

Rush Limbaugh Meets Uncle Seth¹

Uncle Seth, a long-departed Confederate veteran, would occasionally obtain a pass from St. Gabriel to come down to check on his Southern kinsmen. The old vet fought more battles with the South's enemies after the War for Southern Independence than he did during the "shooting" war. Today he decided to appear (impolite people would call it "haunt") at the Federal Empire's Capitol. With a little help from "upstairs," he managed a private conversation with the leading federal supremacist of the day—none other than Rush Limbaugh, who just happened to be waiting to confer with some of his political supporters.

Rush stood in amazement as the old Confederate veteran materialized before his eyes. Uncle Seth calmly studied the famous pundit. "Just wanted to know how the Constitution is faring," he said.

"Things are great," Rush replied. "We have a Republican president, we control both houses of Congress, and the Supreme Court is mostly full of Republican appointments. It's a great day for the party of Lincoln!" Rush had quickly regained his composure and could not resist an opportunity to remind the old man of just who had won the war.

"Well, then, young man," Uncle Seth spoke slowly as he sized up his opponent, "I guess you all have rolled back all of FDR's socialist legislation."

"Well, no," Rush responded in a tone that was almost apologetic. "But we've got the liberals on the run."

"Appears to me like they are making a run on what's left of your liberties," Uncle Seth replied. "What about the war tax your man Lincoln started—you know, that there income tax? Word is that you all got that one back. Done anything about it lately?"

Rush stared coldly at the old veteran. Uncle Seth could tell that Rush was becoming agitated with his inquiries, but he was determined to find out why this guy was so popular down South.

"What's the word on states' rights these days, young man?" Uncle Seth bore in with his questioning. "You all still respect the limitations imposed by the Ninth and Tenth amendments? Seems to me like just about everything you complain about could be corrected if the people were allowed to nullify all of those intrusive federal laws, court orders, and bureaucratic guidelines."

"You Southern people are crazy! You're a nut, one of those crackpot conservatives that give good loyal Republicans a bad name," complained Rush. "You guys want to take us back to the days of moonlight and magnolias, to a time when you could own people." Rush was getting red-faced and his voice strident. "You all are traitors. You want to break up the country and destroy our great nation!"

Uncle Seth slowly faded away. He was anxious to return to a better place, where evil was not excused and good always triumphs over evil.

"States' rights!" muttered Rush. "The very idea—this is the twenty-first century." Then a brilliant thought came to him. "Perhaps I should give it a little lip service every now and then."

1. James Ronald Kennedy, "Uncle Seth Fought the Yankees" (www.kennedytwins.com).

CHAPTER 1

Conservatism: A Century of Failure

The twentieth century in America witnessed glorious victories for those who believe in extreme federalism, big government, central control, liberalism, and socialism. Conservatives, on the other hand, can look back with shame at one humiliating defeat after another. At best, conservatives have had moments of brilliant but vain rhetoric; at worst, they have been reduced to serving as the guardians of the status quo, i.e., the keepers of yesterday's liberal/socialist victories. Freed from the necessity of protecting their prior successes, liberals/socialists busied themselves with even more onerous intrusions into the once sacred arena of individual liberty.

We Southerners tend to identify ourselves as politically conservative, and the South's voting record in the presidential elections of the last fifty years demonstrates a definite conservative leaning. The South's transformation from solidly Democratic to solidly Republican shows its adherence to traditional conservative values. In the late 1940s, the Democratic party renounced its traditional support of limited federalism and states' rights. Over the next twenty years liberals slowly seized control of the Democratic party and ejected conservative Southern delegates. The entire South was forced to choose between party loyalty (with all the perks and power attached to said party) and loyalty to its traditional conservative values of limited federalism, states' rights, and individual liberty. By 1970 it had become apparent that these traditional values were no longer shared by the majority of Americans. The conservative (primarily white) South had become America's only unrepresentative, and therefore, disposable minority! Current history demonstrates that the South's adherence to its traditional values transcends party loyalty. The South has stood firm in her allegiance to constitutional principles even though no major political party has seriously championed these values for over 150 years. Like a soldier who holds his

position in the face of overwhelming force, the South has remained committed to the principles of the original constitutional Republic of Republics as handed down to us from the Founding Fathers.

But this raises a very interesting question. Are Southerners really conservatives, as defined in the contemporary political environment? If so, what are we trying to conserve? At the very core of conservative values is the belief in a Jeffersonian republic. States' rights and a constitutionally limited federal government are the hallmarks of Southern conservative political values. The writings of the Founding Fathers, both the Federalist and especially the anti-Federalist,¹ serve as the basis for Southern political philosophy. These writings were followed by the Resolves of 1798, penned by Thomas Jefferson and James Madison. In these famous (but almost unknown today) documents, Jefferson and Madison proclaimed the states' rights view that dominated the American political landscape until 1860. This view asserted that, within the original constitutional system, *we the people* of the Sovereign States have a right to use any method necessary to prevent an abusive Federal government from infringing upon those rights reserved to the states and the people thereof.²

During the 1840s, John C. Calhoun, as vice-president and then as senator from South Carolina, proclaimed the right, nay, the duty of the states to interpose their sovereign authority between an abusive Federal government and *we the people* of the states. Indeed, Calhoun demonstrated that the Founding Fathers were right when they promised Americans that the states would always be able to defend themselves against an abusive Federal government, provided we were armed with the defensive powers of Sovereign States within a limited Federal republic. Writing in *The Federalist Papers*, Alexander Hamilton declared, "We may safely rely on the disposition of the State legislatures to erect barriers against the encroachments of the national authority."³

From this short outline of our Southern political history, one can see that the South has been traditionally conservative—that is, we have used our political influence to conserve, preserve, and maintain a strong Constitution that sought to limit the powers of the federal government and preserve the vital and necessary right of the Sovereign States to protect its citizens from any encroachments upon their reserved rights.

1. James Ronald Kennedy and Walter Donald Kennedy, *Why Not Freedom!: America's Revolt Against Big Government* (Gretna, La.: Pelican, 1995), 23-32.

2. For a discussion of the Resolves of 1798, see James Ronald Kennedy and Walter Donald Kennedy, *Was Jefferson Davis Right?* (Gretna, La.: Pelican, 1998), 281-85.

3. Alexander Hamilton, as cited in Kennedy and Kennedy, *Why Not Freedom!*, 37.

“But what happened to states’ rights?” one may ask. The sad fact of American history is that as U.S. Supreme Court chief justice Salmon P. Chase declared in 1868, “State Sovereignty died at Appomattox.”⁴ Even more telling are the words of the governor of Illinois in 1865, who declared that the War for Southern Independence had “tended, more than any other event in the history of the country, to militate against the Jeffersonian idea that the best government is that which governs least.”⁵ Why is it that today *we the people* of the states are powerless when confronted with costly, unfunded federal mandates? Why is it that *we the people* of the states no longer have the liberty to decide how we will manage our local public schools? Why is it that private real estate owned by a citizen of a state cannot be developed without first gaining permission from the federal “Wetlands Gestapo”? The answer is simple and sad. In America’s contemporary political system, ideas such as states’ rights, a constitutionally limited federal government, local control, and individual liberty are dead! Southern conservatives have spent the last century trying to preserve a political system that no longer exists. To make matters worse, liberals have known this all along, while our contemporary conservative leaders are either too foolish to recognize it or are too cowardly to admit it! How did we get to this point? How did we become the keepers of an extinguished flame? This mystery must be resolved before we begin our campaign to rekindle the flame of liberty.

American conservatism entered the twentieth century with a political philosophy so fatally flawed that it had no real means to defend itself from the attacks of those wanting to expand the powers of the federal government. The failure of conservatives to recognize their inherent vulnerability set the stage for a century of conservative defeat, retreat, and retrenchment. By the end of the twentieth century, no “right thinking” conservative could be found advocating a return to the original constitutional federalism, where the federal government was secondary and state and local control of limited government was primary. Today, neoconservatives focus their efforts on political schemes to regain control of the Federal Empire, with no concern about restoring the original constitutionally limited Republic of Republics as created by the Founding Fathers. Too often in history the new century is held captive by the mistakes of the prior century. Today, as we peer into the possibilities of a new century, we

4. As cited in James Ronald Kennedy and Walter Donald Kennedy, *The South Was Right!* (Gretna, La.: Pelican, 1994), 219.

5. Gov. Richard Yates, as cited in Kennedy and Kennedy, *Was Jefferson Right?*, 238.

need to understand the errors of the last century and take those steps necessary to make sure we do not repeat those errors. Therefore, it is imperative that we understand the origins of conservatism's twentieth-century fatal flaw.

1900: NEW CENTURY—OLD FALLACIES

Conservatives carried into the twentieth century the mistaken belief that, under our system of constitutional government, an agency of the federal government, specifically the federal Supreme Court, was the final arbiter of the extent of federal power. This anti-states' rights fallacy in effect disarmed the common man and placed him defenseless before an all-powerful federal government. Today, even conservatives in the South are shocked to hear that the federal Supreme Court was *not* established by the Founding Fathers as the final arbiter of the constitutional prerogatives of the federal government!⁶ The rapid growth and total dominance of the federal government that occurred during the twentieth century were made possible due to the following "conservative"⁷ defeats brought forward from the nineteenth century.

Controlling the Money, Controlling the People

By 1900 the concept of a centrally controlled bank or a federally sponsored national banking system had become generally accepted. During Pres. George Washington's first term, a controversy arose between commercial interests (principally New York, Philadelphia, and the New England states) and the agrarian states of the South as to whether or not the Constitution allowed the federal government to establish a national bank. Alexander Hamilton championed the commercial interests and argued in favor of a national bank, while Thomas Jefferson championed the agrarian interests, which opposed a government-controlled banking system. Hamilton used a constitutional argument that became known as "loose construction" to rationalize the use of federal money and prestige to establish the bank. Jefferson, on the other hand, using "strict construction," argued that if the Constitution did not specifically provide authority for the establishing of a national bank, then it would be unconstitutional for the federal government to assign such powers unto

6. This principle is too extensive to cover here, but it is covered extensively in Kennedy and Kennedy, *Why Not Freedom!*, *Was Jefferson Davis Right?*, and *The South Was Right!*

7. The term *conservative* as applied to pre-twentieth-century statesmen would include those who in their time were known as anti-Federalists, Jeffersonian Republicans, Andy Jackson Democrats, strict constructionists, or Confederates.

itself.⁸ Jefferson knew that the monied interests would use their political influence to benefit themselves at the expense of yeoman farmers and common laborers. (The technique used by central bankers to enrich themselves at our expense will be discussed in chapter 8.) The Northern commercial interests won the argument and “loose construction” of the Constitution ushered in the Bank of the United States, demonstrating its effectiveness in undermining constitutional restraints on the expansion of federal powers.

Murray N. Rothbard (1926-95), a well-known twentieth-century economist, described the efforts of central banking proponents:

Throughout the first century of the Republic, the party favoring a Central Bank, first the Hamiltonian High Federalists, then the Whigs and then the Republicans, was the party of Big Central Government, of a large public debt, of high protective tariffs, of large-scale public works, and of subsidies to large businesses in that early version of “partnership between government and industry.” Protective tariffs were to subsidize domestic manufactures, while paper money, fractional reserve banking, and Central Banking were all advocated by the nationalists as part of a comprehensive policy of inflation and cheap credit in order to benefit favored businesses. These favorites were firms and industries that were part of the financial elite, centered from the beginning through the Civil War in Philadelphia and New York, with New York assuming the first place after the end of that war.⁹

By 1900 the proponents of unlimited federal power had in place a federalized central banking system that would allow them to finance favored government programs via the indirect tax of inflation—thereby avoiding the messy process of passing new taxes—while enriching their favored banking clientele by allowing them to issue unsupported credit. With inflation, the politicians could vote for expenditures without having to answer to the public. As inflation gradually worked itself through the economy, the last people in the inflation/unsupported-credit pyramid scheme would eventually pay the price—but the last people, though great in numbers, had no one in Washington dedicated to protecting their rights! So it was and so it remains, at least until we do something about it.

8. Forrest McDonald, *A Constitutional History of the United States* (Malabar, Fla.: Kriger, 1982), 42.

9. Murray N. Rothbard, *The Case Against the Fed* (Auburn, Ala.: Ludwig von Mises Institute, 1994), 72-73.

The Fraudulent Fourteenth and Fifteenth Amendments

After the tragic conclusion of the War for Southern Independence in 1865, the Northern power elite used their control of the newly established Federal Empire to pass several onerous amendments. The Fourteenth and Fifteenth amendments were passed while the Southern states were under military rule. The assent of the Southern states to these amendments was gained at the point of federal bayonets! There is no provision in the Constitution that would allow Congress to use military force to gain a state's ratification of a proposed amendment. Therefore these amendments were enacted via unconstitutional compulsion, and even though they were declared ratified, they remain a perversion of our original Constitution. (See Addendum XII for more information regarding the fraudulent Fourteenth Amendment.)

The federal government forced the South to accept a radical change in the nature of the government as the price for "readmission" into the "Union" from which she had formerly been denied the right to secede. The Radical Republicans in control of the federal government at the time never had the needed votes to constitutionally submit these amendments to the states nor the influence to gain the requisite number of ratifications from the states. Despite this handicap, these amendments were declared to be a part of the Constitution.¹⁰ Aside from the fact that constitutional and parliamentary procedures were trampled upon and the free and unfettered consent of the people of the South was destroyed, the most important result of the unconstitutional enactment of these amendments was that, for the first time in American history, the federal government was given the authority to enforce its mandates upon *we the people* of the states. Furthermore, the people of once Sovereign States (both North and South) were denied any alternative to unconstitutional actions of the federal government but to accept and obey the will of the federal government. The Federal Empire is now established; the emperor speaks and his subjects dutifully obey!

The Fifteenth Amendment destroyed the right of the people of the states to establish reasonable qualifications for voting. Thus, in our day we have motor voter laws and laws allowing people to register to vote when they sign up for welfare. The franchise is now used as a means of legalized looting. The more numerous class of tax consumers flock to the polls to vote for professional politicians who promise to redistribute wealth from the productive members of society via tax-and-spend federalism. Incumbency has been assured for

10. Kennedy and Kennedy, *The South Was Right!*, 167-76.

the politician who promises the most to the most—paid for of course by middle-class taxpayers.¹¹ (Legitimate, nonarbitrary voting qualifications will be dealt with in detail in chapter 7.)

In the meantime an activist federal judiciary has used the judicial theory of incorporation to turn the limitations imposed on the federal government by the Founding Fathers in the so-called Bill of Rights into a grant of unlimited federal power over *we the people* of the states. Even though the right of secession and implicitly nullification/interposition and other rights originally reserved by the states were suppressed by overwhelming military force during the War for Southern Independence, these rights in theory still remained and were protected by the U.S. Constitution as late as 1866. The Northern power elite who controlled the federal government recognized this and used these two fraudulent amendments to remove states' rights from the American political system.

By the time Reconstruction rule was overturned and legitimate Southern representatives were seated, the harm had already been accomplished. The Southern members of Congress were forced to tacitly accept the radical and unconstitutional alterations in exchange for an unspoken détente with the Northern power elite. Through this unspoken agreement, the South was allowed to nominally control their states and the North agreed that it would not reinstate Reconstruction upon the South. The South, prior to the war, had been America's champion of limited federalism and states' rights, but now she is forced to accept the new centralized governmental order imposed on her from Washington, D.C.¹² Conservatives at the beginning of the twentieth century blindly held to their faith that the mode of American government was essentially the same as that handed down by the Founding Fathers. Conservatives' refusal to recognize and react to the paradigm shift that had occurred during the nineteenth century set the stage for a liberal/socialist takeover of America's political vision in the following century.

Jim Crow and Racial Antagonism

When the thirteen American colonies seceded from their union with Great Britain¹³ in 1776, the British attempted to incite slave revolts in the colonies by offering to emancipate all slaves who left their masters and joined the British. To the dismay of the British, most slaves

11. Kennedy and Kennedy, *Why Not Freedom!*, 181-93.

12. Kennedy and Kennedy, *The South Was Right!*, 241.

13. Kennedy and Kennedy, *Was Jefferson Davis Right?*, 258.

rejected the offer. Lincoln attempted the same thing during the War for Southern Independence, but with no more success. The relationship between white and black Southerners has mystified observers from the beginning of the Republic. This relationship held for the most part even in the harsh years of invasion and occupation during both wars (1776 and 1861). But it could not withstand the assaults of Reconstruction imposed by the federal government.

During Reconstruction the government managed to do what the British and Lincoln could not—turn race into a political issue. The Radical Republicans promised the newly freed slaves “forty acres and a mule” if they voted against their former masters. Unfortunately for the former slaves, the promise (like thousands of promises to follow) was never kept! But Reconstruction did drive a wedge of mistrust between two peoples who had more in common with each other than either had with the Radical Republican power elite who controlled an all-powerful federal government. Jim Crow (white supremacy) laws enacted after the end of Reconstruction reinforced this racial mistrust.

Most people think of segregation laws as something imposed upon blacks by evil Southern legislatures. But these laws were based upon Black Codes established by Union general Ben (“Beast”) Butler after he invaded and occupied New Orleans during the war. Indeed, by the early 1900s racial segregation was a fact by law (*de jure*) or by socially enforced tradition (*de facto*). White society in the North as well as the South believed in and practiced racial segregation. The infamous *Plessy v. Ferguson* case, in which the United States Supreme Court codified racial segregation laws (Jim Crow laws), was based upon precedent set by a Massachusetts law passed in the 1840s. The federal judges who approved Jim Crow were, with only one exception, Northerners. The chief justice who presided over the deliberation was from Michigan. The only Southerner on the court came from a family that formerly owned slaves and for a short while he had owned slaves. This Southerner was the only dissenting vote in the now infamous Jim Crow decision.¹⁴ But despite these little-known and ironic facts, the South has been forced to bear the cross for the “sin” of racial segregation.

This racial divide played into the hands of those who wanted to keep the South politically weak and on the defensive. Liberals of the twentieth century saw the South as their greatest enemy, the one foe who would not accept their socializing schemes to enlarge the role of the federal government. The more the South fought such schemes as

14. Kermit L. Hall, ed., *The Oxford Companion to the Supreme Court of the United States* (New York: Oxford University Press, 1992), 361.

Social Security, the more determined the liberals were to use black voters just as the Radical Republicans had during Reconstruction to neutralize Southern conservative resistance to liberal federal social-welfare programs. And so the South, which was a major part of the twentieth-century conservative movement, entered that century with a racial vulnerability that begged for liberal exploitation. By the end of the century, Southern conservative political power was not even a shadow of what it had been at the beginning. Jim Crow was a two-edged sword—it cut all Southerners, black and white.

1913—The Federal Income Tax Reappears

The reappearance of the federal income tax at the beginning of the twentieth century is an excellent example of how the failure of one generation of conservatives can have an enormous negative impact on the property rights and liberty of successive generations. In 1910, total federal revenues as a percent of gross domestic product (GDP) were only 1.9 percent. Today, after almost a century of liberal-sponsored “progressive” income tax, total federal revenues amount to 18.2 percent of GDP.¹⁵ In 1913, when the income tax was adopted, there were only 400 pages of federal tax rules. During the twentieth century, one conservative defeat after another allowed those rules to grow to 45,000 pages. If that rate continues, by 2099 the American tax slave will have to comply with more than five million pages of rules!¹⁶ It’s long past time to do something about the federal tax monster.

The income tax was first introduced in America during the Lincoln administration as a way to finance his war against the Southern people. This tax and inflationary paper money (greenbacks) were used to fleece Northern citizens during the war. As more paper money, unsupported by gold, is issued, inflation drives up prices, and eventually wages will make some adjustments upward. Because the income tax is not indexed to inflation, workers who are paid at inflated wages are pushed “progressively” into higher tax brackets even though their real earnings have not improved. This “invisible inflation tax” results in a revenue windfall for politicians. They collect more revenue but can go home and brag to their constituents that they never voted for a tax increase. Some politicians claim they have indexed the income-tax system, but what they have done is index the deductions, which, as we all know, are not a dollar-for-dollar deduction for taxpayers. A real index would reduce the

15. “Total Federal Revenues, 1900-2003 (Percent of GDP)” (www.cato.org, 2002).

16. *Ibid.*

income that is subject to taxation by the rate of inflation *before* deductions are applied. Best of all would be just to get rid of the entire system!

At the beginning of the last century, the U.S. Supreme Court ruled the income tax to be unconstitutional. Conservatives celebrated while liberals and other self-anointed “progressives” plotted. Congress soon asked the states to overrule the Supreme Court by ratifying the Sixteenth Amendment, establishing constitutional authority for the present income tax. Conservatives railed against it but quickly forgot about it and moved on to other issues. This would become an all-too-common pattern. Advocates of big government, centralized federalism, and socialist social policy would advance a selected cause; conservatives would protest; populist propaganda and “learned elites” would insist that it was very “progressive” and would only cost the rich; conservatives would eventually “compromise” enough to allow the legislation to pass; and thereafter conservatives would attempt to incorporate the legislation into their party platform. The liberals/progressives won and were then free from any concern of a conservative counterattack. Even after 100 years, the pattern continues to repeat itself. Liberals push the envelope of progressive taxation, socialist social programs, and conservative compromises, i.e., surrender by degrees. *Conservatives never regain rights once they are lost.* How many times must it be said? The last century has been one of conservative failure. Our current income tax is an excellent case in point.

1913—America Welcomes Central Banking with the Creation of the Fed

The theory of “loose construction” of the Constitution was first used by Federalist Hamilton during President Washington’s first term. Hamilton used it to read into the Constitution powers not specifically granted to the government. His efforts were directed at the establishment of the Bank of the United States. Jefferson opposed a central bank because he knew that it would be used by the favored few and its excesses would eventually be paid for by taxpayers. Andrew Jackson’s Democrats opposed it for similar reasons.¹⁷ However, Lincoln and his fellow Republicans used their control of the government to push through various monetary policies during the War for Southern Independence. Federal control of monetary and banking policy was an accepted fact by the time legitimate Southern representatives and senators returned to Washington after

17. McDonald, *A Constitutional History*, 72-74.

Reconstruction. The primary financial argument was between a gold standard and an inflationary silver standard. The monied interests in New York, primarily the Morgan and Rockefeller families,¹⁸ were vocal proponents of federal control of money and banking. They were close to the source of power and could logically expect to, and in fact did, benefit from such governmental policies.

In 1913 Congress created the Federal Reserve. It was established due to assurances that it would be able to control disruptive business cycles, panics, and bank runs. Conservatives accepted the Fed and today can be counted on as its main “business” defenders. The Fed has evolved into America’s answer to central banking. Conservatives have ignored the warnings by sound-money economists that government-sponsored, monopolistic banks are inflationary. Conservatives should know that central banks that are allowed, even encouraged, to create money out of thin air (fiat money) and expand the money supply via unsupported credit are inflationary. The Fed’s monetary policies will stimulate the economy for a while, but eventually the boom turns into a bust and someone has to pay for the preceding bad investment. As with any Ponzi or pyramid scheme, those close to the source will benefit while those farther away will end up “holding the bag.” The failure of conservatives to stand up for the “little man” is the result of a century of conservative fatal flaws. The only economic theory that would provide protection to the taxpayer happens to be the only one rejected by liberals and conservatives. The Austrian¹⁹ theory as espoused by Rothbard stands for sound money and liberty. Unfortunately, by the end of the twentieth century, mainstream conservatives had rejected sound money as well as liberty.

The Twentieth Century—100 Years Away from the Gold Standard

Economist Murray N. Rothbard divides America’s monetary breakdown into nine phases.²⁰ Phase I is the Classical Gold Standard, which lasted from 1815 until 1914. The gold standard was important because it helped keep in check the inflationary tendency of all governments. As we have already seen, inflationary economic policies can be used as an indirect tax upon citizens. Phase II occurred during World War I, when European nations went off the gold standard in order to finance their war efforts. Because the United States entered the war much later, it did not drop the gold standard. The

18. Rothbard, *The Case Against the Fed*, 90-101.

19. See www.mises.org for more information on Austrian economic principles.

20. Murray N. Rothbard, *What Has Government Done to Our Money?* (Auburn, Ala.: Ludwig von Mises Institute, 1963), 90-111.

important point for conservatives to remember is that a *warfare* state is just as dangerous to liberty as is a *welfare* state. Rothbard noted, “It was not gold that failed; it was the folly of trusting government to keep its promises.”²¹ Phase II was the beginning of international disaster as nations began to abandon the gold standard. Rothbard wrote, “The grave political flaw is to hand total control of the money supply to the Nation-State, and then to hope and expect that the State will refrain from using that power.”²²

The problem that conservatives refused to deal with was that “the dollar was artificially undervalued and most other currencies overvalued by 1945, the dollar was made scarce, and the world suffered from a so-called dollar shortage, which the American taxpayer was supposed to be obligated to make up by foreign aid.”²³ In 1971 Republican president Richard M. Nixon took the U.S. completely off the gold standard and converted the dollar into fiat money—with nothing to back it up except a government promise.

Conservatives have been handmaidens to the destruction of our money. Both political parties have engaged in, encouraged, and politically benefited from the move from sound money backed by gold to fiat currency backed by nothing. This artificially created economic system sets the stage for severe and sometimes catastrophic boom-bust cycles. In an economy of fiat currency and unsupported credit, those bankers and special-interest groups close to government benefit during the boom phase. Those of us who have no connections to the Fed or the power brokers in government will ultimately pay the price during the bust phase. From a monetary-policy point of view, it is evident that over the last century conservatives have abandoned the middle-class taxpayers.

1933—Social Security Is Socialism by Any Other Name

The classic twentieth-century example of conservative failure is their enfeebled protest against and eventual embracing of FDR’s socializing program of Social Security. On August 14, 1935, with very little public or congressional debate, FDR signed into law the Social Security Act. FDR, in a masterstroke of political savvy, introduced socialism to America and assured its acceptance by calling it “insurance” instead of social welfare payments. In prior decades, the American Socialist Party had called for the passage of a social pension plan. Democrat Al Smith

21. Ibid., 94.

22. Ibid., 99.

23. Ibid., 100.

declared that FDR and company had “caught the Socialists swimming and ran away with their clothes.”²⁴ FDR assured the public that the law would control the wide economic swings of the business cycle and tame the evils of deflation and inflation.

The ardent socialists who had spent their lives pushing for a nationalized economy were disappointed because the law did not go far enough! FDR allayed their complaints by promising that much more was coming.²⁵ (Indeed, conservatives got a hint of just how much more was coming when, toward the end of World War II, FDR proposed a 100 percent tax on all income above \$25,000.)²⁶

For the first time in American history, massive social programs were being concocted by “experts” in faraway Washington, D.C. and forced upon citizens. The sufferings caused by the Great Depression made it easier to convince the public to accept this socialist scheme. The liberal/socialist power elites claimed that big government could use fiscal policies to inject inflation into a depressed economy, thereby jumpstarting it. Social Security would introduce fiat money into the economy and make a huge portion of the population dependent on political elites in Washington. For the socialists, it was a great way to move the United States away from a free-market economy, establish Washington’s control over the economy, and make serfs out of American citizens, who until then had been ardent individualists. (It is not lost on contemporary politicians that 43 million Americans get monthly Social Security checks, and they all vote.)

Social Security introduced the idea to Americans that they were not competent to take care of themselves and therefore required elites and experts working out of an enormous bureaucracy in Washington to take care of the average—and presumably incompetent—person. Gone were the concepts of thrift, self-help, and community that the pioneers had used to build America. In fact, one of the many unforeseen consequences of government intervention via Social Security is the continuing erosion of family ties, as government bureaucrats take over where once family stood. As Gregory Bresiger wrote:

Prior to 1935, social insurance for Americans was not a government responsibility. It was entirely private. One got help through the community, fraternal groups, and above all, the family.²⁷

24. Gregory Bresiger, *The Revolution of 1935: The Secret History of Social Security* (Auburn, Ala.: Ludwig von Mises Institute, 2002), 8.

25. *Ibid.*, 1.

26. *Ibid.*, 51.

27. *Ibid.*, 18.

Before the Social Security Act passed, the best remedy for and prevention of social sufferings was considered to be a strong economy. However, the promise of taming and controlling the swings of the business cycles made by those central planners who pushed through the Federal Reserve Act in 1913 had obviously not materialized by the time of the Great Depression. Yet, despite their failure to prevent the depression, here they were a mere twenty-two years later attempting to use the medicine of greater central control to cure the disease that their programs had caused!²⁸

By 1935 many social scientists and self-proclaimed political experts had given up on America's political system of liberty and free-market capitalism. One of these experts, Abraham Epstein, declared that "our modern system of industrial production has rendered our lives insecure to the point of despair." He blamed the depression on "the blind greed and stupidity of our business leaders."²⁹ He thought that the only way to end the Great Depression was with the strong control of a centralized government. These liberals/socialists blamed the depression on the failure of the market, but in reality it was a result of government's intrusive and perverting influence in the market.³⁰

FDR, along with other liberals and socialists, believed that the American free-enterprise system would slowly evolve into a quasi-socialist system. It is hard to believe today, but in the mid-1930s many looked longingly toward Hitler's National Socialist Germany and wanted America to adopt some of Stalin's Marxist socialist and Hitler's National Socialist programs.³¹ The gallant liberty warrior, Llewellyn H. Rockwell, Jr., noted the connection between fascist socialism and its 1930s American socialist counterpart:

The links among socialism, fascism, and political developments in the United States were not lost on the intelligentsia. In 1933, the same year that Franklin Delano Roosevelt abolished the gold standard, created the Tennessee Valley Authority, established the Civil Conservation Corps, and regimented industry under the National Industrial Recovery Act, that same year, the *New York Times Magazine* published glowing reports on the brilliance and vision of Professor Mussolini, even as academic treatises heralded the advances made by the central planning

28. See Murray N. Rothbard, *America's Great Depression* (Auburn, Ala.: Ludwig von Mises Institute).

29. Bresiger, *The Revolution of 1935*, 40-41.

30. See Rothbard, *America's Great Depression*.

31. Bresiger, *The Revolution of 1935*, 22, 68.

movement from Moscow, to Berlin, to Washington.

We must not flatter ourselves into thinking that the poison of totalitarian ideology infected only Russia and European states. What has happened in the United States differs in degree, not in kind. New Deal planners looked to Russia as a model for organizing the agricultural sector, and were inspired by an Italian fascist theoretician in imposing the NIRA and the Blue Eagle. And by way of further illustration, consider that in 1936 the economic treatise by English economist John Maynard Keynes that provided the economic rationale for the New Deal appeared in Germany, with an introduction by Keynes himself.³²

FDR and his vice-president Henry Wallace believed in and worked for the “convergence” theory, which held that the United States’ and Russia’s economic and political policies would eventually converge into one system. For example, Wallace advocated the New Deal idea that the government “balance” the economy—i.e., control production and consumption—which is after all the very essence of socialism.³³ And no doubt Stalin smiled approvingly upon these tentative steps toward total central control. Thus we see in a nutshell the transition of American free-market individualism to our present quasi-socialist economy, in which almost 60 percent of our economy is controlled by the bureaucratic planners in Washington, D.C.

The corruption of both political parties by the lure of easy votes via Social Security payments can be seen by looking at the party platform of the Democratic party. It previously had been the traditional champion of states’ rights and sound money (i.e., gold standard). Even as late as 1932 the Democratic party platform called for a balanced budget, sound money, and a 25 percent reduction in federal spending.³⁴ During the 1920s, Republicans won numerous elections by running on their record of reducing federal spending, cutting taxes, and dismantling government regulatory bureaucracies that had been developed to control the economy during World War I.³⁵ By 1935 FDR and his gang of liberals/socialists had seized control of the former states’ rights Democratic party.

The Republicans were a little more timid as they approached socialist programs, their erstwhile mortal enemy, but they quickly overcame their reserve. In 1944 Frances Perkins, a member of

32. Llewellyn H. Rockwell, Jr., “The Mises Institute: The Next 20 Years” (www.mises.org, 2002).

33. Bresiger, *The Revolution of 1935*, 68.

34. *Ibid.*, 6.

35. *Ibid.*, 17.

FDR's cabinet, observed that the era of "modern government" had become a permanent fixture in America because by that time the GOP's platform had adopted essentially all of FDR's social programs. He mused that the GOP had become a "me-too" party.³⁶ Indeed, by the time the Republicans captured political power in 1952, they had lost the courage and desire to attack FDR's socialist programs. As Bresiger wrote:

When the GOP recaptured power in 1952, party members learned to embrace FDR's welfare-state policies and play the vote buying game as well as the Democrats. Republicans increased Social Security benefits in election years. Republican administrations signed expansions of the Social Security program into law and wanted credit for doing so. The GOP claimed to be opposed to welfare state measures, but by the 1950s *Life* magazine wrote, "Both major political parties maintain a pleasant fiction about the American welfare state."³⁷

Never in American history have "me-too" conservatives initiated a campaign to reclaim lost rights. Mediocre, business-as-usual politicians, and party hacks who are concerned with gaining and holding on to political power, are the mortal enemies of liberty in any free republic. The United States is not an exception to this rule.

Can you imagine if the Founding Fathers had learned that one day their government would tell the private citizen when he must retire? Or how much money he may earn each year or where he may invest his income? Or that he would only be allowed to earn 1.5 percent on his (Social Security) "investment," even though in the private market average investments were earning three to four times that? Such a socialist system would have been unthinkable and unacceptable to the likes of Thomas Jefferson and Patrick Henry. But after a century of conservative defeats, it is now not only acceptable to Americans, but most citizens cannot even imagine a world without their socialist security blanket!

News accounts today are full of examples of politicians promoting Social Security without telling the public that it is socialism that they are being asked to support. One pro-liberty author related the following:

The process of selling socialism under another name has been a success. At the time of this writing, presidential candidate

36. Ibid., 7.

37. Ibid., 47.

George Bush was confused regarding whether Social Security was a federal program or not. My congressman, Anthony Weiner (D-N.Y.), at a recent town hall in Kew Gardens, New York, insisted that, "Social Security is not socialism." But of course he also insists that payroll taxes are "only 7.65 percent." He conveniently excludes the employer part of the tax, which [makes it a total of] 15.30 percent!³⁸

By this time it should come as no surprise that the single greatest expansion of the Social Security program came not under a liberal Democrat president but when a Republican, Nixon, was in the White House. Whether it was Nixon, Reagan, Bush I, or Bush II, it matters little—Social Security not only was safe; it flourished. And with each tax increase to fund the bankrupt program, our liberties were reduced. With each tax dollar taken away from the private sector, an undeterminable opportunity cost is incurred. In other words, as private-sector money is drained away to fund socialist programs, the opportunity to invest that money in new businesses and new jobs is lost. As the economy begins to stagnate, due to tax burdens imposed by the government, liberals/socialists mount the cry for more social programs to remedy "market" failure. The failure is not in the free market. It belongs to the conservative movement that for 100 years has allowed liberals/socialists to use government force to corrupt the marketplace and steal working citizens' income.

What has been the conservative approach to this vast scheme to force socialism upon us? Since the establishment of Social Security, conservatives have ardently supported the effort! They have not submitted a single piece of legislation to roll back this socialist law. Indeed, they have sought at every opportunity to expand its reach and use its vote-buying power in upcoming elections.

As far back as 1912, Theodore Roosevelt, the idol of modern-day neoconservatives, was advocating his expansionist scheme called "New Nationalism," which forced the "conservative" Woodrow Wilson to move his social programs to the left in order to win election. After all, as all good neoconservatives will tell you, winning elections is more important than defending ideas. It should come as no surprise that Theodore Roosevelt, who loved social welfare, expressed contempt for Thomas Jefferson³⁹ and Jefferson Davis.⁴⁰ As I noted previously, liberals/socialists always cause conservatives to

38. Ibid., 28.

39. Ibid., 13, 15.

40. Kennedy and Kennedy, *Was Jefferson Davis Right?*, 41.

move to the left, but seldom has the opposite occurred! In 1952, when the conservative Republicans captured control of Congress, they did not roll back or attempt to curtail any of FDR's welfare-state, socialist programs. In 1972, again under a Republican president, conservatives and liberals were in a bidding contest to see who would get credit for increasing Social Security, and therefore who would receive votes from Social Security recipients. This competition ended in a bipartisan compromise that assured the reelection of politicians from both parties. Incumbency rules! The eventual cost to taxpayers would border upon the unbearable. The conservative failure of 1972 is summed up by free-market economist Bresiger: "In fact there was no philosophical disagreement over expanding the program, merely a disagreement over who was going to get the political credit. The 1972 deal meant American politics' two major parties were the Big Government party and the Bigger Government party."⁴¹

Mr. Conservative, Ronald Reagan, who was at one time a strident critic of Social Security, declared that "Social Security has proven to be one of the most successful and popular [federal] programs."⁴² America's leading neoconservative, Jack Kemp, proclaimed the holy nature of the program when he warned that any presidential candidate who opposed Social Security was "a candidate for a frontal lobotomy."⁴³ Thus we have witnessed in our lifetime the movement of conservatives from opposing socializing schemes to adopting them, *provided* this would help them win political office. In the twentieth century, conservatives exchanged principles for the idea that the end justifies the means. *In so doing, conservative leaders have become willing collaborators of the liberals, as together they move America away from the principles of liberty and toward the enslaving ideas of socialism.* The political history of the twentieth century in America was written in the language of failure—conservative failure! In chapter 13 we will discuss how we can roll back Social Security, thereby freeing younger workers and future generations without harming those who have for generations been forced to pay into the federal old-age pension plan.

The 1960s—The Conservative Death March Begins

The mid-1960s marked the beginning of the end of even the pretense of conservative loyalty to the original constitutional Republic of Republics. Up to that time, at least in the South, politicians gave lip

41. Gregory Bresiger, "The Disastrous Deal of 1972" (www.mises.org, 1999), 4.

42. Ibid., 39 n. 9.

43. Ibid.

service to the idea of states' rights and constitutional limits on the powers of the federal government. After the passage of the 1964 Civil Rights Act, followed by the passage of the 1965 Voting Rights Acts, all such pretenses even in the South were discarded. Both of these acts had their constitutional justification in the fraudulent Fourteenth and Fifteenth amendments, highlighting the disaster created by the conservatives' failure to continually challenge these illegal acts during the previous 100 years. Both acts gained their social authority from the failure of conservatives to appropriately respond to the anti-liberty Jim Crow laws. Thus, it can be said that conservatives brought this disaster upon themselves. This is usually the case when people abandon their principles in favor of political utility.

1964—The Great Society

In May 1964 Lyndon Baines Johnson declared the beginning of his Great Society. In his socialized society, poverty would be removed, equality assured, those left behind would be brought forward, and presumably problematic individuals, programs, or social traditions would be corrected, converted, or convicted and punished. The pernicious failure of conservatives to defeat LBJ's Great Society programs dealt a mortal blow to any hope of restoring constitutionally limited federalism to America in the twentieth century. Its political effect is surpassed only by the moral effect of the cowardly manner in which conservative politicians adopted, defended, and in many cases expanded these socialist programs in an effort to win elections. By the end of the twentieth century, no national conservative leader would question the federal government's power to issue unfunded mandates to the states, tell small-business owners where their customers could park, or force states to provide for illegal immigrants even though the federal government was encouraging their flow by refusing to protect our borders.

As part of the Great Society, Congress enacted into law—in addition to the Civil Rights Act of 1964 and the Voting Rights Act of 1965—Medicare, Medicaid, the Economic Opportunity Act, the Appalachian Regional Development Act, the Elementary and Secondary Education Act, the Higher Education Act, and the National Foundation for the Arts and Humanities. LBJ, just like FDR before him, was determined to use the police power of government to take property from those who earned it and distribute it to those who otherwise had no right to it. He would use government force to redistribute wealth and create his vision of a better society (how else would you describe a socialist?).

Writing on the twenty-fifth anniversary of the Great Society, William Murchison noted:

The Great Society fell flat. Education declined instead of advancing; racial tensions rose instead of falling. The welfare culture of the '60s created a whole new stratum of government dependents—the “underclass,” unmotivated, uneducated, ridden with AIDS and cocaine. Intact black families . . . sundered and shriveled, especially as moral forces. Yet the conventional wisdom still commends the Great Society for its idealism.⁴⁴

The onerous interference caused just by the war on poverty programs resulted in “6,000 pages of federal rules and regulations governing welfare [and] 59 major poverty programs, with a 1985 cost of \$132 billion, compared with \$21 billion for all poverty programs in 1960,” noted Murchison. “Poverty likewise still is with us.”⁴⁵ The cost of the Great Society is indicated by the fact that in 1968, after four years of increased spending, the total social welfare spending was \$226 billion; by 1990 the total expenditures had reached \$614 billion!⁴⁶

This cost is borne not only by the Bill Gates “rich” class but also by middle-class taxpayers. This is yet another example of the negative effect that conservative failure has had upon the very people that conservative politicians claim to represent. The poor, especially poor blacks, have fared even worse. LBJ claimed that his programs would elevate them from poverty to affluence, from dependence to independence. Anyone even remotely conversant with free-market reality would have known better. A racist desiring to use government force to destroy black families, communities, and even hope itself could not have designed a more effective program than what the socialist bleeding hearts foisted upon blacks in America. As Charles Murray wrote:

The racial gap between the median income for full-time, year round male workers declined from 1980 to 1990, but only because the real median wage for whites declined more than the median for blacks. . . . The black-white gap in median family income increased, largely reflecting the continued decline in

44. William Murchison, “The Great Society and 25 Years of Decline,” in *The Economics of Liberty*, ed. Llewellyn H. Rockwell (Auburn, Ala.: Ludwig von Mises Institute, 1990), 179.

45. Ibid.

46. Charles Murray, *Losing Ground: American Social Policy 1950-1980* (1984; reprint, New York: Basic Books, 1994), xviii.

two-parent families among blacks. . . . By 1990, 65.2 percent of black births were to unmarried women.⁴⁷

Conservative political leaders were too cowardly to point out the disastrous results of these programs within black communities, because to do so would make them vulnerable to liberal media attacks and charges of racism. The media and self-appointed black leaders were used to keep conservatives in line. Here again we see the disastrous effect of conservative failure. The elites who control the GOP determined long ago that it was more important to win elections than to defend core principles. Thus they made no efforts to roll back the essential elements of either FDR's or LBJ's socialist programs. Holding office became an end unto itself. Any compromise was permissible if it held the promise of future electoral victories. Liberals reaped the benefit of promising more payments to a huge bloc of welfare voters. Add to this the even larger group of Social Security recipients. The elderly were also easy to mobilize against conservative candidates because the liberal media would assure them that the conservatives were going to cut out Social Security payments. With these two blocs of voters, liberals became the key power in the now predominantly socialized American economy. A cynical observer would conclude that the liberal establishment did not want to resolve the issue of black poverty. To do so would cause black voters to leave a federal dependence class, which assured their liberal voting, and move to the middle class, where they might get the crazy idea that government has no more right to divest them of their income than slave masters had prior to the black man's so-called freedom!

By the end of the twentieth century, it had become evident that the promises of the Great Society—just like all socialist promises—were empty ones that worked primarily for the benefit of social workers, government bureaucrats, and liberal academics and politicians. And to add insult to injury for black Americans, the vast majority of those who truly gained from these programs were white. The question must be asked: After all of these socialist interventions, had the poverty levels in America changed? When LBJ left office in 1968, the poverty rate, according to the government, was around 16 percent. Twelve years and billions of tax dollars (read as “your income inappropriately seized by the government”) later, in 1980 the poverty level was 16 percent!⁴⁸ Socialists will never admit their

47. Ibid., xviii-xix.

48. Ibid., 8.

failure. Therefore, each year they offer up a new scheme to tax the “rich,” which includes everyone with an annual family income of \$30,000, to help the “oppressed masses” created by this “cruel” capitalist system. Conservative political leaders, on the other hand, cannot find the courage to attack social programs for the miserable moral and social failures that they are, nor defend the free market as the only way to increase wealth and provide an opportunity for raising everyone’s standard of living.

1968—Busing

In *Green v. County School Board of New Kent County*, the U.S. Supreme Court overturned a freedom-of-choice school-desegregation plan and ordered the public-school district to bus students so as to achieve “racial balance,” whatever that is. Thus began the American odyssey of busing for the sake of face counters (the number of white faces must equal the number of black faces—if it sounds absurd that’s because it is!), as opposed to allowing parents to freely choose what school they (not a social worker, liberal expert, or federal judge) think will best equip their children for a successful future. Busing quickly became liberalism’s Vietnam. Early on, liberals knew they were losing the battle. Parents moved, sent their children to private school, or opted for the increasingly popular concept of home schooling. After a few years, schools that were formerly almost all white (liberals’ definition of segregation) had become almost all black (using liberals’ definition—the school had become segregated again). In addition, in some school districts, federal judges had assumed the authority to raise local taxes in order to pay for busing! What happened to the idea of “no taxation without representation”? And to distress the liberals even more, opinion polls demonstrated that black Americans opposed busing almost as much as did their white counterparts.

Conservative leaders attempted to hide from the issue, until a vocal anti-busing leader emerged in the 1968 presidential primaries by the name of George Wallace. He forced Nixon to change his rhetoric so much that Nixon at least sounded as if he understood the anger busing evoked from the middle class. But when civil rights leaders expressed concern, Nixon quietly sent them the message, “Look at what we do, not at what we say!”⁴⁹ Once again, middle-class issues would be sacrificed in order to assure “conservative” electoral victory. Had conservative leaders had any foresight, they could have turned this issue into a debacle for liberal social schemes.

49. Kennedy and Kennedy, *Why Not Freedom!*, 91.

Unfortunately for the middle class of all races, by this time conservatism had lost its tentative connection to the original constitutional Republic of Republics and therefore could see no value in an essentially ideological fight that might expose them to electoral defeat.

1971—Affirmative Action, Minority Set-Asides, and Quotas

Affirmative action, minority set-asides, and quotas came to us via Republican presidents and an unbridled, activist federal Supreme Court.⁵⁰ In *Griggs v. Duke Power Company* (1971), the Supreme Court adopted the theory of disparate impact. Essentially it means that if an employer does not have the right ratio of black-to-white employees, then he is presumed to be guilty of illegal discrimination. Notice that the employer's intent or non-intent to discriminate has no bearing on the case—it's simply justice by the numbers. Count the number of white faces, count the number of black faces, and if the numbers do not reflect the white and black percentages in the general population, then go straight to jail. Well, not really—it's worse. Go straight to the Equal Employment Opportunities Commission (EEOC), and be sure to bring your checkbook.

In *Albemarle Paper Company v. Moody* (1975), our black-robed masters affirmed the disparate impact theory. It provided a strong incentive for those under Title VII of the 1964 Civil Rights Act (virtually everyone) to engage in race counting in hiring to avoid entanglement with the federal "Race Gestapo," formerly known as the EEOC. (Granted, that's not the exact dicta used by the Supreme Court, but the message is essentially the same.)

The June 6, 2002, issue of the *Wall Street Journal* carried an editorial, "The Conundrum of Quotas," in which they ask, "Most of the public doesn't like racial preferences—but President Bush I is afraid to attack them. Why is that?" The paper criticized a recent Supreme Court (a Reagan court at that) decision that affirmed a lower federal court ruling allowing universities to use racial quotas in admissions. The *Journal* described this Supreme Court decision as a "blow to conservatives." The writer was very insightful in declaring that "conservatives will always be at an inherent disadvantage in American political life until the timeless principles they believe in—merit, accountability, competition, the pursuit of excellence, etc.—win moral authority by proving their effectiveness against those

50. Recall that I had previously discussed the dangers inherent in a federal republic in which a branch of the government is given exclusive authority to determine the limits on its own powers. Affirmative action is yet another example of this danger.

great enemies of the nation's promise; racism and poverty." The writer continued, "But moral authority is the fruit of moral risk." Michelle Malkin's column "Next: Get Rid of Racial Boxes"⁵¹ calls Bush II's eventual criticism of quotas as "only a teeny-tiny step in the right direction." She points out that the Bush administration, "not the Clinton-Gore administration, backed the Federal government's payment of cash bonuses to highway construction firms that accept bids from companies owned by members of certain minority groups." The potential of negative polls will send elected neoconservatives running from principles in order to worship at the ideological idols of liberalism. And as I have previously noted, modern-day conservatives always count the cost first and then decide whether or not to engage our mortal ideological enemies. Here we see yet another example of conservative failure.

1982—The Reagan Nonrevolution

Most conservatives like to point to the Reagan era as an example of victorious conservatism. But alas, there were no real victories on the domestic scene. The best that can be said is that Reagan reduced the rate of growth of government. However, he did not reduce its size, and it still continued to grow during the Reagan years. So government got bigger than before but not as big as it could have gotten! Robert Higgs, a pro-liberty writer, described Reagan's failure to reduce the size of government:

As a check, one can secure an organization chart of the Federal government for, say, 1979 and a corresponding chart for 1989. Comparing the two, can one see any evidence that the government's scope has been diminished? The Civil Aeronautics Board has disappeared, but the Department of Veterans Affairs has appeared. Bad test? Too simple? Then peruse the *Federal Register* for recent years to see whether the government has taken itself off someone's back.

But surely the vaunted tax cuts signify a blow against big government? No. There has been no tax cut, properly speaking. The best simple measure of the nation's tax rate is the proportion of the national product commanded by government spending. Total government expenditures for final goods and services (transfer payments are *not* included in this total) relative to gross national product averaged 29.9% for 1970-80 and 31.8% for 1980-88; the federal spending portion alone rose from 20.5% to 23.2% of GNP. No shrinking government here. Nor will any

51. www.jewishworldreview.com, Jan. 17, 2003.

shrinkage be found when one examines the mushrooming totals from federal direct loan obligation or guaranteed loan commitments.⁵²

Southerners should be twice as outraged by the inability of the Reagan Revolution to reduce the size and scope of the federal government. We had the supreme stroke of luck to have the required renewal of the 1965 Voting Rights Act during the Reagan administration. But once again, conservative fear of liberal press precluded any hope that Reagan would refuse to sign its renewal. So Mr. Conservative gleefully signed the renewal of the 1965 Voting Rights Act (which was based on the unconstitutional Fifteenth Amendment and other Reconstruction legislation). No doubt his advisors thought this would help “conservatives” in the black community, and after all, even if the renewal upsets a few Southern conservatives, what are these poor Southerners going to do about it? Where would they go? Even under the most “conservative” president in modern history, conservatism was a failure when measured against the test of restoring the original constitutional Republic of Republics.

1992—Read My Lips

The modern-day retreat of conservative ideology became a rout during Bush I’s administration. As most of us know, whether we will admit it or not, by this time conservative leaders had no ideology other than doing whatever was necessary to win office. Bush came to office with the firm promise not to increase taxes, yet when confronted by determined liberals armed with their socialist ideology, he caved. His choice was to reduce the size of government, always a good option, or risk the wrath of the liberal establishment, especially the media. A vicious media campaign would certainly harm his and other “conservative” elected officials’ chance of winning reelection. Once again, the neoconservatives were faced with a choice—principles or politics—and guess which one they chose! Added to this disgrace was Bush’s signing of the 1991 Civil Rights Bill, which he had previously characterized as a “quota bill.” We must remember that the conservative leadership failed in the twentieth century, not conservative individuals.

52. Robert Higgs, “Triumph of Liberty? Not in the U.S.A.” in *The Economics of Liberty*, ed. Llewellyn H. Rockwell (Auburn, Ala.: Ludwig von Mises Institute, 1990), 188-89.

**CENTRALIZED FEDERALIZED TYRANNY
—AND THE BEAT GOES ON**

It would be impractical to make an exhaustive list of the past and ongoing conservative failures. Below is a short list of some of the most notable ones. They all represent rights lost due to conservative failure to control an unconstitutional federal government.

| |
|--|
| Federal Supreme Court bans prayer and Bible from school |
| With <i>Roe v. Wade</i> , Federal Supreme Court denies sovereign state the right to establish when life begins |
| Unfunded federal mandates (another invisible federal tax) |
| Gun control—Brady I and II |
| Federal seizure of private property via wetlands legislation |
| Congress ignores illegal immigration |
| Anti-white reverse discrimination |
| Crime and the breakdown of law and order |
| Busing (yes, it's still going on) |
| Failure to establish merit-based voting qualifications |

The point is that for the past century, conservative ideas have been crushed by the onslaught of liberalism and socialism. At first it was slow to manifest itself, but in the last decade of the twentieth century it was a given that the government can do anything it decides to do in the name of public policy. Indeed, three years before the close of the century, the United States solicitor general was asked by a Supreme Court justice to name just one activity that he felt would fall outside of the government's constitutional authority. The solicitor general stood before the court dumbfounded—he was unable to think of anything his government could not do if it so desired!⁵³ In his world of practical politics, states' rights and a constitutionally limited federal government no longer existed. What better demonstration do we need of a century of conservative failure?

WHAT DOES THE FUTURE HOLD?

After 100 years of disappearing liberty, it is time to stop and take stock of the rights we have lost and the inability of current conservative leaders to defeat liberalism/socialism and restore the original

53. Kennedy and Kennedy, *Was Jefferson Davis Right?*, 279.

constitutionally limited system of federalism and states' rights. One would almost conclude that modern Americans do not want to live free in a constitutional Republic of Republics. One would be tempted to think that Americans no longer desire a land of low taxes and individual responsibility. But before we make that conclusion, we need to recall that, for over a century, no viable political party or conservative spokesman has had the vision or nerve to challenge the gains of liberalism and big government special-interest groups. I say that the day has come and *we the people* of the South are the people to lead that challenge!

QUESTIONS AND ANSWERS

Q. The Civil War is almost ancient history. Why do you attach so much importance to that war when most of our rights have been lost in recent history?

A. First of all, the Civil War was not a "civil war" any more than the American Revolution of 1776 was a "civil war." To be precise, this conflict was the War for Southern Independence. But you do raise a point here that needs to be explained.

Can our past affect us today? Definitely! It can and does! By waging an aggressive war against the people of the South, the federal government assumed dictatorial powers and compelled the Southern people to live under a government against our consent. The original Constitution, which was designed to limit the powers of government, was discarded in favor of political pragmatism. Those who controlled the government would no longer be held to a strict interpretation of the Constitution but would be able to use subterfuge and sophistry to read into it powers that the Sovereign States never intended to grant to the federal government. After the unfortunate conclusion of the war, no state (North or South) would be allowed to interpose its sovereign authority between an aggressive federal government and the people of that state. All the limitations of the Constitution, but especially those contained in the Ninth and Tenth amendments, became tokens of the past. Those who control the government would pay lip service to "states' rights" when it was politically convenient, but they would never allow the people of a state to stand in the way of federal expansion. If history has taught Southerners anything, it is that the federal union, originally designed to be a Republic of Republics, cannot exist without states' rights. A federal union held together by the moral persuasion of bloody bayonets becomes an empire controlled by the numerical majority to the detriment of the numerical minority. All of this arose

as a result of the victory of the Northern industrial, commercial, and political powers in the War for Southern Independence.

Q. You are very critical of conservative efforts during the twentieth century. But what about the fact that we elected Ronald Reagan, won the Cold War, and won back Congress?

A. My point of criticism is not that we have not won some interesting local or tactical victories. My point is that, despite many opportunities, conservatives have never met and defeated liberalism/socialism. We have never rolled back their victories. We have been an effective army at times, but our leaders have never figured out what to do with our victories. They have never followed up by pursuing the enemy and destroying his strong positions. Once our leaders get elected, their primary goal is to stay in office. Fear of losing the next election prevents them from doing what we elected them to do.

Yes, we won the Cold War. But while we were fighting the Cold War, what happened to our liberty/rights here at home? Would you prefer to pay the income-tax rate of 1946 (around the beginning of the Cold War) or what you have to pay today? Do you think you get more value for the money you are forced to hand over to the federal government than you could have purchased for yourself and your family had you been allowed to keep your income? Do you think that unconstitutional government intrusion is less today than it was at the beginning of the Cold War? Do you think that the men who died in World War I, World War II, Korea, Vietnam, and numerous other conflicts died so that the government could order busing and affirmative action, begin the campaign to enforce "gay" rights, federalize a limited definition of pornography, and on and on? Our very few conservative victories are overwhelmed by our leaders' failure to envision a strategic plan to destroy the liberal/socialist political system that has been foisted upon the people of the United States and to return us to a land of liberty.

It is easy to understand why our leaders react as they have for the past century. Conservatives have been playing the role assigned to them by the proponents of federal supremacy ever since 1865. As long as we play their game, by their rules and refereed by their agents, we will always end up losing the contest. The time has come for *we the people* of the Sovereign States to change the game!

Q. The powers that are arrayed against conservatives are so great that it seems unlikely that we could ever prevail against them. How could we win?

A. We are really in an enviable position when compared to many people who have won back their liberty in the past 100 years. Look at the Baltic States. They were compelled to join the Soviet Union. At one time there were as many Russians living in these states as there were native citizens. The cruel Soviet army occupied their countries. Yet, in our lifetime we have seen how these brave people used nonviolent methods to awaken first their own people and then the world to the cause of liberty for the Baltic States. The Baltic States seceded from the Soviet Union because their people looked to the future and not at the enormous enemy arrayed against them.

The people of Quebec were militarily forced into the Canadian union. For generations they suffered discrimination against their culture at the hands of the English majority. But even though they are outnumbered and with no friend in the community of nations willing to support them, they have used political strategy to force significant concessions from the majority. The mere threat of Quebec secession has been the primary tool expertly used to gain these victories.

Are *we the people* of the Sovereign States of the South and the rest of America less in talent or heart than these peoples? I think not! Both the possibility and probability of the establishment of a Liberty-Based Society are very good. All that is needed are the men and women who will look beyond temporary difficulties and begin the struggle for liberty.

Q. Can't we do this without an appeal to the right of secession? The very word makes me nervous.

A. If it makes you nervous, just imagine how nervous our enemies will be when they see a massive movement of Americans demanding that government restore to *we the people* our inherent right to judge the extent of federal powers. The ultimate check on any government is the right of *we the people* to withdraw our consent. For a more detailed discussion of secession as a tool to preserve and protect individual liberty, see Addendum XIII of this book.

Q. I like what you are saying, but how can it be done?

A. The explanation of how we can establish a Liberty-Based Society will be developed in the remainder of this book. The main point to remember is that we intend to use the South as the base from which to offer to all of the United States the opportunity to regain their lost rights and establish a Liberty-Based Society.