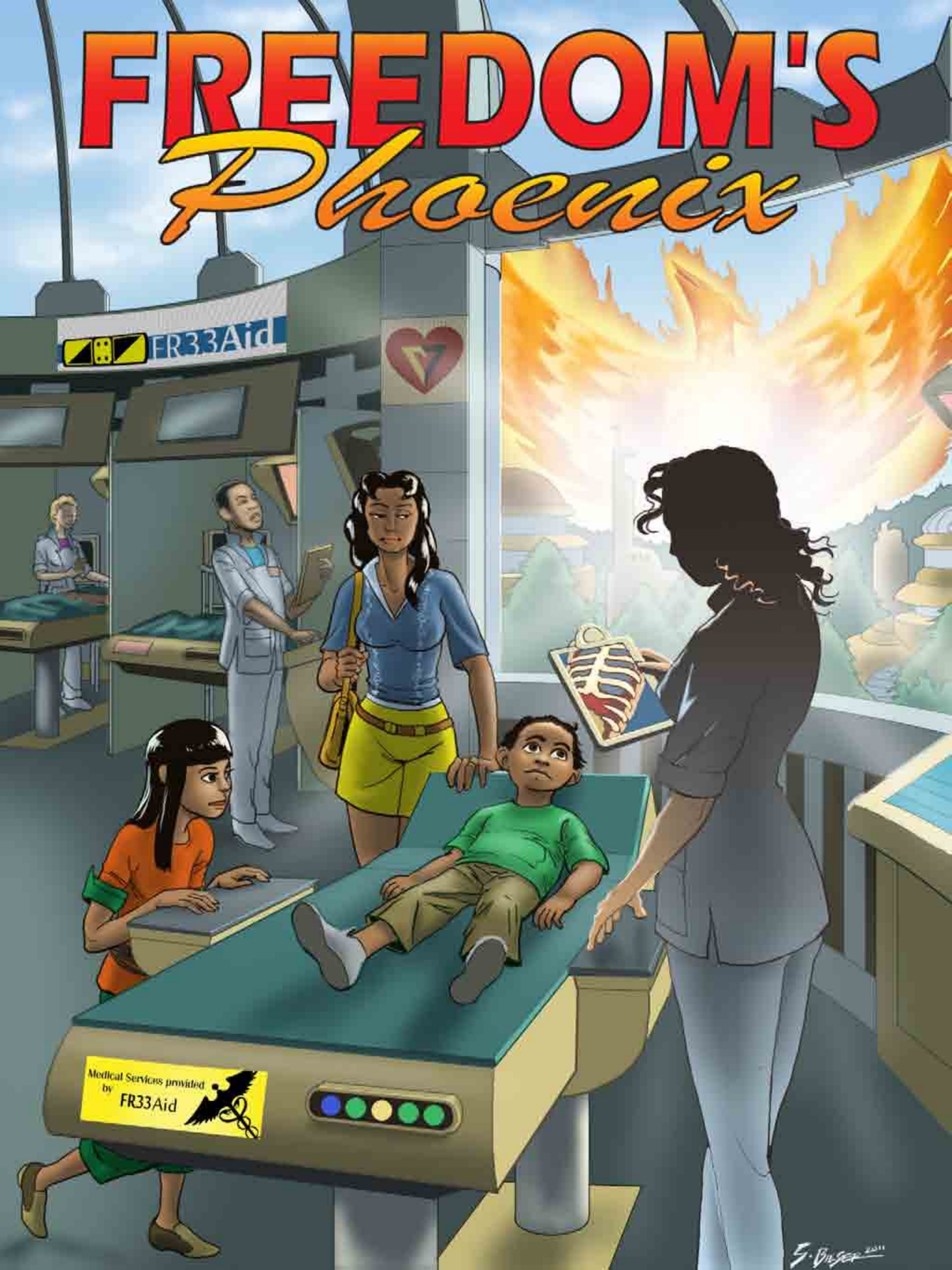


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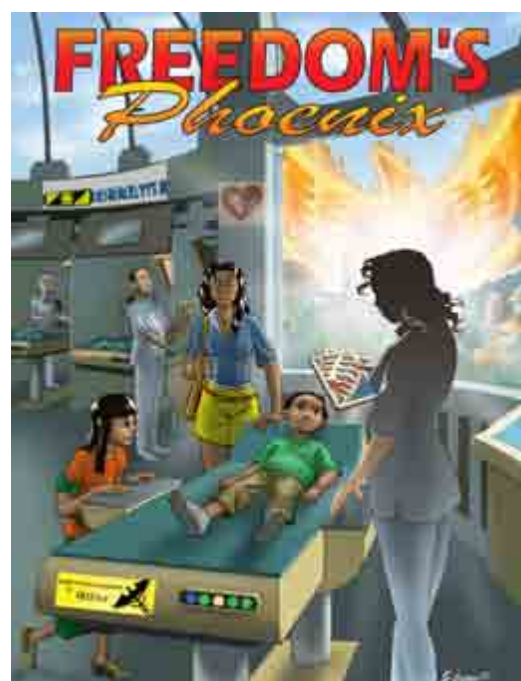
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Freedom's Phoenix Digital Magazine Viewing Tips

By Nick Barnett

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Compassion is in Our Future

By Stephanie Murphy

Fr33 Aid

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work in the healthcare field.

Different solutions are proposed, depending on whom one asks. But they typically only differ in superficial ways, because the solutions proposed by those who do not value the ideas of liberty invariably involve more government intervention, regulation, and centralization.

Libertarians and voluntaryists are the only ones calling for a diminishment in government involvement in everything – including medicine.

We argue that the relationship between a patient and a doctor should be a voluntary one, free from third party involvement which distorts the price of goods and services and creates incentives for doctors to spend less time with each patient.

We maintain that government-granted monopoly privilege plays a hugely destructive role in the medical industry. IP stifles innovation and increases the cost to patients of everything that is able to be patented (which, in the world of medical devices and drugs, is literally everything) by giving the patent holders a government sanctioned monopoly on what they are selling.

Then there's the FDA, which increases barriers to entry that prevent innovative people from bringing potentially life saving technologies to market without paying billions of dollars in filing fees and waiting years (while, in some cases, sick people suffer or die).

In recent years, we've watched a contingent of doctors retire from medicine altogether, while some others opt to move toward cash-only practices which opt out of accepting payments from insurance companies and governments. Unfortunately they are not able to decline to participate in the innumerable government regulations and rules which apply to their work.



Underlying all of this is the fact that no one may choose to opt out of government's impositions. We are all forced to abide by the FDA's rules,

the patent system, the licensing system for doctors, and to pay for others' care through government programs like Medicare, Medicaid, the Children's Health Insurance Program and various state-level programs, regardless of whether we would like to participate in their funding.

I strongly believe that people should help one another (more about that in a moment). But when money is taken from people by force, it is not the same as charity which is done of one's own accord.

I suspect that it's an extremely common experience of people reading this article to have been talking with a friend or colleague about pro-freedom perspectives on medicine and healthcare, and have been faced with the question of "but who would take care of those in need if not for the government?" It's an important and relevant question. It's also a question that I think we can answer in a convincing and compelling manner – not just with our words, but also with our deeds.

The answer lies in mutual aid. But what is mutual aid? It's a way for people to help each other on a voluntary basis, a powerful tool for educating others about the ideas of liberty, and, in my opinion, one of the best ways to achieve true liberty in our lifetimes.

Mutual aid is about people getting together to help one another out. There are many examples of mutual aid organizations that exist today. They include but are not limited to: fraternal organizations like the Lions Club, Elks and Masons, shelters which help people escape domestic violence, credit unions, childcare co-ops, hospitals like the Shriners Children's Hospitals, self help organizations like Alcoholics Anonymous, religious groups, the neighborhood watch, and even families.

The above groups are organized all different ways – from highly structured and "top-down" to very decentralized; from large to small; from exclusive to indiscriminate in their membership. However, none of them rely on force to fund themselves. They must all find creative ways to exist while appealing to the generosity of individuals giving voluntarily.

Historically, mutual aid groups played an even larger role in everyday life, especially for those in society who were the most vulnerable and in need of assistance. However, the state has effectively obscured and eroded many of the mutual aid organizations which historically provided help to those in need. It is difficult to compete with an organization which claims a monopoly on the provision of certain services and has the unlimited ability to fund itself by using force (i.e., government). Yet mutual aid, in many forms, has endured.

Furthermore, there's a solid case to be made for why mutual aid will become even more impor-

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tant in the future. America has a federal government, and a federal debt, which is growing insurmountably. The current level of spending on government social programs like Medicare, Medicaid, and Social Security is nearly universally considered to be unsustainable into the future. At some point, these programs will not be there to provide people who rely on them with services. We don't know exactly when that will be, but why not prepare for it now by helping to form our own social safety nets that are organized through voluntary means?

So here's my appeal to those who love liberty: I think the way that we can best chip away at the state is to create mutual aid organizations that help people, and to be vocal about why these voluntary alternatives show that it's not necessary to have the state using coercion to fund its provision of these services. You can do this no matter what your skills are or where you are based. Give your time if you don't have money; give your money if you don't have time. Then, reap the psychological and tangible rewards. I think that if people were to spend some time thinking about what type of framework really needs to be in place first in order to have a voluntary society, a lot would come to the conclusion that these mutual aid organizations are paramount.

I volunteer with an organization called Fr33 Aid. We provide volunteer first aid and do educational outreach about CPR. For now, we have focused on providing our services at liberty oriented events like



Libertopia festival. With approximately 30 team members, we are hardly equipped to meet the medical needs of 300 million Americans. But we're starting out on a smaller scale by working within the liberty community, and so far it's been a very rewarding and positive experience.

I see lots of exciting things happening in the fu-

ture for Fr33 Aid. I want to meet more medically skilled team members, to expand in order to be able to offer mental health services, disaster relief, havens from domestic violence and homelessness, and dental care. I would like to see Fr33 Aid chapters all around the world. We are an organization in its infancy, but we are growing as awareness of the ideas of freedom grows and the message of liberty reaches more people.

As long as we can educate people about the value of freedom, I am optimistic about the future of medicine. The cost of healthcare would drastically decrease in the absence of regulation, licensing, and patents. Generosity on the part of individuals would increase, because our standard of living would rise in the absence of a government taking a cut of everything that individuals produce. We can make the future a good place where people care for one another with compassion, on a voluntary basis. The future starts now, with the growth of mutual aid networks which will show the state for what it is: obsolete. 🌻

Stephanie Murphy is a pro-freedom activist in New Hampshire and is currently an MD-PhD student. She is a co-organizer, volunteer, and media liaison for Fr33 Aid. Fr33 Aid appreciates your donation or your willingness to volunteer if you enjoyed this article. Find out more about Fr33 Aid at Fr33Aid.com



Left to right: Fr33 Aid co-organizers Garland West, Teresa Warmke, and Stephanie Murphy

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Birthing Choices: Doctor's Intervention or Mother Nature's Intention?

By Catherine Bleish

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FINDING out I was pregnant was one of the greatest surprises of my life. I vividly remember the moment I realized that I could see a plus sign forming on the pregnancy test. My heart pounded loudly in my ears and

neither John nor I could believe it was true. In fact, we bought two more tests just to be sure. Even the digital test agreed, "pregnant".

We weren't ready for this. Our lives were full of instability; a product of our non-stop schedules and workaholic natures. I was barely keeping my head above water financially, a choice I had made when I decided to focus my life on activism instead of continuing to climb the corporate ladder. I knew one day my priorities would change, but I thought I'd have more time to really create the ideal environment to raise a family.

I quickly realized that I knew little to nothing about the process of growing a human being inside of me, let alone birthing or raising one. I thought back to what I had been taught about reproduction growing up and remembered it being surrounded in fear and shame. We are shown disgusting, disfigured genitalia in school as we are taught to avoid sex. Women are pressured by the medical industrial complex their entire young adult lives to poison their bodies with birth control. We're told its immoral to have children if you're not married (an institution that ends 50% of the time in divorce, which is GREAT for children!).



No wonder John and I were nervous, we had been indoctrinated by a society that surrounds the idea of reproduction in fear and shame. It didn't take us long to realize

how backward this was - every parent I spoke to told me what a blessing children are and that honestly, no one is ever ready. After the initial shock subsided we dove into research and began talking to our close friends that were also parents. One of the first pieces of advice I got from a dear friend was to watch the documentary, *The Business of Being Born*, by Ricki Lake.

We found the video on Netflix and settled in for an evening that would change both of our mis-

guided perspectives dramatically. Ricki Lake became a birthing activist after her first birth didn't go the way she had hoped. In the hospital she was pressured into unwanted interventions and felt that birthing could and should be so much more. She began attending conferences, talking to experts and decided to have her second birth at home. She actually shows the home birth video in the documentary and I must admit, it had me in tears.

In this riveting documentary Ricki contrasts several hospital and several home/birthing center births. It was the difference in how the babies reacted upon being first brought into the world that convinced me to further explore "alternative" or "natural" birthing options. The babies born in non-hospital environments seemed much more calm and were instantly put into their mothers arms to nurse and bond while the babies born in hospital environments seemed to scream and cry as they were flipped around, examined, and poked and prodded by medical personnel wearing space suits.



While I expected home births to be more serene and calm than hospital births, I was surprised to find that they are actually more safe as well. Did you know that over one third of the births in the United States take place via Cesarean section? This extremely intense and invasive medical procedure was at one time only used in very serious medical emergencies where the life of the baby or mother were in danger. Today, it appears the dramatic percentage of woman undergoing surgery in order to deliver their babies may be in part due to the high intervention rate during early labor.

According to a 2010 USA Today article, over 44% of the women who attempt vaginal delivery are induced, meaning they have their labor artificially stimulated by a drug such as pitocin. CNN reports that nearly half of those women (undergoing induction) will give birth via Cesarean section. This is striking when compared to the Cesarean rate for women who wait for spontaneous labor, a consistent 6-8%.

With such a high Cesarean rate, one might wonder why these interventions are used so frequently in our society. From my research there seems to be five major trends regarding medically unnecessary (non-emergency) interventions into the birthing process.

One: The woman goes to the hospital entirely too early and the hospital pressures her into some sort of intervention in order to speed up

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the labor which often, but not always, results in a spiral of other interventions. A common example would be the early breaking of the water to "speed up" the rate of labor; however, this puts the mother at risk of infection and the baby at risk of damaging in the birth canal and often results in the next intervention of drug induced induction because the baby cannot survive without amniotic fluid very long.

Two: The woman takes an epidural to ease the pain of contractions and labor slows to a near halt, resulting in artificial induction of labor to counter-act the slowing caused by the pain medicine.

Three: The doctor convinces the woman that there is some medical threat looming in the future that can be prevented by the early induction of labor. One such threat is that baby will be too big for the mother to push out, which is incredibly rare and rather unlikely when you consider the pregnancy hormones that cause the loosening of joints (yes, including your hips) in order to facilitate the process of birth.

Four: Some sort of scheduling issue arises such as the doctor going on vacation (yes this happened to someone very close to John and I) or the doctor pushing the woman to induce so he/she can be the one to deliver the baby. It has been reported that OBGYNs only get paid in full if they deliver the baby themselves.

Five: The baby decides he or she is not ready to enter the world on their pre-determined "due date" (40 weeks gestation) causing the doctor to scare the mother into inducing, which is strange considering stillborn rates decrease at 41 weeks. Most first time moms give birth between 41 and 42 weeks.

Considering how high the intervention rates have become in our country and how often there are interventions performed when they are not necessary, one finds it hardly surprising that the United States has the highest infant mortality rate of any Western civilization.

These are the issues that lead me to explore another way when it came to my own birthing choices. Upon further research I found study after study that show the simple presence of a birthing Doula (experienced non-medical birthing assistant) lowers the rates of epidurals, induction, and other interventions including Cesarean Section. This is likely because they are trained to help calm the mother and build her confidence instead of scaring her and making her feel weak. Doula's also



protect the mother by demanding hospitals stick to their birthing plan and advocating on behalf of the mother during her time of great pain and wild emotion. These rates decreased even further when compared to mothers who birth with an experienced midwife at home or in birthing centers (outside of the usual hospital environment). In fact, most other countries have midwives attending births even when a doctor is needed to deal with a medical emergency.

As we armed ourselves with research, John and

I became increasingly determined to keep our birthing experience away from the hospital environment. We decided to hire the best midwife in Texas with full confidence that she can deal with most minor medical issues (such as cord around neck or breech baby) and the confidence that she has built strong working relationships with doctors at local hospitals who will respect our birthing wishes in the event of a medical emergency. Not only did she open the first birthing center in Texas, but she is also known for her extensive apprenticeship program in which she trains other women to walk in her footsteps. We knew she was our perfect match when we found out she has spent decades as an activist and could not only understand our lifestyle choices, but respect them as well.

In addition to carefully researching *who* would be helping deliver our baby, we also researched the various ways to ensure our baby has a peaceful transition into the world. We finally settled on the idea of a home birth with a birthing tub so baby could enter the world in the most loving and secure environment that we could provide. Daddy will get to catch baby and he won't be forced to wear a space suit in order to participate actively in the labor. As a team, we are prepared to welcome baby without all of the fluorescent lights, medications and loud noises. Both of our mothers will be here to attend the birth with our midwife and her two assistants. We could not be happier with our choice to provide baby with this setup as their entrance to the physical world.



Did I mention the entire prenatal, birth, and post-partum service provided by our midwife is costing us under \$4,000, including the cost for the birthing supplies? If the risks imposed by medical interventions aren't enough to have you consider a non-hospital birth, maybe the cost will. A typical hospital birth now runs around \$20,000!

Currently I am two days "overdue" and patiently awaiting the arrival of the newest addition to our family. I look forward to describing our experience using the midwife from start to finish in a future article, including the results of our planned home birth. Happy birthing!



Catherine's daughter, Aliana Elizabeth, was born at home in Texas on October 3, 2011.



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Health Care Freedom – Are We There Yet?

By Karen Kwiatkowski

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LIKE a long trip we may remember from childhood, Americans are wondering when the federal health care trip we are on will be over. In terms of rules, regulation, and the centralized government and insurance systems, we are definitely not there yet.

Formalized health care in America employs over 14 million people, with another two million employed in the insurance industry, and nearly a million employees of the Federal Department of Health and Human Services. [More than 100 million Americans](#) have their health care subsidized as a tax-funded government entitlement. The cost of tax-funded health insurance for active duty and retired military families has nearly tripled in the last decade, rising to \$49 Billion a year, nearly 10% of the Pentagon budget. The latest government attempt to control Americans and funnel more money into the healthcare and health insurance industries seems to have been written by insurance companies and the American Medical Association, and includes a mandate that all Americans purchase private insurance or else pay additional tax and penalties each year that they do not comply.

HHS proudly proclaims that it processes a billion claims a year, from the 25% of Americans who are on Medicare and Medicaid. Assuming that fraction is 75 million Americans, that's over *13 claims a year* from each one. Of course, this includes thousands of fraudulent claims each year, at [\\$60 billion annually](#), approaching 10% of the overall health care spending in this country. To this fraud, we must not forget the fraudulent but lucrative maneuverings of the pharmaceutical industry, and the [creation and promotion of brand new illnesses](#) to be treated with expensive prescription medication.

Most of us are already aware of the increasingly militarized government–medical–insurance–pharmaceutical complex. It's Uncle Sam, the National Proctologist, and it is frightening. Tax threats and federal propaganda aside, in fact drugs and vaccines are increasingly mandatory, and more and more personal or familial choices in health care are regulated by government. Government attention is focused angrily and aggressively on those choosing foods, drugs, therapies and healing practices that fall outside of government medicine, and hence the government-medical–insurance racket.

The federals demand that we buy and ingest big pharma's subsidized drugs and vaccines without question, but prohibit cancer patients from using privately grown or purchased marijuana in their

own homes. Our dead-broke municipalities are [criticized for ending fluoridation](#), because it is part of a federal government created “market” [for an otherwise dangerous industrial by-product](#). If a person seeks alternative care or treatments, the government criticizes, and the subsidized and protected health insurance industry recoils. And forget about raw milk, raw anything, or ever getting access to free-market food that has never been [inspected by a government apparatchik](#). Even those with religious exemptions to the massive and interwoven rules and regulations are increasingly pressured to conform to the state and its corporate mandates. In 2011, the first and fourth amendments are dead letters. The state is our savior, and we own neither our bodies nor our capital.

This regulated, constrained, government-ordered and government-contaminated system is for us today a modern version of the snake oil salesmen of the nineteenth century frontier. Of course, this is an insult to the original snake oil salesmen, who only convinced their customers to try their wares. Unlike Health and Human Services Secretary Kathleen Sebelius and [former Monsanto lawyer Michael Taylor](#), Food Safety Czar, the traveling salesmen of yore never forced their customers to buy, consume or be injected under threat of jail, committal to mental institutions, confiscation of farms, businesses and property.

What of health freedom, then, in this age of America's second serious experiment with National Socialism? Like other freedoms we exercise, health freedom starts at home, and in the mind and heart of each individual. Most of us understand that maintaining our health is indeed an important part of self-ownership – and most believe our physical body is something that we own. If we are not sure, we might recall to the 13th Amendment, which forbids involuntary servitude unless we are being punished for a crime of which we have been convicted.

It follows that a starting point for health freedom, and good health in general, must be, “No involuntary servitude.” If this indeed is our mental model, we would never submit to ailments that have in many cases been dreamed up by pharmaceutical advertisers, and we would apply common sense to the idea that we should visit doctors in order to suggest some medicine we read or heard about. We should make up our own minds about what might work to solve our real and imagined health problems. We would own our own minds, and involuntarily serve no one – not the pharmaceutical industry, and not Secretary Sibelius and Mr. Taylor. This goes for our children and our families as well – they are not government guinea pigs, and shouldn't be raised to be.

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If we own ourselves, and we do, then we have to own our bodies, and that means doing what so many Americans are already doing -- trying to live healthier lives, avoiding addictions, eating foods that promote health, avoiding unhealthy habits or balancing them with health-restoring habits. In this we find that the government-pharmacological and agricultural axis is sending mixed messages. The USDA wishes to sell subsidized dairy and grain products, so it tells us we should have plenty of these. If we didn't have a USDA to subsidize grains and dairy, to promote food purchase through various food aid programs, and to advise us as to what is "good" to eat, no doubt we'd eat better and be healthier. To suggest that the government advice on what to eat, and its subsidy of food for the poor has made us less healthy may be seen as sacrilege – until you look at the results of the Great Society programs on steroids today. Government subsidized food is fattening, and those who buy into the government recommended consumption models quickly become overweight and unhealthy. If the government printed, promoted it, or pronounced it, we should pretty much run from it.


Clearly, for health freedom, we need to be separate from government in thought and deed – but we should be closely integrated with our families and communities. The understanding that we have of what works and what doesn't in maintaining our health, and also our awareness of environmental and dietary concerns, are statistically important not in a rare headline far away, but as it impacts our own family and community. To be healthy, we ought to listen to our neighbors, and be aware of our environment. The infamous story of ground water contamination portrayed in the movie *Erin Brockovich* was a story that we find again and again. It tells us that our neighbors, our family and our community are the first to know of health hazards – not corporations or government. Localism and localvore movements can be educational, but for real health freedom we must be aware and connected to our neighbors in a far more fundamental way.



There are those who would argue that only government is big enough and kind enough to help us when we have a catastrophic injury, health care crisis, or need expensive care at the end of life. That these conditions are rare, and should be rare, is fundamental. But government involvement – in other words, health care delivered through a forced collective – means it will be one size must fit all, and behaviors that are rewarded (but not necessarily smart, sensible, or healthy) will increase. Government interference in health care means warped and counterproductive incentives, and it means false pricing data for investors, providers, patients, the marketplace and scientific communities. It will inevitably and inherently be unfair. In the end, those who can go above, underneath, or outside the system, will do so, and those left with the government system will suffer and die prematurely. This is the problem that Hayek, Orwell and Solzhenitsyn have all described in



detail. Hayek's closing words in his popular book, *The Road to Serfdom*, offers a better prescription for American health care. He writes, "The guiding principle in any attempt to create a world of free men must be this: a policy of freedom for the individual is the only truly progressive policy."

We are not there yet – but keep in mind we have some rules to live by, and these rules of living will bring health for ourselves, and for millions of others: 1) We, and our children, are not and never will be involuntary servants to the state. This fact legitimizes our actions to buy, promote, and consume the foods and drinks we choose; 2) We own ourselves, and this means practicing in a myriad of ways, good mental and physical health, and avoiding the slavery of both addictions and self-limiting belief systems; 3) We should recognize and remember that we live in families and communities and within a living society, not in the abstract concept of a maternal and patriarchic state, and; 4) We must embrace the only truly progressive principle, which is also a healing principle: Freedom! 

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Libertine Medicine: Gold, Doctors, and Your Privacy

By Dr. Phranq D. Tamburri

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INITIAL Thoughts from a Physician Patriot.

I am a well known physician here in Arizona, selected as a 'Top Doc', that has developed a cash only international practice in the field of prostate cancer. However, before medicine I had studied Austrian Economic Theory and voted for Ron Paul in 1988 amongst many other 'qualifications' shared by many reading this. I was asked to share some insights that could help those of us preparing to survive the Future America and her currency crisis. *The following will outline a fundamental problem for physicians and how Freedom members can capitalize on it.*

Why Choose Medicine?; A Lesson For Us All:

I was raised by my Grandparents who survived World War 2, the polio epidemic, and of course the Great Depression. They were 'mocked' by my parents generation for living within their means, not owning credit cards, and saving money 'under their mattress'. Many of their Generation did this without question. In medicine we could consider this a conditioned response from an economic Post-Traumatic Stress Disorder (PTSD); for the Patriot movement this is called Common Sense. My Grandparents also stated a very powerful axiom that "during the Depression, there were 3 jobs you could do where you would NEVER starve. #1. If you could **fix things** (a plumber, mechanic, etc.), #2. If you could **feed** people (farmer, food store), and #3. If you could **heal** people. Of the 3, medicine became both my profession *and* my 'economic insurance policy'. I of course don't mean this in the stereotypical 'rich doctor' stereotype (that does not really exist anymore) but in the sense that I could diagnose and treat myself and family with both natural and prescription medicines. Most importantly, I could always trade my services or have a trade that can be transported to any country. I realize that most readers are not in health care; however, the foundation of my Grandparents advice will still guide most Americans searching for a more stable profession.

Physicians Are Government Workers:

Although considered a cliché, physicians are in general the most ignorant of all professions with regard to business and how money works. You must realize that despite all their intelligence they have no 'real world' experience; they are most likely analogous to a Government worker. This is because the average physician has *never* worked in the private sector. He/she typically attended all government public schools as an undergraduate, went straight to medical school on federal loans, then directly into a residency that is subsidized by Medicare dollars, and then immediately to work as a physician (to pay off the enormous loans) where he will most likely be hired in a corporate hospital or practice that accepts government insurance and payments like Medicare.

Decline For Specialists = Spotlight For Your Family Doctor:

By accepting ANY government money, the doctor is now obligated to operate his entire practice under federal restrictions and payments, even if the occasional patient pays with straight cash. This is especially important for specialists that revolve their entire, very expensive, practice on these funds. So when the eventual currency crisis hits and federal funding dries up with spectacular inflation, these practices will be hit

hard. The GP or general practitioner (family doctor), who is often not respected compared to specialists, will become very popular. This is because it will be easier to switch away from an insurance / government regulated practice to a cash based one. The specialist at this point will have an even harder problem however... he is too specialized! Patients will expect for their limited money a doctor to treat multiple conditions and not refer out for every different ailment. Specialists truly do forget how to treat the whole patient and will further drive demand for good GPs.


What Does This Mean For The Freedom Member?:

It means it will be easier for networks of physicians to begin accepting gold and silver for payment. Also, with the free market in action (people paying with real money) only the best doctors will evolve to this position that means better care for you. In addition, GPs are often solo practices rather than expensive group practices where one doctor cannot accept gold / silver without all agreeing. It means that the 'real money' physician, freed of government and insurance shackles can spend much more time with you for better care. Matter of fact my office often makes more money per hour than an insurance physician while being able to spend *up to an hour* with a patient and not without any abnormal patient cost. And finally it means that the doctor does *not* have to follow HIPPA guidelines. This point cannot be stressed enough.

Gold / Silver Physicians Are Immune To HIPPA Privacy Infringements:

HIPPA are 'privacy' standards that every doctor must follow if he accepts any government moneys or contracts with insurance companies. If the doctor does not then you are not under the restrictions. Of course 'every' doctor has been roped into these payments options so people believe it is 'universal'. Although in theory HIPPA is to 'protect your medical privacy', they do the opposite. HIPPA mandates that *all medical records must be now in electronic form*. What compounds this problem however is The Patriot Act. It was quietly extended and enhanced under the USA Patriot Improvement and Reauthorization Act of 2005. In this, to of course stop terrorists, *all medical records that are electronic fall under the scope of the law and can be accessed*. So, therefore, only a real money physician can see you as a patient and keep those records tangible, not electronic, and thus not able to be government monitored.



The Currency Crisis, as all Freedom members understand, will dramatically shift the economic landscape of America. Your medical care is no exception. I hope to keep you updated on our health care 'revolution' as it unfolds. 

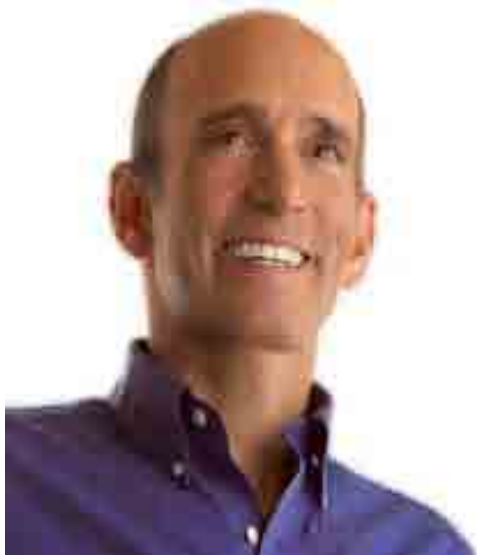
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Will the Down Economy Herald the Use of Natural Medicine?

By Dr. Mercola

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are sometimes having to wait.

The drug giant Pfizer, which makes Lipitor, the world's top-selling prescription medicine, said U.S. sales of that drug were down 13 percent in the third quarter of this year. And although the overall decline in total prescriptions was less than 1 percent, it represents the first downturn after more than a decade of steady increases in prescriptions. From 1997 to 2007, the number of prescriptions filled increased 72 percent.

In some cases, the cutbacks might not hurt. According to Gerard F. Anderson, a health policy expert at Johns Hopkins Bloomberg School of Public Health, "A lot of people think there's probably over-prescribing in the United States."

Dr. Mercola's Comments:

The American health care system is more than twice as expensive as the health care system of any other industrial country, yet premature deaths caused by its inappropriate, and over-priced, interventions are increasing at an exponential rate.

Despite the fact that Americans pay \$7,600 a year per person for healthcare -- 16 percent of the GDP -- it produces remarkably poor results. We actually rank LAST out of 19 countries for unnecessary deaths, despite the vastly **increased use** of a wide variety of "wonder drugs" and vaccines.

How can this be?

Because Americans have been successfully brainwashed into believing the fairytale that prescription drugs can prevent and cure disease.

But as I reported earlier this week, [fatalities now account for 23 percent of all reported adverse effects of prescription drugs!](#) And overall reports of **side effects increased a whopping 38 percent in the first quarter of this year**, compared to the previous four quarters.

There is no doubt in my mind that a vast majority of the population is severely overmedicated with expensive and nearly always unnecessary drugs, considering the multitude of natural therapeutic options.



The only way to turn this devastating situation around is to remind the public of the basic truths that nearly all their ancestors knew:

Health has nothing to do with pills, and everything to do with sensible lifestyles that include a healthy diet, stress relief, and exercise.

What's Missing in Talks About Health Care Reform?

What's missing in all of the debates about health care reform for the United States is a holistic approach.

The reason the U.S. ranks so poorly is because our system focuses on disease mongering and sickness care, whereas the health care systems in most other countries rely heavier on prevention. As a result, the people in those countries live longer, healthier lives.

Whether or not to provide universal health care or health insurance to every American is not the question that needs to be answered. What we need to ask is how to give Americans more time to relax, exercise, cook healthy meals, and get enough sleep and healthy doses of sunshine.

Rather than subsidizing agribusiness that produces mostly junk food and permitting direct-to-consumer drug advertising, it would be far wiser to focus on providing Americans access to healthy foods, and opportunity to exercise and rest.

Escalating Drug Sales Have Plunged Americans' Health Into State of Sickness and Premature Death

Just 50 years ago, according to [IMS Health](#) (a company that tracks the pharmaceutical industry), the two biggest sellers were over-the-counter drugs Bufferin and Geritol. At that time the prescription drug business was microscopic.

In 1954, Johnson & Johnson had \$204 million in revenue. By 2004 it had grown to about \$36 billion. Merck's drug sales in 1954 were a minuscule \$1.5 million; by 2002, that figure was \$52 billion.

The *New York Times* states,

"If enough people try to save money by forgoing drugs, controllable conditions could escalate into major medical problems. That could eventually raise the nation's total health care bill and lower the nation's standard of living."

I disagree, and if you don't, I suspect you haven't viewed the [Town of Allopath Video](#).

If enough people realize that they *don't need* many of the drugs they're on, that would eventually lower the nation's health care bill and increase the nation's standard of living.

Last year, 3.8 billion prescriptions were filled. That's a 72 percent increase in prescriptions in just ten years, from 1997 to 2007.

In that same period, the average number of prescriptions filled by each person in the U.S. increased from about 9 a year in 1997, to almost 11 in 2006, and 13 in 2007!

[The average annual prescription rate](#) for seniors is 28 prescriptions per person.

Please understand that there is no possible way

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to preserve or improve your health by taking a dozen or more prescription drugs. That is a misconception; a fairytale complete with a story-book happy ending, concocted by shrewd marketing professionals acting in the best interest of the industry that signs their paychecks.

It's a myth that simply must be dispelled.

Curing Disease Means Finding Health

If you make drugs a last option, not a first choice, you will have taken a major step in the right direction.

For example, if you suffer from any of the conditions listed below, please understand that you can treat or prevent all of them with relatively simple, inexpensive LIFESTYLE CHANGES.

Most people who are prescribed drugs for these conditions are spending their dwindling cash reserves on drugs they don't really need to be well:

- Type 2 [diabetes](#)
- [Heart disease](#)
- [High blood pressure](#)
- [High cholesterol](#)
- [Insomnia](#)
- [Arthritis](#)
- [Cognitive decline](#)
- [Depression](#)
- [Osteoporosis](#)

I realize that it takes a massive shift in thinking to realize that your body can heal itself, and that often drugs only *hinder* the process. But I can't stress enough the importance of the most basic principle of HOW to resolve an illness: finding the underlying cause of the problem. Masking it with a drug that lessens your symptoms does not fix anything.

Taking Control of Your Health

More government involvement doesn't hold the

answer to the health care crisis. What is needed is more personal involvement -- your personal involvement -- in the form of a commitment to your own health.


If you carefully follow some [basic health principles](#) -- simple things like exercising, eating whole foods, sleeping enough, getting sun exposure, reducing stress in your life, and nurturing personal relationships -- you will drastically reduce your need for conventional medical care.

You could also carefully analyze newer health insurance options such as HRAs and HSAs if you live in the United States. The basic concept here is to provide protection against medical catastrophes, but to have a high deductible to lower your costs. If you stay healthy, the premium savings would more than pay for the higher deductible -- IF you ever need it.

And that is really the bottom line.

As drug sales are now dwindling due to a depressed economy, you and your children are likely to be bombarded with increasingly aggressive pharmaceutical [direct-to-consumer advertising](#), and lobbying for more [forced drug-ging](#) and [mandatory vaccinations](#).

Don't fall for the scare tactics and disease mongering! And don't believe the fairy tale that taking a pill with a laundry list of side effects will somehow make you feel as glowing and wonderful as the well-paid actors in the commercial.

The more you [take responsibility for your own health](#) -- in the form of nurturing your body to prevent disease -- the less you need to rely on the "disease care" that passes for health care in the United States in the first place. 

Dr. Mercola is the founder of the world's most visited natural health web site, [Mercola.com](#). You can learn the hazardous side effects of OTC Remedies by getting a FREE copy of his latest special report [The Dangers of Over the Counter Remedies](#) by going to his [Report Page](#).



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Fight the Narrative: Breaking the Matrix of Government Supremacism

By Bill Buppert

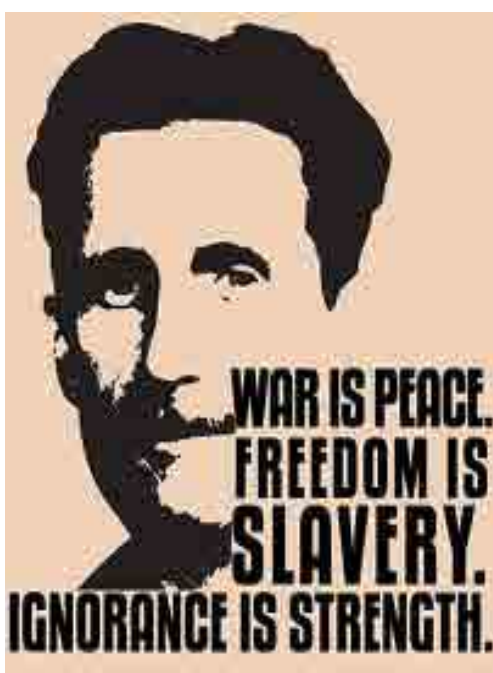
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“ALL political thinking for years past has been vitiated in the same way. People can foresee the future only when it coincides with their own wishes, and the most grossly obvious facts can be ignored when they are unwelcome.”
- George Orwell

We all experience the world through the shared stories and anecdotes that illuminate who we are and where we come from. Our educations, both formal and informal, drive the worldviews we develop over time. These are influenced universally by the transmission mediums we listen to or read about. Whether we are reading books (an increasingly uncommon practice), watching television, interacting on the internet or engaging in conversation with friends and family, all of these activities consistently and irrevocably develop and refine the way we view the world around us. First and foremost, our language and employment thereof has the most significant impact on us. I do not want to bother with the noxious collectivist apologias familiar to the deconstructionists like Chomsky and Foucault who profess that literary texts and contemporary conversation are freighted with the various Politically Correct bugbears like race, class and gender which to me is a neat but erroneous substitute for thinking things through. But they do make an important point: our language, in this case, English, informs and prejudices cogitation in an unconscious fashion that can short-circuit clear and conscious thinking.

For example, prior to 1860, the use of the [phrase](#) “the United States are” was far more common than the post-1865 notion of the “the United States is”. Mark Twain “observed that the Civil War was fought over whether ‘United States’ was singular or plural”. Some attribute this to Basil Lanneau Gildersleeve, Professor of Greek at Johns Hopkins University, who wrote in 1909 that “if I chose (sic), I might enlarge on the historical importance of grammar in general and Greek grammar in particular. It was a point of grammatical concord that was at the bottom of the Civil War – “United States are,” said one, “United States is,” said another.”



The genesis of a bloody and, in the end, inglorious conflict may have been a dispute over grammatical construction which informed the consciousness of millions.

The larger point is that a lack of specificity, introspection and careful use of language after a consistent regimen of critical thinking can turn entire peoples into Helot populations subject to the vicissitudes and grasping of their rulers.

We are surrounded day after day by friends, family and neighbors who have become wholly-owned subsidiaries of the State through the brilliant manipulation of the government media-

education complex and its tentacles grasping at the articulation and meanings of words in our culture.

Here are a few examples:

- “If we get the right man in office...”
- “But if the cops go on strike, who will protect us?”
- “If the government does not build roads, who will?” (My answer is always simple: people will)
- “Guns are dangerous...”
- “The government ought to do something...”

These are all crimes against the moral imagination because, in the end, what folks are actually saying is what level of violence must I employ against others against their will to force the surrender of their time and resources for my benefit? There are no other explanations. Yet that is the foundational concept behind the lion’s share of the narrative framework in America. Narratives and meta-narratives are the stories and legends that inform why people (and nation-states) do what they do. These are the historical motifs like anyone can be president in the United States or one can become a millionaire if you simply work hard enough in America. During the last three terms of George Bush II (2001- Present), the former is unassailably true. The latter not so much after taxes are accounted for. Most of these narratives are works of fiction founded in a nugget of truth. For a variety of reasons to include human laziness and insecurity, the idea of living at your neighbor’s expense against their will has become the foundational characteristic for the American culture at large. One finds small enclaves of libertarians, Free Staters and Rothbardian anarchists who think the exact opposite but they do not have tremendous influence on the culture at large nor is the majority of the population subject to believing that a non-slavery system will be superior to the tax/regulatory slave system currently popular around the globe.

Let’s be clear on the meaning of slavery, it is the means by which another person other than the individual has discretion on the use of that person’s time and resources absent a contract. I am a skeptic of the notion of wage slavery but not of tax and regulatory slavery. Our rulers can usually excuse the most barbaric excesses with a simple phrase: “through lawful authority”. I can certainly be homeless and avoid work and the concomitant burden of taxes and regulations but as soon as I am employed in an above-ground economy job or enterprise, the sky will darken while regulators and tax collectors parachute in. One can play the legal definitional standards all you want and they are written by the government after all. The bottom line is that I am supposed to have given implied consent to participation in the job market and having more than sixty percent of my earnings taxed, a hundred percent compliance with the ocean of regulations that drown and harass productivity in this particular tax jurisdiction known as America and be responsible for having intimate knowledge of quite literally yards of Federal Regulations on a bookshelf. Implied consent is nice legal fiction to get around the troublesome annoyance of a formal signed contract.

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The American narrative is bended knee to constituted authority on pain of fining, kidnapping, caging, maiming or death if one deigns to disobey. Notice I use more realistic terms than arresting or jailing so I don't put a happy face on the horrors visited on tens of thousands of non-violent Americans every day by the police who are the enforcers for the Helot system in America. This is not the land of the free and home of the brave, it is the land of the [Helot](#) and the home of the [Vichy](#) collaborator. This is a country that prides itself on the Big Lie. We thank veterans for keeping us free yet we have NEVER been threatened with invasion by a formidable power since the end of the War of Northern Aggression in 1865. American government-sponsored imperial wars abroad and support of noxious regimes has made not only Americans more threatened by our own government but given tremendous impetus to the number of entities which wish to wreak vengeance for the death and destruction we have visited on their countries abroad. Whatever one thinks of the anniversary on 9/11 coming around the corner, the case for reaping what we have sown is much more robust after we have visited so much violence on the brown people of the planet.

We are told that taxes are the price ones pays for civilization yet the government employs the practice of initiated violence against its subject population to enforce its will, a hallmark of barbarism if there is any. Don't believe me? Stop paying your taxes to any level of government and continue working. Don't pull over when the armed revenue agents' vehicle lights are flashing in your rear-view in your car on your government roads with your privilege license. Refuse to submit to arrest. Own any firearm you wish even if it violates one of the 271 major Federal firearms laws. We could go on. Yet most of your fellow subjects will grumble but will vociferously defend the most outrageous and stupid laws on the books as the price of freedom. What?

Fix your language and your worldview. I recently penned an essay where I equated ALL police activities in America as terrorism and used the government's own definitional standards to buttress the case. Terms like officer safety are



ludicrous because on closer examination it means the citizens' lives are always subservient to that of the very Thin (Black and) Blue Line charged with protecting the cattle milling about the country.

Stop falling into the linguistic trap of Orwellian doublespeak the government is so fond of. Here is a short list of linguistic reality:

- Taxation is theft.
- Robed government employees are paid state representatives who will rule in the state's interest.
- Government spending is not an investment; it is a taking from the private sector.
- Presidents are nothing more than Tax Commissioners.
- Nation states when stripped of the patriotic bunting and jingoistic propaganda are nothing more than claimed (and conquered) tax jurisdictions where the subjects are drained of resources at gunpoint to subsidize the rulers and their parasites and looters who maintain their constituent power.
- Terrorism is politically motivated violence against non-combatants which means that government's very charter is a terrorist act.

The list is practically endless. Your job is to cleanse your intellectual palette of all the flotsam and jetsam the government media-education complex has delivered since the Founding of the tax jurisdiction known as America and see it for what it is. Once you have liberated your mind of the propaganda backwash and the silly euphemisms, you start to see what you have missed.

You live in a nation whose very functional basis is theft from the producers to subsidize those who have not earned what they receive. A country so choked by regulation and economic distortion that it has literally committed economic [seppuku](#). A country whose per capita prison population is the highest in the world and dwarfs the political and criminal inmates in the Gulag under the worst of the other Soviet Union in Eurasia. It is too big not to fail.

The end is nigh. We are wholly responsible for what rises from the ashes of a dead America.

Words have meaning.

"But if thought corrupts language, language can also corrupt thought."

- George Orwell

"I find it difficult to believe that words have no meaning in themselves, hard as I try. Habits of a lifetime are not lightly thrown aside."

- Stuart Chase

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"HEALTHCARE": THE FINAL SOLUTION

By L. Neil Smith

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elish by persuasion, and, as such, my interest, above all, is in individual character -- more so, it seems, with every year that passes.

In this instance -- the politics of what's generally referred to "healthcare" (for several reasons, I don't care for that expression, myself) -- that may be a good thing. In many ways, there is nothing more personal, more intimate, and, one hopes, more conversational than one's relationship with one's "primary healthcare provider", another politically charged catchphrase that tends to trigger my reflex to vomit.

Historically, people have told their doctors things they wouldn't tell anybody else, including their co-workers, their bartenders, and especially their spouses, intensely private, potentially embarrassing things that may have a bearing on their continued health, wellbeing, and existence. Exactly how likely are they to tell the same things to some faceless factotum whom they've never seen before this particular office visit, and whom they will likely never see again, especially if they know that their every word and gesture, their every twitch and tremor -- their every habit and habituation -- may be taken down and used against them in a kangaroo court of what passes for law these days?

Never forget that we now suffer under a regime where it's a crime to remove prescription medicine from the container it was issued in and put it in another, more convenient container, a regime in which -- if the medical martinets become aware of it -- your ownership of firearms will be noted in your "permanent record" as a mental health problem (exactly as they are by some of your kids' school shrinks), and a regime in which your political resistance to medical Marxism (by reading this article, for example)

is considered a symptom -- by the Department of Homeland Security -- that you're potentially a domestic terrorist.

Even under the best of circumstances, more individuals die of iatrogenic -- doctor-caused -- injuries and diseases every year than from anything that comes from the barrel of a gun except politics. But there are many more rational, intelligent reasons to resist medical Marxism. The kind of rationing Sarah Palin was ridiculed for predicting is already at work. Death panels have decreed that, after a stay in the hospital, if your problem flares up again, you will be denied re-entry. They figure to save about nine hundred million dollars every year.

Or is it nine hundred billion?

And they don't have to pay for the funerals.

Jackboot Janet II and all her orcs and goblins notwithstanding, I could write a hundred thousand words right here on the inefficacy and incompetence of healing as dispensed by minions of an entity capable only of breaking things and killing people. I grew up in the military; I know what socialized medicine is about, having suffered more than once at its clumsy hands and seen others suffer, too. The stories that issue from the bowels of Veterans' Administration Hospitals (today's equivalent of the Bastille or Chateau d'If) would horrify even Stephen King.

We already know that socialist claims that their brand of snake oil will bring medical costs down is a blatant, bald-faced lie. They're the one who taught us all to think in fourteen figures. Under their "system", those who can't or won't work for a living will continue getting attention for free, simply by demanding it, exactly as they have for two or three generations. The extremely wealthy will jet off to Switzerland or somewhere to get their own owies stitched up. The Productive Class will be handed the bill, not only their own (which is bad enough at government prices) but those of the Freeloader Class, as well.

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It is no longer to be borne.

Like practically everybody else, my family and I have investigated various incarnations of "alternative medicine". My ex-wife's family were friends and followers of Adelle Davis, and we pursued many of the practices she advised. One of them almost certainly saved my life. (Before dismissing the great healer's often controversial work, think of the things the establishment says about Ron Paul.) But either the alternatives don't work, or government is finding ways to shut them down.

It ain't brain science, it ain't rocket surgery. Your interests and government's are absolutely perfectly opposed. Anybody who thinks the State has any but a negative attitude toward seeing you live longer, raise your dunce cap. It's exactly the same deal as hospital readmission. The very last thing they want to see you do is collecting Social Security checks for more than two point seven (or whatever) years.

Even more, they don't want anybody around harboring what they view as "antiquated" political and social values (all you have to do, if you can stomach it, is listen to Janet Napolitano; she'll tell you what they're most afraid of: individuals who honor the Constitution and the Bill of Rights, or as Jeff Cooper put it, aspire to "To Ride, Shoot Straight, and Speak the Truth") messing up the wrecking job that government education is doing to the minds of our kids and grandkids. As former Colorado governor Dick Lamm put it in a careless moment, our job now is to die and get out of the way, presumably of the New World Order.

Government "healthcare" will help.

Interestingly, the one point that's being left out by both sides of this issue, is the one point, forgotten by most Americans, that is absolutely central to me: I don't want it. I don't want it. At the risk of repeating myself, I don't want it. Anybody here still think I want it? Think again. This is America, supposedly the Land of the Free, and I don't even have to say why I don't want it. That's nobody's business. Ultimately, that reason, all by itself, should be sufficient:

I.

Simply.

Do.

Not.

Want.

It.

WWW.LIBERTOPIA.ORG



And since medical Marxism is being forced on me, by exactly the same heavily-armed dogooders America fought, for better or worse, in both Korea and Vietnam, the same our fathers and grandfathers fought in Europe and the Pacific, I will fight it every day, in every way I can.

For many reasons (I'll bet you can think of a few, yourself), I have come to believe that the best "alternative medicine" our unique civilization could institute and practice is to adopt a Constitutional amendment mandating total separation of "healthcare" and government, the same wall Thomas Jefferson said (famously or infamously, depending on who you listen to) he wanted to see erected between church and state.

Separation of medicine and state.

Remember it.

Separation of medicine and state.

Ask the candidates about it (you'll be disappointed).

Separation of medicine and state.

And pass it on. 



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How to Eliminate Social Security and Medicare*

By George Reisman

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EXPENDITURES under the Social Security and Medicare programs account for approximately one-third of total federal government spending.¹ It is obvious that any major

reduction in government spending requires major reductions in spending for these programs. Unfortunately, Social Security and Medicare are generally regarded as sacred and thus virtually untouchable, with the result that few if any proposals have been made that would greatly reduce the spending they entail.²

At present, the age at which full—“normal”—Social Security benefits can be obtained, given the individual’s lifetime earnings and contributions to the system up to that time, is 66. This represents an increase of 1 year from the age in force from the system’s inception until 2003, at which time it was increased by 2 months, reaching 66 after a series of 5 more 2-month increases in the years 2004-2008. Commencing in 2021, the full-benefit retirement age is scheduled to begin increasing by a second series of 2-month additions, until a full-benefit retirement age of 67 is reached in 2027.

From the beginning of the system, and scheduled to continue indefinitely, it has been possible to choose to receive Social Security benefits starting at age 62, though at a reduced rate. This rate is currently 75 percent of the full-benefit amount, down from 80 percent when the full-benefit retirement age was 65, and is scheduled to fall to 70 percent when the full-benefit retirement age rises to 67. By continuing to work and postponing the receipt of benefits until age 70, it has been possible to obtain premium benefits that are currently, i.e., for retirees in 2011, 32 percent higher than the “full” benefit amount. This premium is scheduled to fall to 24 percent when the full-benefit retirement age rises to 67.

The age for enrollment in Medicare is still 65, and, under existing law, is not scheduled to increase. Indeed, enrollment at any later age is frequently penalized.

The Social Security system, together with Medicare, could be eliminated by means of the following steps, each one of which would result in substantial cost savings. First, following a grace period of perhaps two or three years, to provide sufficient warning and time to adjust, there should be a phased increase to 70 in the age at which individuals are eligible to receive full Social Security benefits and Medicare. At the same time, the early benefit retirement age for Social Security should be increased from 62 to 66.

The increases in age could take place in 6-month increments over a period of 8 years, with the exception of an initial increment of 1½ years in the case of Medicare. Thus, assuming that the reform I’m proposing were implemented prior to 2021, with the Social Security retirement age still at 66, in the first year of its implementation

the early Social Security retirement age would be raised to 62½, while the full-benefit retirement age, along with the Medicare retirement age, rose to 66½. In the second year, the respective retirement ages would be 63 and 67. And so it would continue, year after year, for a total increase of 4 years over an 8 year period.

In this period, apart from adjustments for increases in the consumer price index, retirement benefits would remain unchanged as the respective ages increased at which they could begin to be obtained. Thus, by the end of the process, individuals receiving early retirement benefits at age 66 would receive no greater benefits than individuals had previously obtained at age 62. In the same way, individuals at age 70 would receive full benefits no greater than individuals had received at age 66, before the process of reform began.

Thus, when completed, after 8 years, the effect of just this phase of the reform would be a substantial reduction both in the number of people receiving Social Security and Medicare benefits and in the average per capita benefit received by those who remained in the Social Security program. Members of the age group 65-69 would no longer receive Medicare benefits. Members of the age-group 62-65 would no longer receive Social Security at all. Members of the age-group 66-69 enrolled in the program at that time, would receive benefits 25 percent less than their predecessors had received, before the start of the reform, because just as early retirement benefits starting at age 62 had been 25 percent less than the full benefits starting at age 66, so now early retirement benefits starting at age 66 would be 25 percent less than full benefits starting at age 70. Indeed, the reduction in the benefits of the 66-69 age-group would be further increased to the extent that they would no longer contain any premiums for retirement after 66. The elimination of premium benefits would ultimately work to reduce the aggregate benefits of all later age-groups as well, insofar as they too would eventually no longer reflect the incorporation of premium benefits to anyone.

As of December 2009, of the approximately 33.5 million people receiving Social Security retirement benefits, approximately 4.4 million, or roughly 13 percent, were in the age-group 62-65. This group received retirement benefits of \$54.7 billion, which represents about 11.7 percent of the aggregate Social Security retirement benefits of \$468.2 paid in 2009.³ It is not unreasonable to assume that the closing of Social Security to new enrollees in the 62-65 age-group would achieve comparable percentage reductions in the number of people receiving Social Security retirement benefits and in the overall cost of the program. To this must be added the effect of the 25 percent reduction in the benefits of the 66-69 age-group plus the effect of the elimination of premiums for late retirement.

Based on the Social Security benefits paid to the members of the 62-65 and 66-69 age-groups in 2009 relative to total Social Security retirement benefits in that year, the resulting overall reduction in the cost of such benefits can be estimated at approximately 18 percent. The benefits paid to the members of the 66-69 age-group were \$116.9 billion, representing 25 percent of the total. A 25 percent reduction in these benefits represents a reduction of 6.25 percent in overall

1 In fiscal year 2012, expenditures for Social Security are projected to be \$761 billion, while those for Medicare are projected to be \$468 billion. Total federal government spending in 2012 is projected to be \$3,699 billion. Source: [Fiscal Year 2012, Budget of the U.S. Government](#) Washington, D. C.: U.S. Government Printing Office, 2011), p. 174 (Table S-3).

2 An exception may be the budget proposal currently being developed by a number of Republican members of the House of Representatives, which reportedly seeks to reduce federal government spending by \$4 trillion over a period of 10 years, in large part by replacing direct federal spending for Medicare by federal subsidies for the purchase of private medical insurance. (See *The Wall Street Journal*, April 4, 2011, p. 1.)

3 Source: [Annual Statistical Supplement to the Social Security Bulletin](#), 2010, p. 228 (Table 5.A1.1).

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benefits. Thus, the total reduction in benefits is the sum of 11.7 percent, the share of Social Security retirement income previously received by the members of the 62-65 age-group, plus 6.25 percent, i.e., approximately 18 percent in all. This percentage is the measure of the reduction in the yearly cost of Social Security that can be expected at the end of 8 years.

Based on data supplied by the Medicare Payment Advisory Commission (Medpac), the cost savings in Medicare that would result from a rise in the eligible age from 65 to 70 can be estimated at perhaps as much as 15 percent of Medicare's spending.⁴

Second Step in the Elimination of Social Security

The second step in the elimination of Social Security would be the elimination of the category of early retirement. This could be accomplished by the early retirement age continuing to increase by a further set of 8 increments of 6-months each, which would bring it to the point of coinciding with the by-then established full-benefit retirement age of 70. Based on the data from 2009, this would result in cutting the cost of Social Security by a further 18.75 percent, raising the total cost saving, at the end of 16 years, to almost 37 percent per year.

Compensation for the Loss of Social Security and Medicare Benefits

As compensation for their loss of Social Security and Medicare benefits, individuals in the 66-69 age-group who remained at work, which many of them would now no doubt have to do, would be made exempt from federal income taxes on an amount of income equal at least to the maximum income then subject to the payment of Social Security taxes. (This amount is currently \$106,800.) These individuals would also be exempted from the payment of Social Security taxes, including employer contributions on the part of those who were self-employed.

The exemptions would be adjusted for increases in the consumer price index and be automatically extended to older ages as the Social Security/Medicare retirement age advanced beyond 70. Indeed, right from the very beginning of the reform, the exemptions would apply to all individuals 66 or older eligible for Social Security retirement benefits who abstained from taking them in any given year. For example, even in the very first year of the reform, someone 75 or 80, who did not accept those benefits in that year, would have these tax exemptions in that year.

It should be realized that these federal income

⁴ See Medpac, [June 2010 A Data Book, Healthcare Spending and the Medicare Program](#), p. 34 (Chart 2-2. Medicare enrollment and spending by age-group, 2006). This chart shows that almost 31 percent of Medicare's spending is on account of the age-group 65-74. At the same time, Social Security Data show that the 65-69 subgroup accounts for 55 percent of the larger age-group. The larger proportion of people in the younger subgroup offsets to an important extent the higher per capita medical expenses of the older subgroup and suggests the possibility of the degree of cost reduction indicated.

tax exemptions would apply to incomes that for the most part would not otherwise have existed, with the result that the government would not incur any significant loss of revenue by offering them. Indeed, the result of millions of people in their sixties remaining in employment and off Social Security and Medicare would not only be a major reduction in government spending for Social Security and Medicare, but also a substantial rise in government tax revenues as well.

The rise in tax revenues would come about because people in the 62-69 age bracket, now gainfully employed instead of on Social Security and Medicare, would pay more in the form of sales, excise, and property taxes, as the result of their having and spending higher incomes than they would have received from Social Security. And they would pay more in the form of state and local income taxes as well. For example, instead of someone receiving \$10,000 or \$20,000 a year in Social Security income, he would earn \$20,000 or \$30,000 or more in employment income. The federal government would save the \$10,000 or \$20,000 Social Security expenditure (plus more or less considerable Medicare expenditure), and, in addition, state and local governments would collect significant additional tax revenues out of the expenditure of the newly earned employment incomes.

It must be pointed out here that the phaseout of the Social Security and Medicare programs, or the undertaking of any other measure that would be accompanied by an increase in the number of people seeking employment, calls for an intensification of efforts to abolish or restrict as far as possible prounion and minimum-wage legislation. This is necessary in order to make it possible for the larger number of job seekers to find employment. Union pay scales and a government-imposed minimum wage operate to prevent this by arbitrarily and forcibly holding wage rates above free-market rates, thereby holding the quantity of labor demanded below the supply available.

Raising the Social Security/Medicare Retirement Age Beyond 70 and Closing the Programs to New Entrants

The next step in the elimination of Social Security/Medicare would be raising their retirement age beyond 70. This could be accomplished by further incremental annual increases, this time of one calendar quarter with the passage of each year. Thus, by the end of an additional 20 years, the Social Security/Medicare retirement age would be 75. At that point, based on the same data as cited previously, the annual savings in the cost of Social Security retirement benefits would be slightly more than 59 percent, while the annual savings in Medicare expenditures would be almost 31 percent.

Raising their retirement age 1 year more, over an additional 4 year period, would bring the total lapse of time from the initial implementa-

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tion of the phaseout reform to 40 years. Under this arrangement, everyone age 36 and above at the start of the phaseout reform would be able to look forward to enrolling in Social Security and Medicare no later than at age 76, if that is what he wanted. At the same time, if he wished the equivalent of being able to retire at age 70 on a Social Security income, all that would be required of him would be to make provision for a maximum of the 6 years between age 70 and age 76 at a level equal to what he would previously have received under the Social Security Program.

Forty years is a sufficient period of time to enable everyone age 35 or below at the time of the initial implementation to make adequate provision for his own retirement at age 70, or even at age 65 if that is what he wanted. At this point then, the Social Security and Medicare programs would be closed to new enrollees.

Thereafter, with the passage of each year, the cost of the programs would steadily diminish. Based once more on the same data as referenced previously, after an additional 9 years, by which time the minimum age of those still receiving Social Security and Medicare would be 85, the annual cost of the programs could be expected to be reduced by 88 percent and 66 percent respectively. With the passage of 10 years more, by which time the minimum age of those still receiving benefits was 95, the annual cost of Social Security would be reduced by 99 percent and that of Medicare by a further 16 to 17 percent, for a cumulative reduction of 82 to 83 percent.

The failure of Medicare expenditures to diminish further is the result of the fact that approximately 17 percent of Medicare expenditures are made on behalf of people under the age of 65—14.9 percent on behalf of those who are disabled and 2.1 percent on behalf of those with end-stage renal disease, who require dialysis.⁵

Just as payments on behalf of the elderly do not account for all Medicare expenditures, so too expenditures made under the heading of Social Security are not exclusively for the benefit of retired workers. While expenditures providing retirement income were \$468.2 billion in 2009, there were in addition expenditures of approximately \$89 billion for Survivor's Insurance and \$118.3 billion for Disability Insurance. Thus, the overall total expenditure under the head "Social Security" came to \$675.5 billion.⁶

The complete elimination of Social Security and Medicare would, of course, require the elimination of these aspects of the programs as well. Possible first steps in this direction would be the establishment of means tests for the receipt of such aid along with the return of such programs to the states and localities. These steps could begin early in the phaseout.

The Effect of Eliminating Social Security/Medicare on Real Wages and the General Standard of Living

⁵ See Medpac, *ibid.*, p. 33 (Chart 2-1).

⁶ See [Annual Statistical Supplement to the Social Security Bulletin](#), 2010, p. 1.

As previously indicated, from the very beginning of the process of eliminating Social Security/Medicare, everyone 66 and above would have the opportunity of enjoying a life largely free of federal income taxation on earnings derived from employment. Everyone 66 and above would have an employment-income exemption in excess of \$100,000 per year, in terms of present purchasing power, for the remainder of his life. The most that anyone would have to do to secure this opportunity in a given year would be to abstain from taking Social Security income in that year, if he were eligible to receive it. Retirement years marked by this freedom from income taxation might thus become truly "Golden Years."

In addition, the progressive elimination of the Social Security/Medicare system would operate to promote saving and capital accumulation. The saving of individuals would steadily replace taxes as the source of provision for old age. The increased capital accumulation that this made possible would, of course, increase the demand for labor and the productivity of labor, which means that it would increase wage rates and the supply of goods, which latter would operate to reduce prices. Thus, real wages and the general standard of living would rise. The rise would be a continuing one insofar as the rate of capital accumulation was permanently increased as the result of greater saving and a correspondingly greater concentration on the production of capital goods relative to consumers' goods.

At the same time, however, over the course of the many years that would be required for the burden of Social Security/Medicare to reach the vanishing point, all those people thirty-five and below at the time of the start of the phaseout program, and many of their children, would painfully learn the meaning of having to pay off a national debt. For the financial obligations incurred under Social Security and Medicare are in fact an enormous national debt. They are an enormous national debt incurred to elderly and infirm people incapable of caring for themselves. People incapable in large measure simply because they had been promised that the government would care for them and thus that it was not necessary for them to save.



Two major lessons to be learned from the financial disaster constituted by Social Security/Medicare are that the government should be prohibited from incurring any significant national debt and that a governmental promise of pensions or provision of future medical care is a

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category of national debt. All levels of government should be constitutionally prohibited from incurring significant amounts of debt beyond a very short term, including, above all, pension obligations of any kind.

Hopefully, there is a special place in Hell reserved for all the political con-men and intellectual shysters of the last generations who endlessly dismissed the significance of national debts with such glib phrases as “we owe it to ourselves” and asserted that national debts need never be paid. These, of course, were the same con-men and shysters who again and again ignorantly denounced saving as cash hoarding and the cause of depressions and mass unemployment.

And in the case of all the government officials who over a period of decades and decades knowingly used the proceeds of Social Security taxes to finance current government spending, these con-men and shysters descended to the status of major criminals, guilty of the crime of embezzlement on a scale unprecedented in all of human history. They diverted literally trillions of dollars of what people were led to believe were their savings, set aside for their future benefit, into current government spending. The spending was for projects desired by these officials and designed to keep them in office by fostering the illusion that the officials had performed the miracle of providing seemingly valuable current benefits at no corresponding cost. Of course, the reason for the apparent lack of cost was that the costs were covered by the proceeds of embezzlement.

Social Security and Medicare have caused a massive diversion of savings into government consumption not only by diverting the proceeds of Social Security and Medicare taxes into current government spending, but by first, and more fundamentally, undermining one of the most important motivations for private saving and investment, namely, the need to provide for one’s old age. The effect of Social Security and Medicare has been to remove the apparent need for much of that saving. Not surprisingly, in the conviction that the government was now providing for people’s old age, the rate of saving in the United States has declined precipitously over the years, falling all the way to zero in some years.

The government, of course, made no such actual provision. For the accumulation of actual physical capital assets based on decades of private saving and investment, that in a free economy would have been the source of future financial security, it substituted its promise to levy taxes on future generations, while it consumed the funds that should have gone into saving and investment and a resulting accumulation of capital assets.

It must be realized that this lost private saving and investment and its corresponding accumulation of capital assets was essential just

to maintain the stock of capital assets, let alone increase it. This is because in old age and retirement, people consume the wealth they have accumulated to provide for that period of their lives. If the generations following them are not engaged in making their own, fresh provision for old age and retirement, the consumption of a current generation of the elderly serves to deplete the overall stock of capital assets in the economic system. From its inception in 1935 to the present day, the Social Security system, reinforced by Medicare since 1965, has served both to undercut people’s motivation to provide for old age and retirement by means of saving and also, as the taxes to finance these programs have increased, their sheer ability to do so. Thus more and more of the savings and capital assets accumulated in the past have been lost.

One can see the effects of this decumulation in the withering of the industrial base of the United States and in the accompanying dramatic decline of formerly major centers of production, such as Detroit, Cleveland, and St. Louis. The wealth that was once present there has disappeared, sucked up into the voracious consumption of the government, under the leadership of ignorant, dishonest, and vicious politicians and officials.

Of course, the customary explanation of the decline in America’s industrial base is the competition of foreign producers paying lower wages. However, the truth is that if American producers had had more capital, they would have been able to produce more efficiently and at lower costs, thereby more frequently offsetting the advantages foreign producers had by virtue of being able to pay lower wages. Indeed, for generations, American producers had been able to do this. Their superiority in terms of capital invested per worker enabled them to offset even enormous differences between American and foreign wage rates through the higher productivity of American workers resulting from greater capital investment.

True enough, foreign investment and the international movement of capital have become much easier since the second half of the last century than it was in the first half. But investing in foreign countries does not reduce the capital invested in the countries in which the investors reside. To the contrary, it increases that capital. This is because the investment greatly increases the productivity of labor and the total of what is produced in the foreign countries, and a major portion of that additional production is capital goods that are exported to the country of the investors. Just as investment in the western states of the United States by citizens of the country’s eastern states served to increase the wealth present in the eastern states, on the foundation of goods received from the western states, so too investment by American citizens as a whole in places like Japan and China serve to increase the capital goods in the United States as a whole, by virtue of the capital goods coming into it from

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Japan and China. These capital goods can be seen not only in masses of foreign-made components and parts used by American producers, but also in numerous factories, such as the automobile plants built by Japanese and Korean firms in the United States. The influx of foreign capital can also be seen in the fact that it is that foreign capital that largely finances the budget deficits of our spendthrift government and prevents those deficits from consuming still more of the previously accumulated capital of the United States.

Thus, the cause of America's industrial decline is not investment outside the country. Nor, of course, is it exclusively the result of Social Security and Medicare and the decline in saving and investment that they in particular have caused.

There are numerous additional causes of America's economic decline. However, all of them share with Social Security and Medicare the fact that they represent instances of government interference in the economic system that serve to undermine capital accumulation and the rise in the productivity of labor. First and foremost among them is the government's limitless appetite for spending and the unending expansion of its powers and activities that growing spending feeds. The additional spending is financed to an important extent by arbitrary increases in the money supply, i.e., inflation, and the closely related policy of credit expansion and its consequent massive waste of capital. Along with inflation and credit expansion, there is the confiscatory taxation of income that otherwise would have been heavily saved and invested, most notably, profits, interest, dividends, and capital gains, as well as inheritance taxes, which are a tax on capital already accumulated. In addition, there is the granting of monopoly privileges to labor unions and all other government interference and regulation that arbitrarily serve to raise costs of production and reduce output per unit of input, insofar as the output being reduced is the production of capital goods.⁷

The Special Problems of Eliminating Medicare

The elimination of Medicare, especially after age 70, requires that steps be taken to make medical care for the elderly affordable outside of Medicare (and outside of most private medical insurance plans as well). This requires eliminating as far as possible all of the government intervention that over the generations has been responsible for increasing the cost of medical care. In my essay "[The Real Right to Medical Care Versus Socialized Medicine](#)," I present a detailed explanation of the various ways in which government intervention has been responsible for the rise in the cost of privately provided medical care and a program of pro-free-market reform that would dramatically reduce the cost of such medical care and make it affordable for the most part to people without medical insurance.

⁷ For elaboration of this last point, see "The Undermining of Capital Accumulation and Real Wages by Government Intervention," pp. 636-39 of the author's *Capitalism: A Treatise on Economics* (Ottawa, Illinois: Jameson Books, 1996).

Though written in 1994, in order to help prevent enactment of the so-called Clinton Plan, its findings are as applicable today as they were then, and should be considered as an essential part of my proposals for eliminating Social Security/Medicare. The only significant details that would need to be changed are the replacement of the absurdly and unnecessarily high costs of privately provided medical care in 1994, reflecting all of the government intervention in medical care up to that time, with the still far more absurdly and unnecessarily high costs of privately provided medical care today, which incorporate the effect of the massive inflation of the money supply that has taken place in the intervening years.

Reform in the Spirit of Classical Liberalism

An important feature of the program of reform that I have presented is that it need not be accepted in toto. Its advocacy of a rise in the Social Security/Medicare retirement age to 70, and even to 75, could be accepted by those who wished to retain these programs but limit them to an older population than is the case at present. The enactment of either of these limitations would be an important victory. One that would take nothing away from the goal of the ultimate total elimination of Social Security and Medicare and would serve as an important step on the way to the achievement of that goal.

This program will undoubtedly seem much too slow for some supporters of individual rights and freedom. Nevertheless, I believe that it is in fact the most rapid means of achieving its ultimate goal that does not entail a revolutionary overthrow of what have come to be established rights in the law, however wrong-headed the law has been in establishing those rights in the first place. Proceeding in this way is an essential aspect of Liberalism in its classical sense. Fundamentally, rights to entitlements of any kind, that must be paid for involuntarily by other people, are no more legitimate than the alleged property rights of slave owners in their slaves. Yet to avoid civil war, Liberalism would have urged a policy of compensated emancipation rather than one of violent emancipation. Today, in fundamentally similar circumstances, Liberalism must limit as far as possible the disturbance that would otherwise be caused by the elimination of illegitimate, perverted rights.

Individualism Versus Collectivism

At the most fundamental level, what this discussion of reform serves to bring out is the conflict between the philosophies of individualism and collectivism. Social Security and Medicare are monuments to collectivism. Both rest on the premise that the individual cannot make his own provision for old age by means of saving and that instead he must rely on that great collective, Organized Society, i.e., the Government, to make provision for him.

The individual, of course, is the party with by far the greatest interest, indeed, the only real-

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ly powerful, life-or-death interest, in providing for his old age. The rest of the world can never experience the matter with the intensity with which he will one day experience it if he lives to old age, nor with the intensity that he would experience it relatively early in life if he were accustomed to think clearly about the future.

Many individuals, of course, do not think about the future, or not sufficiently about it. But many in this category, perhaps the great majority of them, would do so if they lived in conditions in which they were familiar with the suffering of others that resulted from bad choices and were not protected from themselves suffering the consequences of their own bad choices.

In any event, it cannot be that a solution for any presumed inadequacies of the individual lies in removing his responsibility for providing for his future and placing that responsibility instead in the hands of a mass of other individuals. For those other individuals must be presumed to be not only equally incompetent, but they also lack the motivation of self-preservation that each individual experiences in matters of his own life and well being. Indeed, the notion that the alleged incompetence of the individual is a basis for turning responsibility over to the collective reduces to the absurdity that those who are incompetent to run their own lives, in which everything is at stake for them, are thereby qualified to run the lives of others, in which virtually nothing is at stake for them.

The consequences of enacting this absurdity are not only economic destruction through the undermining of saving but also the potential for nothing less than a virtual geriatric holocaust. That will be the result when masses of elderly people, without means of their own and dependent instead on the support of masses of anonymous strangers, wake up to find that the strangers have grown tired of supporting them.

A foretaste of this outcome can be found in the “death panels” that many observers discerned in the healthcare legislation enacted in the last Congress. It can be found within the last few days in news stories about efforts to stop dialysis treatments for elderly patients. (See, for example, [“When Ailments Pile Up, Asking Patients to Rethink Free Dialysis,”](#) *The New York Times*, April 1, p. 1.)


With government control of medical care and what is considered proper medical protocol in the treatment of diseases, even those who have managed to provide for their own future are at risk.

Despite their endless posturing and pretense, politicians do not love the masses—of any age.

What they love is their own power. They pretend to love the masses as a vehicle for gaining power. History shows again and again that once they gain it, the lives of millions become expendable.

The actual fact is that while the lives of the elderly are of inestimable value, when taken one at a time, to the individual elderly person concerned, they are of no actual value to politicians and government officials. Indeed, from the perspective of the self-interest of all-powerful officials, contemplating the land and the people of their country as their personal possessions, existing for no purpose other than their—the officials’—glorification, the existence of the elderly stands as an actual impediment. For the elderly consume substantial amounts of the resources of the collective that the officials control, and at the same time they produce little or nothing, and no longer have any prospect of ever doing so. If they ceased to exist, the officials would have resources available to put to other uses that they would certainly judge to be more important.

Today, of course, the elderly still have the vote, and that may protect them for a time. But all-powerful government is clearly the direction in which we are moving. We are placing ourselves more and more in the power of government officials who regard us the way a farmer regards his livestock. We will be able to live, in poverty and as slaves, so long as we are useful to them. But when we are too old to be useful to them, we will be left to die. As the *Times*’ article referenced above put it, we will then be spoken of in terms of such euphemisms as having “chosen `medical management without dialysis,”” i.e., “medical management” without treatment.

If we want to protect the value of individual human life, particularly in old age, when it is most vulnerable, we must reverse direction and start dismantling Social Security and Medicare, two potentially deadly collectivist institutions. We must restore to the individual the responsibility and the power to determine his own future through forethought and saving. The individual must have his own individual property with the freedom to use it for his own well-being, as he sees fit. Government officials must be barred from the process. 



* Copyright © 2011 by George Reisman. This article is a revised and expanded treatment of the subject that appears on pp. 976-77 of the author’s [Capitalism: A Treatise on Economics](#) (Ottawa, Illinois: Jameson Books, 1996). George Reisman, Ph.D. is Pepperdine University Professor Emeritus of Economics and a Senior Fellow at the Goldwater Institute. His website is www.capitalism.net.

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Edible Fruits of Shrubs and Vines

By Powell Gammill

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LAST month I discussed fruit and nut trees. This month I would like to briefly expand to two other categories of fruit producers: shrubs and vines.

Interestingly, citrus trees were evolved by man from shrubs. This is why they behave differently from deciduous fruit trees. Like trees, shrubs and many vines are woody plants. Some can grow quite tall. But generally they are respectively thought of as bushy, or long and spindly. Yet this is somewhat dependent upon pruning. Some shrubs or vines can exist in either form depending upon the environment in which it is growing.



A lot of berries are born on what we consider to be shrubs for example, blueberries, blackberries and cranberries. But sometimes a vine looks more like a shrub, for example an older grape vine in a vineyard...in fact if allowed a grape vine can get big enough to look like a tree. And besides grapes, vines can also bear other lovely fruit such as kiwis and passion fruit.



Shrubs and vines are generally perennial or biennials (two year life cycle). Often not immediately thought of when discussing vines: melons, pumpkins and tomatoes, for example, are annuals and will be discussed more in annual gardens in a future article.



Vines can climb (vertical) or trail (horizontal). Various mechanisms are used by vines in climbing and attaching to support such as an adjacent tree or man-made trellis, fence or netting.

Some vines and shrubs can be highly invasive depending upon their environment. You should check the species against reports in your state or you and your neighbors may end up battling what you plant for real estate.



Shrubs and vines have multiple uses. In this case, food is the primary one. But for example, they can provide shade overhead in the case of trellised vines, privacy in the case of a wall (hedge) made of shrubs, defining a pathway, crime control when placed in front of windows or along fences and bearing thorns, animal control, animal shelter and food, wind control and to hide unsightly objects or fencing.

Unlike trees, most shrubs and vines are producing food in their second year...some in their first. They will usually grow very fast. They are often easy to propagate by cloning.

Planting

General rule: Half of what a tree gets: A 2 x 2 foot hole. Dig a shallow trench (swale) around the crown ("tree-line") for watering. Climbing vines will need a suitable support for them to climb. Don't dismiss using a tree to get a two for one food production though a tree may shade out the vine lowering its food production. Trailing vines will either run along the ground or be tied to a support as they extend their growth off the ground.

Shade

Some exhibit partial shade (4 - 6 hours of direct sunlight a day) tolerance: Elderberry, Evergreen and Red Huckleberry, and Gooseberry. Evergreen huckleberry and currants can do well in complete shade but fruit production may be reduced. But this allows cultivation in northern sides of property and other areas completely shaded.

Wind

Shrubs are generally very wind resistant and can be helped in this respect by keeping the center pruned out and open. Additionally they can act as wind barriers protecting other more sensitive plants from prevailing winds.

Water

Water to two feet deep. Re-water when water level has shrunk to six inches. Usually water twice as often as trees.

Mulch as per trees.

Pruning

Remember why we prune? Consider the fruiting style of the shrub or vine. Some of these plants fruit on last year's growth, others on new growth. This will dictate what should and should not be pruned. It is possible to greatly harm a fruit bearing shrub by cutting with hedge trimmers for shape as this produces a packed dead interior over time. Also fruiting shrubs often fruit at their ends. Shrubs that bloom early in the growing season on last year's growth should be pruned immediately after they finish blooming.

These are general rules, and pruning involves helping create new foliage for fruit to appear upon and removing foliage that fruit will no longer be borne upon. I am afraid each species and frequently different varieties **within a species** are pruned differently. You will have to look up and keep in mind which technique to apply for each plant.

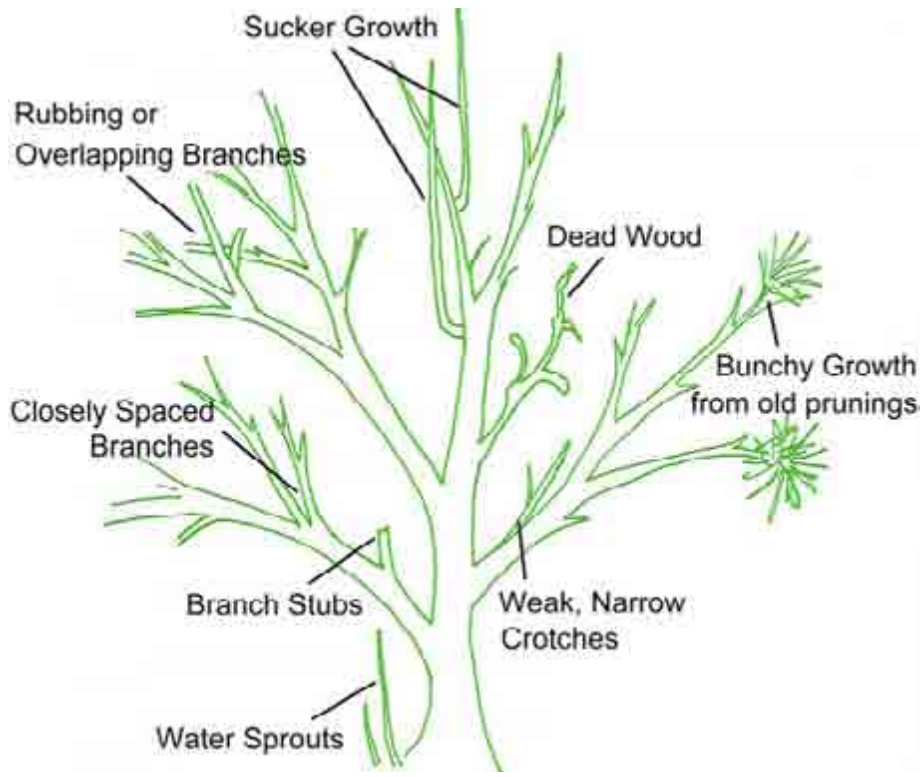
Shrubs can be trimmed and formed into any desired shape. For example, shapes can be made for artistic reasons, barrier reasons, to promote fruit protection from sun or wind, to promote air flow to prevent a damp disease forming in the interior environment or usually to encourage

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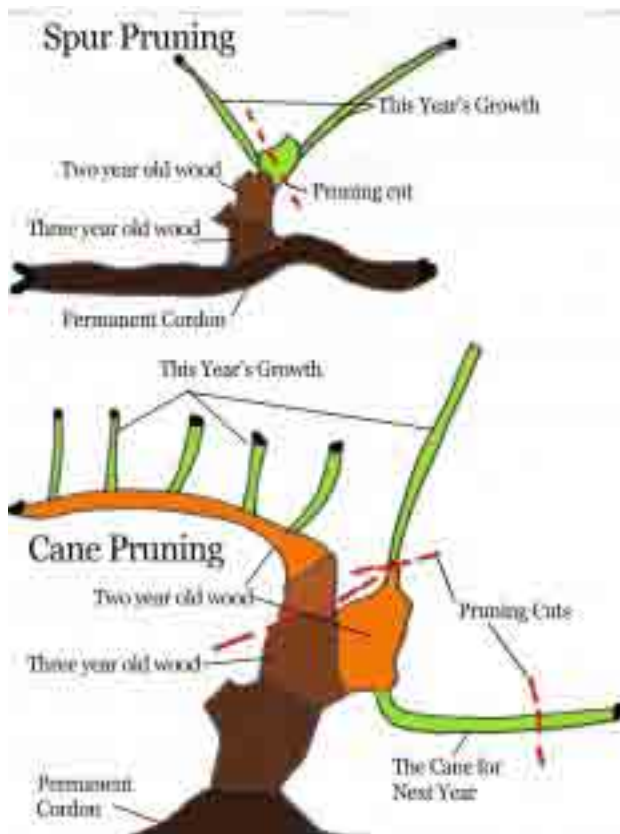
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more photosynthesis to boost fruit and sugar yields. Some can be encouraged to form a tree like shape. This is especially true with perennial shrubs or vines like grapes.

Remove suckers, broken or diseased branches. Remove **excess** young growth or too numerous or close together fruit. But for many **established** shrubs pruning is **only** done for dead growth removal. Size is restricted by limiting water and fertilizer which stresses the plant and can produce more fruit.



In cane training (spur pruning) that year's spurs are trimmed -- while dormant -- almost completely off leaving only the bud for next year's growth.



In spur training (cane pruning) a few canes are left alone except for some minor excess bud pruning at the ends of each cane--also while dormant. The rest are removed.

Each variety of grape is either spur or cane pruned.

Pruning often depends upon if a vine is an upright vine or a hanging (trailing) vine.

Support is usually a trellis, netting, a tree or a pole. Some vines have the ability to adhere on their own while others need help and need to be tied with non-damaging straps to support structures---frequently a wire running horizontal to the ground can be used as a guide, especially for cordons (the branching arms of the plant).



(source:)

Fall bearing (ever-bearing) raspberries: Prune all canes to ground level. Canes that produced fruit last season will not produce again this coming season. The canes that grow this spring will bear fruit in the late summer and fall. It is possible to have a summer and fall crop with the ever-bearers. However, the summer crop will be small and this will impact the fall crop.

Summer bearing blackberries, raspberries and their hybrids: Remove all canes that **produced fruit** last season (the florocanes). These will not produce a crop the next year. You will then be left with the canes that were vegetative last summer (the primocanes). The primocanes will be florocanes this summer and produce a crop. Many varieties produce more canes than are needed, some strong and others weak. Remove all weak canes and then thin out the remaining canes to allow for light penetration. This will have a two-fold affect -- it will allow the remaining canes to grow strong and healthy, and it will reduce disease incidence because the foliage and canes will be able to dry faster than crowded canes. Leave four to six canes per running foot of row.

Blueberries: Blueberry bushes should have two to three canes **for each year** of growth up to six years of age. So that would be two to three of the strongest canes that are new from last year -- remove the rest of the new canes; two to three of the strongest canes that were new the prior year -- remove the rest of the canes that developed that year, and so on, with no canes older than six years. The reason is that the amount fruit and the berry size drops on older wood. Once your bush is older than six years, pruning would consist of removing the oldest canes, and selecting the two to three strongest new canes to keep. **Blueberries bear fruit on last season's growth, so do not prune off the tips.**

Males

Kiwis have separate male and female plants where one male can federalize up to eight females. A male **MUST** be present for the females to set fruit. Other shrubs and vines may have a male form that will increase the yield of fruit but otherwise they are self fertile or cross pollinating (meaning having more than one variety often increases fruit production for all of the same species).



Container plants

Shrubs make good container plants. In fact,



you can keep those plants that spread via sending out runners (for example blackberries) by elevating the container slightly off of the ground--roots won't grow in dry air. Good container plants are blackberries,

blueberries, cranberries, currants, gooseberries, huckleberries, passionflower and raspberries.

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COMPULSORY PRIVATE HEALTH INSURANCE: JUST ANOTHER BAILOUT OF THE FINANCIAL SECTOR?

By Ellen Brown

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[This article is a shortened version of "[Let Them Eat Cake](#)."] December 21st, 2009

DR. Benjamin Rush, a signer of the Declaration of Independence, is quoted as warning two centuries ago:

“Unless we put medical freedom into the Constitution, the time will come when medicine will organize into an underground dictatorship. . . . The Constitution of this republic should make special privilege for medical freedom as well as religious freedom.”

That time seems to have come, but the dictatorship we are facing is not the sort that Dr. Rush was apparently envisioning. It is not a dictatorship by medical doctors, many of whom are as [distressed](#) by the proposed legislation as the squeezed middle class is. The new dictatorship is not by doctors but by Wall Street -- the FIRE (finance, insurance, and real estate) sector that now claims 40% of corporate profits.

Economist [L. Randall Wray](#) observes that ever since Congress threw out the Glass-Steagall Act separating commercial banking from investment banking, insurance and Wall Street finance have been “two peas in a pod.” He writes:

“[T]here is a huge untapped market of some 50 million people who are not paying insurance premiums—and the number grows every year because employers drop coverage and people can’t afford premiums. Solution? Health insurance ‘reform’ that requires everyone to turn over their pay to Wall Street. . . . *This is just another bailout of the financial system, because the tens of trillions of dollars already committed are not nearly enough.*”

The health reform bills now coming through Congress are not focused on how to make health care cheaper or more effective, how to eliminate waste and fraud, or how to cut out expensive middlemen. As originally envisioned, the public option would have pursued those goals. But the public option has been dropped from the Senate bill and radically watered down in the House bill. Rather than focusing on making health care affordable, the bills focus on how to force people either to buy health insurance if they don’t have it, or to pay more for it if they

do. If you don’t have insurance and don’t purchase it, you will be subject to a hefty fine. And if you do purchase it, premiums, co-pays, co-insurance payments and deductibles are liable to keep health care cripplingly expensive. Most of the people who don't have health care can't afford to pay the deductibles, so they will never use the plans they are forced to buy.

To subsidize those who can’t pay, the Senate bill would make families earning two to four times the poverty level who don’t have employer-sponsored insurance surrender 8% to 12% of their income to insurance payments, or pay a fine. In another effort to make the insurance payments “affordable,” the Senate bill calls for the lowest cost plan to cover only sixty percent of health care costs. “In other words,” wrote [Dr. Andrew Coates](#) in a November 23 article, “a guarantee of insurance industry dominance and the continued privatization of health care in every arena.”

An excellent analysis of the Senate bill was posted on December 22 by a national organization of 17,000 physicians called [Physicians for a National Health Program](#). The authors pointed out:

“Some paint the Senate bill as a flawed first step to reform that will be improved over time, citing historical examples such as Social Security. But where Social Security established the nidus of a public institution that grew over time, the Senate bill proscribes any such new public institution. *Instead, it channels vast new resources – including funds diverted from Medicare – into the very private insurers who caused today’s health care crisis.* Social Security’s first step was not a mandate that payroll taxes which fund pensions be turned over to Goldman Sachs! . . .

“The bill would drain \$43 billion from Medicare payments to safety-net hospitals, threatening the care of the 23 million who will remain uninsured even if the bill works as planned. . . . The bill would leave hundreds of millions of Americans with inadequate insurance – an ‘actuarial value’ as low as 60 percent of actual health costs. . . . The bill would inflate the already crushing burden of insurance-related paperwork that currently siphons \$400 billion from care annually. . . . [T]he bill will cause U.S. health costs to increase even more rapidly than presently, and budget neutrality is to be achieved by draining funds from Medicare and an accounting trick –

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front-loading the new revenues while delaying most new coverage until 2014.”

The Right to Sovereignty Over Our Own Bodies

Compulsory health insurance is like compulsory selective military service (the draft), except that all of our numbers have come up. The argument has been made that auto insurance is compulsory, so why not health insurance? But the obvious response is that you can choose to drive a car. The only way to escape the vehicle we call a body is to give up the ghost.

And that brings up another issue alluded to by Dr. Rush: the matter of freedom of choice in health care, which some people would equate with freedom of religion. Not everyone believes in Modern Medicine. If we the people have a right to choose what we believe about life after death, we should have the right to choose what we believe about life before death, by choosing how to maintain our own bodies.

The conventional treatment promoted by the medical/pharmaceutical complex is an aggressive approach that can wind up killing the patient as collateral damage in its war on the disease. Among other researchers questioning the wisdom of this approach is Gary Null, who reported the results of an exhaustive independent [review](#) by the Nutrition Institute of America in 2004. The reviewers concluded that the number one killer is not heart disease or cancer but conventional medicine itself. Conventional medicine was found to be responsible for an estimated 783,936 deaths annually, including 106,000 deaths from adverse drug reactions, 98,000 from

medical errors, and 88,000 from infection; and those figures were conservative, since no more than 20 percent of iatrogenic (doctor- or drug-caused) mishaps are ever reported.

There are more natural, less invasive alternatives, but most are not covered by insurance; and even such simple remedies as healthy organic food may be too expensive for people forced to use a major portion of their incomes for medical insurance. A true public option of the Medicare-for-all variety could have solved the problem by keeping health care affordable. If other industrialized countries can find the money for a national health service, we could too. For a model, we could follow the lead of Canada, which originally obtained the funds for its national health service from its own publicly-owned central bank. But that will be the subject of another article. Stay tuned. 🌻

Ellen Brown is an attorney and the author of 11 books, including Forbidden Medicine, The Key to Ultimate Health (co-authored with Dr. Richard Hansen), Nature's Pharmacy (co-authored with Dr. Lynne Walker), and her latest book Web of Debt. Her websites are www.webofdebt.com and www.ellenbrown.com.



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The BIG Medical Bill SCAM: How it's Done Over and Over Again

By Treg Loyden

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HERE is how it works:

Hospital emergency room:

1) First get all of the patient's info and various people bringing them into the emergency room. Create the Medical File.

2) Evaluate and Order Tests for the patient (err Medical File)

3) Doctor evaluation. Administer needed care or order still more tests (for the Medical File)

4) Release patient. Send Medical File to Medical Coding.

5) Consolidate charges by tabulating all the code numbers for anyone who touched or breathed on the Medical File (by secret code book) over to Billing

6) Match up the code numbers with the Billing Code numbers. It is at this point that finally one person knows the charges, but not ALL the charges. Some report their codes to Billing sooner than others.

7) Billing dept. Send out bills to the patient as you consolidate charges. Hence, never will be one total and complete bill sent to the patient. More come in on the Medical File over time.

8) Billing starts the 90 day expectation of Payment.

9) 30 day no payment received prompts notice of Government paid services instructing the patient if they are having difficulty paying, to please try to get on government care so they can charge the appropriate government 'service'.

10) No payment received in 90 days, sell of Medical Bill Invoice to 3rd party collections for 10% of face amount of total bill. Receive cash payment. Close Medical File.

11) Collections peruses the Patient and has the right to now collect the medical debt. Medical debt is personal debt which a judgment can be made against you and all your possessions. If married, community property applies. Only bankruptcy will stop collections from taking your personal and real property.

+++++

So what is wrong with this picture? First, let's put in a real life example. You are 30, in good health, but you have a sharp pain in your lower left abdominal side. Despite aspirin, it continues on for several hours. You fear it may be an exploding appendicitis, which could kill you. You go to the emergency room.

There you give your name, social security number, address, and phone number for the Med-

ical file. Thereafter, you are told to wait. You are treated to a hard chair. In 10 minutes, if you are very lucky (some waits are hours long), you get admitted into see the emergency nurse. She checks your vitals and asks standard questions: "Where is the pain? What did you do? What did you eat? Are you allergic to anything?" She takes your age, weight, height, temperature and passes the Medical File on for the Doctor.

The Doctor may not be the one to make the diagnosis, but will evaluate further by ordering medical tests to the Medical File: blood, urine, sonogram, perhaps an IV, and then the stomach surface digital exam (he touches your stomach) – "Does this hurt?"

Then you wait, either back in the emergency waiting room, or if your temperature is over 101, you may get a bed or a chair near the nurses' station. If you are cold, you may get a blanket. If you are hungry, forget about it. If you are uncomfortable, forget about it. Now you wait, and wait, and wait. Depending when you entered and what day it is, you can easily wait 9 hours to "get your results back."

Then you see a doctor who does the diagnosis. "Good news, no appendicitis. Constipation probably. Let me give you an extra strength prescription laxative that you will need to go to the drug store and wait another couple hours to file." You pay \$110 because "it's a special laxative."

You go home, take the medicine, and sure enough the pain goes away and you soon take the biggest dump of your life. Wow! Glad that was all it was. Glad it's over.

HOLD ON. NOT OVER. You may be thinking, "What could that horrific treatment at emergency room cost me? I saw two doctors, took some tests, was treated like cattle, certainly NOT LIKE I AM AT THE HILTON IN VEGAS AS AN HONORED GUEST." By the way, "honored guests are people who spend \$10,000 a night." Vegas treats you reallllly well, like a King! So you may think, "I've got a couple thousand in the bank. I'll be covered."

Not! Your Medical File has made the rounds. Anyone who breathed on it threw in their code number. Their code number was sent to Billing who looked up prices. Then comes your first bill of _____. How many? You don't know. Nor does the Hospital - yet.

14 days later, 1st bill: \$3280.70. OUCH

4 days later, 2nd bill: \$1896.43 Ouch!

8 days later, 3rd bill: \$2398.99 Ouch!

12 days later, 4th bill: \$4489.27 Ouch!

14 days later, the 5th and final bill: \$3,398.22

14 days later, the 1st "Bill Is Due" reminder!

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SCAM: How it's Done Over and Over Again

So you say like many people, "\$15,464 for an emergency room visit! And I've got less than 90 days to pay up!?? Wow, that's a new car! And I didn't have any appendicitis!!!! Gee, how much would the real thing cost?!" You don't want to know. You think back to the nurse, the two doctors, the tests, the hours waiting, the LOUSY treatment you received, Come on in VEGAS - if you spend \$15k you are royalty for the night. Payments to the hospital will be \$1498 a month! That is a GOOD house payment! You already got a house!

So you don't have medical insurance and your two-grand in the bank ain't going to cover it. You have a good computer paying job and so the government is not putting you on their state medical coverage plan.

You say, "F*ck-it, let it go to collections. What can they do?"

So here is a key point, RON PAULERS. Listen up. The Hospital SELLS the invoice for 10% to get its cash.

SO the hospital SYSTEM creates a HUGE bill, refuses to sell it to the patient for 10% (of course), and gets paid REALLY what their "Service" was worth all along -- \$1,546, the very amount you had saved in the bank for such emergencies.

Now comes collections, and soon, at the age of 30, you'll be declaring bankruptcy all over an appendicitis that YOU DIDN'T HAVE.

Now what is wrong with this picture?

Where is the competition? Where is the pricing UP FRONT?

And why cannot hospitals be MADE to post up all their prices? Too many you say? I say hogwash.

\$5,000 for anything from above the neck.

\$10,000 for anything below the neck and above the hips.

\$5,000 for anything from the hips down.

Simple. There is your pricing for any emergency hospital room in America.

Indeed, there is medical PRICING and SHOPPING going on in the world of cosmetic surgery. AND THERE ARE EMERGENCIES in that line of medical business too. But they post their prices and YOU CAN SHOP THEM. Most of all, no health insurance is involved. Pricing for this has been going down while the QUALITY of service goes UP. Further, YOU ARE TREATED WONDERFULLY.

I read somewhere that in WWII, there was

PRICE CONTROLS and RATIONING. Well employers, stuck with price controls, could not RAISE any salaries, but the IRS did let the employers Pay (for the first time this was done) the employees medical insurance bill. And so started the long road of 3rd party pays. This was the first time, or the FIRST GOVERNMENT FOOT getting into the medical door.

Companies paid and did not mind costs, and employees did not notice when less pay was because the 20 smokers over there were calling in sick a lot. By the 1960s, LBJ and his Medicaid came in and Government got its SECOND FOOT into the medical door. With 3rd party pays, and then MEDICAID, and then MEDICARE, government was fully into the medical business. By the mid-1970s, employers were trying to save medical costs, and HMOs promised they could do that. Still, the 3rd party pays, and no medical customer knew what he was paying (other than the deductible office visit). For the doctors in the system, this is great. Customers who are not haggling, and because State Med school admissions policy keeps the number of medical doctors down, HIGH DEMAND.

Wow, what a great deal for doctors. 3rd party pays, high demand, cartel of medical doctors -- WHY ADVERTISE? And who even BOTHERS to advertise one's prices? Indeed, doctors themselves DON'T KNOW their own prices. It's crazy. The only thing they noticed in the 70's, 80's, and 90's was the INCREASED paper work from insurance companies and difficulty in getting things covered.

In the 90's, HilaryCare comes about to complete the government take over. NO PRICING, just ONE PROVIDER - GOVERNMENT. It failed...

Then OBAMACARE... it passed. But here, it's a FULL EMPLOYMENT Bill to the medical Insurance companies. YOU MUST HAVE MEDICAL INSURANCE.

But wise Patriots, does this solve the problem of 3rd party pays, shortage of doctors, no price competition, no posted prices UP FRONT, and the involvement of government in "buying" Medicaid and Medicare? No.

The fact is, not since WWII, have we had a free market in medical care. It has not existed in 70 years.

To get there, we must know WHY and then WHERE we must go.

In peace and liberty,
Treg



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Why Do Doctors, Nurses Often Use Holistic Medicine for Themselves?

By Dr. Mercola

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ALTERNATIVE medicine is no longer so "alternative" for health care workers, the majority of whom use a variety of complementary and alternative medicine (CAM) for themselves.

- Chiropractic
- Herbalism, homeopathy, and nutritional-based therapies
- Traditional Chinese medicine (TCM) and acupuncture
- Ayurveda
- Meditation and hypnosis

Doctors Referring More Patients to Alternative Treatments

In fact, 76 percent of health care workers use CAM, compared to 63 percent of the general population, according to research in the journal [Health Services Research](#). Even more revealing, health care *providers*, including doctors and nurses, were more than twice as likely to have used practitioner-based CAM, and nearly three times as likely to use self-treatment with CAM, during the prior year than support workers.

It seems health care workers are poignantly aware of many of the [pitfalls of modern medicine](#) and as such are embracing more holistic modalities. As psychiatrist Joya Lynn-Schoen, M.D., who practices alternative medicine, told [Health Behavior News Service](#), part of the Center for Advancing Health:

"As insiders, health care workers understand what's missing in our medical system. They're more educated than others about orthodox and alternative medicine ... Mainstream medicine will say, 'Here's a pill' or 'Have an operation' or 'There's nothing wrong with you. You're just tired.'"

With holistic therapies, attention is directed to finding the *root* cause of disease so you can heal on a deep, instead of surface, level. In simpler terms, holistic medicine focuses on *health*, whereas conventional medicine focuses on *disease*.

Holistic Medicine Increasing in Popularity

The trend of CAM use among health care workers is mirrored by that of the general population. Increasing numbers of people are looking for treatments that fall outside of the realm of conventional medical care, often because conventional medicine has failed them or even made their conditions worse.

In 2007, more than [38 percent of U.S. adults used complementary and alternative medicine](#), along with 12 percent of children -- a rate that's been increasing since 2002. This amounts to 4 in 10 adults, and 1 in 9 children, embracing CAM. According to the [National Center for Complementary and Alternative Medicine](#), while CAM is used by people of all backgrounds, use is greatest among women and those with higher levels of education and income.

CAM practices are very diverse and include, but are not limited to:

- Nutritional medicine
- Energy medicine
- Naturopathy

Although the U.S. medical system is touted as being the best in the world, the truth is it has dismal success rates when it comes to treating and preventing chronic disease. A study published in *Health Affairs* revealed that the United States ranks 49th for life [expectancy](#) worldwide, a ranking that has fallen sharply from fifth place in 1950. At the same time that life expectancy has been declining at faster rates than many other industrialized nations, per capita health spending has been on the rise.

The average American between the ages of 19 and 64 now takes close to [12 prescription drugs every year!](#)

But with all of these drugs, Americans are not walking around with stellar health. Rates of chronic diseases are through the roof, and we're facing epidemics of obesity, heart disease, diabetes, depression and too many others to list. As a whole, Americans are not healthy – they're tired, depressed, stressed out and often in pain.

As patients, many people have taken their health into their own hands by abandoning this fatally flawed medical model and embracing holistic modalities that can help heal on a body-wide level. And now doctors, too, are following suit!

Nearly 6.5 million Americans, or one in 30, were referred for mind-body therapy such as yoga, meditation or guided imagery by their doctor or other health care practitioner, according to a study in the [Archives of Internal Medicine](#). What's more, *you* can have an impact on your doctor's tendency to recommend these alternatives, as when you inquire about them, some health care providers do in fact listen.

Dr. Aditi Nerurkar, an internist and integrative medicine fellow at Harvard Medical School and Beth Israel Deaconess Medical Center, who co-authored the study actually did so *because* of her patients requests. As reported by [CommonHealth](#):

"Nerurkar, 35, says she was "inspired by her patients," to pursue the research because so many of them kept telling her how much better they felt — that their insomnia or anxiety had ceased — after taking a meditation or yoga class."

So many people are now asking their health care providers about alternative options that medical schools have had no choice but to listen -- [many are now offering courses in alternative medicine](#), such as the use of herbs, acupuncture and mind-body medicine!

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Are You Fed Up with Prescription Drugs and Surgery?

Taking medications and having surgery is clearly not the route to optimal health that the modern medical system would have you believe it is. Dr. Null and colleagues published an oft-cited report in [2003 about the death toll caused by drugs](#) and conventional medical treatments, which included the following statistics.

- Adverse drug reactions -- 106,000 deaths/year
- Medical errors -- 98,000 deaths/year
- Unnecessary procedures -- 37,136 deaths/year
- Surgery -- 32,000 deaths/year

Additionally, a June 2010 report in the Journal of [General Internal Medicine](#), which analyzed 62 million death certificates from 1979 to 2006 (the most recent year available), found that almost a quarter-million of those deaths were coded as having *occurred in a hospital setting due to medication errors*. In an [AMA article discussing the study](#), one co-author was quoted as stating that "medication errors are the second-leading cause of accidental death, and the only kind of accidental death that is increasing over time."

An estimated 450,000 preventable medication-related adverse events occur in the U.S. every year, and adverse drug reactions cause injuries or death in 1 of 5 hospital patients. The [costs of adverse drug reactions](#) to society are more than \$136 billion annually -- greater than the total cost of cardiovascular or diabetic care.

Further, an analysis in the [New England Journal of Medicine](#) in 2010 found that [18 percent of patients were harmed by medical care](#) (some repeatedly) and over 63 percent of the injuries could have been prevented. In nearly 2.5 percent of these cases, the problems caused or contributed to a person's death. In another 3 percent, patients suffered from permanent injury, while over 8 percent experienced life-threatening issues, such as severe bleeding during surgery.

In all there were over 25 injuries per 100 admis-


sions! In other words you have a one in four chance of getting injured if you are admitted to the hospital, not very good odds by any stretch. So it is easy to understand why some people are abandoning conventional medicine like rats leaving a sinking ship! Alternative medicine typically offers a [more positive treatment experience](#) and typically produces better results, and Americans are also increasingly distrustful of prescription medicines, and rightfully so!



Holistic Medicine Helps You Take Control of Your Health

The more you take responsibility for your own health -- in the form of nurturing your body to prevent disease -- the less you need to rely on the "disease care" that passes for health care in the United States.

If you carefully follow some [basic health principles](#) -- simple things like [exercising](#), [eating whole foods](#), [sleeping enough](#), [getting sun exposure](#), reducing stress in your life, and nurturing personal relationships -- you will drastically reduce your need for conventional medical care, which in and of itself will reduce your chances of suffering ill side effects.

But in the event you do need medical care, seek a health care practitioner who will help you [move toward complete wellness](#) by helping you discover and understand the hidden causes of your health challenges ... and create a customized and comprehensive -- i.e. *holistic* -- treatment plan for you. You and your family CAN take control of your health, and you can typically do so using lifestyle choices and other natural, holistic strategies. 

Dr. Mercola is the founder of the world's most visited natural health web site, [Mercola.com](#). You can learn the hazardous side effects of OTC Remedies by getting a FREE copy of his latest special report [The Dangers of Over the Counter Remedies](#) by going to his [Report Page](#).



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Central Banks, BIS and Goldman Sachs Coercion

By SARTRE BATR

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"THE few who understand the system, will either be so interested from it's profits or so dependent on it's favors, that there will be no opposition from that class."

Rothschild Brothers of London, 1863

Did you ever wonder why countries allow private central banks to issue their money? Somehow, missing in the self-governing status of governments is the courage to deny the seduction or the threats of the global banking cabal, over the control of a nation's currency. How did this obvious usurpation of independence become an unquestioned acceptance by the very governments who proclaim to be sovereign nations? The answer reveals that the right of autonomous government is now dependent upon the approval of the banking cartel. The myth that a historic country can exert their populist will and financial self-determination, when it conflicts or opposes the interest and objectives of the moneychangers, is outright fantasy.



In an Interview with [Jean-Claude Trichet](#), President of the ECB, conducted on 20 April 2011 by Mr Jorma Pöysä (Kauppalehti) and Mr Juhana Rossi (Helsingin Sanomat), published on 26 April 2011, the following makes it very clear just who is in charge.

Question: As you may know, a populist and euro-hostile party called True Finns won the general election in Finland last weekend, obtaining almost one-fifth of the votes. Are you worried that this anti-euro sentiment will grow in other euro area countries? Could it dampen the willingness of triple A countries to accept new rescue arrangements and therefore slow the gradual recovery from the recession and the debt/banking crisis?

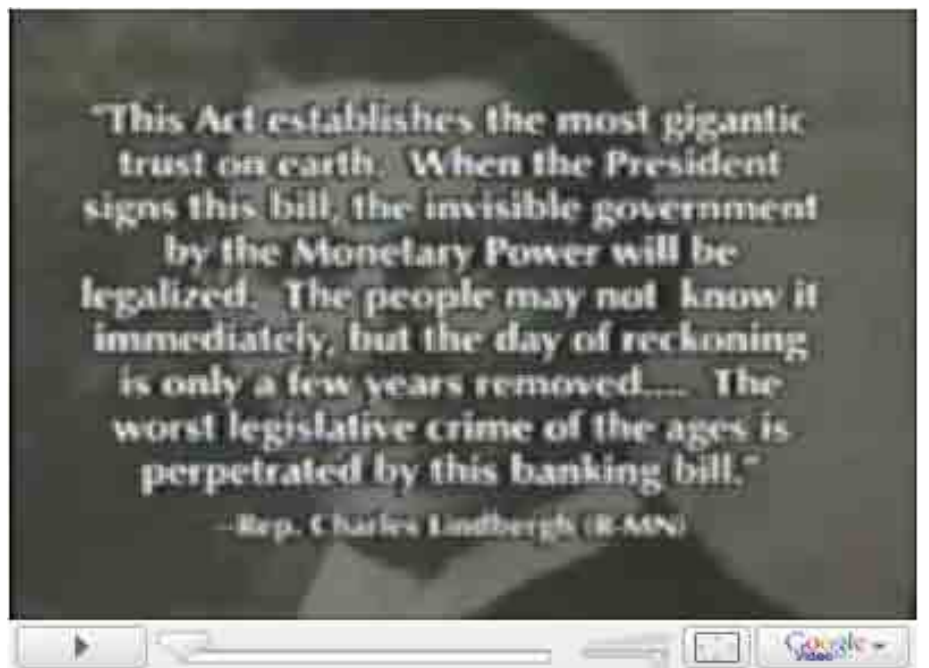
Answer: *As a central bank we issue a currency for absolutely all political sensitivities. We are the guardian of a public good – a credible and stable currency – and that public good is for the service of all our fellow citizens. We are, by construction, a multi-partisan and multinational institution. I will not comment on the functioning of our democracies. We fully respect the functioning of our democracies in which we have the fortune to live in Europe.*

Translate for "our democracies" the vassal states of the usury masters. [Blackstone's Commentaries](#) on the Laws of England, p. 1336 reads: "When money is lent on a contract to receive not only the principal sum again, but also an increase by way of compensation for the use, the increase is called interest by those who think it lawful, and usury by those who do not."

[Niall Kilkenny](#) in *The Moneychangers Exposed at Last*, concludes. "In the ancient world, the usurer quickly became owner of most of the country and had all the silver and gold. Then the peasants became slaves or revolted. Under the paper system, the final collapse can be postponed by printing more fake money. Inflation is the handmaid of the paper system. It is economic warfare, and more deadly than an invading army, because it comes from the enemy within."

[The Money Masters](#)

[How International Bankers Gained Control of America](#)



Today central banks command far more power to dictate financial consequences than any government. Simply stated, governments dare not restrict or abolish their monopoly schemes that make or break political regimes. [The Money Masters](#) video gives an excellent account on How International Bankers Gained Control of America.

Yet, this same pattern repeats itself throughout the world. Can there be any doubt that the bankers directed NATO to remove Col Muammar Gaddafi because he was proposing a [pan African financial system](#) that would abandon the strangle hold of the IMF? Gold stocks in the hands of a rebel, prescribes the need to overthrow and punish anyone who dares defy the interest debt machine. The ultimate moneychanger, the Bank of International Settlement calls the tune. [The Money Masters](#) site exposes the practice.



"The Central bankers' Bank for International Settlements (BIS) in 1988 in the "Basel I" regulations imposed an 8% capital reserve standard on member central banks. This almost immediately threw Japan into a 15 year economic depression. In 2004 Basel II imposed "mark to the market" capital valuation standards that required international banks to revalue their reserves according to changing market valuations (such as falling home or stock prices). The US implemented those standards in November, 2007. In December 2007 the US stock market collapsed and credit began drying up as banks withheld loans to comply with the 8% capital requirement as collateral valuations began to drop. The snowball effect of tightening credit, which reduces economic activity and values further, which resulted in further tightening of credit, etc., has produced a worldwide depression which is worsening."

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Charles Scaliger adds in [Basel III and Sound Banking](#) published in the New American.

“The set of rules agreed upon, which are being called the Basel III rules, will give banks until the end of the decade to come into compliance with new global financial standards, including a mandatory reserve of so-called “Tier 1 capital” of six percent (up from four percent) and an additional emergency reserve — a “conservation buffer” — of 2.5 percent. Champions of the new rules, like Jean-Claude Trichet, chairman of the European Central Bank, believed the measures would strengthen the global economy in coming years by — in Trichet’s words — leading to a “fundamental strengthening of global capital standards.” Others, like Sheila Bair, head of the FDIC, pushed for a quicker phase-in and for still higher capital standards. Banks themselves, especially cash-strapped large European banks, were relieved at the long phase-in, which they hope will buy them time to get their financial houses in order.”

It should be clear that the financial markets are subject to the decrees of a shadow top down system, set up by elites, to achieve not only economic manipulation but also political control.

In the article [Bank of International Settlements Total Rip-Off](#), Matthias Chang transitions into the ties with the investment bankers.

“The Bernankes, the Geithners, the Paulsons, the Larry Summers and their pals in Goldman Sachs, JP Morgan, Citigroup, Merrill Lynch, Bear Sterns, Lehman Brothers, Fannie Mae, Freddie Mac and their European counterparts are given blanket immunity and allowed to continue the rape and plunder of the global economy. I believe that unless progressive financial analysts and commentators simplify their analysis and commentaries so that more people will understand how the frauds have been committed, the status quo would remain and the plunder would continue.”



Enter the poster boy of Wall Street excess, Goldman Sachs. Forget what you hear about the “Vampire Squid” you read about in Matt Taibbi’s “Bubble Machine”, the source you need to follow is [goldmansachs666.com](#). [Mike Morgan](#) started the blog and as soon as the “blood sucking calamari” got wind of the effort, Goldman Sachs decided to tell him he could not do what he was doing. They sent a cease and desist letter, and Morgan filed a Complaint in the United States District Court. Now the next circus is gearing up - [Could Blankfein Face Prison?](#) This


drama will just divert a needed inquiry, away from the tyrannical usury financial fraud and the systemic debt despotism, that rules the planet.

“Recall that Blankfein emphatically told the subcommittee, “We didn’t have a massive short against the housing market, and we certainly did not bet against our clients.” The 650-page subcommittee report (PDF) presented on April 13, 2011, which cites Blankfein 79 times, begs to differ.

The report accused Goldman of trading against its clients by simultaneously shorting certain subprime mortgage securities (a.k.a. “cats and dogs”) while stuffing them into the collateralized debt obligations it sold. It also suggested that Goldman executives, including Blankfein, misled Congress in testimony surrounding the Abacus CDO, Hudson, Timberwolf, and other deals, by saying it didn’t have a big short.”

Books can be written about the insanity in speculative instruments and exotic swaps, but it all comes down to a variation on the ruse, which is based upon charging interest on debt created money. Greed will always exist, but the acceptance of the tenants of central banking and financial exchange gambling will continue and assure to produce the same results. The elites accumulate more control over the resources and the slaves pay a higher price for mere survival. International financial markets and central banks must stamp out any threat to their criminal syndicate. Usury (Riba) the notion of interest payments in conventional banking is impermissible in [Shariah law](#), because it is considered usury and is therefore unjust. The [Law of Moses](#) states, “Thou shalt not lend upon usury to thy brother; usury of money, usury of victuals, usury of anything that is lent upon usury “(Deut. 23:19).”

Yet in this world of incalculable debt, the practice of private banks maintaining the sole ability to invent magic entries in an accounting ledger that draws interest payments from governments continues. The alternative to this demonic plot requires governments to issue their own debt free currency. Leaders without fail have been killed for thinking such revolutionary thoughts.

Nothing short of an entire repudiation of the global banking monocacy, will liberate people from the [global gulag](#). State coercion is paid with the blood money that drains your vital sustenance. As the worldwide depression spreads and the fascist enforcer beats the last critical signs of resistance out of the masses, the few who are in positions of leadership need to break their silence and engage with the populace to rebel. It is time to drive the moneychangers out of the affairs of nation states. 

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The Myth that Laissez Faire Is Responsible for Our Financial Crisis

by George Reisman

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October 28, 2008

THE news media are in the process of creating a great new historical myth. This is the myth that our present financial crisis is the result of economic freedom and

laissez-faire capitalism.

The attempt to place the blame on laissez faire is readily confirmed by a Google search under the terms “crisis + laissez faire.” On the first page of the results that come up, or in the web entries to which those results refer, statements of the following kind appear:

“The mortgage crisis is laissez-faire gone wrong.”

“Sarkozy [Nicolas Sarkozy, the President of France] said 'laissez-faire' economics, 'self-regulation' and the view that 'the all-powerful market' always knows best are finished.”

“America's laissez-faire ideology, as practiced during the subprime crisis, was as simplistic as it was dangerous,' chipped in Peer Steinbrück, the German finance minister.”

“Paulson brings laissez-faire approach on financial crisis....”

“It's au revoir to the days of laissez faire.”¹

Recent articles in *The New York Times* provide further confirmation. Thus one article declares, “The United States has a culture that celebrates laissez-faire capitalism as the economic ideal... .”² Another article tells us, “For 30 years, the nation's political system has been tilted in favor of business deregulation and against new rules.”³ In a third article, a pair of reporters assert, “Since 1997, Mr. Brown [the British Prime Minister] has been a powerful voice behind the Labor Party's embrace of an American-style economic philosophy that was light on regulation. The laissez-faire approach encouraged the country's banks to expand internationally and chase returns in areas far afield of their core mission of attracting deposits.”⁴ Thus even Great Britain is described as having a “laissez-faire approach.”

The mentality displayed in these statements is so completely and utterly at odds with the actual meaning of laissez faire that it would be capable of describing the economic policy of the old Soviet Union as one of laissez faire in its last decades. By its logic, that is how it would have to describe the policy of Brezhnev and his successors of allowing workers on collective farms to cultivate plots of land of up to one acre in size on their own account and sell the produce in farmers' markets in Soviet cities. According to the logic of the media, that too would be “laissez faire” — at least compared to the time of Stalin.

Laissez-faire capitalism has a definite meaning, which is totally ignored, contradicted, and downright defiled by such statements as those quoted above. Laissez-faire capitalism is *a politico-economic system based on private ownership of the means of production and in which the powers of the state are limited to the protection of the individual's rights against the initiation of physical force*. This protection applies to the initiation of physical force by other private individuals, by foreign governments, and, most importantly, by the individual's own government. This last is accomplished by such means as a written constitution, a system of division of powers and checks and balances, an explicit bill of rights, and eternal vigilance on the part of a citizenry with the right to keep and bear arms. Under laissez-faire capitalism, the state consists essentially just of a police force, law courts, and a national defense establishment, which deter and combat those who initiate the use of physical force. And nothing more.

The utter absurdity of statements claiming that the present political-economic environment of the United States in some sense represents laissez-faire capitalism becomes as glaringly obvious as anything can be when one keeps in mind the extremely limited role of government under laissez-faire and then considers the following facts about the present-day United States.

1) Government spending in the United States currently equals more than forty percent of national income, i.e., the sum of all wages and salaries and profits and interest earned in the country. This is without counting any of the massive off-budget spending such as that on account of the government enterprises Fannie Mae and Freddie Mac. Nor does it count any of the recent spending on assorted “bailouts.” What this means is that substantially more than forty dollars of every one hundred dollars of output are appropriated by the government against the will of the individual citizens who produce that output. The money and the goods involved are turned over to the government only because the individual citizens wish to stay out of jail. Their freedom to dispose of their own incomes and output is thus violated on a colossal scale. In contrast, under laissez-faire capitalism, government spending would be on such a modest scale that a mere revenue tariff might be sufficient to support it. The corporate and individual income taxes, inheritance and capital gains taxes, and social security and Medicare taxes would not exist.

2) There are presently fifteen federal cabinet departments, nine of which exist for the very purpose of respectively interfering with housing, transportation, healthcare, education, energy, mining, agriculture, labor, and commerce, and virtually all of which nowadays routinely ride roughshod over one or more important aspects of the economic freedom of the individual. Under laissez faire capitalism, eleven of the fifteen cabinet departments would cease to exist and only the departments of justice, defense, state, and treasury would remain. Within those departments, moreover, further reductions would

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¹ See <http://www.volunteertv.com/international/headlines/29762874.html>.

² Steve Lohr, “Intervention Is Bold, but Has a Basis in History,” October 14, 2008, p. A14.

³ Jackie Calmes, “Both Sides of the Aisle See More Regulation,” October 14, 2008, p. A15.

⁴ Landon Thomas Jr. and Julia Werdigier, “Britain Takes a Different Route to Rescue Its Banks,” October 9, 2007, p. B7.

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be made, such as the abolition of the IRS in the Treasury Department and the Antitrust Division in the Department of Justice.

3) The economic interference of today's cabinet departments is reinforced and amplified by more than one hundred federal agencies and commissions, the most well-known of which include, besides the IRS, the FRB and FDIC, the FBI and CIA, the EPA, FDA, SEC, CFTC, NLRB, FTC, FCC, FERC, FEMA, FAA, CAA, INS, OSHA, CPSC, NHTSA, EEOC, BATF, DEA, NIH, and NASA. Under laissez-faire capitalism, all such agencies and commissions would be done away with, with the exception of the FBI, which would be reduced to the legitimate functions of counterespionage and combating crimes against person or property that take place across state lines.

4) To complete this catalog of government interference and its trampling of any vestige of laissez faire, as of the end of 2007, the last full year for which data are available, the *Federal Register* contained fully *seventy-three thousand pages* of detailed government regulations. This is an increase of more than ten thousand pages since 1978, the very years during which our system, according to one of *The New York Times* articles quoted above, has been “tilted in favor of business deregulation and against new rules.” Under laissez-faire capitalism, there would be no *Federal Register*. The activities of the remaining government departments and their subdivisions would be controlled exclusively by duly enacted legislation, not the rule-making of unelected government officials.

5) And, of course, to all of this must be added the further massive apparatus of laws, departments, agencies, and regulations at the state and local level. Under laissez-faire capitalism, these too for the most part would be completely abolished and what remained would reflect the same kind of radical reductions in the size and scope of government activity as those carried out on the federal level.

What this brief account has shown is that the politico-economic system of the United States today is so far removed from laissez-faire capitalism that it is closer to the system of a police state than to laissez-faire capitalism. The ability of the media to ignore all of the massive government interference that exists today and to characterize our present economic system as one of laissez-faire and economic freedom marks it as, if not profoundly dishonest, then as nothing less than delusional.

Government Intervention Actually Responsible for the Crisis

Beyond all this is the further fact that *the actual responsibility for our financial crisis lies precisely with massive government intervention*, above all the intervention of the Federal Reserve System in attempting to create capital out of thin air, in the belief that the mere creation of money and its being made available in the loan market is a substitute for capital created by producing and saving. This is a policy it has pursued since its founding, but with exceptional

vigor since 2001, in its efforts to overcome the collapse of the stock market bubble whose creation it had previously inspired.

The Federal Reserve and other portions of the government pursue the policy of money and credit creation in everything they do that encourages and protects private banks in the attempt to cheat reality by making it appear that one can keep one's money and lend it out too, both at the same time. This duplicity occurs when individuals or business firms deposit cash in banks, which they can continue to use to make purchases and pay bills by means of writing checks rather than using currency. To the extent that the banks are then enabled and encouraged to lend out the funds that have been deposited in this way (usually by the creation of new and additional checking deposits rather than the lending of currency), they are engaged in the creation of new and additional money. The depositors continue to have their money and borrowers now have the bulk of the funds deposited. In recent years, the Federal Reserve has so encouraged this process, that checking deposits have been created equal to fifty times the actual cash reserves of the banks, a situation more than ripe for implosion.

All of this new and additional money entering the loan market is fundamentally fictitious capital, in that it does not represent new and additional capital goods in the economic system, but rather a mere transfer of parts of the existing supply of capital goods into different hands, for use in different, less efficient and often flagrantly wasteful ways. The present housing crisis is perhaps the most glaring example of this in all of history.

Perhaps as much as a trillion and a half dollars or more of new and additional checkbook-money capital was channeled into the housing market as the result of the artificially low interest rates caused by the presence of an even larger overall amount of new and additional money in the loan market. Because of the long-term nature of its financing, housing is especially susceptible to the effect of lower interest rates, which can serve sharply to reduce monthly mortgage payments and in this way correspondingly increase the demand for housing and for the mortgage loans needed to finance it.

Over a period of years, the result was a huge increase in the production and purchase of new homes, rapidly rising home prices, and a further spiraling increase in the production and purchase of new homes in the expectation of a continuing rise in their prices.

To gauge the scale of its responsibility, in the period of time just since 2001, the Federal Reserve caused an increase in the supply of checkbook-money capital of more than 70 percent of the cumulative total amount it had created in the whole of the previous 88 years of its existence — that is, almost 2 trillion dollars.⁵ This was the

5 I arrive at these figures by calculating total checking deposits in January of 2001 and in August of 2008 as the sum of those contained in M1, the “sweep” accounts compiled by the Federal Reserve Bank of St. Louis, and money market mutual fund deposits, both retail and institutional. From these respective totals I subtract total bank reserves as

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increase in the amount by which the checking deposits of the banks exceeded the banks' reserves of actual money, that is, the money they have available to pay depositors who want cash. The Federal Reserve caused this increase in illusory capital by means of creating whatever new and additional bank reserves as were necessary to achieve a Federal Funds interest rate — that is, the rate of interest paid by banks on the lending and borrowing of reserves — that was far below the rate of interest dictated by the market. For the three years 2001—2004, the Federal Reserve drove the Federal Funds Rate below 2 percent and from July of 2003 to June of 2004, drove it even further down, to approximately 1 percent.

The Federal Reserve also made it possible for banks to operate with a far lower percentage of reserves than ever before. Whereas in a free market, banks would hold gold reserves equal to their checking deposits, or at the very least to a substantial proportion of their checking deposits,⁶ the Federal Reserve in recent years contrived to make it possible for them to operate with irredeemable fiat money reserves of less than 2 percent.

The Federal Reserve drove down the Federal Funds Rate and brought about the vast increase in the supply of illusory capital for the purpose of driving down all market interest rates. The additional illusory capital could find borrowers only at lower interest rates. The Federal Reserve's goal was to bring about interest rates so low that they could not compensate even for the rise in prices. It deliberately sought to achieve a *negative* real rate of interest on capital, that is, a rate below the rate at which prices rise. This means that a lender, after receiving the interest due him for a year, has less purchasing power than he had the year before, when he had only his principal.



In doing this, the Federal Reserve's ultimate purpose was to stimulate both investment and consumer spending. It wanted the cost of obtaining capital to be minimal so that it would be invested on the greatest possible scale and for people to regard the holding of money as a losing proposition, which would stimulate them to spend it faster. More spending, ever more spending was its concern, in the belief that that

of the same dates. I then subtract the result for 2001 from that for 2008 and divide the difference by the sum calculated for 2001.

⁶ If the creation of checkbook money in excess of currency holdings is in fact an attempt at cheating, as I described it earlier, then it follows that a free market would actually require a 100 percent reserve.

is what is required to avoid large-scale unemployment.

As matters have turned out, the Federal Reserve got its wish for a negative real rate of interest, but to an extent far beyond what it wished. It wished for a negative real rate of return of perhaps 1 to 2 percent. What it achieved in the housing market was a negative real rate of return measured by the loss of a major portion of the capital invested. In the words of *The New York Times*, “In the year since the crisis began, the world's financial institutions have written down around \$500 billion worth of mortgage-backed securities. Unless something is done to stem the rapid decline of housing values, these institutions are likely to write down an additional \$1 trillion to \$1.5 trillion.”⁷

This vast loss of capital in the housing debacle is what is responsible for the inability of banks to make loans to many businesses to which they normally could and would lend. The reason they cannot now do so is that the funds and the real wealth that have been lost no longer exist and thus cannot be lent to anyone. The Federal Reserve's policy of credit expansion based on the creation of new and additional checkbook money has thus served to give capital to unworthy borrowers who never should have had it in the first place and to deprive other, far more credit worthy borrowers of the capital they need to stay in businesses. Its policy has been one of redistribution and destruction.

The capital it has caused to be malinvested and lost in housing is capital that is now unavailable for such firms as Wickes Furniture, Linens 'n Things, Levitz Furniture, Mervyns, and innumerable others, who have had to go bankrupt because they could not obtain the loans they needed to stay in business. And, of course, among the foremost victims have been major banks themselves. The losses they have suffered have wiped out their capital and put them out of business. And the list of casualties will certainly grow.

Any discussion of the housing debacle would be incomplete if it did not include mention of the systematic consumption of home equity encouraged for several years by the media and an ignorant economics profession. Consistent with the teachings of Keynesianism that consumer spending is the foundation of prosperity, they regarded the rise in home prices as a powerful means for stimulating such spending. In increasing homeowners' equity, they held, it enabled homeowners to borrow money to finance additional consumption and thus keep the economy operating at a high level. As matters have turned out, such consumption has served to saddle many homeowners with mortgages that are now greater than the value of their homes, which would not have been the case had those mortgages not been enlarged to finance additional

⁷ Joe Nocera, “Shouldn't We Rescue Housing?”, October 18, 2008, p. B1.

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consumption. This consumption is the cause of a further loss of capital over and above the capital lost in malinvestment.

A discussion of the housing debacle would also not be complete if it did not mention the role of government guarantees of many mortgage loans. If the government guarantees the principal and interest on a loan, there is no reason why a lender should care about the qualifications of a borrower. He will not lose by making the loan, however bad it may turn out to be.

A substantial number of mortgage loans carried such guarantees. For example, a *New York Times* article describes the Department of Housing and Urban Development as “an agency that greased the mortgage wheel for first-time buyers by insuring billions of dollars in loans.” The article describes how HUD progressively reduced its lending standards: “families no longer had to prove they had five years of stable income; three years sufficed...lenders were allowed to hire their own appraisers rather than rely on a government-selected panel...lenders no longer had to interview most government-insured borrowers face to face or maintain physical branch offices,” because the government's approval for granting mortgage insurance had become automatic.

The Times' article goes on to describe how “Lenders,” such as Countrywide Financial, which was among the largest and most prominent, “sprang up to serve those whose poor credit history made them ineligible for lower-interest 'prime' loans.” It notes the fact that “Countrywide signed a government pledge to use 'proactive creative efforts' to extend homeownership to minorities and low-income Americans.”⁸ “Proactive creative efforts” is a good description of what lenders did in offering such bizarre types of mortgages as those requiring the payment of “interest only,” and then allowing the avoidance even of the payment of interest by adding it to the amount of outstanding principal. (Such mortgages suited the needs of homebuyers whose reason for buying was to be able to sell as soon as home prices rose sufficiently further.)

Just as vast numbers of houses were purchased based on an unfounded belief in an endless rise in their prices, so too vast numbers of complex financial derivatives were sold based on an unfounded belief that the Federal Reserve System actually had the power it claimed to have of making depressions impossible, a power which the media and most of the economics profession repeatedly affirmed.

Derivatives have received such a bad press that it is necessary to point out that the insurance policy on a home is a derivative. And many of the derivatives that were sold and which are

now creating problems of insolvency and bankruptcy, namely, “credit default swaps (CDSs),” were insurance policies in one form or another. Their flaw was that unlike ordinary homeowners' insurance, they did not have a sufficient list of exclusions.

Homeowners' policies make exclusions for such things as damage caused by war and, in many cases, depending on the special risks of the local area, earthquakes and hurricanes. In the same way, the more complex derivatives should have made an exclusion for losses resulting from financial collapse brought on by Federal-Reserve-sponsored massive credit expansion. (If it is impossible actually to write such an exclusion, because many of the losses may occur before the nature of the cause becomes evident, then such derivatives should not be written and the market will no longer write them because of the unacceptable risks they entail.) But decades of brainwashing by the government, the media, and the educational system had convinced almost everyone that such collapse was no longer possible.

Belief in the impossibility of depressions played the same role in the creation and sale of “collateralized debt obligations (CDOs).” Here disparate home mortgages were bundled together and securities were issued against them. In many cases, large buyers bundled together collections of such securities and issued further securities against those securities. As more and more homeowners have defaulted on their loans, the result has been that no one is able directly to judge the value of these securities. To do so, it will be necessary to disentangle them down to the level of the underlying individual mortgages. Such tangles of securities could never have been sold in a market not overwhelmed by the propaganda that depressions are impossible under the government's management of the financial system.

Finally, a discussion of the housing debacle would not be complete if it did not include mention of forms of virtual extortion that served to encourage loans to unworthy borrowers. Thus, the online encyclopedia Wikipedia writes:

The Community Reinvestment Act [CRA]...is a United States federal law designed to encourage commercial banks and savings associations to meet the needs of borrowers in all segments of their communities, including low- and moderate-income neighborhoods... CRA regulations give community groups the right to comment or protest about banks' non-compliance with CRA. Such comments could help or hinder banks' planned expansions.

The meaning of these words is that the Community Reinvestment Act gives the power to “community groups,” to determine in an impor-

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⁸ David Streitfeld and Gretchen Morgenson, “The Reckoning, Building Flawed American Dreams,” October 19, 2008, p. A26.

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tant respect the financial success or failure of a bank. Only if they are satisfied that the bank is making sufficient loans to borrowers to whom it would otherwise choose not to lend, will it be permitted to succeed. The most prominent such community group is ACORN.

Part and parcel of the environment that has made an act such as the CRA possible, is threats of slander against banks for being “racist” if they choose not to make loans to people who are poor credit risks and also happen to belong to this or that minority group. The threats of slander go hand in glove with intimidation from various government agencies that exercise discretionary power over the banks and are in a position to harm them if they do not comply with the agencies' wishes. The same points apply to mortgage lenders other than banks.

What this extensive analysis of the actual causes of our financial crisis has shown is that it is government intervention, not a free market or laissez-faire capitalism, that is responsible in every essential respect.

The Laissez-Faire Myth and the Marxism of the Media

The myth that laissez faire exists in the present-day United States and is responsible for our current economic crisis is promulgated by people who know practically nothing whatever of sound, rational economic theory or the actual nature of laissez-faire capitalism. They espouse it despite, or rather *because* of, their education at the leading colleges and universities of the country. When it comes to matters of economics, their education has steeped them entirely in the thoroughly wrong and pernicious doctrines of Marx and Keynes. In claiming to see the existence of laissez faire in the midst of such massive government interference as to constitute the very opposite of laissez faire, they are attempting to rewrite reality in order to make it conform with their Marxist preconceptions and view of the world.

They absorb the doctrines of Marx more in history, philosophy, sociology, and literature classes than in economics classes. The economics classes, while usually not Marxist themselves, offer only highly insufficient rebuttal of the Marxist doctrines and devote almost all of their time to espousing Keynesianism and other, less well-known anti-capitalistic doctrines, such as the doctrine of pure and perfect competition.

Very few of the professors and their students have read so much as a single page of the writings of Ludwig von Mises, who is the preeminent theorist of capitalism and knowledge of whose writings is essential to its understanding. Almost all of them are thus essentially ignorant of sound economics.

When I refer to the educational system and the media as Marxist, I do not intend to imply that its members favor any kind of forcible overthrow of the United States government or are necessarily even advocates of socialism. What I mean is that they are Marxists insofar as they accept Marx's views concerning the nature and operation of laissez-faire capitalism.

They accept the Marxian doctrine that in the absence of government intervention, the self-interest, the profit motive — the “unbridled greed”

— of businessmen and capitalists would serve to drive wage rates to minimum subsistence while it extended the hours of work to the maximum humanly endurable, imposed horrifying working conditions, and drove small children to work in factories and mines. They point to the miserably low standard of living and terrible conditions of wage earners in the early years of capitalism, especially in Great Britain, and believe that that proves their case. They go on to argue that only government intervention in the form of pro-union and minimum-wage legislation, maximum-hours laws, the legal prohibition of child labor, and government mandates concerning working conditions, served to improve the wage earner's lot. They believe that repeal of this legislation would bring about a return to the miserable economic conditions of the early nineteenth century.

They view the profits and interest of businessmen and capitalists as unearned, undeserved gains, wrung from wage earners — the alleged true producers — by the equivalent of physical force, and hence regard the wage earners as being in the position of virtual slaves (“wage slaves”) and the capitalist “exploiters” as being in the position of virtual slave owners. Closely connected with this, they regard taxing the businessmen and capitalists and using the proceeds for the benefit of wage earners, in such forms as social security, socialized medicine, public education, and public housing, as a policy that serves merely to return to the wage earners some portion of the loot allegedly stolen from them in the process of “exploitation.”

In full agreement with Marx and his doctrine that under laissez-faire capitalism the capitalists expropriate all of the wage earner's production above what is necessary for minimum subsistence, they assume that the government's intervention harms no one but the immoral businessmen and capitalists, never the wage earners. Thus not only the taxes to pay for social programs but also the higher wages imposed by pro-union and minimum-wage legislation are assumed simply to come out of profits, with no negative effect whatever on wage earners, such as unemployment. Likewise for the effect of government-imposed shorter hours, improved working conditions, and the abolition of child labor: the resulting higher costs are assumed simply to come out of the capitalists' “surplus value,” never out of the standard of living of wage earners themselves.

This is the mindset of the whole of the left and in particular of the members of the educational system and media. It is a view of the profit motive and the pursuit of material self-interest as inherently lethal if not forcibly countered and rigidly controlled by government intervention. As stated, it is a view that sees the role of businessmen and capitalists as comparable to that of slave owners, despite the fact that businessmen and capitalists do not and cannot employ guns, whips, or chains to find and keep their workers but only the offer of better wages and conditions than those workers can find elsewhere.

Not surprisingly, the educational system and media share the view of Marx that laissez-faire capitalism is an “anarchy of production,” in which the businessmen and capitalists run about like chickens without heads. In their view, rationality, order, and planning emanate from the

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government, not from the participants in the market.

As I say, this, and more like it, is the intellectual framework of the great majority of today's professors and of several generations of their predecessors. It is equally the intellectual framework of their students, who have dutifully absorbed their misguided teachings and some of whom have gone on to become the reporters and editors of such publications as *The New York Times*, *The Washington Post*, *Newsweek*, *Time*, and the overwhelming majority of all other newspapers and news magazines. It is the intellectual framework of their students who are now the commentators and editors of practically all of the major television networks, such as CBS, NBC, ABC, and CNN.⁹ And it is this intellectual framework within which the media now attempts to understand and report on our financial crisis.

In their view, laissez-faire capitalism and economic freedom are a formula for injustice and chaos, while government is the voice and agent of justice and rationality in economic affairs. So firmly do they hold this belief, that when they see what they think is evidence of large-scale injustice and chaos in the economic system, such as has existed in the present financial crisis, they automatically presume that it is the result of the pursuit of self-interest and the economic freedom that makes that pursuit possible. Given this fundamental attitude, the principle that guides contemporary journalists so-called is that their job is to find the businessmen and capitalists who are responsible for the evil and the government officials who set them free to commit it, and, finally, to identify and support the policies of government intervention and control that will allegedly eliminate the evil and prevent its recurrence in the future.

Their fear and hatred of economic freedom and laissez-faire capitalism, and their need to be able to denounce it as the cause of all economic evil, is so great that they pretend to themselves and to their audiences that it exists in today's world, in which it clearly does not exist even remotely. By making the claim that laissez faire exists and is what is responsible for the problem, they are able to turn the full force of their hatred for actual economic freedom and laissez-faire capitalism against each and every sliver of economic freedom that somehow manages to exist and which they decide to target. That sliver, they project, is part and parcel of the starvation of the workers in the inhuman exploitation of labor that, in their ignorance, they take for granted is imposed by capitalists under laissez faire. Their brainwashed audience, as much the product of the contemporary educational system as they themselves, then quickly follows suit and obliges their efforts to arouse hatred.

The result is summed up in words such as these, which appeared in one of the same *New York Times* articles I quoted earlier: "We now have a

⁹ For a comprehensive refutation of all aspects of this intellectual framework, see George Reisman, *Capitalism: A Treatise on Economics* (Ottawa, Illinois: Jameson Books, 1996), chapters 11, 14, and passim.

collective anger, disgust, over our whole financial system and it's obvious we're going to get a regulatory backlash..." [with] "a spillover effect to other industries because voters have the perception that 'big companies are animals and they need to be put in their cages.'"¹⁰

In this way the enemies of capitalism and economic freedom are able to proceed in their campaign of economic destruction and devastation. They use the accusation of "laissez faire" as a kind of ratchet for increasing the government's power. For example, in the early 1930s they accused President Hoover of following a policy of laissez faire, even as he intervened in the economic system to prevent the fall in wage rates that was essential to stop a reduced demand for labor from resulting in mass unemployment. On the basis of the mass unemployment that then resulted from Hoover's intervention, which they succeeded in portraying as "laissez faire," they deceived the country into supporting the further massive interventions of the New Deal.

Today, they continue to play the same game. Always it is laissez faire that they denounce, and whose alleged failures they claim need to be overcome with yet more government regulations and controls. Today, the massive interventions not only of the New Deal, but also of the Fair Deal, the New Frontier, the Great Society, and of all the administrations since, have been added to the very major interventions that existed even in the 1920s and to which Hoover very substantially added. And yet we still allegedly have laissez faire. It seems that so long as anyone manages to move or even breathe without being under the control of the government, laissez faire allegedly continues to exist, which serves to make necessary yet still more government controls.

The logical stopping point of this process is that one day everyone will end up being shackled to a wall, or at the very least being compelled to do something comparable to living in a zip code that matches his social security number. Then the government will know who everyone is,



where he is, and that he can do nothing whatever without its approval and permission. And then the world will be safe from anyone attempting to do anything that benefits him and thereby allegedly harms others. At that point, the world will enjoy all the prosperity that comes from total paralysis.

¹⁰ Jackie Calmes, loc. cit.



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FORECLOSURE FRAUD IN A NUTSHELL

By William Butler

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60 MINUTES ran a story a few months ago on the foreclosure crisis. It was a good story relating the effect of the crisis on Average Joe and also showing how the big, bailout banks are literally defraud-

ing people out of their homes by employing 16-year old "robosigners" from Backwater, Georgia to sign legal documents (mortgage assignments and powers of attorney) that result in Average Joe losing his home. In these phony documents the Backwater 16-year old falsely claims that he is a senior bank executive with international New York megabank JPMorgan Chase with the authority to transfer Average Joe's mortgage. You can find the show [here](#).

But the 60 Minutes story only tells part of the sordid story, it unfortunately does not discuss the root cause the mess—the Federal Reserve system and its artificially low interest rates beginning in *the summer of* 2001—and predictably trots out establishment mouthpiece and FDIC Chairwoman Sheila Bair to float the idea of a 9/11-type, don't-ask-too-many-questions settlement fund that will allow the bailout banks to keep their hooks in Average Joe.

THE REST OF THE STORY

The 60 Minutes piece unfortunately does not show what happens to those phony documents after they are prepared and how they are used to force Average Joe from his home.

Banks take the phony documents and send them to dollar-chasing foreclosure mill law firms (today's know-not-what-they-do appraisers). The banks direct the foreclosure mill law firms to record them with county recorders. Recording the phony documents not only posts up the bank's legal position, it also gives the documents the veneer of credibility and makes the documents, invariably signed by people thousands of miles away, admissible in court. See, e.g. [Fed. R. Evid. 803\(14\), 803\(15\)](#).

The harlot attorneys then offer these official, county-recorder stamped phony documents as evidence to either harried, confused and compliant judges or clueless county sheriffs (the state actors in non-judicial foreclosure states) in support of the bank's often completely baseless claim that it is the rightful heir to Average Joe's home.

Furthermore, the 60 Minutes story does not explain why JPMorgan Chase would turn to the Backwater 16-year old rather than direct its own actual, Vice President (or his duly designated minion in New York) to execute the mortgage transfer. The truth is the JPMorgan Chase cannot prove that it "owns" Average Joe's loan (actually, the promissory note) and therefore has no right to take his home.

To understand why the bank's claim is completely baseless you have to understand just a couple of basic legal principles relating to negotiable instruments (subset: promissory notes), secured real estate transactions (subset: mortgages or deeds of trust), and securitization.

NOTES AND MORTGAGES

When you close on the purchase of your home, you sign two important documents. You sign a promissory note which represents your legal obligation to pay. You sign ONE promissory note. You sign ONE promissory note because it is a negotiable instrument, payable "to the order of" the "lender" identified in the promissory note. If you signed two promissory notes on a \$300,000 loan from Countrywide, you could end up paying Countrywide (or one of its successors) \$600,000. Realizing \$600,000 on a \$300,000 loan would be a sweet deal for Countrywide; a deal that Countrywide (or your real lender) could achieve only by buying an AIG-written, Federal Reserve-funded derivative contract on your promissory note, not by making a photocopy of your original promissory note. ☺

But seriously, at closing you also sign a Mortgage (or a Deed of Trust in Deed of Trust States). You may sign more than one Mortgage. You may sign more than one Mortgage because it **does not represent a legal obligation to pay anything**. You could sign 50 Mortgages relating to your \$300,000 Countrywide loan and it would not change your obligation. A Mortgage is a security instrument. It is security and security only. Without a promissory note, a mortgage is nothing. Nothing.

You "give" or "grant" a mortgage to your original lender as security for the promise to pay as represented by the promissory note. In negotiable instrument parlance, you "give/grant" the "mortgage" to the "holder" of your "promissory note."

If you question my bona fides in commenting on the important distinction between notes and mortgages, I know what I am talking about. I tried and won perhaps the first securitized mortgage lawsuit ever in the country in *First National Bank of Elk River v. Independent Mortgage Services*, 1996 WL 229236 (Minn. Ct. App. No. DX-95-1919).

In that case a mortgage assignee (IMS) claimed the ownership of two mortgages relating to loans (promissory notes) held by my client, the First National Bank of Elk River (FNBER). After a three-day trial where IMS was capably represented by a former partner of the international law firm Dorsey & Whitney, my client prevailed and the recorded mortgage assignments to IMS were voided. My client prevailed not because of my great skill but because it had actual, physical custody of the promissory notes (payable to the order of my client) and had been "servicing" (receiving payments on) the loans for years notwithstanding the recorded assignment of mortgage. The facts at trial showed that IMS rejected the loans as non-conforming to their securitization parameters and that the title company erroneously recorded the assignments; in short, IMS was attempting to shake down FNBER, much like the bailout banks are trying to shake down Average Joe.

SECURITIZATION—THE CAR THAT DOESN'T GO IN REVERSE

The "securitization" of a "mortgage loan" involves multiple parties but the most important parties and documents necessary for evaluating whether a bank has a right to foreclose on a mortgage are:

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- (1) the Borrower (Average Joe);
- (2) the Original Lender (Mike's Baitshop and Mortgages or Bailey Savings & Loan—whoever is across the closing table from Joe);
- (3) the Original Mortgagee (could be Mike's B&M, but could be anyone, including Fannie's Creature From the Black Lagoon, the mortgagee "nominee" MERS);
- (4) the "Servicer" of the loan as identified in the PSA (usually a Bank or anyone with "servicer" in its name, the entity to whom Joe makes his payments);
- (5) the mortgage loan "pooling and servicing agreement" (PSA) and the PSA Trust created by the PSA;
- (6) the "Trustee" of the PSA Trust, according to the PSA this is the holder of Joe's promissory note and mortgage and the issuer of "(not really) mortgage backed securities" (MBS) sold to the the hapless "certificate holders" (e.g. PIMCO's Bill Gross).

The PSA Servicer is the Chief Operating Officer and driver of the PSA. Without the Servicer, the securitization car does not go. The Servicer is the entity to whom Joe pays his "mortgage" (really his note, but you get it) every month. When Joe's loan gets "sold" multiple times, the loan is not actually being sold, the servicing rights are. The Servicer has no right, title or interest in either the promissory note or the mortgage. Any right that the Servicer has to receive money is derived from the PSA. The PSA, not Joe's Note or Joe's Mortgage, gives the Servicer the right to take droplets of cash out of Joe's monthly payments before distributing the remainder to other PSA participants.

The PSA Trustee and the sanctity of the PSA Trust are also vitally important to the validity of the PSA. The PSA promoters (the usual suspects, Goldman Sachs, Lehman Bros., Merrill, Deutchbank, Barclays, etc.) sold the MBS certificate holders (Bill Gross) on the idea that Joe's Note and Joe's Mortgage had already or would soon be placed in the vault-like PSA Trust, that Joe's Note would be properly endorsed by every person or entity that touched it after Joe signed it and it would sit in this locked-down PSA Trust with a green-eyeshade beancounter PSA Trustee diligently safekeeping it (along with Joe's Mortgage) for 30 years. Further, the PSA promoters hired law firms like the Delaware law firm of Richards, Layton & Finger to persuade Mr. Gross that the PSA Trust, which has never had any money of its own and is 100 percent funded by Mr. Gross's investors and other MBS certificate holders, was the real owner of Joe's Note and Joe's Mortgage and further that the PSA Trust had purchased or soon would purchase \$500 million similar notes and mortgages in a "true sale" in accordance with [FASB 140](#).

I don't know about you, but when I go to Target to buy toilet paper I don't have to hire a law firm and pay it \$2000 an hour to persuade anyone that it is "true sale." In my view there is no better evidence to support the proposition that a transaction is NOT a true sale than a \$2000 an hour attorney's opinion that it is.

The PSA promoters would object to the foregoing because toilet paper is not the same thing as a "complex" "financial instrument." To that I respond, true, but digits on a spreadsheet and CUSIP numbers are not actual physical notes either. Promissory notes are paper, toilet paper is paper. My analogy is apt. In accordance with: (1) FASB 140: (2) every PSA from the beginning of time to date; and (3) *FNBER v. IMS*, if you don't got the note you got a big problem. If you got the note, but can't show how you got the note (chain of title) or all you have is a photocopy of the note, you still got a big problem no matter how many Backwater 16-year olds you hire. Having a photocopy of Lew Rockwell's \$300,000 check payable to the order of Bill Butler doesn't get me very far at a bank or in court.

COURTS THAT "GET IT"

More and more courts are agreeing that the banks "inside" the PSA do not have legal standing (they have no skin in the game and so cannot show the necessary "injury in fact"), are not "real parties in interest" (they cannot show that they followed the terms of the PSA or are otherwise "entitled to enforce" the note) and that there are real questions of whether any securitized mortgage can ever be properly perfected.

The banks' weakness is exposed most often in bankruptcy courts because it is there that they have to show their cards and explain how they claim a right in the mortgage. More and more courts are recognizing that, without proof of ownership of the underlying note, holding a mortgage means nothing. See *In Re Aagard*, No. 810-77338-reg (Bankr. E.D.N.Y., Feb. 10, 2011) (Judge Grossman slams MERS as lacking standing, working as both principal and agent in same transaction, and exposes MERS' alleged principal US Bank as unable to produce or provide evidence that it is in fact the holder of the note); *In Re Vargas*, No. 08-17036SB (Bankr. C.D. Cal., Sept. 30, 2008) (Judge Bufford correctly applied rules of evidence and held that MERS could not establish right to possession of the 83-year old Mr. Vargas' home through the testimony of a low-level employee who had no foundation to testify about the legal title to the original note); *In Re Walker*, Bankr. E.D. Cal. No. 10-21656-E-11 (May 20, 2010) (holding that neither MERS nor its alleged principal could show that they were "real parties in interest" because neither could provide any evidence of the whereabouts of, much less legal title to, the original note); *Landmark v. Kesler*, 216 P.2d 158 (Kan. 2009) (in this case the Kansas Supreme Court provides the most cogent state court analysis of the problem created by securitization—the "splitting" of the note and the mortgage and the real party in interest and standing problems that the holder of the mortgage has when it cannot also show that it has clean and clear legal title to the note); *U.S. Bank Nat'l Ass'n v. Ibanez*, 941 NE 40 (Mass. 2011), (the Massachusetts Supreme Court denied two banks' attempts to "quiet title" following foreclosure because the banks' proffered evidence did not show ownership of the mortgages—or for that matter, the notes—prior to the Sheriff's sale); and *Jackson v. MERS*, 770 N.W.2d 489 (Minn. 2009) (this federal-gun-to-the-head—certified question from federal court asking for

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state court blessing of its already decided ruling—to the Minnesota Supreme Court is most notable for the courageous dissent of NFL Hall of Fame player and only popularly elected Justice Alan Page who opined that MERS should pound sand and obey state recording standards).

THE ROAD AHEAD, STRATEGIC DE-FAULTS AND THE REAL END OF THE FED

Someone asserting rights in a mortgage must also be the "holder" of the note; that is they must show that they have the actual, physical note (as they promised Bill Gross) or they must otherwise show that they are "entitled to enforce" the note (according to centuries of law and the very clear mandates of the PSA). If the note is not properly endorsed by everyone through whose hands it passed, this creates a real problem for the current "holder." Hence the need for the Backwater 16-year old. But the Backwater 16-year old, by executing assignment of the **mortgage**, is only illustrating the real chain of title problems relating to the **note**. No note, no mortgage. Remember FNBER v. IMS.

But it gets even worse for the banks. That is because in order to have a valid mortgage, that mortgage must also be properly "perfected" (recorded) in the name of the original creditor. The original creditor in every securitized loan is actually the MBS certificate holder and all he is holding is an increasingly worthless piece of paper. Further, everyone "inside" the PSA (Servicer, PSA Trustee, the various promoters) had no skin in the game. They not only did not pay any "value" for Joe's Note and Joe's Mortgage, they collected fees in facilitating the loan from the MBS certificate holder to Joe.

A very large percentage of original, 2001-2008 mortgages are in the name of a loan originator (Mike's Baitshop and Mortgage) who actually received an origination fee via the PSA for facilitating the deal and gave nothing to Joe. You can tell this when you look at the back of Joe's note and find that Mike's Baitshop and Mortgage endorsed the Joe's note in blank and "without recourse." Without recourse for practical purposes means that Mike's sole contribution was to facilitate the deal by dragging Joe to the closing table and getting him to sign.

Another substantial percentage of mortgages are in the name of placeholder nominees that were created for the sole purpose of holding mortgages while servicing rights were transferred (see MERS). A final percentage are in the name of mortgage loan wholesalers whose

funding was in the form of multi-million dollar lines of credit provided by the PSA promoters, with the lines of credit settled at the end of each month. None of these original "mortgagees" contributed anything of their own to Joe's loan. They are all merely the final links in a Daisy Chain.

As indicated by the cases above, perfection of a mortgage requires that it be recorded by the real "skin in the game" mortgagee at the time the mortgagee is also the owner/holder of the note. If Mike's B&M endorsed Joe's Note in blank and "without recourse" on June 1, 2004, the PSA Servicer deposited Joe's Note in a "true sale" in PSA Trust on June 15, and the loan closer perfected the mortgage in Mike's name by recording it on June 30 (after Mike relinquished any claim in Joe's Note to the PSA Trustee on June 1), then the mortgage was recorded in the name of an entity that had no right, title or interest in the note at the time of perfection. If, on the other hand, Mike's B&S never physically delivered Joe's note to the PSA Servicer or PSA Trustee but recorded it anyway, no one in the PSA can be "holders" of Joe's note and no one in the PSA has the "right to enforce" it. These are just two examples of the myriad perfection and timing problems relating to securitized loans.

Yes, you heard it all explained on www.LewRockwell.com first. There are potentially 62 million unenforceable mortgages in the United States. Economic karma? I don't know. But as my good friend who is now the retired chair of securitization at a major international law firm said as I explained the legal obstacles created when you try to put PSAs in reverse, "well I guess it just works until it doesn't."

DID THE OCTOBER 2008 BAILOUT GIVE ME A "FREE HOUSE"?

Unfortunately for the banks and the Fed, the story does not end there. You see, there is the additional problem of derivatives and the October 2008 bailout. A quick glance at a recent [Federal Reserve balance sheet](#) shows that it is holding over a trillion dollars in mortgage backed securities (Bill Gross may be off the hook). Part of what happened in October 2008 is that the Federal Reserve paid AIG's derivative obligations to MBS certificate holders who had purchased AIG derivatives to guaranty Average Joe's payments. (Imagine that Goldman Sachs/Hank Paulson as AIG's insured has 10,000 insurance contracts on Joe's home, some gas and match and his brother-in-law Ben Bernanke is the CEO of the insurer AIG/the Fed). As part

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of that deal, Ben/the Fed apparently demanded subrogation from (the right to step in the shoes of) AIG and so got Hank's (Goldman Sachs and others') broken-down MBSs in return for satisfying AIGs obligations. This is no different than an insurance claim on a totaled car. The Fed as the derivative insurer of last resort (stepping in the shoes of AIG) has the right to take the totaled car when it pays out on the policy. Unfortunately for the Fed the totaled MBS car doesn't go in reverse. 😊

Want to really end the Fed? Join a quiet title case demanding that your 2001-2008 securitized lender prove: (1) that it has physical possession of your original note; (2) that it is entitled to enforce your original note and can prove a clear chain of title to the note; and (3) that it is the rightful owner of a properly perfected mortgage.

The Fed has shown that it is holding a destroyed car that does not go in reverse.

THE ENDGAME: PLANTATION USA

Those of us fighting the banks began to see a disturbing trend starting about a year ago. At the end of the foreclosure process, federal “government sponsored entities” (e.g. Fannie Mae and Freddie Mac) began showing up claiming title and seeking to evict homeowners from their homes. The process works like this. Average Joe had a securitized loan with Countrywide. Countrywide, which might as well have been run by the Gambino family with an expertise in “daisy chain” fraud, never followed the PSA and basically burned the original notes immediately after closing. Countrywide goes belly up. Bank of America (BOA) takes over Countrywide in perhaps the worst deal in the history of corporate America. Bank of America realizes that it has acquired a big bag of dung and so sets up an entity called “BAC Home Loans LLP” whose general partner is another BOA entity. BOA uses BAC Home Loans LLP to conduct

the foreclosure on Joe's home. But when it is time to kick Joe out of his home, all of a sudden Fannie Mae shows up in the eviction action. When compelled to show its cards, Fannie will claim title to Joe's house via a “quit claim deed” or an assignment of the Sheriff's Certificate of sale. Adding insult to injury, while Joe may have spend years trying to get BOA to “modify” his loan and begs BOA to pay them \$1000 a month, BOA deeds Joe's property to Fannie for nothing. That right, nothing. All county recorders require that a real estate purchaser claim how much they paid for the property to determine the tax value. Fannie claims that it is exempt from transfer taxes because it paid nothing for Joe's home and further falsely claims that it is exempt because it is a US government agency. It isn't. It is a government sponsored entity that is currently in conservatorship and run by the US government.

It is apparent that the US government is so broke that it will do anything to pay its bills, including stealing Average Joe's home.

That's change you can believe in.

CONCLUSION

Ms. Bair made a comment at the end of the 60 Minutes piece that was very disturbing to me. She said that she “was sure” that the banks could prove ownership in a trial. Ms. Bair clearly is not a trial lawyer. In fairly contested jury trials where the jury has full access to the facts, juries—the same Average Joe people who were calling Ms. Bair and their congressmen in October 2008 telling them not to bail out the banks—have a funny way of disagreeing with bossy, arrogant people. 🌻

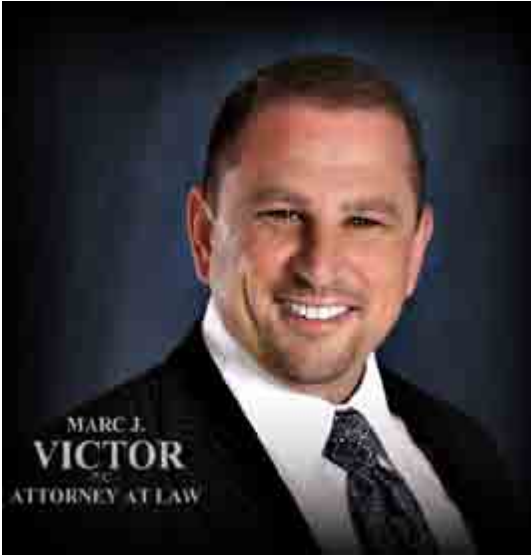
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Don't Cherish the 2nd Amendment!

By Marc J. Victor

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I was recently asked to write an article which would be of interest to people who cherish the 2nd Amendment to the United States Constitution.¹ Few people

have more experience talking to others who cherish the 2nd Amendment than me. I am the only attorney who is regularly invited to speak to groups of people in Arizona who attend the Crossroads of the West² gun shows about their rights and responsibilities as firearms owners. Indeed, I enjoy talking to people who cherish the 2nd Amendment, and I acknowledge, agree and respect the rights of free and responsible adults to acquire, possess and sell whatever weapons they peacefully obtain. I am far more concerned about the government bearing arms than I am about responsible citizens bearing arms.

However, I often wonder if the people who cherish the 2nd Amendment also cherish freedom. They are not the same concepts. Like everything else in the Constitution, the 2nd Amendment is subject to interpretation. Until the year 2008, it was a subject of much debate whether the 2nd Amendment protects an individual right to bear arms or a “collective right”³ to allow the states to organize a national guard. Although the United States Supreme Court de-

termined an individual right is indeed protected, I wonder if those same 2nd Amendment cherishers would have such warm feelings towards the 2nd Amendment had the Supreme Court sided with the collectivists? Moreover, there is no doubt the courts will now march toward restricting such individual right as they have with all other individual rights “protected” by the Constitution.

The 2nd Amendment, as with everything else in the Constitution, is subject to interpretation, limitation, expansion, or virtual nullification by those nine political appointees on the United States Supreme Court. How many of your rights are protected by the Contracts Clause or the Privileges and Immunities Clauses or the 9th Amendment? With a different group of nine political appointees, those could have been important sections of the Constitution in terms of protecting freedom. Of course, the 2nd Amendment could be repealed. I suspect many people would not be inclined to turn their firearms into the government for want of a right to bear arms.

I admit there is no escape from the necessity of interpreting written words. Our language and thoughts are not precise enough for perfect communication. However, we should recognize and admit the 2nd Amendment, as well as the rest of the Constitution, is merely a collection of words written on paper. By themselves, they have no power to do anything at all. The mindset of the people interpreting and enforcing those words is what matters.

I would much prefer to live among liberty minded people without any constitution or

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¹ The 2nd Amendment to the United States Constitution says, “... the right of the people to keep and bear Arms, shall not be infringed.” Incidentally, the meaning has always seemed clear to me.

² <http://www.crossroadsgunshows.com>

³ Please don't ask me to define a “collective right.” The notion of a “collective right” is unintelligible to me. I suspect the concept was originated by some collectivist minded anti-freedom thug.

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written laws whatsoever than big government loving busy bodies who live pursuant to a written constitution which grants them rights to do whatever the government deems appropriate. There is no substitute for liberty minded people, and nothing else whatsoever can preserve liberty; not the words of the 2nd Amendment or the Constitution or the congress or your favorite politician; nothing. Freedom is either respected by your neighbors or it is not. No words can get the job done.

Whether a person cherishes the 2nd Amendment is of little importance to me. I am more interested in knowing what respect, if any, they accord to the rights of others to control their bodies, their money, their property and their time. There are endless arguments, restrictions, interpretations, and outright lies anti-freedom inclined people will advance in attempts to impose their will on others.


As an example, some people, with agendas to ban firearms, argue firearms are responsible for much of the horrible violence in our society. However, as research has shown, a greater number of guns in a community does not equate to more violence. Indeed, the opposite is true.⁴ Nonetheless, as a consequence of the erroneous "firearms cause violence" assertion, many people will support laws from registration and licensing to outright bans on firearms.

Always ignored within the "guns cause violence" crowd is the reality that anti-freedom government policies, not guns, are the root cause of the violence in question. Government policies which restrict freedom result in black markets where disputes are not settled peacefully in court but rather violently in streets. If a pro-freedom policy was adopted regarding drugs, the horrible drug cartel related violence, which always involves firearms, would be more

akin to the peaceful purchase and sale of alcohol. I never hear about the Budweiser guy and the Miller guy breaking into violence in the streets. I suspect they don't even carry guns. In any event, the gun is not responsible for the violence.

There are undoubtedly bad and violent people in the world who cannot be dissuaded, under any circumstances, from violence involving firearms, knives, bats, fists, whatever. However, nothing creates and nurtures a culture of violence and conflict like anti-freedom government policies.

We will not have peace in our world unless and until people realize freedom is a necessary prerequisite for peace. We should not be surprised trespassing on the rights of others often results in violence. The fact firearms are used to effectuate violence is not evidence firearms are bad. Firearms are neutral. Firearms are mere tools.

Likewise, the 2nd Amendment is neutral. It is also a mere tool. Those words can be used by freedom inclined people to protect liberties. They can also be used by people who seek to restrict liberty, forcefully impose their views on others and cause conflict. Although I cherish freedom, and all the concepts which are necessary to a free and peaceful society, I do not cherish the 2nd Amendment or any other collection of mere words. 



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⁴ See, More Guns, Less Crime: Understanding Crime and Gun Control Laws by John R. Lott Jr.

The Dollar Paradox

By David Calderwood

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IF a temporary set of conditions lasts long enough it is human nature to see it as permanent. For over 75 years the U.S. banking system has pyramided, via the magic of fractional reserve, a vast amount of credit which was turned into debt (IOU's) allowing people to bid up the nominal values of all sorts of things.

Sometimes during that lifetime of credit inflation it was food, wages, and energy whose prices rose rapidly and the ignorant called this inflation (when in fact it's simply a symptom thereof.) Other times that credit flowed into stocks, bonds, land, homes, etc., and people called this phenomenon growing wealth when, in fact, it was just another symptom of credit inflation.

In fits and starts, however, we know that the valuation of stocks (and homes and other stuff) rose mightily during those credit-inflation years. This could not occur without a near universal shared belief in the "good as gold" reality of all those IOUs being created. In the context of Robert Prechter's work, this was born of unconscious shared optimism that rose to unprecedented heights during our lifetimes.

At the peak of that optimism we witnessed the "We Are the World" phenomenon, where peace was breaking out all over and a pundit even boldly declared social democracy's Utopian triumph in "The End of History."

It was a top.

The embedded trust in IOUs remained so great that it was even widely seen as normal when new credit was flowing madly into houses via mortgages originated between firms that packaged their wares for resale and home buyers who clearly lacked the financial wherewithal to service their debts.

Such insanity reigned everywhere, from banker and financier, throughout the "regulatory apparatus" of the Federal Reserve Bank and SEC, and on to the shoeshine boy on the corner planning to flip condos.

This is an illustration of just how big the top really is. The bust ensuing bust should be long and deep. Don't let it seem personal (but it will feel that way, trust me.)

Collectively, we have yet to see the tiniest bit of resolution to this historically over-the-top period. We cannot forecast with certainty when the real crisis will begin to bite nor can we say with certainty what effects will echo in our social milieu. Flexibility and open-mindedness are probably wise attributes to cultivate.

As a natural contrarian, I concur with those few who see the existence of a vast ocean of dollar-based IOUs as a "synthetic short of the dollar." Imagine if some entity (a nation-state's political government, even) began crediting people with electronic balances of IBM stock. Those rulers

arrogate the power to give an endless number of electronic units of IBM stock to every political supporter, every member of the Military-Industrial-Complex (and its employees), and nearly all comers.

That political entity cannot make more IBM. It can't make more mainframes. It can't write more software. All it does is distribute electronic copies of IBM's common stock. As long as everyone goes along with the con, it has the effect of diluting all owners' value of IBM. Each unit of stock (both the electronic forms and the tiny few actual printed stock certificates) is worth less and less "share" of the company's underlying value. But for a time, everyone who gets more IBM shares feels wealthier.

This works until one day the unconscious willingness to believe in the con game begins to erode. As with the housing bubble, once the herd smells rotten fish, every member of the herd becomes nervous. First they may distrust electronic forms of IBM held at certain banks or other firms. As this wave of distrust travels, it works its way from the perceived least trustworthy electronic accounts of IBM shares to slightly more trustworthy, and slightly more, until a huge pile of previously fully-valued IBM electronic shares are deemed worthless.

This evaporation of electronic IOU's of IBM shares makes each surviving share (electronic and the few paper stock certificates) worth more and more. In a full meltdown of public trust, it becomes possible that the ONLY shares deemed trustworthy are the physically printed ones. Given the small number of these that actually exist in the physical realm, by the time public confidence reaches its nadir those paper shares could be worth vastly more than at the peak of trust.

This same dynamic could apply to U.S. dollars. While the dominant view is that the Fed can collude with the Treasury to create an endless amount of "money," in fact all they do is create credit in the form of U.S. treasury debt, which is no more than an electronic IOU. The value of that debt is a function of mass psychology because it only exists to the extent people believe in its "good as goldness."

For 75 years we've experienced a one-way flow in the direction of this trust. The experience of the past eleven years informs me that the old trend is giving way to a new one. It's past time, in my opinion, to recognize how such a trend change may play out.

Paradoxes are everywhere in life, if one looks for them. The great paradox of the next few years may be that the most worthless thing on the planet, a medium of value even sellers of illegal drugs seek to divest at every opportunity, may be among the safest things to own while the financial firestorm plays out on the stage of our lives.

1 GALLON OF GAS
\$ 00.20



FIND OUT HOW

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How Would a Libertarian President Create Jobs?

By Mary Ruwart

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WITH the economy in a tailspin, most people are concerned about the shrinking number of job opportunities. Those who have jobs fear that they will lose them; those who have already lost their jobs

find that new ones are few and far between.

Who is to blame for this sad state of affairs? While Obama is only making matters worse by his ill-conceived policies, earlier Republican administrations are just as much to blame for creating our economic woes. Study after study shows that taxes, regulations, and trade restrictions destroy the Mom-and-Pop businesses that create most of America's jobs. Both Democrats and Republicans have voted for all three, even when paying lip service to smaller government. The economic stagnation we are now experiencing can be laid at the feet of both parties.

The disadvantaged would-be entrepreneurs are hurt the most by the added expenses and red tape put in place by both Republicans and Democrats. Regulators in several states have tried to drive African-Americans out of the hair-braiding business because they didn't have a cosmetology license, which costs about \$5000 for the year-long course which doesn't even teach braiding. In Texas, regulators insist that computer repair technicians get a costly private investigator license that requires a three year apprenticeship---or go to jail! Florists in Louisiana have to pass a rigorous licensing exam, even though experts can't tell which floral arrangements were created by licensed or unlicensed practitioners. I could go on, but you get the idea. These regulations cost would-be entrepreneurs time and money, so that fewer individuals can afford these extras. Fewer service providers translates into higher consumer prices.

Unlike Libertarians, both Republicans and Democrats support such regulations. Consequently, those frustrated by them turn to the libertarian

Institute for Justice (IJ), a non-profit legal firm that takes such cases pro-bono. In state after state, IJ has fought for our right to make an honest living---and won! Visit their web-site (www.ij.org) to see the smiling faces of the IJ clients who have the job of their dreams because libertarians came to their rescue!

Imagine what a Libertarian president could do for the national economy when he or she stopped federal regulators from killing the jobs that Americans need to feed their families. The average federal regulator destroys 150 private sector jobs per year. For every regulator who lost his or her job, the American citizenry would gain 150 new ones! With that rate of job creation, the out-of-work regulators would probably find themselves speedily rehired. More people working means more wealth creation for all and lower prices for consumers. Everyone wins!

Right now, the American government, at both the state and national level, is at war with its citizens, especially those too disadvantaged to jump through the regulatory hoops. Isn't it time to end the "war on work" and enjoy the "peace dividend" of more jobs and greater prosperity? Isn't it time to vote Libertarian? 🌸

Mary J. Ruwart, Ph.D., is the author of the award-winning international best-seller, *Healing Our World*; the 1992 version is available as



a free download at www.ruwart.com. Dr. Ruwart is also the author of *Short Answers to the Tough Questions* based on her long-running web column (http://www.server.theadvocates.org/ruwart/categories_list.php). She currently serves as an At-Large Representative of the Libertarian National Committee, Chair of the International Society for Individual Liberty (www.isil.org) and Secretary of the Foundation for a Free Society (www.f4fs.org).

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AND THEY CALL US CONSPIRACY NUTS?

By Rosa Koire

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WE were just thinking about the Total Information Awareness Act (TIA) from the early 2000's and wondered what happened with all of those DARPA (Defense Dept) programs that sounded like something out of a bizarre 1984 fantasy or a *Men in Black* movie. By the way, did you know that the Defense Department DOES hire Hollywood screenwriters to come up with scenarios for them? Yep, they do.

Well, anyway, we wondered if TIA was REALLY dead since Congress said that they were not going to fund the surveillance of US citizens within our own borders. You remember, don't you? One of the programs was going to allow people to BET on the potential for war in different locales. We're not making this up. When Congress realized it wasn't a joke they quashed it. The logo for TIA is particularly creepy; it shows that eye on the pyramid that's on the back of the dollar bill beaming yellow light at the entire planet---the all seeing eyeball.



[We didn't do too much research, just took a look at Wikipedia.](#) And found that some of those programs are still being funded. Now, total information is vital to Agenda 21/

Sustainable Development. Really, it's all about information. What you do, what you think, how to identify you, what you write, what you read, where you live, who you know, how you earn money and where you keep it, meetings you attend, conversations you have, your attitude, your hopes, your fears. Facial recognition software. Software that recognizes you even if you are completely covered from head to toe. Remote surveillance with drones the size and shape of a hummingbird. Audio surveillance. Infiltration of groups. Asset Based Community Development. Community Oriented Policing. Rails to Trails. Community Block Grants. Redevelopment. Neighborhood Stabilization. SMART METERS.

A vital part of Agenda 21 is PREVENTIVE measures to stop crime (thought crime?) before it happens. To actually intercede in communities and identify potential criminals and pay them a little visit BEFORE they commit a crime. OK, you might think to yourself that you like the idea of stopping criminals before they commit a crime.

What's a crime? Who decides? What is a crime

against the community? Who is a criminal? What is terrorism? Who is a terrorist?

Here's a program that is being launched in communities across the country:

Sign up for Citizen On Patrol (COP) to become an active partner in your local law enforcement's fight against crime. COP allows your law enforcement agency to send you important crime information and alerts that will allow you to act as another pair of eyes on the street. (Kind of like the Chinese domestic spying during the Gang of Four era (1960's)---they used neighbors, like the Nazi's did---to spy on people on their block and report on their activities.)



UN Agenda 21/Sustainable Development expands the definitions of criminality and terrorism. Countries that used the Communitarian ideology to determine criminality are Russia, China, Franco's Spain, Mussolini's Italy, Hitler's Germany...do you see?

Are you a liberal identified person? Do you see the protection of the planet as something that you are willing to make sacrifices for? Fine. But have you thought about what those sacrifices will be? Do you feel the stress of money going into 'higher, tighter, and righter hands' as George Bush 1st stated? That was furthered by Clinton, and then Bush, and now Obama. All faces of the same Agenda.

Part of Agenda 21 is to limit your choices, restrict your money, exhaust you with overwork and commitments, destabilize your personal environment, subvert your education and discourage critical thinking; the list goes on.

STOP AGENDA 21/SUSTAINABLE DEVELOPMENT by educating yourself and talking about it. Turn off the TV. Make this your hobby, your avocation. Have the courage to be a bit unpopular sometimes.



Oppose Agenda 21 in Madison, Wisconsin; Stop Agenda 21 in St. Louis, MO; Fight Agenda 21 in Seattle, WA; Expose Sustainable Development in Camden, NJ; Say NO to Smart Meters in Santa Cruz, CA; Oppose Sustainable Development in Los Angeles, CA---Stand up. Speak out. We're with you. 🍁

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Banking Bunk By Paul Hein

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ACROSS the country, banks are failing. Without financing obtained, by threat, from the citizens (i.e., “taxpayers”) many of the banks “too large to fail” would have done just that.

But we also are hearing a great deal about the government’s resort to the printing press to solve its economic problems. Money created out of thin air!!! Conservative commentators point out the impropriety of money creation, which simply dilutes the purchasing power of money already created. And they’re right. It seems odd that this has been doing on for decades, and only now, when the results are becoming obvious, that the practice is decried.

A question arises: if money can be created from thin air, how can banks fail? We read, in the literature of the Federal Reserve System, that the actual process of money creation takes place in commercial banks. In other words, if you borrowed ten thousand for a new car, the bank simply added that number to your bank balance. It didn’t subtract it from anyone else’s account, or its own. How can an institution which can create “money” with the stroke of a pen go bust? Can a counterfeiter, especially the official, franchised, and government-approved counterfeiter, run out of money?

In a word, it can’t. But do the anchormen ever remark upon the phenomenon of money-creating enterprises suffering from lack of money? Do we get an explanation of how the nation’s largest money-creating firms can come to bankruptcy? It is remarkable that there is such silence about this paradox. In the absence of any official explanation, we can only theorize about it. My theory is this: if people are to have any confidence in the banking system (and the Fed assures us that it is “confidence” that makes our fiat money system work) then banks must seem to operate as any other business. If banks were to loan money, and not receive it back, and if this were to occur time and again, at least some people might begin to wonder how it was possible. You and I can lend money, but if we repeatedly loaned money to people who did not repay it, we would soon be broke. Yet the banks could continue as if nothing had happened. Eventually the question would be raised: where do the banks get this money which they so freely loan? The answer, of course, is that they simply make it up, as in the example we gave above. This is no secret, but neither is it broadcast. Confidence in the banking system might suffer if people realized that the money they have to work for came into existence out of nothing, created by a banker making a loan. And if people realized that in order to obtain this loan of fictional money, they had to pledge real wealth as collateral, and pay interest as well, they might become disturbed. So banking must appear like any other business: earning money, not printing it.


Thus, as is true of any other business, when the bank’s assets are insufficient to cover its liabilities, it is in trouble. What are the bank’s assets? Mostly, they are the IOU’s of its borrowers. In other words, the note that you gave the bank in return for the 10,000 they created for you is an asset of the bank. When the car dealer deposited

that 10,000 in his account, the became a liability of the bank, because the bank is liable to the depositor for the money deposited. Customers’ deposits are liabilities of commercial banks. In this case, everything balances: 10,000 created as a loan--an asset--balanced by 10,000 received as deposit---a liability.

What if you should fail to repay the 10,000? Nothing much. Even the smallest bank can absorb such a “loss.” But if you were the government of some third-world country, and had borrowed billions, your failure to repay could be catastrophic. To be sure, nothing would be lost, because modern “money” is not a thing. The “loss” is purely a bookkeeping entry. But if the bank is to appear a legitimate business, it must seem to be on the verge of bankruptcy if its most valuable assets become worthless. To prevent this calamity, the borrowers’ IOUs must remain good, and that can be achieved if the borrower continues to pay at least the interest (the profit) on the loan. To enable the borrower to do that, the bank will lend him more money! This is the idea behind “too big to fail.”

The engine driving this process is interest. Banks create money, but only about 5% of what they create is spent by them. The rest is loaned. So virtually every dollar in existence today was borrowed, somewhere, by someone, sometime. You can see that if all the dollars were repaid, the interest would still be due. Additional borrowing makes continued loan repayments possible. In other words, society as a whole is trying to borrow itself out of debt. Obviously (or maybe not!!) that is impossible. Sooner or later---and at the present time, it’s sooner---the burden of interest becomes unbearable, and marginally profitable businesses fail. Unemployment increases, and sales sag. More businesses fail. Even large firms are threatened, and mergers become common. Eventually, the cost of further borrowing cannot be justified by expected increases in profits, and borrowing declines. Continuous borrowing is essential if the system is not to collapse. This may explain, by the way, things like the space program. When businesses reduce their borrowing, Uncle steps in as borrower of last resort. It is a vicious circle, spiraling downward to economic disaster.

What can be done? Nothing. The monetary system in place is unlawful, immoral and even illogical, but really, really, profitable! Interest on the national debt (and interest is the bank’s profit) is billions of dollars every day. The system that produces such rewards is not going to be discarded until the very last minute, and when that time comes, a new system will be established, starting afresh, with the same defective nature as the present one. Locally, the banks that fail change their names and officers, but then it’s business as usual. It will be no different nationally. A return to tangible money holds no appeal to those benefiting from the present system.

Money, or what passes for it today, is the most dangerous “asset” you can hold. Rid yourself---or investments payable in it--- it to the greatest extent possible, exchanging it for tangible assets. And pray. It’s going to be a rough ride. 

[Paul Hein - Archive on LewRockwell.com](#)

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SHEARED BY THE SHORTS: HOW SHORT SELLERS FLEECE INVESTORS

By Ellen Brown

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“UNRESTRAINED financial exploitations have been one of the great causes of our present tragic condition.”

-- President Franklin D. Roosevelt, 1933

Why did gold and silver stocks just get hammered, at a time when commodities are considered a safe haven against widespread global uncertainty? The answer, according to Bill Murphy’s newsletter [LeMetropoleCafe.com](#), is that the sector has been the target of massive short selling. For some popular precious metal stocks, close to half the trades have been “phantom” sales by short sellers who did not actually own the stock.

A *bear raid* is the practice of targeting a stock or other asset for take-down, either for quick profits or for corporate takeover. Today the target is commodities, but tomorrow it could be something else. When Lehman Brothers went bankrupt in September 2008, some analysts thought the investment firm’s condition was no worse than its competitors’. What brought it down was not undercapitalization but a massive bear raid on 9-11 of that year, when [its stock price dropped by 41% in a single day](#).

The stock market has been plagued by these speculative attacks ever since the four-year industry-wide bear raid called the Great Depression, when the Dow Jones Industrial Average was reduced to 10 percent of its former value. Whenever the market decline slowed, speculators would step in to sell millions of dollars worth of stock they did not own but had ostensibly borrowed just for purposes of sale, using the device known as the short sale. When done on a large enough scale, short selling can force prices down, allowing assets to be picked up very cheaply.

Another Great Depression is the short seller’s dream, as a trader recently [admitted](#) on a BBC interview. His candor was unusual, but his attitude is characteristic of a business that is all about making money, regardless of the damage done to real companies contributing real goods and services to the economy.

How the Game Is Played

Here is how the short selling scheme works: stock prices are set by traders whose job is to match buyers with sellers. Short sellers willing to sell at any price are matched with the lowest buy orders to create a sale. Since stock prices are set according to supply and demand, when sell orders overwhelm buy orders, the price drops. The short sellers then buy the stocks back at the lower price and pocket the difference. Today, speculators have to drop the price only enough to trigger the automatic stop loss orders and margin calls of the big mutual funds and hedge funds. A cascade of sell orders follows, and the price plummets.

Where do the shorts get the shares to sell into the market? As Jim Puplava [explained on FinancialSense.com](#) on September 24, 2011, they “borrow” shares from the unwitting true shareholders. When a brokerage firm opens an account for a new customer, it is usually a “margin” account—one that allows the investor to

buy stock on margin, or by borrowing against the investor’s stock. This is done although most investors never use the margin feature and are unaware that they have that sort of account. The brokers do it because they can “rent” the stock in a margin account for a substantial fee—sometimes as much as 30% interest for a stock in short supply. Needless to say, the real shareholders get none of this tidy profit. Worse, they can be seriously harmed by the practice. They bought the stock because they believed in the company and wanted to see its business thrive, not dive. Their shares are being used to bet against their own interests.

There is [another problem](#) with short selling: *the short seller is allowed to vote the shares at shareholder meetings*. To avoid having to reveal what is going on, stock brokers send proxies to the “real” owners as well; but that means there are duplicate proxies floating around. Brokers know that many shareholders won’t go to the trouble of voting their shares; and when too many proxies do come in for a particular vote, the totals are just reduced proportionately to “fit.” But that means the real votes of real stock owners may be thrown out. Hedge funds may engage in short selling *just* to vote on particular issues in which they are interested, such as hostile corporate takeovers. Since many shareholders don’t send in their proxies, interested short sellers can swing the vote in a direction that hurts the interests of those with a real stake in the corporation.

Lax Regulation

Some of the damage caused by short selling was blunted by the Securities Act of 1933, which imposed an “uptick” rule and forbade “naked” short selling. But both of these regulations have been circumvented today.

The [uptick rule](#) required a stock’s price to be higher than its previous sale price before a short sale could be made, preventing a cascade of short sales when stocks were going down. But in July 2007, the uptick rule was repealed.

The regulation against “naked” short selling forbids selling stocks short without either owning *or* borrowing them. But an exception turned the rule into a sham, when a July 2005 SEC ruling allowed the practice by “market makers.” A *market maker* is a bank or brokerage that stands ready to buy and sell a particular stock on a continuous basis at a publicly quoted price. The catch is that *market makers are the brokers who actually do most of the buying and selling of stock today*. Ninety-five percent of short sales are done by broker-dealers and market makers. Market making is one of those lucrative pursuits of the giant Wall Street banks that now hold a major portion of the country’s total banking assets.

One of the more egregious [examples](#) of naked short selling was relayed in a story run on [FinancialWire](#) in 2005. A man named Robert Simpson purchased all of the outstanding stock of a small company called Global Links Corporation, totaling a little over one million shares. He put all of this stock in his sock drawer, then watched as *60 million* of the company’s shares traded hands over the next two days. *Every outstanding share changed hands nearly 60 times in those two days, although they were safely tucked away in his sock drawer*. The incident

Continues on Page 50

Continued from Page 49 - SHEARED BY THE SHORTS:

HOW SHORT SELLERS FLEECE INVESTORS

substantiated allegations that a staggering number of “phantom” shares are being traded around by brokers in naked short sales. Short sellers are expected to cover by buying back the stock and returning it to the pool, but Simpson’s 60 million shares were obviously never bought back to cover the phantom sales, since they were never on the market in the first place. Other cases are less easy to track, but the same thing is believed to be going on throughout the market.

Why Is It Allowed?

The role of market makers is supposedly to provide liquidity in the markets, match buyers with sellers, and ensure that there will always be someone to supply stock to buyers or to take stock off sellers’ hands. The exception allowing them to engage in naked short selling is justified as being necessary to allow buyers and sellers to execute their orders without having to wait for real counterparties to show up. But if you want potatoes or shoes and your local store runs out, you have to wait for delivery. Why is stock investment different?

It has been argued that a highly liquid stock market is essential to ensure corporate funding and growth. That might be a good argument if the money actually went to the company, but *that is not where it goes*. The issuing company gets the money *only* when the stock is sold at an initial public offering (IPO). The stock exchange is a *secondary market* – investors buying from other stockholders, hoping they can sell the stock for more than they paid for it. In short, it is gambling. Corporations have an easier time raising money through new IPOs if the buyers know they can turn around and sell their stock quickly; but in today’s computerized global markets, real buyers should show up quickly enough without letting brokers sell stock they don’t actually have to sell.

Short selling is sometimes justified as being necessary to keep a brake on the “irrational exuberance” that might otherwise drive popular stocks into dangerous “bubbles.” But if that were a necessary feature of functioning markets, short selling would also be rampant in the markets for cars, television sets and computers, which it obviously isn’t. The reason it isn’t is that these

goods can’t be “hypothecated” or duplicated on a computer screen the way stock shares can. Short selling is made possible because the brokers are not dealing with physical things but are simply moving numbers around on a computer monitor.

Any alleged advantages to a company or asset class from the liquidity afforded by short selling are offset by the serious harm this sleight of hand can do to companies or assets targeted for take-down in bear raids. With the power to engage in naked short sales, market makers have the market wired for demolition at their whim.

The Need for Collective Action

What can be done to halt this very destructive practice? Ideally, federal regulators would step in with some rules; but as Jim Puplava observes, the regulators seem to be in the pockets of the brokers and are inclined to look the other way. Lawsuits can have an effect, but they take money and time.

In the meantime, Puplava advises investors to call their brokers and ask if their accounts are margin accounts. If so, get the accounts changed, with confirmation in writing. Like the “Move Your Money” campaign for disciplining the Wall Street giants, this maneuver could be a non-violent form of collective action with significant effects if enough investors joined in. We need some grassroots action to rein in our runaway financial system and the government it controls, and this could be a good place to start.



Ellen Brown is an attorney and president of the Public Banking Institute, <http://PublicBankingInstitute.org>. In *Web of Debt*, her latest of eleven books, she shows how a private cartel has usurped the power to create money from the people themselves, and how we the people can get it back. Her websites are <http://webofdebt.com> and <http://ellenbrown.com>.

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HOW TO TURN RED TO GREEN

By Rosa Koire

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HERE'S something you may not have heard of yet:

A one trillion dollar federal program to enable local governments to purchase vacant residential, commercial, and industrial properties from banks and demolish them. Why?

So that more green space can be created in cities. They call this turning redfields (vacant bank-owned properties in the 'red') to greenfields (parks and open space).

In this fantasy world of more and more federal money created out of thin air, underperforming property held in private ownership will be converted to publicly held open space. Your community, which now can't keep your existing



ing parks watered and maintained, will acquire bank-owned land. In this sort of perfect UN Agenda 21 spin, all of the people in smart-growth buildings downtown need a place to play. It has to be a public place because government can't observe you when you're in your backyard. In another

'rescue' of banks and as a part of UN Agenda 21's war on private property, existing buildings will be demolished and private land taken off of the property tax rolls. Demolition of buildings (how's that for a greenhouse gas/carbon generating/landfill glutting solution) and building parks will 'create jobs' in this scenario.

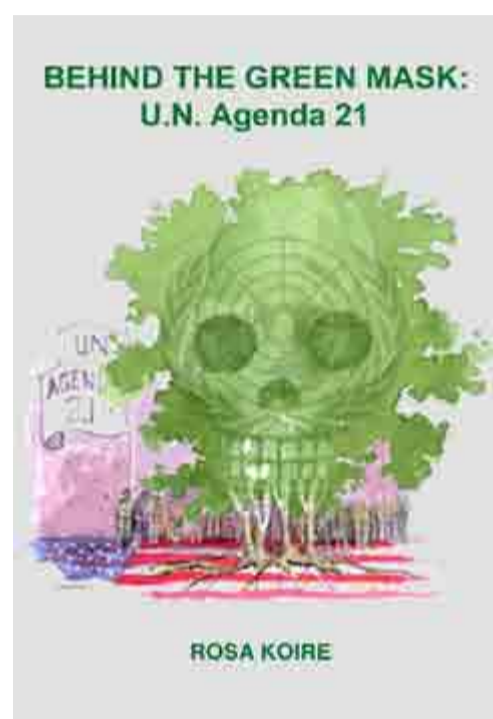
Let's say it again: ONE TRILLION DOLLARS of federal money is proposed for this 'land-based approach to solving America's economic crisis.' That quote is from the Urban Land Institute's January/February 2010 article *From Vacant Properties to Green Space*. It covers the 'story' that City Parks Alliance, of Washington, DC is developing a federal funding strategy for this scheme.

Can we put this together?

- Step by step: UN Agenda 21 sets the stage for high density development in cities.
- Redevelopment agencies subsidize development for smart growth. Only some favored builders were in on the money train.
- Banks were urged in the Clinton administration to loosen their loan criteria and let the money flow.
- Developers built more and more commercial and residential buildings, glutting the market
- The economic collapse was engineered to cover the migration of business and production out of the US.
- The stock market crash was engineered to suck wealth out of the middle class and destabilize their retirement.
- The TARP bail-out was pay-back for the banks and consolidated their power by allowing them to take over smaller banks.
- The crashed economy is a staged event and encourages agitation for more social programs, along with the vilification of property

ownership. Those who own private property are 'greedy.'

- As people lose their homes to foreclosure and their steady employment vanishes, they will be more willing to live in government subsidized apartments in the center of cities. There will be less people to object to loss of private property rights. Proposals to stop the federal mortgage tax credit will be more easily accepted, thus threatening private home ownership. The press obligingly writes articles about the miseries of home ownership and extolls the virtues of living in a condo (maintenance-free!) or apartment (move when you want!) next to the train tracks.
- Private car ownership will become unaffordable through high gasoline prices, high parking costs in city centers, and vehicle miles traveled taxes, and wages can be lowered to reflect the 'savings.'
- The redfields to greenfields conversions in the suburbs allow cities to demolish buildings and close off services to those areas. Redevelopment dollars, your property tax dollars, will be used for these projects.
- Rural roads will not be paved, making rural property less valuable, banks will foreclose and local government will buy for pennies on the dollar. Less and less land will be available for agriculture, for production, for small scale living. Government-owned land will be managed by or given to non-profit land trusts in public private partnerships.
- Lands will be closed off to public use. Rural areas closed. Suburban areas closed. Forest areas closed. Rural roads closed. Logging roads closed. Camping areas closed. State park areas closed.
- Restrictions on travel. Personal identification required at all times. Health records. School records. Communication records. Email, Facebook, Global positioning mapping, Virtual Reality---all serve to narrow your world.
- Regionalization of government will take the planning decisions away from local government and out of your control. Rural councils, regional boards, neighborhood associations, condominium boards, residents' associations--all speak for you without your ability to stop them. They all want the same thing. Control, total information, and social engineering. Think you'll be able to stop Smart-Meters when you live in a 200 unit building owned by your local low income (government subsidized) housing developer?



That was easy, wasn't it? Most of this is in place right now. That's how you turn RED to GREEN in the UN Agenda 21 plan. 🌿

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Germany - It's Not Easy Being Green

By John Daly

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FORTY-ONE years ago on Sesame Street, Kermit the frog sang a plaintive song, “It’s not easy being green.”

In a gesture of solidarity, perhaps he should fax the lyrics to German Chancellor Angela Merkel, whose government is suddenly discovering the costs of weaning itself off nuclear energy.

In the wake of Fukushima, German Chancellor Angela Merkel announced on 30 May that Germany, the world's fourth-largest economy and Europe's biggest, would become the first industrialized nation to shut down all of its 17 nuclear power plants (NPPs) between 2015 and 2022, an extraordinary commitment, given that Germany’s 17 NPPs produce about 28 percent of the country's electricity and that the country’s first NPP came online in 1969.

The seven nuclear power plants immediately shut down after Fukushima include Biblis A and B, Neckarwestheim 1, Brunsbuettel, Isar 1, Unterweser and Philippsburg 1 and the offline reactor in Krümmel. The remaining nine to be shut down by 2022 are Grafenrheinfeld in 2015, Gundremmingen B in 2017, Philippsburg II in 2019, Grohnde, Brokdorf, and Gundremmingen C in 2021, Isar II, Neckarwestheim II and Emsland in 2022.

Truly the end of an era.

Merkel added that her government’s goal was to draw 35 percent of production from renewable energy sources by 2022.

While Fukushima proved the final impetus for the decision, Germany has long had one of the most anti-nuclear green movements in Europe. The Japanese meltdown was the final straw in convincing the electorate that Three Mile Island, Chernobyl and Fukushima, as well as hundreds of smaller incidents that the risks inherent in NPPs were in fact real and lethal, that nuclear-waste storage was a problem yet to be resolved and that renewable-alternative energy was the way of the future.

Not that the decision was unanimous. The German nuclear industry insisted that its shutdown would cause major damage to the country's industrial base and E.ON AG and Vattenfall Europe AG announced their intention to sue for billions of euros in compensation, with RWE AG and EnBW Energie Baden-Wuerttemberg AG expected to follow suit. As an immediate indication of their displeasure, two months ago Germany's four nuclear operators announced that they would stop paying into a government renewables fund, which was set up in September 2010 as compensation for the government

agreeing to license nuclear plants for a longer period.

Adding to awakening consumer anxiety about “quality of life” issues, last month Germany’s Federal Network Agency announced that it decided not to keep any NPPs as back-up in case of electricity shortfalls for the upcoming winter.

So, what to do?

Why, use Germany’s massive euro reserves to buy in electricity from neighboring countries to ease shortfalls during the bumpy transitional period.

Neighbors only too glad to export electricity to der Vaterland include Austria, the Czech Republic and France.

And here’s where it gets interesting, as the latter two nation’s electrical exports are generated by... nuclear power.

Quite aside from the ideological contradictions inherent in the policy, it won’t come cheap. In a report last July Deutsche Bank noted that because of the nuclear prohibition Germany will become a net importer of about 4 terawatt hours of power by the end of the year after exporting 14 terawatt hours in 2010.

In another sobering statistic from the Dena Energy Agency, a research institute partly owned by the German government, Germany will have to spend nearly \$14.3 billion over the next decade to upgrade its electrical grid if the country is to stop using neighboring networks.

Speaking of neighboring networks, importing electricity from former communist Eastern European states presents an additional range of problems, as their elderly grids were built over 30 years ago solely to handle domestic demand, years before the countries joined the European power-trading system.

Not that the government hasn’t been warned – in May national electricity-grid regulator Bundesnetzagentur said that Germany’s unilateral decommissioning of its NPPs risked straining utility networks in at least seven neighboring countries.

According to the European Nuclear Society, as of January 2011 there were 195 nuclear plants in operation and under construction in Europe. No doubt all the operators of these NPPs will be watching the German experience weaning itself off its nuclear addiction with great attention.

It’s not easy being green. 

By John C.K. Daly of Oilprice.com

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The Occupy Philadelphia Inquirer

Volume 1, Issue 1

Thursday, October 6, 2011

News@OccupyPhillyInquirer.com

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Philadelphia Joins the Revolution!

“Occupy Now” Moves into Philadelphia

By John Freeman

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OCTOBER 6, 2011

Philadelphia, PA -

After nearly two weeks of planning and two public meetings, the grass roots members of Occupy Philadelphia claimed their first piece of

Pennsylvania real estate. Occupy Philadelphia officially staked out their territory this morning at City Hall within earshot of the Mayor. As of 11:00 am early estimates put the fledgling occupation at around 500 participants.


Following in the footsteps of the activists, students, union members, and the curious occupying Wall St., the Philly movement has taken hold. I have more questions than answers at this point. Are they really here to stay until we see some radical change in the way the government operates in this country? Floating around the internet are lists of grievances or demands that they hope are addressed. Are they too ambitious? Is their focus too broad? Will it grow? What do they hope to achieve? Time will tell.

Media personality and sympathizer, Dylan Ratigan’s recent “mic-check” rant at Occupy Wall St., rightly encouraged the protestors to narrow their focus on the cause of the problems that we face today; simply put, the collusion between the financial sector and our federal government. He correctly articulates that our government is owned by both parties. I will take his position one step further. He uses the term “financial sector.” He should have been a little more specific. The real culprit behind the economic collapse, the decline of the dollar, the endless militarism abroad, and the ultimate beneficiaries of the congressional bailouts were largely

the member banks of the privately held Federal Reserve System.

It is the Federal Reserve and its member banks that own both parties in Washington. It was former Goldman Sachs chief, then Treasury Secretary Hank Paulson, in concert with then New York Fed hit man, now Treasury Secretary Timothy Geithner, who orchestrated and forced the bailouts. Behind closed doors, Paulson threatened Congress martial law for non-compliance.

With its digital money creation, the Federal Reserve is the enabler of congressional deficit spending that funds the Military Industrial Complex abroad and the ever expanding domestic police state, all while we suffer at home. The Fed allows Washington to prop up and support brutal dictators around the globe, and murder 10’s of thousands of people of color, in the name of “spreading democracy” or “humanitarian assistance.” Most members of Congress and the executive branch are complicit in this deceit and oppression.

It’s time for the occupiers to laser focus their energy and intentions on those that are behind the problems that face society. Forget Wall St. as a whole. Strike the root. The Fed is the problem. They murder abroad, we suffer at home. The Fed owns Wall St. and Washington. Occupy the Fed. End the Fed. End the Wars. End the oppression. End the economic slavery. 

“There are a thousand hacking at the branches of evil to one who is striking at the root.”

– Henry David Thoreau

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Ending Corporatism By Ralph A. McKittrick

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CORPORATIONS are bad. Really bad.


These faceless behemoths wield an inordinately large influence over society and our government. By demanding huge bailouts,

they warp the political process while sucking the life out of taxpayers. Why should you and I be forced to pay for their mistakes? The world would be a better place if these money-losers were left to go bankrupt. Let them be their own victim, not you and me.

Not only do they lobby a corrupt Congress to steal our money with bailouts, the men and women who run corporations are held above the law. They are shielded by law from any legal liability they may have for damaging the environment or hurting consumers. For example, when the Exxon Valdez spilled millions of gallons of crude oil off the Alaskan coast, one of the worst environmental disasters in American history, no one--NO ONE--went to prison for the crime. Instead, Exxon was merely fined less

than a billion dollars, even though they earned over \$30 billion in profits last year. Is that fair?

The solution to corporatism, and the crimes corporations commit, is to end corporatism! Instead of having some legal fiction responsible for environmental disasters, the individual men and women who run the corporation should be held liable. They should face imprisonment and personal bankruptcy for the crimes they commit, just as any normal person would. By eliminating their corporate personhood, the CEO's would surely think twice before deciding to break the law or trash the environment. But will our corrupt Congress ever change the law? Not while they remain in the deep pockets of the corporations.

We demand an end to corporatism and corporate personhood. We demand an end to corporate contributions to political campaigns. We demand that the criminals, not the corporation, be held liable for their crimes. We demand a better America! 

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Who are we? What do we want? By Earnest H.

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THESE are the questions we are asked over and over again and the answer is both complex and simple. We are people who have lost good jobs and are out of work, we are students

who haven't been able to find a job, we are veterans, and we are just people paying attention. The simple answer is we are Americans who see something has gone horribly wrong.

What we want is an end to the corporatism which clogs and twists our political process, what we want are good jobs being created, what we want is a fair system that treats everyone the same and that does it without forcing us into little boxes designed by other people. The simple answer is

we want the system that takes the money and resources of the 99% and funds 1% by corporate bailouts and everyday corporate welfare to stop and go away forever.

We all have different reasons for why we arrived here and why we want the system to go away and we may have different ideas of what that better world looks like without this system of theft, but we all have come here united in a common cause of peace and respect and when we talk to our brothers and sisters on the street with us and everyone who comes by to talk to us – we need to remember why we are here and communicate with the idea of peace in our mind and mutual respect in our hearts. 

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An open letter and warning from a former tea party movement adherent to the Occupy Wall Street movement.

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Editor's note: The following is excerpted from an open letter posted on Reddit by vasslittlecrow. To read the full letter and to comment, please visit: <http://redd.it/kyjo2>.

1- The media will initially and purposely avoid covering your dissenting movement to cause confusion about what your movement is about within mainstream audiences. This is to enrage you and make you appear unreasonable, and perhaps even invisible.

2 - While the obfuscation is happening, stooges will infiltrate and give superficial support, focus and financial backing to the targeted movement. In the tea party movement's case, it was the religious Republicans and Koch Brothers

In this case, it's the public sector unions (the organizations as quasi-human entities, not the members themselves) and ultra-rich liberals who pretend to care, but frankly do not serve liberators and freedom seekers but rather the interests of those who run the public sector unions and the Democratic Party. Democrat, Republican, these parties are all part of the same corporate ruling system. Case in point: <http://www.debates.org/>

3 - The media will cover the movement only after this infiltration succeeds. Once the infiltration is completed the MSM will manufacture public media antipathy towards the movement by using selective focus on the movement's most repulsive elements or infiltrators on the corporate Conservative media side, while the corporate Liberal media will create a more sympathetic tragic hero image -- this is the flip side of the tea party, but same media manipulation tactics. I go into greater detail on this tactic: <http://vaslittlerow.com/blog/2011/09/08/how-the-media-and-ideological-groups-manipulate-your-beliefs/>

4- Someone in the Democratic Party will feign sympathy for the movement and falsely "non-partisan" entities provide tons of funding and unwanted organization, just as was done with the tea party movement by Republicans. Once people assume that the pro-corporate government operatives are their friends, they will hijack the movement and the threat of your movement will be neutralized.

If this new Occupy Wall Street movement is to survive, here's what needs to be done.

1 - Loudly denounce violence and disavow the violent rabblers of the movement. They do not help the cause.

2 - Be image conscious. Present your best face and call out those who act like fools within the movement. People are more likely to pay attention to you in your Sunday dress and bringing


homemade food, than when you are drinking a bottle of Snapple and chomping on Big Macs while you are looking like a slacker rich hipster/unwashed hippie stereotype.

3 - Accept that you've already been infiltrated by the corporate-funded government, and work hard to say, and state what your movement is and is not about. "No, this isn't about unions or Liberals, conservatives or bored spoiled brats.

This is about 99% of our population being exploited and manipulated for the sake of profit." "No we will not resort to violence." "Yes, all we want is for the end of government collusion with corporate entities that are illegitimately recognized as people." And, so forth...

4 - Don't forget who you are as the illusions are thrown at you. Corporatists are masters of illusions. That's the most powerful weapon they have. That's how they sell products you don't need and convince you to justify accepting atrocities for the sake of products. Don't fall for it. Otherwise, your cause will be lost. Be wary of large donations from special interest groups or non-profit corporations that were not involved in this movement from the inception. Special interest groups are not your allies. Non-profit corporations are still corporations, and unfortunately, too many of them care more about donations than doing the right thing. Killing a movement with kindness is easy.

5- Remain independent and focused. If you can, pick a face to represent your movement. Rosa Parks wasn't just a random lady in a bus. <http://13d.cs.colorado.edu/systems/agentsheets/New-Vista/bus-boycott/> -- She was chosen. You too can use the power of illusion against those who oppose you.

I wish your movement better luck than we had with the tea party movement before it got hijacked by the theocrats and corporatists. We used to be non-partisan too. We were the older version of you. But, I believe that as the media apparatchik and infiltrators start to twist your cause, you will understand the frustration us early adopter tea partiers felt and that we were not your enemy after all. A fascist oligarchy on the verge of winning is our common enemy. This should be your focus. **Don't be dazzled by the illusion as we were. For the sake of our future, know who you are.** 

I am sharing these observations, so you guys know what's going on and can prevent the media from succeeding in painting you as violent slacker hippies rebelling without a cause, or from having the movement be hijacked by a bunch of corporatists seeking to twist the movement's original intentions.

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Adam vs. The Man Videos and QR Code

Adam Kokesh

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[Occupy DC invades Newseum, hates on Ron Paul & Alex Jones](#)



[Obama Supporters "Occupy" DC](#)



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Publisher's Backpage

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The LOVEolution's Anarchist Wing takes flight... Again!

ANOTHER great Digital Magazine I'm very fond of. Our goal was to highlight the future of healthcare and the solutions offered by liberty minded individuals. But to do this we also needed to provide an examination of how it got so bad in the first place. Attention to the World Economy couldn't wait so that issue featured in this edition as well.

Gwen Strmic was well trained by my daughter Sierra to take over the layout of the Freedoms-Phoenix eZine and Gwen did a great job. Thank you, Gwen!

The cover illustrations by Scott Bieser are always a treat to work on with Scott. And November's will be blown up "banner LARGE" for [Libertopia](#) and will be a nice surprise for everyone :)

Below I detail one of our latest efforts to free the planet. I hope you will be inspired to take advantage of all of the work that went into making this method of activism as easy as possible.

Peace,
Ernie

It is not as hard as people might think to have activism in support of liberty to go viral across the planet... it's just impossible to control it.

Here's an example FreedomsPhoenix hopes to share with you so you'll be able to recognize the effectiveness of **Open Source Activism** that can be tailored to any event anywhere (Here in Arizona we are focusing on the City of Tempe, Arizona State University and the Occupy Wall-Street/America/Planet efforts here in Arizona)

The creation of a QR Code is very easy... <http://qrcode.kaywa.com/> - This link is only one option of many

QR Code Generators ([Wiki Explanation](#))

Nick has provided more information about customizing your QR Codes for tracking (near the end of this article)

[Rick and Carsen at LibertyStickers.com](#) have worked with us to create a method of communicating with **Generation Next** in a unique and effective manner.... everywhere.

We intend to Occupy the minds of THE PLANET!... and this is the latest method that is working very well right now. So we have made this activism Open Source and have removed as many development hurdles as we can.

Below was a demonstration project with the cooperation of several activist efforts to show what can be accomplished. But this is far more complicated than most local projects will be.

[Large - .PSD \(Photoshop\) QR Code Template for 2.75"x3.25"](#)
.JPG of Template



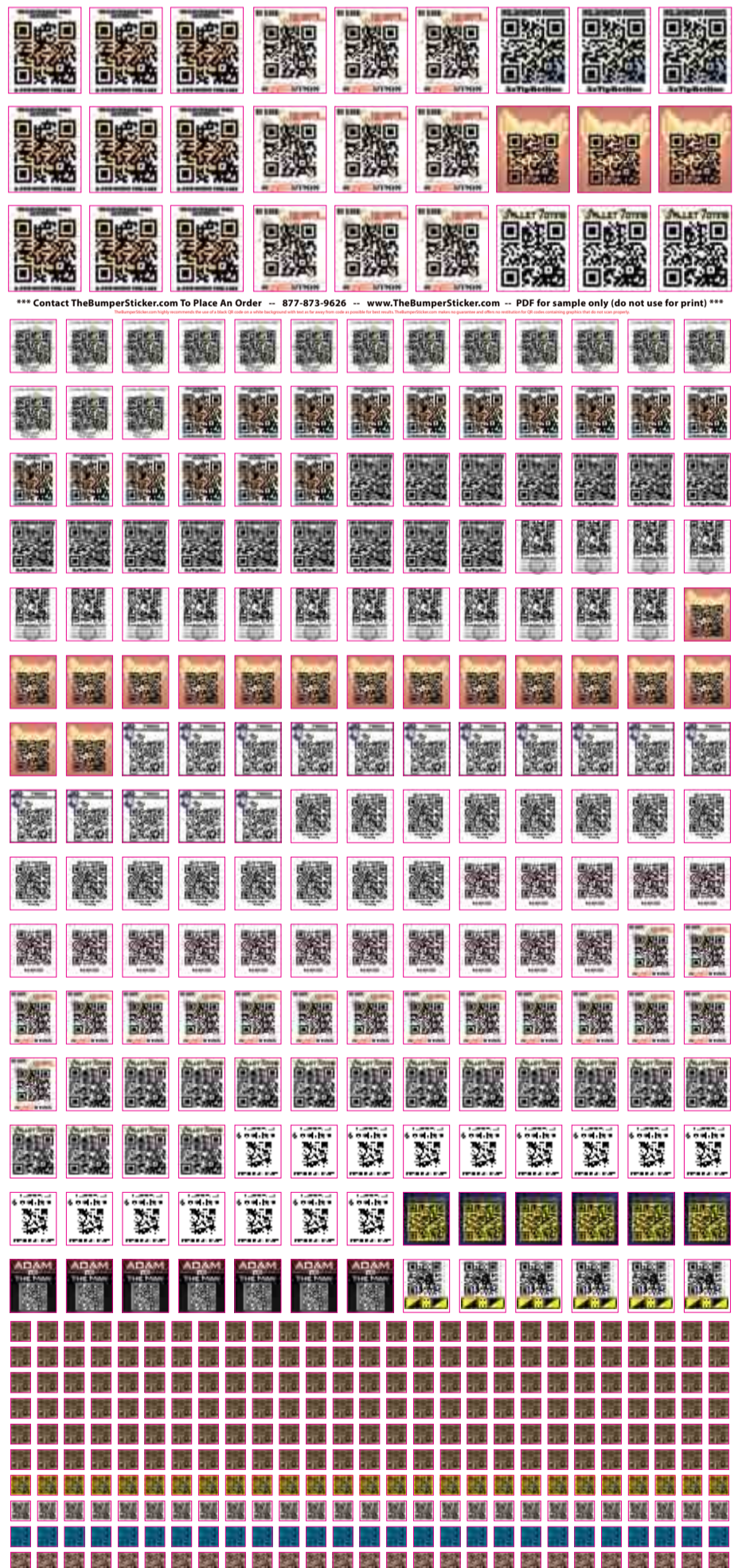
[Medium - .PSD \(Photoshop\) QR Code Template for 1.75"x2.0"](#)
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.JPG of Template



Qr Sheet Template for 28inx60in Multiple Stickers in .AI format &
Qr Sheet Template for 28inx60in Multiple Stickers in .EPS format

Continues on Page 58

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Are also available (if you need these formats please email me at Publisher -at- FreedomsPhoenix.com and I'll get them to you)

Sample Graphics for Inspiration

Any one of these QR Code graphics can be reproduced in any size/quantity/combo or as a single image. [AdamvsTheMan](#) is an example of a single image and a single size being mass produced for a single effort/project ([Rick and Carsen at LibertyStickers.com](#) can help you with any effort. Simple to Complex.)



Nick Explains:

There are plenty of options out there if you want to track how many times your QR code has been scanned. You can use a public URL shortener like <http://goo.gl> that provides you with metrics or you can run your own. If you chose to use a public URL shortener, the system is taken care of for you, which could be good, or bad. If your Google account password is lost or stolen, you may not be able to recover it... or if your account is locked out for [any reason](#), it might take a long time and many headaches before you can get back in.

For many out there that have your own web-servers, the clear and obvious choice is to run your own URL tracking system. The most robust and customizable option out there is also one of the easiest to install and run. Check out [YOURLS](#) to get you started. YOURLS has a plugin based architecture that allows you to easily add features that the base software is missing. For instance, if you want to make URL shortening and tracking easy to use on your WordPress blog, there is a [WordPress plugin](#). More importantly, if you want to automatically create a QR code for each URL you create, just install the free [QR code plugin](#). For a list of all of the known YOURLS plugins, head on over [here](#). If you are uncomfortable around editing PHP configuration files, YOURLS is not for you. But, if you can [follow directions](#), can understand basic PHP and know how to add users to MySQL with either [command line](#) or [cpanel](#), its worth a shot to install your own URL shortener and tracker.

Peace,
Nick

The Screen shot below is of a 30 up mailing label sheet for a project we helped **James Babb** and friends with, [Infiltration into the Occupy Philly effort](#) (another example of what we can do nationwide... The Right gave us the TeaPartyExpress to play with and now The Left has provided us a Silver Platter heaping with young minds to be freed with the Occupy Wall Street/America/Planet big sister effort to the TeaParty).

These labels went onto an Anarchist DVD created by [CopBlock.org](#) (Ademo & Pete) and Nick from CopBlockPodcast here in Arizona. We burned hundreds of the DVDs, placed this sticker on them (QR Code goes to [Occupied-Now.org](#) that was created by the Voluntarists in Philly), put them in a paper sleeve with our LOVEvolutionary Bandit QR coded card and immediately sent them to James Babb for them to add whatever they wish to the packet. The DVD was a good introduction to voluntarism for the occupiers, but we are working on a new DVD featuring a lot of the current coverage so that we can BE CERTAIN to express our opinion to the thousands in the streets needing this perspective.

So imagine the scene... Every 'occupying' laptop with a DVD player 'camping out', will have a few people watching the DVDs and everyone with a SmartPhone will be scanning the QR Codes.....

BOOM SHAKALAKA.... "Injection of the libertarian infection into the bone marrow of the Occupy America effort,... for which there is no cure!"

Soros and friends want to back up their 18 wheelers of lemons to our Lemonade Stands in the streets... COOL! :)



This is one of the many activist projects that we are working on now. The reason our efforts are successful is that we don't even start unless we have wide support for the concept from individuals that see the benefit for their own reasons. We then make every effort to make it easy for others to make use of the tools we created. And then... we just stay out of the way... No Central Planning!

November's activism will feature the simple idea of, as many activists as possible posting items for sale on Craigslist etc. that provide a discount if payment is in Silver. We will feature the "Silver Calculator" downloadable App for Android/iPhone/Blackberry in each post that will take place on a single day across the nation to introduce the planet to a real solution.

We have been working on this for years :) [www.LibertyTrade.net](#) (imagine.... eBay and Craigslist features combined with the additional feature of selecting what currency/commodity can be used in the transaction :)




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