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# FUTURE OF FREEDOM

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VOLUME 32 | NUMBER 8

AUGUST 2021

*It is dangerous to be right in matters where  
established men are wrong.*

— *Voltaire*

# FUTURE OF FREEDOM

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The Future of Freedom Foundation is a nonprofit educational foundation whose mission is to advance liberty and the libertarian philosophy by providing an uncompromising moral, philosophical, and economic case for individual liberty, free markets, private property, and limited government.

Believing in the power of ideas on liberty to shift the course of society toward freedom, our methodology is based on sharing sound principles of liberty with others.

- Our monthly journal, *Future of Freedom*, contains timeless and uncompromising essays on liberty. The price is \$25 for a one-year print subscription, \$15 for the email version.
- Our FFF Daily, which is free for the asking, provides hard-hitting commentary on current events.
- Our Libertarian Angle weekly Internet video show provides viewers with libertarian perspectives on the burning issues of the day.
- Our website, [fff.org](http://fff.org), contains all the articles and videos we have published since our inception in 1989.

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# Raising a Standard to Achieve Liberty

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by Jacob G. Hornberger



One of the things that distinguish libertarians from non-libertarians is that we libertarians know that we are not free. Non-libertarians are still convinced that they are free. That's one reason why non-libertarians are befuddled by libertarians. When they ask us what we are all about, we sometimes respond that we are about bringing liberty to America. That befuddles them because in their minds, America is already a free country.

Until I was in my late 20s, I was a non-libertarian. Having attended public schools, where I dutifully recited the Pledge of Allegiance, I had no doubts that I lived in a free society. When I was around 28 years old, a friend of mine from junior high school gave me a book entitled

*A Time for Truth* by William Simon, who served as Treasury Secretary under President Reagan. The book emphasized the importance of restoring liberty to America. I told my friend that while I enjoyed reading the book, I couldn't understand Simon's point about restoring liberty to America. As Americans, we already were free, I said.

One day in the late 1970s, I walked into the public library in my hometown of Laredo, Texas, looking for something to read. I came across four little different-colored books entitled *Essays on Liberty*, volumes 1–4. I took volume 1 off the shelf and began perusing it.

It was a true Road to Damascus experience. As I began reading those essays, the layers of indoctrination that encased my mind began cracking apart. I recognized that something big was happening to me. I was discovering that I wasn't free after all. I was realizing that I had been lied to from the first grade on up. I had discovered libertarianism.

I checked out all four books and took them home. I pored over them, reading and rereading them. I then began looking for other works written by the authors.

I later realized that I had not only discovered libertarianism but had also, at the same time, learned

three important methodological principles for advancing liberty.

### Finding Libertarians

Over the years of advancing liberty, I have heard some libertarians saying that libertarians need to do a better job of convincing people to become libertarians. I have listened to many lectures in which libertarian speakers teach libertarian phraseology that is designed to convince people to become libertarians.

Long ago, I concluded that that methodology for advancing liberty is fundamentally flawed. I don't think it's possible to convince people to become libertarians.

The reason I came to this realization is because I found it impossible to convince family members and close friends to become libertarians. They were either conservatives or liberals (i.e., progressives or leftists). No matter how much I tried to convince them of the morality and merits of libertarianism, they continued steadfastly hewing to their overall philosophy, even if they did agree with me on one or more specific libertarian positions.

I finally figured that if I was unable to convince people who were close to me to embrace libertarianism, the chances of convincing peo-

ple who were not close to me were exceedingly small.

In 1952, the libertarian thinker Frank Chodorov stated in his book *One Is a Crowd*: “The purpose of teaching individualism, then, is not to make individualists but to find them. Rather, to help them find themselves.”

Chodorov, I firmly believe, hit it right. Our job as libertarians is not to make libertarians but rather to find them — or to help them find themselves.

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**Our job as libertarians is not to make libertarians but rather to find them.**

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There are certain people in life who are naturally inclined to libertarianism. I don't know what it is that attracts some people and not others to libertarianism. Maybe it's part of our DNA. Regardless, there is no doubt that when some people learn about libertarianism, they take to it like a duck to water. Others want no part of it.

Therefore, I believe that our job as libertarians is to find the people who are naturally inclined to libertarianism but haven't yet realized it — in other words, people like us. We are looking for the type of person I was before I walked into that

public library in Laredo. We are looking for the “natural” libertarian whose mind has been encased in a thick layer of false indoctrination and who is prepared to have that encasement of indoctrination shattered. We are looking for the person who becomes fascinated, even passionate, about libertarianism after he discovers it.

### A critical mass

Why is it important to find such people and to help them discover their inner libertarianism?

I happen to be one of those libertarians who have not given up on achieving freedom. Yes, I am very mindful of the condition in which we find ourselves here in the United States. Ever since I founded The Future of Freedom Foundation in 1989, the situation regarding liberty has gotten worse and worse with each passing year.

And every libertarian knows that things are still getting worse today. Federal spending and debt are totally out of control. The Federal Reserve is printing money like there was no tomorrow, which is being reflected in soaring prices of food and automobiles, among other things. The welfare state way of life is more solidified than ever, with most Americans irrevocably committed

to retaining and even expanding Social Security, Medicare, Medicaid, farm subsidies, and other welfare-state programs. The COVID-19 pandemic has solidified central planning in American life. The national-security establishment isn't about to let go of its vast money and power within the federal governmental structure. The war on terrorism is now turning inward on the American people themselves, with more massive violations of civil liberties certain to come. While there have been some improvements in the drug war at the state level with respect to marijuana, the federal government continues to wage the war with extreme ferocity.

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**Every libertarian knows  
that things are still getting  
worse today.**

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Moreover, everywhere we look, there is a crisis. Foreign policy. Fiscal policy. Monetary policy. The drug war. Immigration. They all have a common denominator — the welfare-warfare state way of life that modern-day Americans have embraced.

None of this can end well. On the horizon is a major domestic crack-up involving a voracious bankrupt federal government. If

U.S. officials succeed in involving the United States in more foreign wars, the crack-up will be even more aggravated. And it is sure to come with a massive crackdown on the American people.

### A paradigm shift

But nothing is inevitable. It is entirely possible for life to turn on a dime tomorrow.

What would it take to cause that to happen?

It would require a critical mass of people who know that they are not free, who understand what is required for freedom, and who want above all else to be free.

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**Libertarians must continue  
advancing libertarianism because  
it's the only chance for actually  
achieving liberty.**

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How many people are required to reach that critical mass? It is impossible to say, but my hunch is that the number is significantly less than a majority. Sometimes, when one or two people want to change the philosophy of a company, they begin by enlisting a few more people who become knowledgeable and passionate about the change. They continue adding to their numbers until they reach a critical mass, which is

oftentimes less than a majority. Faced with the knowledge, passion, and commitment of that critical mass, the rest of the company simply shifts to the new paradigm.

I believe that the same thing can happen with a nation. Some unforeseen catalyst can occur, one that can bring that critical mass to the surface and enable the paradigm shift to liberty to occur.

Of course, it's entirely possible that such a catalyst will never occur. But one thing is certain: If libertarians give up on trying to achieve that critical mass owing to the daunting odds facing them, they will be unable to seize on the opportunity should such a catalyst take place. Thus, libertarians must continue advancing libertarianism not only because it is the right thing to do but also because it's the only chance for actually achieving liberty in the short term.

So, the question naturally arises: How do we achieve that critical mass of people who know they are not free, who understand what freedom is, and who are passionately committed to achieving it.

The first part of methodology is finding those people who are naturally inclined to libertarianism, as we discussed above.

### The power of ideas

The second part of methodology is by introducing sound ideas on liberty into the marketplace of ideas.

I'm willing to bet that most libertarians discovered libertarianism indirectly, by hearing someone give a speech, by reading a book, by participating in a discussion, by watching a convention or debate on television, or by reading something on the Internet. In other words, they weren't buttonholed by a libertarian who was trying to convert them to libertarianism.

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### The ideas on liberty that we introduce into the marketplace must be sound ideas.

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Recall how I discovered libertarianism — by discovering a set of books in a public library. Those four books I discovered had been published by The Foundation for Economic Education in the 1950s. If someone had asked Leonard Read, the founder and president of FEE, the extent of FEE's success with those books, he naturally could not have said, "They will be discovered 20 years from now in a public library by a young lawyer in Laredo, Texas, and will change the course of his life." By simply introducing the ideas on liberty in those books into

the marketplace without concern of how they were going to impact people, they ultimately found their way into my mind and changed the course of my life.

That's the power of ideas. It is impossible to predict where they are going to end up and how they are going to impact people's lives.

### Adhering to libertarian principles

But there is one important condition to this process, which raises the third methodological principle for advancing liberty. That condition is that the ideas on liberty that we introduce into the marketplace must be sound ideas — that is, ideas that strictly adhere to libertarian principles.

That raises what I consider is one of the biggest obstacles to achieving liberty in the short term — an obstacle within the libertarian movement itself. That obstacle is that the libertarian movement is dominated by libertarians who advance reform of the welfare-warfare state rather than advance liberty.

In order to achieve freedom, it is necessary to identify what it is that is preventing people from being free. Once such infringements on liberty are identified, it is then necessary to remove them. If all that we accomplish as libertarians is a re-



form of infringements on liberty, we will have accomplished nothing insofar as freedom is concerned. At best, we will have improved our lot as serfs in the welfare-warfare society, but that's not freedom.

### Reforming slavery

Think back to 1850 Alabama. Suppose a group of reform-oriented libertarians said, "Slavery is here to stay. There is nothing we can do about it. It is a permanent feature of American life. It's in the Constitution. We have to remain credible. Therefore, we are going to advance reform of slavery rather than freedom." They then proceed to endorse laws that limit the number of lashings that can be administered to the slaves, shorten the work day, and provide for better food and healthcare.

The slaves would undoubtedly be appreciative to the reform-oriented libertarians for the improvement in their lives. But they would know that such reforms were not freedom. For freedom, the entire structure of slavery would have to be dismantled.

Would that be difficult? Undoubtedly. But not impossible. By reaching a critical mass of people opposing slavery, a paradigm shift toward freedom could take place.

But how would we arrive at that critical mass? By finding people who are naturally predisposed to liberty and who would passionately want to join us.

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**Breaking through the many years of indoctrination required the power of pure, unadulterated libertarianism.**

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How would we find such people? Not by making the case for slavery reform, because all that would accomplish is finding people who are naturally inclined to reforming slavery but, at the same time, keeping it intact. Instead, we would need to make the principled case for liberty in order to find the people who, after hearing such a case, would then want to join us in our quest to end slavery.

Going back to my own personal experience in that public library, if those four books I discovered had advocated reform of the welfare-warfare state under which we live, there is no possibility that I would have become a libertarian. Breaking through the many years of indoctrination that encased my mind required the power of pure, unadulterated libertarianism.

In other words, suppose those four books had advocated things

like Social Security “privatization,” health-savings accounts, school vouchers, tax reform, regulatory reform, welfare reform, monetary reform, CIA reform, military reform, surveillance reform, drug-war reform, healthcare reform, getting libertarian-leaning conservatives appointed to public office, and other reforms advocated by reform-oriented libertarians.

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**Making the case for liberty enables us to find more people who understand liberty and who passionately want it.**

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None of those reform measures would have had the power to break through the wall of indoctrination that encased my mind. The most they would have done was to convince me of how reform could improve life in America. But reform wouldn't be freedom.

Making the case for reform necessarily entails assuming the continued existence of the programs, departments, and agencies that will be reformed. Obviously, that is a much easier sell than making the case for liberty because it doesn't challenge people's world view. It allows people to continue favoring their welfare-warfare paradigm, albeit in some reformed fashion.

What made those four little books so powerful was that they advocated liberty, not reform. They made the principled case for identifying and removing infringements on liberty, which necessarily meant dismantling, not reforming, the enormous panoply of welfare-warfare state programs that have come into existence and that prevent us from being free.

Making the case for liberty enables us to find more people who understand liberty and who passionately want it. Making the case for reform doesn't do that. Making the case for reform finds people who want reform, not people who want to be free.

Suppose a reform-oriented libertarian appears before a Rotary group of 100 members and makes the case for reform. He might get, let us say, 20 people who are interested in his ideas on reform.

Suppose the following week, a liberty-oriented libertarian appears before a Rotary group and makes the case for liberty — that is, the dismantling of the entire welfare-warfare state part of the federal government, including Social Security, Medicare, the CIA, the NSA, and the vast military-industrial complex, and restoring a limited-government republic to our land.

Let's assume that the liberty-oriented libertarian is able to find only two people who are intrigued and want to know more about libertarianism.

Which libertarian has done more to advance liberty? The liberty-oriented libertarian! By finding two more liberty-oriented libertarians, he has brought us closer to the critical mass of libertarians needed to achieve the genuinely free society. By finding 20 reform-oriented libertarians, the reform-oriented libertarian has simply added to the number of people who wish to reform the welfare-warfare state system while keeping it intact.

Summing up, liberty is attainable in the short term. In fact, we

might be closer to the critical mass needed to achieve a genuinely free society than we can ever imagine. To reach that critical mass entails finding more libertarians who are as inclined toward liberty as we are. To find them, we must continue making the principled, uncompromising case for liberty.

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*Jacob Hornberger is founder and president of The Future of Freedom Foundation.*

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**NEXT MONTH:**  
“The Conflict of Visions that Shaped America”  
by Jacob G. Hornberger

*Truth never envelops itself in mystery, and the mystery in which it is at any time enveloped is the work of its antagonist, and never of itself.*

— Thomas Paine

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# Red Light Robberies Across America

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by James Bovard



Crime is surging in American cities, but the official data leave out the most frequent source of highway robberies. More than 400 cities have set up red light cameras that are institutionalized racketeering that subverts public safety. Tens of thousands of American drivers have been injured and many people killed as a result of reckless revenue pursuit by local governments.

Local governments have partnered with private companies to build, deploy, and maintain the cameras that bring bounty hunting to traffic intersections. Violations routinely hammer drivers for a hundred dollars a shot, and California skewers transgressors for up to \$500.

## The evidence is clear

Red light cameras have proliferated despite overwhelming evidence of their perils. In 2004, a U.S. Department of Transportation–financed study examined hundreds of red light cameras around the nation and revealed that they were “associated with higher levels of many types and severity categories of crashes.” In 2005, six years after the District of Columbia set up a red light regime that generated more than 500,000 tickets, a *Washington Post* analysis revealed that “the number of crashes at locations with cameras more than doubled.” A 2007 Virginia Department of Transportation study concluded that cameras were associated with a 29 percent “increase in total crashes.” A 2013 report by the Pennsylvania Department of Transportation revealed “a 27 percent increase in the number of collisions involving an injury at red-light cameras intersections” in Philadelphia.

With each passing year, more evidence has piled up proving the perils of red light cameras. The Florida Department of Highway Safety and Motor Vehicles analyzed traffic crash data and reported in 2016 that “fatalities from accidents doubled” at intersections with red light cameras. A Case Western Re-

serve University 2017 analysis predicted a 28 percent decrease in non-angle auto accidents if red light cameras were removed in Houston and Dallas.

*Chicago Tribune* reporter David Kidwell, who exposed the chicanery behind his city's red light regime, explained, "When you throw a red light camera up at an intersection, it creates a psychological problem because you've got all of these things going on in the driver's mind. And one of them is, 'Wow. If I don't stop here and I go through on a short yellow at the very end, I'm gonna get nailed.'" Drivers slammed on the brakes — resulting in a "22 percent increase in rear-end accidents at these intersections that have red light cameras."

### Yellow lights can kill

Short yellow lights are also death warrants. Numerous federal studies have shown that the most effective and simplest step to reduce collisions at traffic lights is to lengthen the time of the yellow light to allow drivers more time to stop. A 2001 congressional report found that the time for yellow lights had been sharply shortened since the 1970s and that "inadequate yellow times are the likely cause of almost 80 percent of red light" violations.

A Federal Highway Administration report concluded that "a one second increase in yellow time results in 40 percent decrease in severe red light related crashes." Denton, Texas, added one second to yellow lights and reduced red light camera violations by almost two-thirds. After Georgia mandated longer yellow lights in 2009, the revenue from red light cameras collapsed by up to 90 percent in many localities.

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### Increasing the yellow light interval cut photo enforcement citations by 50 percent.

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However, red light camera companies "often specify maximum yellow light times, and impose financial penalties if the city lengthens the yellow period," as *Digital Trends* reported. Former San Diego mayor Roger Hedgecock testified to Congress that the city of Tempe, Arizona, "did a study which showed that simply increasing the yellow light interval cut photo enforcement citations by 50 percent. But the Lockheed Martin contract prevents the City of Tempe from extending the yellow light interval where Lockheed's cameras are in place." The Public Interest Research Group (PIRG), an activist group founded by Ralph Nader, reported that red

light camera contracts for several California cities “potentially impose financial penalties on the city if traffic engineers extend the length of the yellow light ... which would reduce the number of tickets the systems can issue.” In 2011, the Florida Department of Transportation revised official policy to shorten yellow light intervals. “A half-second reduction in the [yellow] interval can double the number of Red Light Camera citations — and the revenue they create,” an investigation by reporter Noah Pransky of WTSP-TV in Tampa revealed. In 2015, the state of Maryland suspended its mandate that yellow lights need to be at least three and a half seconds. Montgomery County, Maryland, reaped more than \$300,000 in tickets after shortening one yellow light at a busy intersection to less than three seconds.

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**Montgomery County reaped more than \$300,000 in tickets after shortening one yellow light.**

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In 2014, Chicago began issuing red light violation tickets for yellow lights shorter than three seconds — the federal minimum safety guideline. The city hit the jackpot, issuing an extra 77,000 tickets and pilfering almost \$8 million from drivers’

pockets. A *Chicago Tribune* investigation “found malfunctioning cameras, inconsistent enforcement and millions of dollars in tickets issued purposely by City Hall even after transportation officials knew that yellow light times were dropping below the federal minimum guidelines.” After the *Tribune* exposed the city government scheme and after an Inspector General report labeled the red light camera regime “fundamentally deficient,” Mayor Rahm Emanuel announced that the city would cease ticketing people for less-than-three-second yellow lights “because trust is the most important” thing. Three years later, after losing a class-action lawsuit, the city of Chicago grudgingly gave partial refunds to drivers who got shafted. Chicago activist and video camera expert Barnet Fagel said that “red light camera revenue is municipal crack cocaine. They’re hooked on it. They will go down fighting before they give up the revenue from the cameras.”

### Right turns on red

The biggest cash cows for red light camera companies and local governments are drivers who make right turns on red without coming to a dead stop. A 2001 National Highway Traffic Safety Administra-

tion report concluded that zero fatalities occurred nationwide in 1998 “from an accident resulting from a right hand turn on red when the driver yielded to oncoming traffic.” Ron Ely of the Maryland Drivers Alliance wrote in September 2012, “One study showed that an average motorist could drive a billion miles, the distance from Earth to Jupiter and back, before being involved in a deadly accident that resulted from a motorist making a rolling stop on a right-hand turn.” John Townsend, spokesman for AAA Mid-Atlantic, observed, “Ninety percent of the tickets we’re seeing across the country ... for running red lights, are actually because the driver made a so-called rolling right turn on red.... These cameras were designed for people who run the red light and barrel through the intersection.” Townsend labeled right-turn-on-red cameras as “the biggest scandal in automated traffic enforcement.” Yet, as the PIRG report noted, “Some contracts require municipalities to strictly issue tickets on all right turns that do not first come to a complete stop, or enable vendors to impose financial penalties on cities that choose to alter their enforcement standards.”

Some cities pilfer drivers for imaginary offenses created solely to

fatten government treasuries. Rockville, Maryland, boosted the number of red light camera tickets by more than 300 percent in 2012 after it began ticketing cars that failed to come to a complete stop before the white line at an intersection prior to turning right.

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**Townsend labeled right-turn-on-red cameras as “the biggest scandal in automated traffic enforcement.”**

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Arizona State Rep. Travis Grantham observed, “The practice of privatizing law enforcement actions is just wrong. When you add the equation of for-profit into the mix, it presents a lot of opportunity for fraud, for abuse.” According to the National Motorists Association, one of the largest manufacturers of red light cameras “included clauses in their contracts that prohibit city engineers from applying engineering practices that improve compliance and reduce accidents.” Some red light camera contracts “penalize municipalities if they do not approve enough tickets, effectively setting a ticket quota and undermining the authority of local officials to decide which violations warrant citations,” the PIRG report noted.

### Red light corruption

Why would politicians impose traffic regimes that pointlessly penalize or kill hapless citizens? Bribery is often a good explanation. Chicago, home of “the most lucrative red light camera deal in the country,” has imposed more than a billion dollars in fines since 2003. Because the cameras were ATMs for local politicians, most of the intersections where they were installed were already among the safest in the city. In 2016, a former city commissioner was sent to prison for 10 years for taking a \$2 million bribe from Redflex Traffic systems. The company’s former top salesman testified that Redflex had “sent gifts and bribes to officials in at least 14 states.” (Redflex denied the salesman’s allegation.)

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**Unnecessary and unjust tickets disrupt lives and destroy people’s ability to feed their families.**

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Scandals have snowballed since the Chicago takedown. Former Redflex chief executive Karen Finley was sentenced to 14 months in prison in 2016 after being convicted of bribing Columbus, Ohio, government officials to deploy her company’s red light cameras. A Texas County judge was indicted

for setting up a secret deal for a private company to set up speed cameras in 2016. Also in 2016, a former traffic light enforcement camera vendor was sentenced to prison for bribery and fraud in Arizona. In 2018, the Dallas County Schools superintendent was convicted for taking \$3 million in bribes as part of a deal placing traffic cameras on school buses. Federal agents raided city halls in the Chicago suburbs in late 2019 as part of an investigation involving a red light camera contractor and its payoffs to local government officials. In 2019, the Illinois Comptroller office announced that it would no longer serve as a collection agency for red light tickets by reducing state income tax refunds to cover outstanding local tickets. Illinois Comptroller Susana Mendoza condemned red light ticket regimes as “a program that’s broken and morally corrupt” and recommended ending them across the state.

Unnecessary and unjust tickets disrupt lives and destroy people’s ability to feed their families. A 2019 study by the Federal Reserve concluded that almost half of Americans “could not afford an unexpected expense of \$400 or more.” The National Motorists Association warned, “The practical results for



many poor people may be a lot like putting them in debtor prisons, unable to legally drive to work.” In 2018, the D.C. government created a “community service option” under which low-income red light and speed camera violators could pay off tickets by working unpaid for the city at the minimum wage rate. At least the city has not yet created chain gangs sweating to pay their automatic traffic debts.

Red light cameras epitomize how democracy provides no protection against politicians willing to force citizens to pay any price to boost government revenue. “Taxation by citation” is a license for bureaucratic tyranny. How much

longer will local politicians be permitted to plunder drivers and subvert safety with impunity?

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*James Bovard is a policy advisor to The Future of Freedom Foundation and the author of the ebook Freedom Frauds: Hard Lessons in American Liberty, published by FFF, Public Policy Hooligan, Attention Deficit Democracy, and eight other books.*

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**NEXT MONTH:**  
**“Why Government Cover-Ups Succeed”**  
*by James Bovard*

*The charges were in a sealed envelope. No one even saw them.... He [Radulovich] was declared guilty without a trial and told, if he wanted to keep his job, he had to denounce his father. He told them to take a hike.*

— *Edward R. Murrow*

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## Is There a VAT in Our Future?

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by *Laurence M. Vance*



**P**resident Joe Biden’s American Families Plan is expensive, really expensive.

According to a White House “Fact Sheet,” this \$1.8 trillion plan to “grow the middle class, expand the benefits of economic growth to all Americans, and leave the United States more competitive” includes “an additional four years of free, public education for our nation’s children” in the form of “free universal pre-school for all three- and four-year-olds and \$109 billion for two years of free community college so that every student has the ability to obtain a degree or certificate”; increased Pell Grants; “direct support to families to ensure that low- and middle-income families spend no more than seven percent of their income on child care”; “a

national comprehensive paid family and medical leave program”; free meals for an additional 9.3 million students; expanded access to food stamps; increases in the amount of refundable tax credits; and an increase in the “length and amount” of unemployment benefits.

Naturally, Biden wants to pay for his plan by raising taxes on “the rich” to make them “pay what they owe.” This would be accomplished in a number of ways: (1) increasing the top tax rate on “the wealthiest Americans” from 37 to 39.6 percent, (2) increasing “the tax rate that the wealthy pay on capital gains and dividends” from 20 to 39.6 percent, (3) eliminating “the loophole that allows the wealthiest Americans to entirely escape tax on their wealth by passing it down to heirs,” (4) closing “the carried interest loophole so that hedge fund partners will pay ordinary income rates on their income just like every other worker,” (5) increasing “investment” in the Internal Revenue Service (IRS) to make sure that “large corporations, businesses, and estates, and higher-income individuals” pay their fair share, (6) making all those earning over \$400,000 pay a 3.8 percent Medicare tax on their earnings.

## The tax code

We will certainly see major changes in the tax code before the next congressional election. But this is not just because Biden is the president and both houses of Congress are controlled by Democrats. The Tax Cuts and Jobs Act (the TCJA, or the Trump tax cut) of 2017, although it slightly lowered the tax rates from 10, 15, 25, 28, 33, 35, and 39.6 percent to 10, 12, 22, 24, 32, 35, and 37 percent, respectively, also drastically revised the tax code. It eliminated personal exemptions, raised the standard deduction, instituted a \$500 credit for each non-child dependent, doubled the child tax credit and made more of it refundable, reduced the mortgage interest deduction, lowered corporate tax rates, and capped the state and local income tax, sales tax, and property taxes (SALT) deduction. The Treasury Department released over 1,000 pages of regulations related to the TCJA.

Republicans have for years talked about making even more drastic changes to the tax code. The two main tax reform plans that they have proposed — and that some conservatives and libertarians have fallen for — are the Flat Tax and the FairTax. Advocates of both plans say that they will result in a simpli-

fied tax code, lower taxes, economic growth, and a higher standard of living. But not only is the Flat Tax not flat and the FairTax not fair, neither one is an incremental step toward lowering Americans' overall tax burden. Both are revenue-neutral plans that would continue to fund the federal government at the same obscene level it has been at for years.

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**The Flat Tax is actually more progressive than the current tax system.**

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The Flat Tax is an income tax. First proposed by economist Milton Friedman in 1962, beginning in the 1980s, it was pushed by some Hoover Institution economists, the *Wall Street Journal*, some prominent Republican congressmen, some conservative think tanks, and former Republican presidential candidate Steve Forbes. Under the Flat Tax, there are ostensibly no tax brackets — everyone is taxed at the same rate — and no tax deductions — except for personal and dependent allowances. But because of these allowances, and because it includes refundable tax credits, the Flat Tax effectively has many tax brackets and is actually more progressive than the current tax system.

Because the Flat Tax is still an income tax, the government still says to its citizens, as so eloquently stated by Old Right stalwart Frank Chodorov in his classic book *The Income Tax: Root of All Evil* (1954):

Your earnings are not exclusively your own; we have a claim on them, and our claim precedes yours; we will allow you to keep some of it, because we recognize your need, not your right; but whatever we grant you for yourself is for us to decide.

The amount of your earnings that you may retain for yourself is determined by the needs of government, and you have nothing to say about it.

“The flat-tax movement,” as explained by the economist Murray Rothbard (1926–1995), “is part of a process by which the government and its allies have been able to split and deflect the tax protest movement from trying to lower the taxes of everyone, into trying to force everyone into paying some arbitrarily defined ‘fair share.’”

The FairTax is a consumption tax. First proposed in the late 1990s, it was pushed by Americans for Fair Taxation, Representative John

Linder (R-Ga.), former Republican presidential candidate Mike Huckabee, and talk-show host Neal Boortz, who wrote several books extolling the benefits of the FairTax. Under the FairTax, there is no personal or corporate income tax, tax deductions, tax credits, estate tax, gift tax, capital gains tax, unemployment tax, Social Security tax, or Medicare tax. Instead of these things, there would be a national retail sales tax of 30 percent on the final sale of all new goods and services — from food to funerals, and from hats to heart surgeries. College tuition and purchases for business purposes would be exempt. The FairTax, however, is just as progressive as the Flat Tax and the current tax system. It includes a monthly payment to all Americans to offset the taxes paid on basic necessities — almost like a universal basic income.

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**The amount of your earnings that you may retain is determined by the needs of government.**

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Not only does switching to a consumption tax have unknown and potentially huge transition costs, the FairTax would require state and local governments to pay a national sales tax to the federal

government on all their purchases and the federal government to pay sales taxes to itself on all its purchases. As Rothbard has well said:

The consumption tax, on the other hand, can only be regarded as a payment for permission-to-live. It implies that a man will not be allowed to advance or even sustain his own life, unless he pays, off the top, a fee to the State for permission to do so. The consumption tax does not strike me, in its philosophical implications, as one whit more noble, or less presumptuous, than the income tax.

There is also always the chance that an income tax could be reinstated, resulting in a consumption tax *and* an income tax.

### The VAT

One type of tax that has generally not been considered — until now — is the Value-Added Tax (VAT). Simply put, a VAT, as described by Investopedia, “is a consumption tax placed on a product whenever value is added at each stage of the supply chain, from production to the point of sale. The amount of VAT that the user pays is

on the cost of the product, less any of the costs of materials used in the product that have already been taxed.” Although usually associated with the countries in the European Union (EU) and the Organisation for Economic Co-operation and Development (OECD), a VAT is used by over 160 countries. Depending on the country, a VAT is also sometimes called a General Sales Tax (GST) or a Goods and Services Tax (GST).

It used to be that proponents of a VAT for the United States wanted it to replace personal and corporate income taxes, as economist and business professor Peter Morici wrote in the *Washington Times* a few years ago:

The most effective reform would be to simply junk the personal and corporate income taxes in favor of a VAT.

The Treasury annually collects about \$2 trillion through personal and corporate taxes. This could be replaced by an 11 percent national sales tax on all private purchases and payments — be they computer equipment, college tuition or lunch at the corner deli.

Businesses and institutions would then pay to the

Treasury the taxes they collected, less sales taxes paid on purchases of materials and equipment, rent and the like. This subtraction would avoid the double taxation of materials and equipment businesses purchase and create a VAT often proposed by advocates of reform.

Since “a VAT would tax rich and poor consumers at the same rate,” Morici suggested a VAT of 14 percent and an annual payment of \$4,000 to parents for each child under 21 and to seniors aged 65 and older. He further proposed eliminating Social Security and Medicare taxes and raising the VAT rate to 20 percent.

When economists talk about instituting a VAT now, it is *in addition* to the current personal and corporate income tax system — like it is in most every country that has some kind of VAT or national sales tax. Most recent is the proposal of Alan D. Viard, a resident scholar at the American Enterprise Institute (AEI), “where he studies federal tax and budget policy.” Viard, who received his Ph.D. in economics from Harvard University, has worked for the Federal Reserve Bank of Dallas, the Treasury Department, the

White House’s Council of Economic Advisers, and the Joint Committee on Taxation of the U.S. Congress.

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**Viard promoted the adoption of a VAT in addition to individual and corporate income taxes.**

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In 2012, Viard co-authored a book, *Progressive Consumption Taxation*, in which he advocated completely replacing “the income tax system with a progressive consumption tax” that “avoids the distributional problems posed by regressive consumption taxes, such as the VAT.” But in 2020, Viard contributed a chapter (“Rethink Tax Policy to Address the Long-Term Fiscal Imbalance”) to the AEI publication *Governing Priorities: Advice for America’s President, for 2021 and Beyond*, in which he promoted the adoption of a VAT in addition to individual and corporate income taxes. This was followed by articles espousing a VAT in various publications, capped off by a 2021 Q&A titled “Value-Added Tax Could Restrain Long-Term Federal Debt” in *Southwest Economy*, a publication of the Federal Reserve Bank of Dallas.

Because the United States faces “a large long-term imbalance between projected federal tax revenue

and federal spending, an imbalance that has widened during the coronavirus pandemic,” Viard believes that “increases in tax revenue” are necessary. To “narrow the fiscal imbalance,” the government should adopt a VAT. Doing so “would significantly curb the debt buildup.” A VAT “offers a way to raise additional revenue while avoiding many of the income tax’s economic distortions.” Although “the individual income tax and the estate and gift tax penalize saving” and “the corporate income tax distorts decisions about business organization and financing and penalizes investment in the United States,” neither “of those penalties arise under a VAT.” Because he believes that “budgetary arithmetic makes it likely that a VAT will eventually be adopted,” Viard says that “the real question may simply be when to adopt it.” We should “seek to act sooner rather than later to limit the debt buildup and ease the fiscal burden on future generations.”

### VAT problems

Although Viard acknowledges that a VAT is a regressive tax that would increase “taxes on the middle class” and “hurt low-income families who save less and spend more of their income,” he still sup-

ports it because a VAT “is far less regressive than benefit cuts” to Social Security and “the major health care programs.” It is also “more growth-friendly than high-income tax increases.” A VAT thus occupies “a middle ground between tax increases on the rich and entitlement cuts.”

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### Viard acknowledges that a VAT is a regressive tax.

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Like Morici, Viard believes that “a VAT should — and undoubtedly would — be accompanied by rebates to offset the tax burden on low-income households.” In other words, with the VAT would come a new entitlement program to go along with food stamps; Temporary Assistance to Needy Families (TANF); Women, Infants, and Children (WIC); Medicaid; the Low Income Home Energy Assistance Program (LIHEAP); and Section 8 rent subsidies.

To the charge that “a VAT would fuel the growth of government spending because it would be a relatively invisible tax,” Viard responds that such a concern “could be addressed by requiring that the tax be listed as a separate item on customer receipts, as is normally done for state and local retail sales taxes.”

The VAT would then “likely be at least as visible as employee payroll taxes and individual income tax withholding, which are displayed as line items on paycheck stubs and would be much more visible than corporate income taxes and employer payroll taxes, which are largely hidden from public view.” Virard has set up a straw man that he easily knocks down. A VAT would fuel the growth of government spending because it would give the government more money to spend. Yes, of course, a VAT could be made a visible tax, but whether the tax is visible or invisible doesn’t change anything: It still gives the government more money to spend.

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### A VAT would fuel the growth of government spending.

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There is no question that a VAT increases the cost of doing business throughout the chain of production. In addition to increased accounting and compliance costs, the tax raises the price of the raw materials used by the manufacturer, raises the price of the finished goods to the wholesaler, raises the price of the articles to the retailer, and then raises the price of the individual item purchased by the consumer. It

is inconceivable that the manufacturer, the wholesaler, and the retailer would each absorb the greater part of the VAT so as to not affect the consumer. Yet, former Democratic presidential candidate Andrew Yang, who favors a VAT, claims that “while transactions through the supply chain are taxed, only a fraction of that tax is passed on to consumers.” But just as corporations don’t pay corporate taxes, people do, so corporations don’t pay value-added taxes, people do. The overall corporate tax burden is borne by shareholders through lower dividends and share prices, paid by workers in the form of lower wages, and passed along to consumers via higher prices.

Economist Dan Mitchell, who rightly dismisses the VAT as “a money machine for big government,” sums up what is wrong with adding a VAT to the tax code:

- Washington taxes too much today and wastes too much money today.
- Giving D.C. politicians even more tax revenue will encourage more fiscal profligacy.
- It is profoundly naive to think a VAT will lead to lower deficits and less debt.
- It is profoundly naive to



think politicians will use VAT revenues to lower other taxes.

Who in his right mind would let the spendthrift politicians in Washington have a access to a new source of tax revenue?

### The real issue

Whether a VAT is a more efficient, more effective, and more equitable form of taxation is irrelevant. Whether the addition of a VAT will “narrow the fiscal imbalance” and “significantly curb the debt buildup” is immaterial. Whether a VAT would eliminate double taxation is of no consequence. Whether a VAT is “better” than an income tax increase is neither here nor there.

If there is one thing that the U.S. government does not need, it is a new source of revenue. According to the Monthly Treasury Statement issued by the U.S. Bureau of the Fiscal Service, an agency of the Department of the Treasury, federal taxes collected during the first six months of fiscal year 2021 climbed to a record \$1,703,949,000,000, a 42 percent increase over the previous fiscal year. Americans are already taxed to death, and after death — thanks to the estate tax on the federal level and in 17 states. Ameri-

cans pay Social Security taxes, Medicare taxes, and income taxes, all on the same income. Thirty-nine states also tax that same income. Up to 85 percent of Social Security benefits are subject to taxation on the federal level and in 13 states. Americans pay sales taxes in all but five states. There are federal excise taxes on gasoline, tobacco, and alcohol, and state taxes on the same. Any American who travels knows how outrageous the state and local taxes are on hotels and car rentals. And let’s not forget tariffs, which, like a VAT, consumers pay via higher prices for goods.

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**If there is one thing that the U.S. government does not need, it is a new source of revenue.**

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What is even worse (if that is possible) than the amount of money the federal government takes from Americans is what the money is used for. The statement about government that was attributed to Voltaire in the eighteenth century — “The art of government is to make two-thirds of a nation pay all it possibly can pay for the benefit of the other third” — is a perfect description of the U.S. government in the twenty-first century. According to Christopher DeMuth, a distin-

guished fellow at the Hudson Institute:

In 1970, about 36 percent of federal spending (net of interest payments) was in the form of benefits to individuals — Social Security, the recently created Medicare and Medicaid, unemployment compensation, and means-tested welfare benefits. Benefits spending then began to grow mightily — it is now about 76 percent of federal outlays, heading briskly toward 80 percent by official estimates.

The tax code is a vast income transfer and wealth redistribution scheme. According to the latest figures (2018) released by the Internal Revenue Service (IRS), the top 50 percent of all taxpayers (in terms of adjusted gross income) paid 97.1 percent of all the income taxes, and the top 1 percent paid a greater share of income taxes than the bottom 90 percent combined.

Is there a VAT in our future? As long as Congress continues to be full of reckless and profligate members — of both parties — with a blatant disregard of the Constitution and an insatiable desire to spend other people's money, a variety of tax increases and the closing of tax “loopholes” can be expected.

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**NEXT MONTH:**  
**“Puritanism Then and Now”**  
*by Laurence M. Vance*

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*No doubt, wherever the right of private property exists, there must and will be inequalities of fortune; and thus it naturally happens that parties negotiating about a contract are not equally unhampered by circumstances. This applies to all contracts, and not merely to that between employer and employee. Indeed, a little reflection will show that wherever the right of private property and the right of free contract co-exists, each party when contracting is inevitably more or less influenced by the question of whether he has much property, or little, or none; for the contract is made to the very end that each may gain something that he needs or desires more urgently than that which he proposes to give in exchange. And since it is self-evident that, unless all things are held in common, some persons must have more property than others, it is from the nature of things impossible to uphold freedom of contract and the right of private property without at the same time recognizing as legitimate those inequalities of fortune that are the necessary result of these rights.*

— *Coppage v. Kansas*, 26 U.S. 1 [1915]

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# Identity Politics and Systemic Racism Theory as the New Marxo-Nazism

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*by Richard M. Ebeling*



**I**t is very easy to say that we have been and are living in unprecedented times in 2020 and 2021. We have experienced a global pandemic, with government-imposed and mandated lockdowns and shutdowns of much of America's and the world's economic activities and social interactions, as well as with governmental debts that cumulatively are almost equal to the global Gross Domestic Product (GDP). Other than the economic impact of the Great Depression of the 1930s and the disruption of peaceful international association and interaction during the war years of the 1940s, there is little that can be compared to what many people

have lived through over the last year and a half, in terms of disruption of everyday, daily life.

Just when the United States seemed to be coming out of the woods with a freeing up of more parts of the economy from heavy-handed government restrictions, resulting in restored employments, rising outputs, and the "unmasking" of America, the Joe Biden administration is determined to impose an agenda of expanded domestic collectivism over the country that can only be compared with Franklin Roosevelt's New Deal and Lyndon Johnson's Great Society programs of the 1960s. Biden has proposed an unprecedented \$6 trillion federal budget for the 2022 fiscal year.

But besides these trillions of dollars of spending, much of it funded by more government borrowing that will add to the national debt, there is the intention of imposing a Green New Deal on the economy that will result in a fascist form of central planning in the United States. The promise of more and higher taxes will, if implemented, threaten private-sector savings and investment on which longer-term economic growth and rising standards of living depend. Matching this drive for a fascist-style

planned economy and fiscal socialism, there is an ideological presumption underlying the intellectual case for these policies that has never, in living memory, been more clearly anti-individualist, anti-capitalist, and anti-liberal.

### Denying America's founding in liberty

The 1619 Project, which was sponsored and originally published by the *New York Times*, insists that America was founded on the reality of slavery with the arrival of the first Africans brought that year in chains to Virginia. But more than that, it is asserted that “racism” has been the political, cultural, and economic foundation of “America” through all of its history. This has been reinforced with a push for the introduction of a “systemic racism” curriculum in government schools across the nation that from kindergarten through high school would attempt to indoctrinate the next generations on the inherent and inescapable “evilness” of America due to its racist past and its equally racist present.

This includes the assertion that the Declaration of Independence of 1776 is neither a milestone in the country's history nor really means anything other than as a “smoke-screen” to hide the reality of race hatred on the part of many, indeed,

nearly all white people against “people of color.” Furthermore, not only is the history of the United States all “fake news” because it denies the country's racist origin and nature, even science and mathematics are prejudiced impositions of “white culture” to deny the existence of alternative ways of thinking and understanding reality. Hence, some of these proponents have declared that to say that  $2 + 2 = 4$  is a white racist tool to oppress non-white peoples for purposes of continued Caucasian control of humanity.

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**The identity politics warriors insist that the each of us should be judged as an inseparable member of a racial or gender group.**

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The identity politics warriors insist that each of us should be viewed and judged not as an individual but as an inseparable member of a racial or gender group. The older Marxian collectivists argued that each person is inescapably defined by and interconnected with a “social class” based on ownership or non-ownership of the physical means of production, which was all part of an historically determined “class war,” the outcome of which,

by “scientific necessity,” would lead to the triumph of socialism over capitalism as the transition to a future post-scarcity communism.

### Social reality is based on skin color

The new race and gender “progressive” collectivists, who are an outgrowth of their Marxist ideological ancestors, offer no utopian ending to their version of the basis of historical and contemporary social conflict. Their notion of “equity” has little or nothing to do with the idea of equality of individual rights before the law. Instead, equity refers to the continuously planned and enforced distribution of employments in professions, occupations, and any other category of work, on the basis of race and gender proportions of people in these classifications as statistical percentages of the overall local, regional, and national populations.

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**Every new generation of whites will have to be educated and reeducated in their evils as the “eternal racist.”**

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Furthermore, due to the legacy of hundreds of years of past racial and gender discrimination, oppression, and exploitation by “whites” against all “people of color” every-

where in the world, “whites” must pay reparations and have reduced employment quotas to compensate for the centuries of slavery and segregation and other overt and covert bias and abuse.

Only after some indefinite time in a distant future — when “whites” will have consciously accepted their sins against the rest of humanity, and after other racial and gender collective groups will be judged to have been justly compensated and made up for lost benefits of the life that would have been theirs if not for “white” immorality — will “whites” themselves be eligible for their demographically “equitable” share of employments and income.

The “good society” of the future would be based on perpetual tribal identifiers of imposed and guaranteed race and gender proportionalities in, seemingly, every corner of life. Since one can never be sure that inherent “white” (genetic?) tendencies for racist ideas and attitudes may not reassert themselves, “eternal vigilance” may be called for to prevent the reemergence of the evils of the past. Hence, every new generation of whites will have to be educated and reeducated about their inherent racism.

Does this sound like unreasonable and extreme extrapolations

from current identity politics and “systemic racism” theory? Let me suggest that I have drawn this possible conclusion from nothing more than the pattern of previous totalitarian ideologies and regimes that are the earlier manifestations of the same collectivist mindset. And have no doubt about it, the identity politics warriors and the systemic racism theorists are totalitarian in their worldview.

We see it in the insistence that some speech is inherently “hurtful” and “harmful” to those people or their descendants who have been the victims of “white” oppression and prejudices, past and present. How people may interact and associate, and what words and phrases may be used in conversation and in written communication, are to be dictated to assure “equity” in word and deed everywhere for everyone in society. Thought control and thought crimes are all part of the totalitarian worldview and mindset.

### Identity politics in the Soviet Union

In the Soviet Union, starting in the 1920s, educational and employment quotas were established on the basis of people’s “class” classification and status. That is, was someone a member of the “working class,” or the “peasant class,” or the

“intellectual class,” or among the former capitalist “exploiting class”? Under Stalin, added to these “class” categories came nationality or ethnicity classifications determining one’s life and fate. So many quotas for Russians, Azerbaijanis, Armenians, Kazakhs, Ukrainians, Turkmen, and so forth, including Jews.

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### Thought control and thought crimes are all part of the totalitarian worldview and mindset.

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Everyone in the Soviet Union had an “internal passport” issued to every citizen of the socialist paradise that listed his date and place of birth, the names of his mother and father, and, on “line five,” a person’s nationality. This followed a person for the remainder of his life, determining the type and level of schooling, the work that person could and would follow, where he was to live in the country, including the specific apartment and amount of space to be assigned to a member of that “class.” Those who were Communist Party members, of course, had special privileges and favors that others in the society could not even dream of.

To be classified not only as an “enemy of the people” but as a “child of an enemy of the people” guaran-

teed a lifelong social status as a pariah in the socialist workers' state. Such a person, obviously, could never hope for acceptance into the Communist Party and therefore access to special apartment complexes, special food and clothing stores, special health clinics, and special places for rest and recreation. That is, they faced a closed door to any ability to have the perks designated for those most devoted and dedicated to fighting for the achievement of socialism in a world of capitalist enemies and domestic counter-revolutionary agents.

### Racial purity and hierarchy

In Nazi Germany, the ideology of National Socialism defined everything and everyone in society based on racial purity and race hierarchy. The Germans were the genetically superior "race" among all the "races" of the world. They were the pinnacle of the "Aryan" race (above Swedes, Norwegians, or the British) and heads above the French, the Spanish, the Italians, the Greeks, or any of the Slavic peoples. Further down were the Asiatic peoples, the Arabs, and black Africans, with the lowest of the low being those designated and defined as "Jews."

The Jews were in numbers a small minority out of the world

population, but in Nazi mythology, they were everywhere despoiling the German people, and many others, by "race "defilement" through interracial mixing of bloods due to their seduction of Aryan men and women into "degenerate" sexual relationships that "poisoned" the German gene pool.

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**The ideology of National Socialism defined everyone based in society on racial purity and race hierarchy.**

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The Jews were "rootless" people, moving about throughout the world undermining older and "purer" races and cultures. They manipulated markets and weakened traditional society by way of capitalist conniving and exploitation of workers and by monopolizing professions and industries for their own greedy profit-making. Their other technique of societal debasement and destruction was "Bolshevism." The Jews were the masterminds of the world communist conspiracy to destroy "civilization" and to enslave the rest of humanity for their nefarious and evil purposes.

### Blending Marxism and Nazism

Identity politics and systemic racism theory are a peculiar blend



of Marxian presumptions and National Socialist premises. Society is divided into two opposing groups in society: the capitalists who exploit and oppress people for their own ill-gotten gains and those who are their victims. These victims are denied a “living wage” and are locked out of educational and employment opportunities reserved for a ruling “elite” that panders to the lowest interests of common people in order to earn their profits and keep others ignorant of what is being done to them. This elite “starves” society of the taxes and technologies that could “save the planet” from pollution and “global warming,” which threaten all life on planet Earth.

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**Identity politics and systemic racism theory are a peculiar blend of Marxian presumptions and National Socialist premises.**

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But who are these “capitalists” who are out to ruin the world in pursuit of their short-run and selfish interests? They are not simply the monopoly owners of the physical means of production, as traditional Marxism laid out in its “social class” analysis of the scheme of things. No, these capitalists are not only white male misogynists who

hate and revile women but also racists who detest and look down on all non-white peoples.

But it is not only white male capitalists who are “the enemies of all people of color”; the racist mindset permeates all white people. Marxists had argued that an essential way for the capitalist class to preserve its position of power was by inculcating a “false consciousness” among the other members of society. They did so though their monopolization of the press, though the educational establishments, and through religion, which they declared to be the “opium of the people” to dull their desire for a better world in the here and now by promising eternal bliss in another life if one was obedient and passive in this one. It was God’s will for man to suffer on Earth due to Adam’s sin in the Garden of Eden, so do not question the capitalist social order of things.

The “false consciousness” of capitalist society has also indoctrinated all white people to believe in and act on the presumption that they are superior to all other races around the world. For white capitalists to maintain their power, they have “privileged” all other white people with this belief and with the material reality of standards and

qualities and opportunities of life denied, in general, to the non-whites of the world.

### Reeducation and collective guilt

In the Soviet Union and all other communist countries, members of the former capitalist “ruling class” and their offspring needed to be “reeducated” and indoctrinated with a clear understanding of the evil and exploitive place and role they and their ancestors had played in society at the expense of everyone else. They also were to accept that they needed to atone for their oppressor sins and that of their fathers and grandfathers by working at more menial tasks and in less desirable places to make up for what had been done by members of their “social class” in the past.

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**The former capitalist “ruling class” and their offspring needed to be “reeducated.”**

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Likewise, in contemporary America, all white people have to be reeducated to understand and accept the unjust and unjustifiable “privilege” they have had in society merely due to their being “white.” They all have been part of a ruling elite based on race that has burdened and abused all the other peoples of

the world. They must be freed of their “false consciousness,” through an imposition of school curriculums across all subject matters that hammers away and “raises the consciousness” of white people to see their sin and to bow before “people of color” and beg their forgiveness. And to accept that it is right and just for them to be taxed to make up for prior benefits they did not deserve. It is only right that their place in society be reduced with larger employment and educational quotas for others to make up for the status and wealth positions that never should have been theirs to begin with.

### Class and race enemies

The Nazis drew attention to the fact of how the small Jewish minority among the whole human race had managed through its perverse racial cunning to gain such power and privilege over others. There was a de facto rule by a minority over the majority of Germans and other “Aryan” groups who were racially far above the Jewish “vermin.” The identity politics and systemic racism theorists of this “progressive” neo-Nazism highlight that this small minority of white people, not even 20 percent of the world population of nearly 7.8 billion human

beings, has used its particular political, technological, and other institutional tools to dominate and oppress all the other peoples of the world for a good part of the last 500 years.

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**Soviets insisted on the removal and razing of all symbols and monuments of the “old order.”**

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Just as the Nazis said that the Jews were a small but no less dangerous alien and parasitic element in German and world society, so, now, the identity politics and systemic racism advocates insist that the globally small “white” population has ravaged the rest of the people of the world through slavery, imperialism, colonialism, “capitalism,” and manipulative privileges wherever they have established their power and control. They need to be excised from all positions of power, control, and influence.

Soviets insisted on the removal and razing of all symbols and monuments of the “old order,” that is, any physical or cultural residues of the capitalist oppressors. Buildings and statues were torn down; churches were stripped and made into storage facilities; streets were renamed; the homes of former capitalists and aristocrats were trans-

formed into collective apartments for many families, rather than one “privileged” family; words and phrases reminiscent of the capitalist past were to be erased from the face of the earth. A new and better world needed to eliminate all traces of what was and had gone before.

The Nazis did the same with all symbols and representations of the presence of “the Jew” that had lived among the German people. Synagogues were burned or torn down; Jewish cemeteries were defiled and dug up; books and art by Jewish authors or artists were destroyed; Jewish neighborhoods were “cleansed” of their past. Nothing “Jewish” was to remain in the racially pure and beautiful National Socialist Germany that was to last at least one thousand years.

**Cancel culture comes to America**

What do we see with the arrival of “cancel culture” in America and some parts of Europe? Not only are the statues or buildings named after those directly connected with slavery or the slave trade of the eighteenth or nineteenth centuries to be torn down, removed, or renamed. This applies as well to almost any person and symbol of the past that, even indirectly, can be shown in some way to be connected to or

identified with racism and racially conscious attitudes considered by the cancel culturalists as being tainted by this evil of the past.

If statues of nineteenth-century abolitionists or even that of Frederick Douglass are toppled and damaged or destroyed in the process, well, these are unfortunate “excesses of the revolution,” all forgivable actions and episodes in the war on and removal of “white privilege” that burdens modern American society. Such “excesses” by ideologically driven and ignorant mobs were also excused under Marxist regimes and in Nazi Germany and Nazi-occupied areas of Europe as merely unfortunate instances in the making of, respectively, the new Soviet socialist working-class society or the National Socialist pure Aryan racial community.

### A grave danger to liberty

Identity politics, systemic racism theory, and the accompanying cancel culture represent an extremely dangerous threat to the very ideas of liberty and individualism upon which the classical-liberal free society is based. It is a return to the most primitive of collectivism, the classifying of human beings by the accident of birth as identified by the color of their skin. This becomes

the meaning and essence of who and what you are.

The Nazis insisted that “it’s in the blood,” that is, your racial characteristics dictated and determined your status and relationship to all others around you. You can change your way of thinking, you can learn a new way of earning a living, you can practice other cultural patterns of eating, dressing, or speaking. But how do you change the pigmentation of your skin or the biological ancestry from whence you came?

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**“Racism is the lowest, and most crudely primitive form of collectivism.”**

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It is for good reason that Ayn Rand explained and warned, “Racism is the lowest, and most crudely primitive form of collectivism. It is a notion of ascribing moral, social or political significance to a man’s genetic lineage — the notion that a man’s intellectual and characterological traits are produced and transmitted by his internal body chemistry. Which means, in practice, that a man is to be judged, not by his own character and actions, but by the characters and actions of a collective of ancestors.”

And as Rand continued, “Racism invalidates the specific attribute

which distinguishes man from all other living species: his rational faculty. Racism negates two aspects of man's life: reason and choice, or mind and morality, replacing them with chemical predestination."

In other words, the identity politics warriors and the systemic racism theorists are the new racists. In this, they are totally and truly the antithesis of the idea and ideals upon which America was founded — not in 1619 with the arrival of the first slaves from Africa but in the words and vision expressed in the Declaration of Independence in July 1776. Human beings are not divided into nobleman and serf; not into master and servant; not into governmental ruler and obedient political subject.

We are, each and every one of us, a distinct and unique individual human being. We have certain inherent and unalienable rights to life, liberty, and the pursuit of happiness as individuals, not as ethnic tribes or racial groups. Yes, in the aftermath of the American Revolution, some statues of King George III were torn down, and some British loyalists were hounded and threatened into leaving the then-independent 13 states.

But the new America that was founded on liberty and respect for

personal property under the principle of free association was about building up, not tearing down. It was a place that became a haven for those desiring to breathe free, to have a new start and a second chance, away from the hardship and closed doors of the "old country."

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**The identity politics warriors  
and the systemic racism  
theorists are the new racists.**

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Yes, slavery existed and persisted in the Southern states for nearly 90 years after the new country was born, but slavery was gone in all of the other states and in the Northwest territory by the end of the eighteenth and early nineteenth centuries. The great debate and division in the country for those nine decades was about one question: Is America a land of liberty or a nation in bondage? After a tragic Civil War costing the lives of hundreds of thousands, the answer was that freedom and not coerced labor and servitude was to prevail.

It has been a long additional 150 years of overcoming the legacies and residues of racial prejudice and bigotry and lingering cruelty. But America is not the racist or race discriminating country of 100 years

ago, or 75 years ago, or even 50 years ago. The new Marxo-Nazism of identity politics and systemic racism theory, however, would turn back the clock and return us to a time and type of society that America and Americans have worked so hard to place in the past of human history.

We need to do all in our power to prevent this tribal counter-revolution against individualism and liberty from fully happening — before it is too late.

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**NEXT MONTH:**  
“The American Spirit of  
Liberty versus Modern Tribal  
Racism”  
*by Richard M. Ebeling*

*There is no error so monstrous that it fails to find defenders among the ablest men. Imagine a congress of eminent celebrities such as More, Bacon, Grotius, Pascal, Cromwell, Bossuet, Montesquieu, Jefferson, Napoleon, Pitt, etc. The result would be an Encyclopedia of Error.*

— Lord Acton

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# There's No Such Thing as "Market Fundamentalism," Part 1

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*by George Leef*



**Z**ealots who want to force others to conform to their beliefs often exhibit a fundamentalist mindset. That is to say, they are utterly certain of the rectitude of their beliefs on the basis of some unchallengeable text, either sacred or secular. They assert what they believe to be true rather than engage in rational argument. And if anyone should disagree, they respond with some sort of *ad hominem* attack against the opponent, not by trying to understand why he objects and whether he might have good reasons for his position.

Fundamentalist thinking is an atavism, a throwback to the ancient tribal nature of mankind. It ob-

structs the acquisition of knowledge because the minds of fundamentalists are closed off to any information that doesn't confirm their existing beliefs. When fundamentalists clash with rationalists, they resort to coercion if they possibly can, since the skeptics must be wrong and are probably evil. And when fundamentalists clash with other fundamentalists, the result is usually violence.

Fortunately, over the last 700 years or so, fundamentalism has been receding. Human beings have become more willing to listen to new ideas and evaluate them on the strength or weakness of the evidence and logic behind them. We have become less inclined to think that some inerrant text has all the answers and more inclined to consider different points of view.

## Intolerance in America

Unfortunately, that beneficial trend seems to be changing. Our political divisions are increasingly vicious and intractable. Tolerance for those "on the other side" is waning. Families are torn and friendships severed over the discovery that someone holds the wrong set of views. Listening and civil discussion have largely been replaced by angry, reflexive denunciation. Ad

hominem attacks have become the norm.

Two authors who are worried about this are Gary Saul Morson and Morton Schapiro. The former is a professor of arts and humanities at Northwestern University and the latter the president of that institution. They have written a book entitled *Minds Wide Shut* (Princeton University Press, 2021) that's meant to shed light on the rising acrimony in America.

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The authors argue that our trouble stems from fundamentalist thinking that makes people unable to see any merit in opposing points of view or to consider weaknesses in their own. "That fundamentalism," they write,

has infected not only our politics, but also many other areas of thought. Not so long ago, it seemed as if 'grand narratives,' ... as Jean-Francois Lyotard observed, was over. No longer would people rush to adopt theories that explain everything.... Also, not so long ago, it was an unchallenged com-

monplace that cultures are undergoing a far-reaching secularization that, in spite of occasional resistance, is unstoppable. The rise of militant Islam, and what some have termed 'fundamentalist Hinduism' have called the 'secularization thesis' into question. Where are the inevitabilities of yesteryear?

As Morson and Schapiro view matters, people are increasingly prone to categorical thinking that explains everything in terms of some essential text or belief system. They only see confirming evidence for their opinions and treat those who disagree as evil persons who must be squelched.

Nor is that cast of mind limited to supposedly backward segments of society. Bear in mind that the authors are at one of our prestigious, extremely selective educational institutions. Here's what they say.

In our classes, we have seen students who adopt fundamentalist ways of thinking almost by default: not as a choice, but because they imagine that is just what thinking is. These students seem genuinely surprised that there are situa-



tions where one cannot find a uniquely correct answer, where one needs to make choices under uncertainty, and where those who recommend a different course of action might turn out to be right.

In short, many of the “best and brightest” young Americans exhibit fundamentalist habits of mind.

The academic world, the authors lament, has been falling more and more into fundamentalist thinking. There, it is often a “negative fundamentalism,” where the possibility of knowledge is dismissed and those who claim to have some are treated with disdain. “There is such a thing a missionary nihilism,” they write, “and the humanities have seen it.” Just so, and that’s a big reason why enrollments in the humanities have been dropping.

What are the indicators of fundamentalist thinking? Morson and Schapiro point to several.

First, there is some canonical writing that is regarded as inerrant, such as the *Bible*, the *Koran*, *Das Kapital*, or some tract proclaiming imminent environmental apocalypse. The answers to all questions can be found in them, provided you look long enough. Second, the true believers dismiss any counter-argu-

ments as the result of evil motives, mental illness, “false consciousness,” or some other defect. That protects the believers against any doubts about their belief system. Third, fundamentalists engage in assertion and avoid dialogue. They declare that certain things must be regarded as true, rather than arguing from evidence and logic. When fundamentalist perspectives clash, the result almost inevitably is violence.

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gets in the way.

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So far, so good. Fundamentalist systems are atavistic. If humans hadn’t largely broken free of fundamentalism over the last 500 years or so, our lives would still be, as Thomas Hobbes put it, “nasty, solitary, brutish, and short.” Peace and progress depend on rationalism; fundamentalism gets in the way. An attack on it is much needed.

### Part of the problem?

Sadly, there’s a gigantic mistake in *Minds Wide Shut* — its condemnation of “market fundamentalism” as one of the causes of our growing antagonism. Morson and Schapiro write,

There are those whose faith in free markets is absolute and unwavering. To them, the role of government should be as small as possible, limited to such things as establishing and protecting property rights, which a market needs to function, and to providing "public" goods and internalizing externalities, called for by market theory itself.

Of course, there are people who argue for that position, myself included. They do not, however, base their conclusions on fundamentalist beliefs, but instead on carefully devised and well-supported arguments. The authors point to no instances at all where a pro-market or

government-skeptic economist asserted that some policy must be changed because it was inconsistent with his or her "faith" in markets. Advocates of free trade, for example, do not stake their position on the mere fact that Adam Smith favored it.

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**NEXT MONTH:**  
**"There's No Such Thing  
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Part 2"**  
*by George Leef*

*Do not trust governments more than governments trust their own people.*

*— Andrei Sakharov*

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