologists preach kindness to the environment, government is by far the worst polluter on the planet (as visitors to China will know, the stronger the government the worse the pollution) and when it has evaporated all its mess will need disposal so firms that industry will be in strong demand. It will be a very interesting business opportunity, for ways will have to be found to mop up the mess *and* make money; for there will be no taxpayer-funded budgets to spend. Tens of thousands of nuclear warheads will need safe disposal, for example, as will

acres of storage dumps of poison gas; then there will be huge numbers of government buildings to be adapted for productive use.

One question often asked is, how would this newly free society **defend itself**, against outside attack? - is “defense” a function the market will have somehow to provide?

If a demand is there (enough people want it and offer money to pay for it) then, certainly, providers will arise. They would operate *under contract*, providing just those services paying customers specify, in sharp contrast to the military force now at government's disposal, and no one company would hold a monopoly. However, I rather doubt that such a demand will develop.

In a smaller country, surrounded by powerful neighbors, it might possibly arise, for the danger of invasion would be real and the motive, clear; those neighboring governments would want to crush the nearby freedom movement lest it spread to their “own” populations. Even then, however, I doubt whether a traditional, collectivized force would provide the most effective defense – for such an army would in that case too easily be overcome by larger ones.

Instead and even in that circumstance, an effective defense would take the form of a “porcupine”; that is, everyone would be well-armed and determined, ready to resist invasion and occupation. While I don't for a moment condone the fact that it does so under the direction of a central government, the case of Switzerland illustrates this well; its citizens all have firearms in the home and take military training every year. The message is clear: mess with us, and your occupiers will know no respite. Every

day and every night, they will be harassed and shot and subjected to IEDs wherever they go. In fact, while the resisters in Iraq had nothing in common with seekers of liberty from government, that's exactly the technique used there against US government occupiers, and it caused their departure. Surrounded on all sides by bellicose neighbors, the Swiss have been left in peace for centuries; the cost/reward ratio for any invader is too high.

So in my opinion there will be no demand in the newly free America (which is neither small nor surrounded) for any collectivized defense forces. Instead, everyone will choose to have weapons in the home, for use in the case of any kind of hostility, whether from the soldiers of some invading government (Canada? Mexico??) or from some ordinary burglar, to the small extent that any such remain.

When we consider what governments at each level do, there's not much else that might be in demand in a free society. The great bulk of their activities is to regulate and hinder everyone else, and there will be no market demand for that at all! Otherwise they spend their time shuffling money around from those who earned it to those with political clout, and that too will attract no buyers. So most of those 40 million employees who quit their jobs will be engaged not so much in activities that replace functions formerly done by government, as above, but in new occupations altogether. And that is the best news all.

At first, one might view the bulk of those 40 million as a burden, or "mouths to be fed" - but that's a big mistake. On the contrary, they are *newly released resources*, who will fast become productive (since they like eating.) Compare the situation soon after E-Day with the 19<sup>th</sup>



Century, with its great increase in the living standards of all. That was a time of massive immigration, and those immigrants did not slow down that economic growth, they very much contributed to it! - and so will those freshly-available, re-educated former members of the parasite sector. True, for a couple of years there will be turbulence, analogous to the scramble for chairs when, in the game, the music stops; but when quiet has been restored, those 40 million will produce useful goods and services.

We might take a guess at how much they will help living standards to grow. Some, as we saw, will be absorbed by companies doing work previously done by government; perhaps a fifth of them – for remember, most of those functions will just disappear, lacking market demand, and those companies will operate with at least twice the efficiency of the former government departments. That's because of the well-known “Bureaucratic Rule of Two” - that on average, competitive free enterprise is twice as efficient as government, other things being equal.

So the net effect may be an increase in human resources for productive work of the other four fifths, or 32 million. Since the present productive sector employs about 90 million, that's a resource boost of  $(32/90 = )$  35%. So when the dust has settled, this single event will grow the economy by about thirty five percent!

That won't happen overnight, but it should have taken effect well within ten years. So from this factor alone, we can anticipate a 35% **growth in living standards** in a single decade, which averages 3% a year. That is more than was experienced during the 1990s boom years.

However that factor is not by any means alone.

We may reasonably presume that the economic growth experienced during the decades under government will at the very least, continue; and that was about 2% a year. Add that in, and we can anticipate a 5% annual growth; and that is almost unprecedented in America; though rates of 7% and 9% have been seen recently in China and India after those governments began to liberate business. Still, though, we're by no means done.

The effect of freeing American business from the suffocating layers of regulation that have hindered the production of wealth is beyond my ability to calculate, but it must certainly amount to several additional percentage points on the annual rate of economic growth.

We may therefore safely say that, from E-Day forwards, wealth in America will grow by 5% to 10% a year, and possibly more. That is an astonishing rate, which will *double living standards about every decade*.

Wealth is good, but in the coming free society will it be **distributed fairly?**

Certainly - and for the first time ever, anywhere.

That's because without government to *distort* distribution, wealth will flow exactly where it is earned; no fairer way exists. Remember that all interactions between people will be voluntary; nobody will be forced to do (or not to do) anything contrary to his wishes. So when he makes an agreement (to be available to work 8 hours a day for five days in exchange for 12 gold grams, or whatever) that is

what will happen. He'll work as directed, and will keep all 12 grams. Or if he finds a way to buy and sell as a merchant and makes profits, he will be able to do so only on the basis of voluntary exchanges, meaning that the prices paid are *equally* acceptable to both parties; that is the only way a truly fair price can be determined.

That is of course the normal way a market operates, so we can be sure it will take place, but today its outcomes are less than fair or optimal because government interferes to force one party or the other to accept unwelcome terms. Hence, as we saw in Chapter 1, fascism to a large degree integrates government and business. It also very frequently arranges to favor a small number of companies as monopolists or a cartel, so that rivals ready to offer a lower price are excluded. All this means an unfair sharing of the wealth produced. On E-Day, all that will end.

Wealth is good, fairly-distributed wealth is excellent, but what about the sick? **What health care** will there be?

I foresee very big changes after E-Day (starting before it, in fact) for this industry. As a result of more than a century of fascist interference, it has become distorted almost beyond recognition, and that distortion will vanish with government, its source.

The first distortion happened in the late 1800s, when some State governments forbade the practice of medicine without a license. At once, that raised the cost of health care by excluding practitioners who knew a great deal about the subject, but not enough to get one – or who lacked the resources to buy a course of medical study and so to qualify. This was good news for those with a license

(they could charge higher, cartel prices) and bad news for everyone else.

Restrictions were then piled one atop the other for a hundred years, even to the degree that now, many physicians are tired of the hassle of having to comply, while the cost of obtaining their help is astronomical. The government's FDA takes so long to approve a new drug that far more people die waiting for it than could possibly die for want of exhaustive pre-release testing, while the cost of delivering care is escalated by making it “free.”

That was not a mis-print. When the apparent price of any service is lowered, demand for it increases. Ever since government began to subsidize health care (especially in the 1960s) so that for certain classes of customers it cost less or nothing, demand has risen sharply and so the total cost rose too. Politicians blame everyone in sight, but they themselves are the prime culprits. When they evaporate, sanity will be restored and prices will be charged so as equally to please both provider and customer. I predict that will mean a very large decrease in prices, though they will be paid 100% by the buyer so in some cases the apparent cost will rise.

If it does, that will cool down the demand (we will think twice before visiting the doctor) until the industry reaches a stable equilibrium. Again, perfect fairness will prevail. Insurance may well be available, but almost certainly not to cover routine doctors' visits – for insurance fits risks that are rare and expensive, not predictable and cheap.

Much more could be said about what life will be like in the coming, free society but I'll end with a note about

**taxes and saving.** The two are related, for the more that's ripped off as tax, the less anyone can save and invest.

Government having vanished at every level, there will of course be no taxation; no income tax, no sales tax, no property tax. The total tax burden today is close to 50% of what everyone earns, and it's quite well disguised since a lot of that is never seen; for example when we buy gas we may not remember that state and federal gas taxes make up a large part of the price per gallon. Also when we buy anything at all, the price includes all the supplier's costs, some of which are taxes on his company; corporation tax for example, and the obligations to pay for certain goodies for each employee whether or not either of them so wish. So it's not quite as simple as to say "After E-Day your take-home pay will double" but when all the debits and credits have come out in the wash, that's pretty well what it will be like. If we earn \$1,000 then today we're losing \$500 of it to government - but then, we'll keep the lot.

Out of that extra \$500 we'll have to pay for those of the functions previously performed "free" that we wish to buy – for example, I'd gladly pay the local road owners to let me use them and keep them in good repair, free of snow. I'd also be willing to pay the local trash handler to remove my garbage, and so on. Those things may perhaps absorb \$100 of the \$500 so we will still have \$400 to spend that we didn't have before.

Each person or family will choose how to spend that extra money, but it's predictable that the choice will be some mix of three types:

- extra goodies to make life more enjoyable
- donations to help the disadvantaged
- saving for the future

That last is important for two reasons: (1) there will be no “social security,” so everyone will need to build up capital to finance his retirement; and (2) this saving will drive even more growth. Some of the money will buy bonds (company borrowing that comes with priority repayment) and some, shares (whether directly or in a mutual fund.) One way or another, it will provide capital for industry to spend on growth and the rate of saving, once taxes vanish, is likely to be *much* higher than at present.

That mode of saving and investment sharply contrasts with with the present “social security” system in another way; the money being saved will actually be invested, in useful enterprise. Currently, the 15% being taken from what each person earns (disguised as 7.5% with the fiction that the “employer pays” the other half) prevents most people saving much else – yet it's not invested at all! Check the useful pie chart put out each year by the IRS at the back of its “1040 Instructions”; everything collected for Social Security is spent on Social Security; recipients receive what the payers pay. For many years, the two were equal. Recently that equality began to disappear, with outgo exceeding income; we'll see how that develops.

When the scheme was sold to the public under FDR in the 1930s, solemn promises were given that collected money would go into a “trust fund” to be invested in industry and recipients would be paid only from the *yield* of that fund, so it would serve the double purpose of promoting growth

and protecting retirees. That's exactly what traditional saving does, and will do in our liberated future; but it's not what is done by government, for that original promise was quickly shattered. There is no trust fund, except for a box of government IOUs, promises to tax future victims to pay present pensioners. That has ruined both of those two purposes; there is no capital being invested in industry and there is no assurance of continuing pensions, for they rest fully on the decisions of each current Congress to steal and distribute current funds with political priorities.

Restoration of sanity and honesty to the saving process will add a further reason to expect an unprecedented rate of growth in wealth and living standards, in the context of peace and harmony in tomorrow's free America.

To Freedom!

# *Resources*

We are on the cusp of a brilliant future for the human race, starting in America. Each of us can speed its arrival.

There's **no index** provided for this book, because by using Adobe Reader's "Find" facility, *any* word or phrase can be located easily. I hope you've enjoyed this glimpse of that future, and are ready to help bring it about. Here are some resources that are available.

First, consider recommending this book to your friends – the order page is at [www.TakeLifeBack.com/2fffa](http://www.TakeLifeBack.com/2fffa) Please recall: you have agreed not to copy it without permission.

Then there is my own web site at [www.TakeLifeBack.com](http://www.TakeLifeBack.com) where can be found hundreds of articles I've written over the years, and links to another site briefly summarizing the case for a zero-government society, and to the interactive Freedom School mentioned on page 65, TOLFA – all are available for free use.

It also links to a promo page for some other books I wrote, all relating to the change from fascism to freedom.

Then we are fortunate to have numerous excellent web sites and forums where freedom is discussed. Some of my favorites are shown on the next page:



Strike the Root, at [www.strike-the-root.com](http://www.strike-the-root.com)

The Voluntaryist, at [www.voluntaryist.com](http://www.voluntaryist.com)

Center for a Stateless Society, at [www.c4ss.org](http://www.c4ss.org)

Lysander Spooner's writings at [www.lysanderspooner.org](http://www.lysanderspooner.org)

Molinari Institute, at [www.praxeology.net/molinari.htm](http://www.praxeology.net/molinari.htm)

Mises Institute (outstanding books) at [www.mises.org](http://www.mises.org)

Foundation for Economic Education, at [www.fee.org](http://www.fee.org)

The Lew Rockwell forum, at [www.lewrockwell.com](http://www.lewrockwell.com)

# Appendix

There are some references in the text to court cases, and here are listed their full names for reference on the Net. Any search engine will reveal them; [www.findlaw.com](http://www.findlaw.com) is one resource that usually displays complete Opinions.

*Brushaber*     *Brushaber v Union Pacific Railroad,*  
240 U.S. 1 (1916)

*Eisner*         *Eisner v. Macomber,*  
252 U.S. 189 (1920)

*Marbury*       *Marbury v. Madison,*  
5 U.S. 137 (1803)

*Merchants'*   *Merchants' Loan & Trust Co. v.*  
*Smietanka* 255 U.S. 509 (1921)

*Pollock*        *Pollock v. Farmers' Loan & Trust*  
*Company,* 157 U.S. 429 (1895)

*Stanton*       *Stanton v. Baltic Mining Co.,*  
240 U.S. 103 (1916)

*Sullivan*       *US v Sullivan,* 274 U.S. 259 (1927)