

# Sorry, Mr. Franklin, “We’re All Democrats Now”

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## Introduction

At the close of the Constitutional Convention in 1787, Benjamin Franklin told an inquisitive citizen that the delegates to the Constitutional Convention gave the people “a Republic, if you can keep it.” We should apologize to Mr. Franklin. It is obvious that the Republic is gone, for we are wallowing in a pure democracy against which the Founders had strongly warned.

Madison, the father of the Constitution, could not have been more explicit in his fear and concern for democracies. “Democracies,” he said, “have ever been spectacles of turbulence and contention; have ever been found incompatible with personal security or the rights of property; and have in general been as short in their lives as they have been violent in their death.”

If Madison’s assessment was correct, it behooves those of us in Congress to take note and decide, indeed, whether the Republic has vanished, when it occurred, and exactly what to expect in the way of “turbulence, contention, and violence.” And above all else, what *can* we and what *will* we do about it?

The turbulence seems self-evident. Domestic welfare programs are not sustainable and do not accomplish their stated goals. State and federal spending and deficits are out of control. Terrorism and uncontrollable fear undermine our sense of well-being. Hysterical reactions to dangers not yet seen prompt the people – at the prodding of the politicians – to readily sacrifice their liberties in vain hope that someone else will take care of them and guarantee their security. With these obvious signs of a failed system all around us, there seems to be more determination than ever to antagonize the people of the world by pursuing a world empire. Nation building, foreign intervention, preemptive war, and global government drive our foreign policy. There seems to be complete aversion to defending the Republic and the Constitution that established it.

The Founders clearly understood the dangers of a democracy. Edmund Randolph of Virginia described the effort to deal with the issue at the Constitutional Convention: “The general object was to produce a cure for the evils under which the United States labored; that in tracing these evils to their origins, every man had found it in the turbulence and follies of democracy.”

These strongly held views regarding the evils of democracy and the benefits of a Constitutional Republic were shared by all the Founders. For them, a democracy meant centralized power, controlled by majority opinion, which was up for grabs and therefore completely arbitrary.

In contrast, a Republic was decentralized and representative in nature, with the government’s purpose strictly limited by the Constitution to the protection of liberty and private property ownership. They believed the majority should never be able to undermine this principle and that the government must be tightly held in check by constitutional restraints. The difference between

a democracy and a republic was simple. Would we live under the age-old concept of the rule of man or the enlightened rule of law?

A constitution in and by itself does not guarantee liberty in a republican form of government. Even a perfect constitution with this goal in mind is no better than the moral standards and desires of the people. Although the United States Constitution was by far the best ever written for the protection of liberty, with safeguards against the dangers of a democracy, it too was flawed from the beginning. Instead of guaranteeing liberty equally for all people, the authors themselves yielded to the democratic majority's demands that they compromise on the issue of slavery. This mistake, plus others along the way, culminated in a Civil War that surely could have been prevented with clearer understanding and a more principled approach to the establishment of a constitutional republic.

Subsequently, the same urge to accommodate majority opinion, while ignoring the principles of individual liberty, led to some other serious errors. Even amending the Constitution in a proper fashion to impose alcohol prohibition turned out to be a disaster. Fortunately this was rectified after a short time with its repeal.

But today, the American people accept drug prohibition, a policy as damaging to liberty as alcohol prohibition. A majority vote in Congress has been enough to impose this very expensive and failed program on the American people, without even bothering to amend the Constitution. It has been met with only minimal but, fortunately, growing dissent. For the first 150 years of our history, when we were much closer to being a true republic, there were no federal laws dealing with this serious medical problem of addiction.

The ideas of democracy, not the principles of liberty, were responsible for passage of the 16<sup>th</sup> Amendment. It imposed the income tax on the American people and helped to usher in the modern age of the welfare/warfare state. Unfortunately, the 16<sup>th</sup> Amendment has not been repealed, as was the 18<sup>th</sup>. As long as the 16<sup>th</sup> Amendment is in place, the odds are slim that we can restore a constitutional republic dedicated to liberty. The personal income tax is more than symbolic of a democracy; it is a predictable consequence.

### **Transition to Democracy**

The transition from republic to democracy was gradual and insidious. Its seeds were sown early in our history. In many ways, the Civil War and its aftermath laid the foundation for the acute erosion that took place over the entire 20<sup>th</sup> century. Chronic concern about war and economic downturns – events caused by an intrusive government's failure to follow the binding restraints of the Constitution – allowed majority demands to supersede the rights of the minority. By the end of the 20<sup>th</sup> century, majority opinion had become the determining factor in all that government does. The rule of law was cast aside, leaving the Constitution a shell of what it once was – a Constitution with rules that guaranteed a republic with limited and regional government and protection of personal liberty. The marketplace, driven by voluntary cooperation, private property ownership, and sound money was severely undermined with the acceptance of the principles of a true democracy.

Unfortunately, too many people confuse the democratic elections of leaders of a republic for democracy by accepting the rule of majority opinion in all affairs. For majorities to pick leaders is one thing. It is something quite different for majorities to decide what rights are, to redistribute property, to tell people how to manage their personal lives, and to promote undeclared, unconstitutional wars.

The majority is assumed to be in charge today and can do whatever it pleases. If the majority has not yet sanctioned some desired egregious action demanded by special interests, the propaganda machine goes into operation, and the pollsters relay the results back to the politicians who are seeking legitimacy in their endeavors. The rule of law and the Constitution have become irrelevant, and we live by constant polls.

This trend toward authoritarian democracy was tolerated because, unlike a military dictatorship, it was done in the name of benevolence, fairness, and equity. The pretense of love and compassion by those who desire to remold society and undermine the Constitution convinced the recipients, and even the victims, of its necessity. Since it was never a precipitous departure from the republic, the gradual erosion of liberty went unnoticed.

But it is encouraging that more and more citizens are realizing just how much has been lost by complacency. The resolution to the problems we face as a result of this profound transition to pure democracy will be neither quick nor painless. This transition has occurred even though the word “democracy” does not appear in the Constitution or in the Declaration of Independence, and the Founders explicitly denounced it.

Over the last hundred years, the goal of securing individual liberties within the framework of a constitutional republic has been replaced with incessant talk of democracy and fairness.

Rallying support for our ill-advised participation in World War I, Wilson spoke glowingly of “making the world safe for democracy,” and never mentioned national security. This theme has, to this day, persisted in all our foreign affairs. Neo-conservatives now brag of their current victories in promoting what they call “Hard Wilsonism.”

A true defense of self-determination for all people, the necessary ingredient of a free society, is ignored. Self-determination implies separation of smaller government from the larger entities that we witnessed in the breakup of the Soviet Union. This notion contradicts the goal of pure democracy and world government. A single world government is the ultimate goal of all social egalitarians who are unconcerned with liberty.

### **Current Understanding**

Today the concepts of rights and property ownership are completely arbitrary. Congress, the courts, presidents and bureaucrats arbitrarily “legislate” on a daily basis, seeking only the endorsement of the majority. Although the republic was designed to protect the minority against the dictates of the majority, today we find the reverse. The republic is no longer recognizable.

Supporters of democracy are always quick to point out one of the perceived benefits of this system is the redistribution of wealth by government force to the poor. Although this may be true in limited fashion, the champions of this system never concern themselves with the victims from whom the wealth is stolen. The so-called benefits are short-lived, because democracy consumes wealth with little concern for those who produce it. Eventually the programs cannot be funded, and the dependency that has developed precipitates angry outcries for even more “fairness.” Since reversing the tide against liberty is so difficult, this unworkable system inevitably leads to various forms of tyranny.

As our republic crumbles, voices of protest grow louder. The central government becomes more authoritarian with each crisis. As the quality of education plummets, the role of the federal government is expanded. As the quality of medical care collapses, the role of the federal government in medicine is greatly increased. Foreign policy failures precipitate cries for more intervention abroad and an even greater empire. Cries for security grow louder, and concern for liberty languishes.

Attacks on our homeland prompt massive increase in the bureaucracy to protect us from all dangers, seen and imagined. The prime goal and concern of the Founders, the protection of liberty, is ignored. Those expressing any serious concern for personal liberty are condemned for their self-centeredness and their lack of patriotism.

Even if we could defeat al Qaeda – which surely is a worthwhile goal – it would do little to preserve our liberties, while ignoring the real purpose of our government. Another enemy would surely replace it, just as the various groups of barbarians never left the Roman Empire alone once its internal republican structure collapsed.

### **Democracy Subverts Liberty and Undermines Prosperity**

Once it becomes acceptable to change the rules by majority vote, there are no longer any limits on the power of the government. When the Constitution can be subverted by mere legislative votes, executive orders or judicial decrees, constitutional restraints on the government are eliminated. This process was rare in the early years of our history, but now it is routine.

Democracy is promoted in the name of fairness in an effort to help some special-interest group gain a benefit that it claims it needs or is entitled to. If only one small group were involved, nothing would come of the demands. But coalitions develop, and the various groups band together to form a majority to vote themselves all those things that they expect others to provide for them.

Although the motivating factor is frequently the desire for the poor to better themselves through the willingness of others to sacrifice for what they see as good cause, the process is doomed to failure. Governments are inefficient and the desired goals are rarely achieved. Administrators, who benefit, perpetuate the programs. Wealthy elites learn to benefit from the system in a superior fashion over the poor, because they know how to skim the cream off the top of all the programs designed for the disadvantaged. They join the various groups in producing the majority vote needed to fund their own special projects.

Public financing of housing, for instance, benefits builders, bureaucrats, insurance companies, and financial institutions, while the poor end up in drug-infested, crime-ridden housing projects. For the same reason, not only do business leaders not object to the system, but they also become strong supporters of welfare programs and foreign aid. Big business strongly supports programs like the Export/Import Bank, the IMF, the World Bank, farm subsidies, and military adventurism. Tax-code revisions and government contracts mean big profits for those who are well-connected. Concern for individual liberty is pushed to the bottom of the priority list for both the poor and rich welfare recipients.

Prohibitions placed in the Constitution against programs that serve special interests are the greatest threat to the current system of democracy under which we operate. In order for the benefits to continue, politicians must reject the rule of law and concern themselves only with the control of majority opinion. Sadly, that is the job of almost all politicians. It is clearly the motivation behind the millions spent on constant lobbying, as well as the billions spent on promoting the right candidates in each election. Those who champion liberty are rarely heard from. The media, banking, insurance, airlines, transportations, financial institutions, government employees, the military-industrial complex, the educational system, and the medical community are all dependent on government appropriations, resulting in a high-stakes system of government.

Democracy encourages the mother of all political corruption – the use of political money to buy influence. If the dollars spent in this effort represent the degree to which democracy has won out over the rule of law and the Constitution, it looks like the American republic is left wanting. Billions are spent on the endeavor.

Money in politics is the key to implementing policy and swaying democratic majorities. It is seen by most Americans, and rightly so, as a negative and a danger. Yet the response, unfortunately, is only more of the same. More laws tinkering with freedom of expression are enacted, in hopes that regulating sums of private money thrown into the political system will curtail the abuse. But failing to understand the cause of the problem, lack of respect for the Constitution, and obsession with legislative relativity dictated by the majority serve only to further undermine the rule of law.

We were adequately warned about the problem. Democracies lead to chaos, violence and bankruptcy. The demands of the majority are always greater than taxation alone can provide. Therefore, control over the monetary and banking system is required for democracies to operate. It was no accident in 1913, when the dramatic shift toward a democracy became pronounced, that the Federal Reserve was established. A personal income tax was imposed as well. At the same time, popular election of Senators was instituted, and our foreign policy became aggressively interventionist. Even with an income tax, the planners for war and welfare (a guns and butter philosophy) knew that it would become necessary to eliminate restraints on the printing of money. Private counterfeiting was a heinous crime, but government counterfeit and fractional-reserve banking were required to seductively pay for the majority's demands. It is for this reason that democracies always bring about currency debasement through inflation of the money supply.

Some of the planners of today clearly understand the process and others, out of ignorance, view central-bank money creation as a convenience with little danger. That's where they are wrong. Even though the wealthy and the bankers support paper money – believing they know how to protect against its ill effects – many of them are eventually dragged down in the economic downturns that always develop.

It's not a new era that they have created for us today, but more of the same endured throughout history by so many other nations. The belief that democratic demands can be financed by deficits, credit creation and taxation is based on false hope and failure to see how it contributes to the turbulence as the democracy collapses.

Once a nation becomes a democracy, the whole purpose of government changes. Instead of the government's goal being that of guaranteeing liberty, equal justice, private property, and voluntary exchange, the government embarks on the impossible task of achieving economic equality, micromanaging the economy, and protecting citizens from themselves and all their activities. The destruction of the wealth-building process, which is inherent in a free society, is never anticipated. Once it's realized that it has been undermined, it is too late to easily reverse the attacks against limited government and personal liberty.

Democracy, by necessity, endorses special-interest interventionism, inflationism, and corporatism. In order to carry out the duties now expected of the government, power must be transferred from the citizens to the politicians. The only thing left is to decide which group or groups have the greatest influence over the government officials. As the wealth of the nation dwindles, competition between the special-interest groups grows more intense and becomes the dominant goal of political action. Restoration of liberty, the market and personal responsibility are of little interest and are eventually seen as impractical.

Power and public opinion become crucial factors in determining the direction of all government expenditures. Although both major parties now accept the principles of rule by majority and reject the rule of law, the beneficiaries for each party are generally different – although they frequently overlap. Propaganda, demagoguery, and control of the educational system and the media are essential to directing the distribution of the loot the government steals from those who are still honestly working for a living.

The greater problem is that nearly everyone receives some government benefit, and at the same time contributes to the Treasury. Most hope they will get back more than they pay in and, therefore, go along with the firmly entrenched system. Others, who understand and would choose to opt out and assume responsibility for themselves, aren't allowed to and are forced to participate. The end only comes with a collapse of the system, since a gradual and logical reversal of the inexorable march toward democratic socialism is unachievable.

Soviet-style communism dramatically collapsed once it was recognized that it could no longer function and a better system replaced it. It became no longer practical to pursue token reforms like those that took place over its 70-year history.

The turmoil and dangers of pure democracy are known. We should get prepared. But it will be the clarity with which we plan its replacement that determines the amount of pain and suffering endured during the transition to another system. Hopefully, the United States Congress and other government leaders will come to realize the seriousness of our current situation and replace the business-as-usual attitude, regardless of political demands and growing needs of a boisterous majority. Simply stated, our wealth is running out, and the affordability of democracy is coming to an end.

History reveals that once majorities can vote themselves largesse, the system is destined to collapse from within. But in order to maintain the special-interest system for as long as possible, more and more power must be given to an ever-expanding central government – which of course only makes matters worse.

The economic shortcomings of such a system are easily understood. What is too often ignored is that the flip side of delivering power to government is the loss of liberty to the individual. This loss of liberty causes exactly what the government doesn't want – less productive citizens who cannot pay taxes.

Even before 9/11, these trends were in place and proposals were abundant for restraining liberty. Since 9/11, the growth of centralized government and the loss of privacy and personal freedoms have significantly accelerated.

It is in dealing with homeland defense and potential terrorist attacks that the domestic social programs and the policy of foreign intervention are coming together and precipitating a rapid expansion of the state and erosion of liberty. Like our social welfarism at home, our foreign meddling and empire building abroad are a consequence of our becoming a pure democracy.

### **Foreign Affairs and Democracy**

The dramatic shift away from republicanism that occurred in 1913, as expected, led to a bold change of purpose in foreign affairs. The goal of “making the world safe for democracy” was forcefully put forth by President Wilson. Protecting national security had become too narrow a goal and selfish in purpose. An obligation for spreading democracy became a noble obligation backed by a moral commitment, every bit as utopian as striving for economic equality in an egalitarian society here at home.

With the growing affection for democracy, it was no giant leap to assume that majority opinion should mold personal behavior. It was no mere coincidence that the 18<sup>th</sup> Amendment – alcohol prohibition – was passed in 1919.

Ever since 1913, all our presidents have endorsed meddling in the internal affairs of other nations and have given generous support to the notion that a world government would facilitate the goals of democratic welfare or socialism. On a daily basis, we hear that we must be prepared to spend our money and use our young people to police the entire world in order to spread democracy. Whether in Venezuela or Columbia, Afghanistan or Pakistan, Iraq or Iran, Korea or Vietnam, our intervention is always justified with a tone of moral arrogance that “it's for their own good.”

Our policymakers promote democracy as a cure-all for the various complex problems of the world. Unfortunately, the propaganda machine is able to hide the real reasons for our empire building. "Promoting democracy" overseas merely becomes a slogan for doing things that the powerful and influential strive to do for their own benefit. To get authority for these overseas pursuits, all that is required of the government is that the majority be satisfied with the stated goals – no matter how self-serving they may be. The rule of law, that is, constitutional restraint, is ignored. But as successful as the policy may be in the short run and as noble as it may be portrayed, it is a major contributing factor to the violence and chaos that eventually come from pure democracy.

There is abundant evidence that the pretense of spreading democracy contradicts the very policies we are pursuing. We preach about democratic elections, but we are only too willing to accept some for-the-moment friendly dictator who actually overthrew a democratically elected leader or to interfere in some foreign election.

This is the case with Pakistan's Musharraf. For a temporary alliance, he reaps hundreds of millions of dollars, even though strong evidence exists that the Pakistanis have harbored and trained al Qaeda terrorists, that they have traded weapons with North Korea, and that they possess weapons of mass destruction. No one should be surprised that the Arabs are confused by our overtures of friendship. We have just recently promised \$28 billion to Turkey to buy their support for Persian Gulf War II.

Our support of Saudi Arabia, in spite of its ties to al Qaeda through financing and training, is totally ignored by those obsessed with going to war against Iraq. Saudi Arabia is the furthest thing from a democracy. As a matter of fact, if democratic elections were permitted, the Saudi government would be overthrown by a bin Laden ally.

Those who constantly preach global government and democracy ought to consider the outcome of their philosophy in a hypothetical Mid-East regional government. If these people were asked which country in this region possesses weapons of mass destruction, has a policy of oppressive occupation, and constantly defies UN Security council resolutions, the vast majority would overwhelmingly name Israel. Is this ludicrous? No, this is what democracy is all about and what can come from a one-man, one-vote philosophy.

U.S. policy supports the overthrow of the democratically elected Chavez government in Venezuela, because we don't like the economic policy it pursues. We support a military takeover as long as the new dictator will do as we tell him.

There is no credibility in our contention that we really want to impose democracy on other nations. Yet promoting democracy is the public justification for our foreign intervention. It sounds so much nicer than saying we're going to risk the lives of our young people and massively tax our citizens to secure the giant oil reserves in Iraq.

After we take over Iraq, how long would one expect it to take until there are authentic nationwide elections in that country? The odds of that happening in even a hundred years are remote. It's virtually impossible to imagine a time when democratic elections would ever occur



for the election of leaders in a constitutional republic dedicated for protection of liberty any place in the region.

### **Foreign Policy, Welfare, and 9/11**

The tragedy of 9/11 and its aftermath dramatize so clearly how a flawed foreign policy has served to encourage the majoritarians determined to run everyone's life.

Due to its natural inefficiencies and tremendous costs, a failing welfare state requires an ever-expanding authoritarian approach to enforce mandates, collect the necessary revenues, and keep afloat an unworkable system. Once the people grow to depend on government subsistence, they demand its continuation.

Excessive meddling in the internal affairs of other nations and involving ourselves in every conflict around the globe has not endeared the United States to the oppressed of the world. The Japanese are tired of us. The South Koreans are tired of us. The Europeans are tired of us. The Central Americans are tired of us. The Filipinos are tired of us. And above all, the Arab Muslims are tired of us.

Angry and frustrated by our persistent bullying and disgusted with having their own government bought and controlled by the United States, joining a radical Islamic movement was a natural and predictable consequence for Muslims.

We believe bin Laden when he takes credit for an attack on the West, and we believe him when he warns us of an impending attack. But we refuse to listen to his explanation of why he and his allies are at war with us.

Bin Laden's claims are straightforward. The U.S. defiles Islam with military bases on holy land in Saudi Arabia, its initiation of war against Iraq, with 12 years of persistent bombing, and its dollars and weapons being used against the Palestinians as the Palestinian territory shrinks and Israel's occupation expands. There will be no peace in the world for the next 50 years or longer if we refuse to believe why those who are attacking us do it.

To dismiss terrorism as the result of Muslims hating us because we're rich and free is one of the greatest foreign-policy frauds ever perpetrated on the American people. Because the propaganda machine, the media, and the government have restated this so many times, the majority now accept it at face value. And the administration gets the political cover it needs to pursue a "holy" war for democracy against the infidels who hate us for our goodness.

Polling on the matter is followed closely and, unfortunately, is far more important than the rule of law. Do we hear the pundits talk of constitutional restraints on the Congress and the administration? No, all we ever hear are reassurances that the majority supports the President; therefore it must be all right.

The terrorists' attacks on us, though never justified, are related to our severely flawed foreign policy of intervention. They also reflect the shortcomings of a bureaucracy that is already big

enough to know everything it needs to know about any impending attack but too cumbersome to do anything about it. Bureaucratic weaknesses within a fragile welfare state provide a prime opportunity for those whom we antagonize through our domination over world affairs and global wealth to take advantage of our vulnerability.

But what has been our answer to the shortcomings of policies driven by manipulated majority opinion by the powerful elite? We have responded by massively increasing the federal government's policing activity to hold American citizens in check and make sure we are well-behaved and pose no threat, while massively expanding our aggressive presence around the world. There is no possible way these moves can make us more secure against terrorism, yet they will accelerate our march toward national bankruptcy with a currency collapse.

Relying on authoritarian democracy and domestic and international meddling only move us sharply *away* from a constitutional republic and the rule of law and *toward* the turbulence of a decaying democracy, about which Madison and others had warned.

Once the goal of liberty is replaced by a preconceived notion of the benefits and the moral justifications of a democracy, a trend toward internationalism and world government follows.

We certainly witnessed this throughout the 20<sup>th</sup> century. Since World War II, we have failed to follow the Constitution in taking this country to war, but instead have deferred to the collective democratic wisdom of the United Nations.

Once it's recognized that ultimate authority comes from an international body, whether the United Nations, NATO, the WTO, the World Bank, or the IMF, the contest becomes a matter of who holds the reins of power and is able to dictate what is perceived as the will of the people (of the world). In the name of democracy, just as it is done in Washington, powerful nations with the most money will control UN policy. Bribery, threats, and intimidation are common practices used to achieve a "democratic" consensus – no matter how controversial and short-lived the benefits.

Can one imagine what it might be like if a true worldwide democracy existed and the United Nations were controlled by a worldwide, one man/one vote philosophy? The masses of China and India could vote themselves whatever they needed from the more prosperous western countries. How long would a world system last based on this absurdity? Yet this is the principle that we're working so hard to impose on ourselves and others around the world.

In spite of the great strides made toward one-world government based on egalitarianism, I'm optimistic that this utopian nightmare will never come to fruition. I have already made the case that here at home powerful special interests take over controlling majority opinion, making sure fairness in distribution is never achieved. This fact causes resentment and becomes so expensive that the entire system becomes unstable and eventually collapses.

The same will occur internationally, even if it miraculously did not cause conflict among the groups demanding the loot confiscated from the producing individuals (or countries). Democratic socialism is so destructive to production of wealth that it must fail, just as socialism failed under

Soviet Communism. We have a long way to go before old-fashioned nationalism is dead and buried. In the meantime, the determination of those promoting democratic socialism will cause great harm to many people before its chaotic end and we rediscover the basic principle responsible for all of human progress.

### **Paying for Democracy**

With the additional spending to wage war against terrorism at home, while propping up an ever-increasing expensive and failing welfare state, and the added funds needed to police the world, all in the midst of a recession, we are destined to see an unbelievably huge explosion of deficit spending. Raising taxes won't help. Borrowing the needed funds for the budgetary deficit, plus the daily borrowing from foreigners required to finance our ever-growing current account deficit, will put tremendous pressure on the dollar.

The time will come when the Fed will no longer be able to dictate low interest rates. Reluctance of foreigners to lend, the exorbitant size of our borrowing needs, and the risk premium will eventually send interest rates upward. Price inflation will accelerate, and the cost of living for all Americans will increase. Under these conditions, most Americans will face a decline in their standard of living.

Facing this problem of paying for past and present excess spending, the borrowing and inflating of the money supply has already begun in earnest. Many retirees, depending on their 401k funds and other retirement programs, are suffering the ill-effects of the stock market crash – a phenomenon that still has a long way to go. Depreciating the dollar by printing excessive money, like the Fed is doing, will eventually devastate the purchasing power of those retirees who are dependent on Social Security. Government cost-of-living increases will never be able to keep up with this loss. The elderly are already unable to afford the inflated costs of medical care, especially the cost of pharmaceuticals.

The reality is that we will not be able to inflate, tax, spend or borrow our way out of this mess that the Congress has delivered to the American people. The demands that come with pure democracy always lead to an unaffordable system that ends with economic turmoil and political upheaval. Tragically, the worse the problems get, the louder is the demand for more of the same government programs that caused the problems in the first place – both domestic and international. Weaning off of government programs and getting away from foreign meddling because of political pressure are virtually impossible. The end comes only after economic forces make it clear we can no longer afford to pay for the extravagance that comes from democratic dictates.

Democracy is the most expensive form of government. There is no “king” with an interest in preserving the nation’s capital. Everyone desires something, and the special-interest groups, banding together, dictate to the politicians exactly what they need and want. Politicians are handsomely rewarded for being “effective,” that is, getting the benefits for the groups that support them. Effectiveness is never measured by efforts and achievements in securing liberty, even though it’s the most important element in a prosperous and progressive world.

Spending is predictable in a democracy, especially one that endorses foreign interventionism. It always goes up, both in nominal terms and in percentage of the nation's wealth. Paying for it can be quite complicated. The exact method is less consequential than the percent of the nation's wealth the government commands. Borrowing and central-bank credit creation are generally used and are less noticeable, but more deceitful, than direct taxation to pay as we go. If direct taxation were accomplished through monthly checks written by each taxpayer, the cost of government would immediately be revealed. And the democratic con game would end much more quickly.

The withholding principle was devised to make paying for the programs the majority demanded seem less painful. Passing on debt to the next generation through borrowing is also a popular way to pay for welfare and warfare. The effect of inflating a currency to pay the bills is difficult to understand, and the victims are hard to identify. Inflation is the most sinister method of payment for a welfare state. It, too, grows in popularity as the demands increase for services that aren't affordable.

Although this appears to be a convenient and cheap way to pay the bills, the economic consequences of lost employment, inflated prices, and economic dislocation make the long-term consequences much more severe than paying as we go. Not only is this costly in terms of national wealth, it significantly contributes to the political chaos and loss of liberty that accompany the death throes of a doomed democracy.

This does not mean that direct taxes won't be continuously raised to pay for out-of-control spending. In a democracy, all earned wealth is assumed to belong to the government. Therefore any restraint in raising taxes, and any tax cuts or tax credits, are considered "costs" to government. Once this notion is established, tax credits or cuts are given only under condition that the beneficiaries conform to the democratic consensus. Freedom of choice is removed, even if a group is merely getting back control of that which was rightfully theirs in the first place.

Tax-exempt status for various groups is not universal but is conditioned on whether their beliefs and practices are compatible with politically correct opinions endorsed by the democratic majority. This concept is incompatible with the principles of private-property ownership and individual liberty. By contrast, in a free society all economic and social decision-making is controlled by private property owners without government intrusion, as long as no one is harmed in the process.

### **Confusion Regarding Democracy**

The vast majority of the American people have come to accept democracy as a favorable system and are pleased with our efforts to pursue Wilson's dream of "making the world safe for democracy." But the goals of pure democracy and that of a constitutional republic are incompatible. A clear understanding of the difference is paramount, if we are to remain a free and prosperous nation.

There are certain wonderful benefits in recognizing the guidance that majority opinion offers. It takes a consensus or prevailing attitude to endorse the principles of liberty and a Constitution to

protect them. This is a requirement for the rule of law to succeed. Without a consensus, the rule of law fails. This does not mean that the majority or public opinion measured by polls, court rulings, or legislative bodies should be able to alter the constitutional restraints on the government's abuse of life, liberty, and property. But in a democracy, that happens. And we know that today it is happening in this country on a routine basis.

In a free society with totally free markets, the votes by consumers through their purchases, or refusals to purchase, determine which businesses survive and which fail. This is free-choice "democracy" and it is a powerful force in producing and bringing about economic efficiency. In today's democracy by decree, government laws dictate who receives the benefits and who gets shortchanged. Conditions of employment and sales are taxed and regulated at varying rates, and success or failure is too often dependent on government action than by consumers' voting in the marketplace by their spending habits. Individual consumers by their decisions should be in charge, not governments armed with mandates from the majority.

Even a system of free-market money (a redeemable gold-coin standard) functions through the principle of consumers always voting or withholding support for that currency. A gold standard can only work when freely converted into gold coins, giving every citizen a right to vote on a daily basis for or against the government money.

### **The Way Out**

It's too late to avoid the turbulence and violence that Madison warned about. It has already started. But it's important to minimize the damage and prepare the way for a restoration of the Republic. The odds are not favorable, but not impossible. No one can know the future with certainty. The Soviet system came to an abrupt end with less violence than could have ever been imagined at the height of the Cold War. It was a pleasant surprise.

Interestingly enough, what is needed is a majority opinion, especially by those who find themselves in leadership roles – whether political, educational, or in the media that rejects democracy – and support the rule of law within the republic. This majority support is essential for the preservation of the freedom and prosperity with which America is identified.

This will not occur until we as a nation once again understand how freedom serves the interests of everyone. Henry Grady Weaver, in his 1947 classic, "The Mainspring of Human Progress," superbly explains how it works. His thesis is simple. Liberty permits progress, while government intervention tends always to tyranny. Liberty releases creative energy; government intervention suppresses it. This release of energy was never greater than in the time following the American Revolution and the writing of the U.S. Constitution.

Instead of individual activity being controlled by the government or superstitious beliefs about natural and mystical events, activity is controlled by the individual. This understanding recognizes the immense value in voluntary cooperation and enlightened self-interests. Freedom requires self-control and moral responsibility. No one owes anyone else anything and everyone is responsible for his or her own acts. The principle of never harming one's neighbor, or never sending the government to do the dirty work, is key to making the system tend toward peaceful

pursuits and away from the tyranny and majority-induced violence. Nothing short of a reaffirmation of this principle can restore the freedoms once guaranteed under the Constitution. Without this, prosperity for the masses is impossible, and as a nation we become more vulnerable to outside threats.

In a republic, the people are in charge. The Constitution provides strict restraints on the politicians, bureaucrats and the military. Everything the government is allowed to do is only done with explicit permission from the people or the Constitution. Today, it's the opposite. The American people must get permission from the government for their every move, whether it's use of their own property or spending their own money.

Even the most serious decision, such as going to war, is done while ignoring the Constitution and without a vote of the people's representatives in the Congress. Members of the global government have more to say about when American troops are put in harm's way than the U.S. Congress.

The Constitution no longer restrains the government. The government restrains the people in all that they do. This destroys individual creative energy, and the "mainspring of human progress" is lost. The consequences are less progress, less prosperity, and less personal fulfillment.

A system that rejects voluntary contracts, enlightened self-interest, and individual responsibilities permits the government to assume these responsibilities. And the government officials become morally obligated to protect us from ourselves, attempting to make us better people and setting standards for our personal behavior. That effort is already in full swing. But if this attitude prevails, liberty is lost.

When government assumes the responsibility for individuals to achieve excellence and virtue, it does so at the expense of liberty, and must resort to force and intimidation. Standards become completely arbitrary, depending on the attitude of those in power and the perceived opinion of the majority. Freedom of choice is gone. This leads to inevitable conflicts with the government dictating what one can eat, drink or smoke. One group may promote abstinence, the other tax-supported condom distribution. Arguments over literature, prayer, pornography, and sexual behavior are endless. It is now not even permissible to mention the word "God" on public property. A people who allows its government to set personal moral standards, for all non-violent behavior, will naturally allow it to be involved in the more important aspects of spiritual life. For instance, there are tax deductions for churches that are politically correct, but not for those whose beliefs are considered out of the mainstream. Groups that do not meet the official politically correct standards are more likely to be put on a "terrorist" list.

This arbitrary and destructive approach to solving difficult problems must be rejected if we ever hope to live again in a society where the role of government is limited to that of protecting liberty.

The question that I'm most often asked when talking about this subject is, "Why do our elected leaders so easily relinquish liberty and have such little respect for the Constitution?" The people of whom I speak are convinced that liberty is good and big government is dangerous. They are

also quite certain that we have drifted a long way away from the principles that made America great, and their bewilderment continuously elicits a big “Why?”

There’s no easy answer to this and no single explanation. It involves temptation, envy, greed, and ignorance, but worst of all, humanitarian zeal. Unfortunately, the greater the humanitarian outreach, the greater the violence required to achieve it. The greater the desire to perform humanitarian deeds through legislation, the greater the violence required to achieve it. Few understand this. There are literally no limits to the good deeds that some believe need to be done. Rarely does anyone question how each humanitarian act by government undermines the essential element of all human progress – individual liberty.

Failure of government programs prompts more determined efforts, while the loss of liberty is ignored or rationalized away. Whether it’s the war against poverty, drugs, terrorism, or the current Hitler of the day, an appeal to patriotism is used to convince the people that a little sacrifice of liberty, here and there, is a small price to pay.

The results, though, are frightening and will soon become even more so. Poverty has been made worse, the drug war is a bigger threat than drug use, terrorism remains a threat, and foreign wars have become routine and decided upon without congressional approval.

Most of the damage to liberty and the Constitution is done by men and women of good will who are convinced they know what is best for the economy, for others, and foreign powers. They inevitably fail to recognize their own arrogance in assuming they know what is the best personal behavior for others. Their failure to recognize the likelihood of mistakes by central planners allows them to ignore the magnitude of a flawed central government directive, compared to an individual or a smaller unit of government mistake.

C. S. Lewis had an opinion on this subject:

“Of all tyrannies a tyranny sincerely exercised for the good of its victim may be the most oppressive. It may be better to live under robber barons than under omnipotent moral busybodies. The robber baron’s cruelty may sometimes sleep, his cupidity may at some point be satiated, but those who torment us for our own good will torment us without end for they do so with the approval of their own conscience.”

A system that is based on majority vote rather than the strict rule of law encourages the few who thrive on power and exerting authority over other people’s lives, unlike the many driven by sincere humanitarian concerns. Our current system rewards those who respond to age-old human instincts of envy and greed as they gang up on those who produce. Those individuals who are tempted by the offer of power are quick to accommodate those who are the most demanding of government-giveaway programs and government contracts. These special-interest groups notoriously come from both the poor and the rich, while the middle class is required to pay.

It’s not just a coincidence that, in the times of rapid monetary debasement, the middle class suffers the most from the inflation and job losses that monetary inflation brings. When inflation

is severe, which it will become, the middle class can be completely wiped out. The stock market crash gives us a hint as to what is likely to come as this country is forced to pay for the excesses sustained over the past 30 years while operating under a fiat monetary system.

Eric Hoffer, the longshoreman philosopher, commented on this subject as well: “Absolute power corrupts even when exercised for humane purposes. The benevolent despot who sees himself as a shepherd of the people still demands from others the submissiveness of sheep.”

Good men driven by a desire for benevolence encourage the centralization of power. The corruptive temptation of power is made worse when domestic and international interventions go wrong and feed into the hate and envy that invade men’s souls when the love of liberty is absent.

Those of good will who work to help the downtrodden do so not knowing they are building a class of rulers who will become drunk with their own arrogance and lust for power. Generally only a few in a society yield to the urge to dictate to others, and seek power for the sake of power and then abuse it. Most members of society are complacent and respond to propaganda, but they unite in the democratic effort to rearrange the world in hopes of gaining benefits through coercive means and convince themselves they are helping their fellow man as well. A promise of security is a powerful temptation for many.

A free society, on the other hand, requires that these same desires be redirected. The desire for power and authority must be over one’s self alone. The desire for security and prosperity should be directed inward, rather than toward controlling others. We cannot accept the notion that the gang solution endorsed by the majority is the only option. Self-reliance and personal responsibility are crucial.

But there is also a problem with economic understanding. Economic ignorance about the shortcomings of central economic planning, excessive taxation and regulations, central bank manipulation of money, and credit and interest rates is pervasive in our nation’s capital. A large number of conservatives now forcefully argue that deficits don’t matter. Spending programs never shrink, no matter whether conservatives or liberals are in charge. Rhetoric favoring free trade is canceled out by special-interest protectionist measures. Support of international government agencies that manage trade, such as the IMF, the World Bank, the WTO, and Nafta politicizes international trade and eliminates any hope that free-trade capitalism will soon emerge.

The federal government will not improve on its policies until the people coming to Washington are educated by a different breed of economists than those who dominate our government-run universities. Economic advisors and most officeholders merely reflect the economics taught to them. A major failure of our entire system will most likely occur before serious thought is given once again to the guidelines laid out in the Constitution.

The current economic system of fiat money and interventionism (both domestic and international) serves to accommodate the unreasonable demands for government to take care of the people. And this, in turn, contributes to the worst of human instincts: authoritarian control by the few over the many.



We, as a nation, have lost our understanding of how the free market provides the greatest prosperity for the greatest number. Not only have most of us forgotten about the invisible hand of Adam Smith, few have ever heard of Mises and Hayek – two individuals who understood exactly why all the economic ups and downs of the 20<sup>th</sup> century occurred, as well as the cause of the collapse of the Soviet Union.

But worst of all, we have lost our faith in freedom. Materialistic concerns and desire for security drive all national politics. This trend has sharply accelerated since 9/11.

Understanding the connection between liberty, prosperity, and security has been lost. The priorities are backwards. Prosperity and security come from liberty. Peace and the absence of war come as a consequence of liberty and free trade. The elimination of ignorance and restraints on do-goodism and authoritarianism in a civilized society can only be achieved through a contractual arrangement between the people and the government – in our case, the U.S. Constitution. This document was the best ever devised for releasing the creative energy of a free people while strictly holding in check the destructive powers of government. Only the rule of law can constrain those who, by human instinct, look for a free ride while delivering power to those few, found in every society, whose only goal in life is a devilish desire to rule over others.

The rule of law in a republic protects free-market activity and private-property ownership and provides for equal justice under the law. It is this respect for law and rights over government power that protects the mainspring of human progress from the enemies of liberty. Communists and other socialists have routinely argued that the law is merely a tool of the powerful capitalists. But they have it backwards. Under democracy and fascism, the pseudo-capitalists write the laws that undermine the Constitution and jeopardize the rights and property of all citizens. They fail to realize it is the real law, the Constitution itself, which guarantees rights and equal justice and permits capitalism, thus guaranteeing progress.

Arbitrary, ever-changing laws are the friends of dictators. Authoritarians argue constantly that the Constitution is a living document, and that rigid obedience to ideological purity is the enemy we should be most concerned about. They would have us believe that those who cherish strict obedience to the rule of law in the defense of liberty are wrong merely because they demand ideological purity. They fail to mention that their love of relative rights and pure democracy is driven by a rigid obedience to an ideology as well. The issue is never rigid beliefs versus reasonable friendly compromise. In politics, it's always competition between two strongly held ideologies. The only challenge for men and women of good will is to decide the wisdom and truth of the ideologies offered.

Nothing short of restoring a republican form of government with strict adherence to the rule of law, and curtailing illegal government programs, will solve our current and evolving problems.

Eventually the solution will be found with the passage of the Liberty Amendment. Once there is serious debate on this amendment, we will know that the American people are considering the restoration of our constitutional republic and the protection of individual liberty.