

Freedom and Cognitive Dysregulation: The Fantasy World of Postmodern Empire

Matthew Raphael Johnson
Johnstown, PA

Text of Remarks Presented at the Freedompalooza Festival
Quakerstown, PA
June 28-29 2019

The title of this essay comes from a May 2018 article by former Assistant Treasury Secretary Paul Craig Roberts. He is one of the most prescient writers on American political economy today. Like me, he's come to the conclusion that nothing the Average Educated American (AEA) believes is real. Media and academia, two of the most corrupt institutions in American life, have created a make believe world congenial to their interests but not very congenial to reality. This postmodern dystopia is historically unprecedented.

The US is a tyrannical, imperialist oligarchy. Her economy is so irrationally managed that it is soon headed for total collapse and very possibly, many won't notice. This collapse, using coded language, false statistics and media blackouts, might not immediately be perceived.

I use the term "Regime" as a synonym for "ruling class," somewhat similar to the "System." The Regime is an informal oligarchy based around elites in academia, journalism, government, military, multinational corporations, banks and a few politicians. They meet in informal organizations such as the Bilderberg or Bohemian Grove where few records are kept. Informal channels of power, called "soft power," means more than formal ones.

This festival has featured remarks from the Libertarian Party's candidate for governor. I'm not sure why. Libertarianism is the worst Postmodern cop-out imaginable. It refers to no standards. It has no ends other than some abstract "agency." It's based on 17th century British Renaissance materialist metaphysics and seems to have no idea how power actually functions in this era. Proof of this is his reference to "consenting adults" when referring to sexual acts, as if the sex drive is a choice. This is a media term used to "fill in" for a lack of any real understanding. Lockean nominalism cannot see anything but individuals, so he's equally unable to see how prostitution can destroy families and cheapen sex even more than it already has been (if possible). No prostitute wants to be a prostitute. No John wants to be a John. He wants a willing woman.

Worst of all, he seems to think that there's been a "war on drugs." We need to define the term "war." Back in the 1980s, the White House PR department came up with that term, its not a literal description of what's going on. There cannot be a war when every enemy soldier is given a lawyer, a case worker and a sympathetic press to support him. Its not a war, at least not in the normal definition of the term. He believes in drug legalization, but uses only the softest of drugs as his "thin edge." No one wants to throw pot smoking, Simpsons watchers in prison. That has never been the issue.

He stated "he'd amnesty all non-violent drug offenders immediately" in the unlikely event he was elected. So much for limited government. I'm not so sure our friend knows how checks and balances works. He'd have, as governor, no jurisdiction over judicial cases long completed. While a governor can pardon certain offenders in the interests of peace, a mass amnesty is not in the executive's portfolio. All such cases – such as with traffic tickets – have been done in unison

with the legislature. I do agree that non-violent offenders of any kind belong in prison. There are so many other more constructive penalties that can be used rather than “sit in a room and don't move.” I also want to point out to the would-be governor that Amsterdam is planning on re-criminalizing marijuana due to the gang violence it brings to the area. The same for prostitution. The “pimps” have created unions of “sex workers.” To believe that these women are anything but slaves is to be deluded. Prostitutes “protesting” in the streets is a pathetic sight: their slave drivers have placed signs in their hands, signs they usually cannot read themselves.

To decriminalize certain drugs does very little to fight the gang problems. Dealers don't have to obey the regulations the government dealers do. He spoke of the “lack of quality controls” in illicit drug sales. I suppose that's a strong endorsement for state enforcement of basic codes in the production of drugs. I wasn't expecting that, but regardless, dealers don't have to abide by any of it and usually undersell the state. Dealers are offering highly modified products to minors, for example. Drug gangs are multi-billion dollar institutions that have fought entire governments to a standstill. They won't just close up shop because the new governor of Pennsylvania makes them legal. They have more resources than he does. The candidate refused to mention whether or not he was speaking of heroin or cocaine too, or just “pot smokers watching the Simpsons.” It's only increased the gang problem in the city. Libertarians see in very simple, two-dimensional levels.

I'm also not certain why he wants the governor's chair. His agenda needs to be enacted at the legislative level. A governor cannot have an “agenda.” He's a policeman. While the line-item veto makes a lot of sense, the priorities of the legislature – for better or worse – have to be respected. He cannot rewrite legislation.

The naive view that the “human being” acts freely has long been destroyed by psychology and common sense. Free will is real, but very rare. Unless passions are brought under control, freedom is impossible. This is why the male sex drive, for example, and women's dress are such potent means of manipulation. Acting freely on an artificially induced sexual urge isn't “freedom,” but it is in the Postmodern world. The self is an immensely complex thing and using simple terms like “consenting adults” do an injustice to its difficulty. Consent is always a highly ambiguous term rarely granted without reservation.

In brief, Libertarianism, at least most of its strands, is the creed of the Postmodern slacker that has given up hope on standards. Believing that human freedom is served by permitting the free rein of the passions is an absurdity. Capitalism is based on the irrational: reaching consumers at their visceral levels, not their reason. Its true Libertarianism's naive faith in abstract reason is its greatest weakness, but it gets much deeper than that.

This ruling class says that the unemployment is about four percent and that, since 2009, there's been a “recovery” of the American economy. Yet, as Roberts points out, there's no increase in labor force participation rates. The unemployment rate is a fake number. Those who've not looked for work in the last four weeks aren't considered part of the labor force. The same for those who have given up finding work.

Discouraged workers, according to the Bureau of Labor Statistics (BLS), bring the unemployment rate to about nine percent, but this is still far too low. Former BLS employees who've quit and formed “Shadow Statistics” say its about 25 percent. Their method uses an employment to population ratio, energy consumption and freight activity to build their estimate. If the Regime says unemployment is low and these factors don't exist, then its a lie.

Even the BLS defines a “discouraged worker” as one who has given up for less than a

year. More than this and they're magically out of the labor force. The real unemployment and underemployment rate matches that of the Great Depression at its height, but Americans don't know this. Worse, they can't know this. The entire ideological system of the AEA, usually unreflective, would come crashing down. Very little is worth that.

Nearly 102 million Americans do not have a job, proving the unemployment figures false. Shadow Statistics report:

In 1994, the Bureau of Labor Statistics (BLS) overhauled its system for estimating unemployment, including changing survey questions and unemployment definitions. In the new system, measurement of the previously-defined discouraged workers disappeared. These were individuals who had given up looking for work, no longer looking for work, because there was no work to be had. These people, who considered themselves unemployed, had been counted in the old survey, irrespective of how long they had been “discouraged.” . . . The new survey questions and definitions had the effect of minimizing the impact on unemployment reporting for those workers about to be displaced by the just-implemented North American Free Trade Agreement (NAFTA). At the time, I had close ties with an old-line consumer polling company, whose substantial economic monthly surveys were compared and contrasted carefully with census-survey details. The new surveying changed the numbers, and what had been the discouraged-worker category soon became undercounted or effectively eliminated. Change or reword a survey question, and change definitions, you can affect the survey results meaningfully.

Polling data doesn't reflect the public, it drives it. The Regime simply cooks the books to hide its failure. Once NAFTA was signed by the outgoing Bush presidency, the System needed to revise what counts as “unemployed” so as to hide the destruction of the economy.

There's been no recovery since 2009 because the System understates the level of inflation. We know inflation is higher than reported because prices are rising rapidly. One of the best measures of inflation is called the Chapwood Index. The “Consumer Price Index” is normally used to measure inflation by comparing prices of popular goods bought by most Americans. Today, that “basket” includes over 80,000 items. The huge number of items averages out the high and low prices, leading to a misleading picture of low inflation. The Chapwood index has about 500 items commonly bought.

The CPI increase from 2008-2012 was just over ten percent total, but actual prices in most cities increased by ten percent just in 2012 and went up in 2013. Rather than deal with abstractions, the Chapwood Index actually buys a basket of necessary goods. Inflation by this method differs by city, but price rises are highest in new York, average 12 percent a year since 2014. The lowest was Phoenix at eight percent. From this, it is easy to show there's been a substantial decline in living standards, not a “recovery” in any sense.

Roberts writes in May of 2019:

We are having a propaganda barrage about the great Trump economy. We have been hearing about the great economy for a decade while the labor force participation rate declined, real family incomes stagnated, and debt burdens rose. The economy has been great only for large equity owners whose stock ownership

benefited from the trillions of dollars the Fed poured into financial markets and from buy-backs by corporations of their own stocks. I have pointed out for years that the jobs reports are fabrications and that the jobs that do exist are lowly paid domestic service jobs such as waitresses and bartenders and health care and social assistance. What has kept the American economy going is the expansion of consumer debt, not higher pay from higher productivity.

The Regime counts every penny “created” in the economy as “growth,” no matter how it was created. One way an economy can “grow” according to this model is by taking a factory offshore to sell the same product back to Americans as “imports.” This is a net loss to the country. Even the BLS itself admits the “jobs” created are part-time, seasonal or menial. In 2018, the civilian labor force declined by 500,000 at the same time the Regime was saying the economy was recovering and as immigrants continue to pour in. In 2018, 1.5 million living Americans dropped out of the labor force. All other economic indicators collapsed.

Roberts says elsewhere:

As the Federal Reserve’s low interest rate policy has not served ordinary Americans or spurred investment in new plant and equipment, who has it served? The answer is corporate executives and shareholders. As the liquidity supplied by the Federal Reserve has gone mainly into the prices of financial assets, it is the owners of these assets who have benefited from the Federal Reserve’s policy. Years ago Congress in its unwisdom capped the amount of executive pay that could be deducted as a business expense at one million dollars unless performance related. What “performance related” means is a rise in profits and share price. Corporate boards and executives achieved “performance” by reducing labor costs by moving jobs offshore and by using profits and borrowing in order to buy back the company’s shares, thus driving up the price.

Low interest rates, as everyone knows, serves holders of stock and harms the bond market. No one wants to buy debt at a low rate of interest. If there were any kind of real recovery, why would the prime rate be at three percent for so long? Its because it's not spurred any economic activity except stock buybacks. Stock buybacks are a bad signal. A company buys its own stock because there's nowhere else for this equity to go.

The average wealth for the poorest 50 of Americans has plummeted 28 percent since then, and average wealth for the poorest 40 percent is virtually zero. Whatever little they do own is wiped out by debt and inflation regardless. The median American household has less wealth in current dollars than it did 35 years ago. Even the Charles Schwab bank says 75 percent of Americans live paycheck to paycheck, that is, if they lost their job, they'd be over their heads almost immediately. Most importantly, 50 percent of wage earners had a net yearly compensation of less than \$30,500 in 2016. Given what Americans must buy to absorb present production, if it isn't put on a credit card, it will sit in inventory, so terms of credit must be very easy. Subprimes are now institutionalized. In 2019, credit cards are back to what they were in the 1990s. Banks haven't learned a thing. Credit card write-offs, that is, declarations that a debt is unrecoverable, have risen to the highest level in nearly eight years.

The United Way ALICE Project has shown that 43 percent of American households can't afford a monthly budget that includes housing, food, child care, health care, transportation and a

cell phone, even with more than one wage-earner. The Federal Reserve concurs, estimating that 42 percent of American adults are experiencing a “high likelihood of material hardship.”

With all this, *USA Today* says the “The Economy is Humming. So Why do Experts Foresee a Recession in 2020?” an article by Paul Davidson. Are the “experts” that foresee a recession the same that say the economy is “humming?” The first line of the article: “The skies of the U.S. economy are clear and sunny, but many analysts see storm clouds on the horizon.” He then cites the flawed official statistics mentioned above.

Then he cites a spokesman for Moody's “It’s just the time when it feels like all is going fabulously that we make mistakes, we overreact, we overborrow” This is Mark Zandi, the “chief economist” of Moody’s Analytics. He's actually arguing that things are so wonderful that, in our delirium, “we” make “mistakes.” “They” don't make mistakes, “we” do. He knows his bosses are gambling and might well lose, so “we overborrow.” This is considered “economics” in 2018. Yet, I thought economic actors are rational? The article goes on to suggest that the “explosion” of wages force prices up, as if wages are a burden to companies and, in “good times,” no less, they have to dig deeper to pay employees. So inflation goes up when workers get too much money. The truth is that companies have more money to spend in good times. Still, this doesn't have an effect on wages in 2019 and it hasn't had an effect since the 1970s.

According to economist Jesse Edgerton of JP Morgan Chase, “A recession fundamentally is an outbreak of pessimism that causes consumers and businesses to rein in spending.” So this is the consensus among elite bankers. In his mind, recessions aren't when his bosses act irrationally, its when consumers *think* they're behaving irrationally.

Most retailers are shutting down stores in huge numbers, something elite economics professors haven't noticed. J.C. Penney just announced that they will be closing another 24 stores with more to come. Worse, Victoria’s Secret has announced plans to close almost 100 stores (so I guess the “fat acceptance” campaign didn't have the dollars rolling in they expected).

Last year, the GAP announced its closing almost 230 stores over the next two years. Payless Shoes declared bankruptcy and is closing all of its 2,100 stores. American exports declined by about four billion dollars during the month of December, 2017. Ford Motors is laying off 10 percent of its white collar workers. American automakers in general now face a glut of over four million cars no one's buying. Loan delinquencies are rising.

Apple iPhone sales are falling at a “record pace.” CVS too will be closing 46 stores. Office Depot will be closing 50 locations. American retailers have announced more than 6,000 store closings so far in 2019, more than the total for 2018. Worst of all, even Walmart is “quietly” closing stores. The average American owes 500 percent of what he makes in salary, making them true proletarians. They own nothing.

Just in February of 2019, Gymboree is closing almost 1000 stores. Shopko over 250. Kmart is closing over 50 in a single month. Lowe's is closing 20 just in the first quarter alone. Its being called the “Retail Apocalypse.” Over a million Americans are living in RVs. Over half of all households with children in the US are receiving some form of welfare. Pending home sales in the United States have now fallen on a year over year basis for 13 months in a row. Japan and Germany are publishing numbers that put them in crisis mode.

The number of mortgage applications has fallen for four weeks in a row, with luxury homes crashing over the last two years. This suggests elites are not confident about the future. Manufacturing output was down one or two percent during the first quarter of this year. Between 1970 and 2000, manufacturing employment declined substantially. It should be noted that, from 1970 to the present, day 85 percent of all layoffs have been male workers according to the *New*

York Times in February of 2009. They cheered for this as a “victory for equality.” Economic statistics must be gendered. College educated women in their 20s are thriving like no other part of the economy while the rest suffer. The final collapse of the sector occurred in 2000.

Today, 10 million Americans are employed in manufacturing, though this includes textiles, food and printing. Real “manufacturing” is about half that. Overall, manufacturing lost five million jobs between January 2000 and December 2014 and they are replaced by a smaller number of poorly paying service jobs.

Another figure that proves there's no recover is inventory. Inventories rose 7.7 percent from 2017-2018 and continue their upward climb. Sales rose only about two percent. Retailers are sitting on almost \$700 billion of goods they can't move. The sales to inventory ratio is a sure measure of economic Depression. Another is freight cargo. Freight volume in the US across all sectors and all modes of transport fell over two percent, according to the Cass Freight Index. Federal Express is already laying off workers and acting as if a Depression is upon us. Taken together, these are guaranteed indicators of economic decline.

Americans' net financial worth is collapsing. Even when a major news outlet carries the story, it has no impact. As 2018 ended, American worth dropped to \$104.3 trillion, a huge decrease of \$4 trillion from the third quarter, according to the Fed, or over three percent. Almost all individual bankruptcies are caused either by divorce or medical bills. The American economy is disintegrating as it did in 2008. This disintegration is quite literal, since the American Road and Transportation Builders Association says that about 57,000 bridges in the United States are currently “structurally deficient.” Bloomberg says that “by 2025, that is, in six years, shortfalls in infrastructure investment will subtract as much as \$3.9 trillion from U.S. gross domestic product.”

The entire System is based on illusion, misdirection and misinformation. Michael Snyder writes:

All over America, large portions of our major cities are being transformed into stomach-churning cesspools of squalor. Thousands of tens cities are popping up from coast to coast as the homeless population explodes, even the *New York Times* admits that we are facing “the worst drug crisis in American history”, there were more than 28,000 official complaints about human feces in the streets of San Francisco last year alone, and millions of rats are currently overrunning the city of Los Angeles. And yet the authorities continue to insist that the economy is in good shape and that everything is going to be just fine.

The reason for the collapse is the offshoring of millions of good jobs. About half of imports come from American companies taking advantage of lower wages abroad. American cities have been gutted by these policies over the last 40 years. Even more than this, they're subsidized to move offshore through investment insurance from the Export-Import Bank. In 2017, Roberts wrote:

Now consider the external costs of offshoring the production of goods and services that US corporations, such as Apple and Nike, market to Americans. When production facilities in the US are closed and the jobs are moved to China, for example, the American workers lose their jobs, medical coverage, careers, pension provision, and often their self-respect when they are unable to find comparable

employment or any employment. Some fall behind in their mortgage and car payments and lose their homes and cars. The cities, states, and federal governments lose the tax base as personal income and sales taxes decline and as depressed housing and commercial real estate prices in the abandoned communities depress property taxes. Social security and Medicare funding is harmed as payroll tax deposits fall. State and local infrastructure declines. Possibly crime rises. Safety net needs rise, but expenditures are cut as tax revenues decline. Municipal and state workers find their pensions at risk. Education suffers. *All of these costs greatly exceed Apple's and Nike's profits from substituting cheaper foreign labor for American labor.* Contradicting the neoliberal claims, Apple's and Nike's prices do not drop despite the collapse in labor costs that the corporations experience.

In other words, unemployment and poverty have a multiplier effect rarely dealt with in policy. No one deals with the psychological ramifications of powerlessness on men especially. Losing a home isn't an economic statistic, it can destroy a man and often destroys a family. For the Regime, this is only a bonus. Jerry Mander wrote *The Capitalism Papers* (Counterpoint, 2012) as a corrective to the illusions of postmodern capitalism. William Domhoff of the University of California, Santa Cruz, put "the median annual compensation for a CEO is \$10.6 million for the companies listed in Standard and Poor's 500. The median worker's annual income is about \$36,000."

Capitalism and the state function together. The Troubled Asset Relief Program (TARP), or the infamous bank bailout, was the height of capitalist oppression. It was Neil Barofsky, the former TARP Inspector General and Elizabeth Warren, who chaired the committee at the time. Barofsky authored the whole bailout scheme. The average estimate of the bailout hovers between \$10 and 17 trillion, including all state agencies. TARP is actually an umbrella term for dozens of bailout packages few know about.

While the banks claim they have repaid this money, they forget the fact that they simply used taxpayer cash to gamble on international speculative markets. That profit goes to the taxpayer, not the bank. Even after their "repayments," the net outlay of the state to bail out the banks was over \$3 trillion. The rest, increasing to almost \$17 trillion, are federal guarantees of bailouts in the future (Chantrill, 2012).

As far as the banks go, their arrogance and the total absence of any market incentives makes the picture worse. The taxpayers, many of whom lost jobs and homes, now were forced to bail out banks through the Fed's purchase of bonds no one else wanted. He says,

Despite having received a TARP bailout of \$35 billion, JP Morgan Chase paid out \$8.7 billion in bonuses, including 626 bonuses of at least \$1 million. Merrill Lynch, which lost \$27 billion in 2008, accepted a TARP bailout of \$10 billion but still managed to pay 696 bonuses of at least \$1 million, and \$3.6 billion in bonuses overall. Bonuses for what? one might ask. Goldman Sachs paid out 953 bonuses of at least \$1 million, and six bonuses at \$10 million, while still accepting a 2009 government TARP bailout of \$10 billion. *The New York Times* (January 18, 2011) reported that some Goldman Sachs bonuses in 2008 were as high as \$150 million. This was at the same time the company was steering many of its clients into bankruptcy. And Citigroup, which lost \$27 billion in 2008, nonetheless paid

\$5.3 billion in bonuses that year, with 738 people getting more than \$1 million. Forty-four received more than \$5 million, while the “senior leadership committee” got \$126 million. “And Citigroup paid these bonuses even though it accepted support of \$45 billion from TARP.”

Putting it simply, the Regime forced Americans to bail out troubled banks who had just foreclosed on their homes. Billions went to bonuses for corrupt CFOs. Zero went to productive investment. No rebellion occurred, yet Shays Rebellion was caused by a small increase in taxes. In fact, not even that. The Springfield Armory was raided in Massachusetts in 1787 because the state government attempted to collect, not even increase, taxes. As men began to lose land and capital to tax collectors, even stepping foot on one's property often earned a bullet in the face. These men shut down the courts over the increased collection of back taxes. It was so severe that George Washington came out of retirement to fight it. And how did the governor finance the war against it? He went to the merchants of Boston and the coast. The fear of these men was so great that they all received either an amnesty or a pardon, including Shays himself.

From right where I'm writing in western Pennsylvania from 1791 to 1794, a small excise tax on whiskey led to the creation of a 500 man militia that attacked the fortified home of tax inspector John Neville. Yes, his home was fortified because he was a tax inspector. Other tax collectors were tarred and feathered, a form of torture where blisteringly hot tar tore off the skin. They were then forced to “ride the rail,” that is, to straddle a wooden plank and were paraded around town, covered in feathers. And what was the tax for? To pay off the war debt to wealthy Americans who were demanding immediate repayment. In 1802, Congress repealed all taxes on whiskey and *all other federal taxes on internal economic exchange*. Yet again, most of the 10,000 man militia raised to fight this tax was either set free or acquitted of all charges.

Fast forward to 2009, and the forcible extraction of taxes to pay off billionaires who just foreclosed on your house gets not so much as a yawn. Why? The term to describe it is aboulia, the general lethargy that comes from powerlessness. Aboulia is the lack of will that isn't mere laziness, but comes from a lack belief. There's nothing worth fighting for. Still, the AEA thinks markets run the economy. Even worse, that presidents control economic investment, as in the “Reagan recovery” or the “Clinton economy.” I can assure my readers that presidents have no control over the investment decisions of billionaires in the US.

The Cold War forced “conservatives” to accept capitalism, yet traditionally, conservatives were at war with capital as a leftist, revolutionary movement. Businessmen are leftists. Conservatives were correct, libertarians, in the economic sense, were wrong. Are private corporations more efficient? Its doubtful. This is because you have to factor in massive amounts of money for advertising, lobbying and profits. If the profit rate is 15 percent, that's 15 percent more than a state or non-profit entity would charge for the same service. Bureaucracies act identically whether they're state run or privately run. Advertising has nothing to do with teaching consumers about new products, and everything to do with manipulating what they think:

Over the last half century, the combination of television and astronomical advertising spending has effectively reshaped the consciousness of the United States and the entire planet: our self-image, the way we aspire to live, our habits, our thoughts, our references, desires, memories. Total U.S. advertising spending, which was only \$2 billion in 1940, grew to \$12 billion by 1960, then \$54 billion

in 1980. By 2010, even while recovering from the recession, the U.S. advertising industry was still spending well above \$150 billion, with by far the largest percentage of that going to television, says *Adweek*. This represented more than one-third of total global advertising spending, which by 2010 reached \$450 billion.

Advertising budgets are almost entirely wasteful. Pampers has the highest in the US at almost \$10 billion a year. Then Gillette at \$8 billion, Chevy at \$5 billion, Ford at \$4.3 and Coke at \$4 billion. Do these firms require advertising? Do you not know they exist? Everything that exists today economically comes from the decisions of private capital. How is this more efficient than state ownership? Who pays for this massive advertising budget and lobbying? Would this have to be paid in state owned firms? How is this “more efficient.” Are hollowed out states more efficient, or bought governments? Capital doesn't rule the state, it is the state.

When private owners perform the service or provide the product, doing privately what could have been done publicly, retaining all income above actual costs, what is finally revealed is the exact amount that the service is costing beyond what it actually needed to cost. That is the precise amount of wealth transfer—or let's call it subsidy—from the public to the corporation to get them to perform the service. Without such profits, they wouldn't do the service. So inefficiency—that is, unnecessary surplus cost—is a structural component of the corporate version of the identical service.

In the United States, less than 20 percent of all investment is directed to the actual production of goods and services whereas more than 80 percent is invested directly in financial products. The state cannot regulate these conglomerates. Its actually the other way around. A government that requires Wall Street to function at all, even making its military hardware, means that it, not the state, is the most powerful actor in society. At the time of the drafting of the Constitution, there was no such thing as a “conglomerate.” Most of the federal government is privatized regardless.

Because of this, corporations receive subsidies while avoiding almost all taxes. According to Allison Kilkeny, writing for the *Nation* (June 14, 2011), “The IRS estimates that individuals and corporations currently hold \$5 trillion in tax haven countries. Nearly two-thirds of corporations pay no taxes at all . . . and the great vampire squid, Goldman Sachs, negotiated [with the government] to lower its tax rate down to one percent.”

Negotiated? Goldman is so powerful that they can negotiate their own tax rate, which proves that they're more powerful than the state. This is the end result of this level of financial control. Its the politics of oligarchy. All the while, the population, almost entirely ignorant of economics, is misdirected to the state as the source of economic problems. Somehow, in the popular mind, the economy is the result of government policies. The exact reverse is true.

By now we know that General Electric, one of the biggest companies in the world, made \$14.2 billion in profits in 2010, of which \$5.1 billion came from the United States, reported the *New York Times* (March 25, 2011), but paid no taxes at all. Neither did Bank of America, though both companies paid plenty of bonuses. The CEO of GE during this period was Jeffrey Immelt, who later became

Obama's chief of staff. Kilkenny reports that 115 companies among the S&P 500 paid less than 20 percent in taxes. Thirty-seven companies in the S&P, including Citigroup and AIG, paid less in taxes than they gained in government tax credits, effectively transferring wealth from the middle class to the rich. . . . "Over the last five years, Exxon paid federal taxes at 3.6%. . . . Chevron was a little better at 5.6%, Marathon paid 12%, ConocoPhillips 17%." Nonetheless, says Buchheit, "They use American research infrastructure and national security to make record profits. ExxonMobil, BP, Shell, Chevron, and ConocoPhillips realized a combined 42% increase in profits in the first quarter of 2011. Together, the five biggest oil companies made almost \$1 trillion in profits over the past decade." They are also the leading campaign donors among corporations.

This isn't a perversion of capitalism, it *is* capitalism. This cannot be stopped because the very structure of liberal democracy gives these organized interests the ability to control those who are supposed to stop them. The state doesn't have the resources, the legal right, the will or the power to "regulate" these firms. The US government exists only because these firms lend them money and support their agenda abroad. When the Chinese are accused of "stealing" the intellectual property of Apple, the US government treats it as an act of war. So Apple takes its investment out of the US, pays little in taxes, but demands the Seventh Fleet to enforce its demands on its competitors.

Elite investments too might be losing value. Today, says the IMF, risky investments have just been moved off the books. They are at "disturbing proportions" once again. The post-2007 regulations, as this writer predicted, will have no meaning since the financial community itself wrote these regulations. All these firms now do is just not record the risky investment. It shifts these funds to places where domestic regulators have no jurisdiction. It's "shadow banking" and it lies at the heart of finance in general.

The most ominous sign was Jacob Rothschild's systematically dumping American stocks starting in 2016. This has nothing to do with his economic self-interest, since this dynasty's wealth is beyond quantification. He could lose billions without noticing. Like most elites, his public actions are signals designed to be read only by those who know the language. The world's chief banker stated that the stock he was dumping – almost all American – carried too much risk for his taste.

Now, risk, profit and loss are meaningless terms for the family that owns most of the world's central banks. These are symbolic words, signaling global elites that the formerly stable dollar is no longer to be trusted. His frantic attempt to buy up the remaining gold in the world was a signal for war against Russia, given Putin's large increase in gold purchases.

To say the US economy was too risky for his personal taste, Rothschild signaled that the US was in danger of losing its "linchpin" role in the global order. Gold is an insult to a hegemonic power like the US since it serves as a hedge against it. Why buy gold if you have the dollar? The world's most powerful man gave a tentative answer to that question.

Rothschild stated that "The period of monetary accommodation may well be coming to an end." This means that bailing out banks is no longer a viable option as the liquidity is not present. The stripping of 2007-2008 took the pension funds and most of the equity in real estate. The downward pressure on the dollar is getting worse as China and Russia have largely removed it from its transactions.

Therefore, as the US stock market traded feverishly, the world's dominant banking

dynasty – the family that controls most of the globe's currency – is removing itself from this same market. The proper response would have been panic had it not been for the refusal of the press to bother to notice this shift in policy. What happens in the meantime? What is the economic expectation in such an environment? It comes down to asset stripping. Roberts writes:

International trade theory concludes that countries can service huge debts simply by lowering domestic wages in order to pay creditors. This is the policy currently being applied to Greece today, and it has been the basis of the IMF's structural adjustment or austerity programs imposed on debtor countries, essentially a form of looting that turns over national resources to foreign lenders (Roberts, 2016).

If a country is deeply in debt, low wages might be used as part of an austerity regime designed to make exploitation easier. A weak state is an absolute, non-negotiable requirement for capital. The weaker the state, the more power capital has. It is always a zero-sum game.

Americans are hopelessly in debt. Private sector debt is just as large as the federal government's. Most Americans don't know the difference between the debt and the deficit, so public discussion is impossible. About 37 million credit card accounts are “seriously delinquent.” There are no “financial markets” just like there are no “oil markets.” Markets cannot exist in an oligarchy since the whole purpose of an oligarchy is to destroy them. Five or ten giant firms operating worldwide isn't a market, by Adam Smith's own definition.

Warfare and propaganda are the only two arrows in the Regime's quiver. Lashing out at governments that are successful and never threatened the US, but reject liberalism, become the catharsis for a failed Postmodern empire. The former Secretary of State Hillary Clinton laughs and exclaims, “We came, we saw, he died!” speaking of Qaddafi, a man who never threatened the US for a moment. Qaddafi's policies were bring Libya to the cusp of first world status. Oil money was given back to the population. As the ruling class becomes more and more isolated from the common run of the population, as it takes refuge in in-group ideology and tighter censorship restrictions, expect more lashing out.

The Colonel was a social nationalist. If any Libyan wanted to start a farm they were given a house, farm land and live stock and seeds all free of charge. When a Libyan woman gave birth she was given \$5000 for herself and the child. All electricity was free. Gas was about five cents a gallon. Before Qaddafi, about a quarter of the population was literate, but by 2014, this was brought to 90 percent as the Colonel built dozens of universities, all free of charge. Libya had its own state bank which was forbidden to charge interest by law. The country had no debt. Just before his sordid murder, Qaddafi was about to introduce the African gold Dinar as a regional reserve currency and his own North African bank.

What does this mean? It means the nation is essential to any recovery, as is the state. Capitalism and free trade were creations of the state. In the 19th century it was the state that laid the foundation for the country's canals, established a merchant fleet and subsidized the rail system. Oligarchs took land from peasants for nothing, calling them backwards. Liberalism and “progress” are code words for oligarchy.

Paul Craig Roberts has written a fitting description of the problem:

There has been a redistribution of power in the U.S. from government to private. The US now resembles an oligarchy of private interests. The most powerful ones

are Wall Street, AIPAC, the military/security complex, the oil industry, agribusiness, insurance and pharmaceuticals. These private interests control economic and foreign policy, write the legislation that Congress passes and the President signs, and have achieved the monopolization of the US economy by large-scale commercial organizations. As far as I can tell, traditional conservatives scarcely exist in the US today. They have been eliminated by the neoconservatives, essentially militarists committed to US world hegemony.

“State” and “capital” are now the same. This is the essence of late free trade and advanced capitalism. The mythic world of small producers and fully informed buyers – which is Smith's “perfect competition” – has no relation to Postmodern economics. Consumers know nothing and the state is a tool of capital. Most state functions are privatized. The Constitution was written at a time where mass media empires and global, industrial conglomerates were inconceivable. Power simply doesn't operate the same as it did in 1790. Corporations are “fictitious citizens” meaning that, despite their overwhelming power, they are not only unconstrained by the Constitution (as the deplatforming issue proves), but are protected by it.

When the power in a society is private, the “Constitution” is irrelevant, since it only governs federal actions. Yet, the federal apparatus too is mostly private. Having secured fictitious personhood, capital's totalitarian control over the western world is protected by the state and globalist entities such as NATO or the WTO created by these same elites. The fraud of free trade comes down to the fact that governments and international bodies are privatized entities. There is no public sector.

This idea is still foreign to most Americans, journalists and academics who still see capital and state as separate realms. The fiction of a “public state” is the primary smoke screen the ruling class uses to control the population. A bad economy isn't blamed on the Fed or the major banks who are responsible, but the federal government, or worse, the Presidency, who isn't. Tyranny in the west is not from the state, but from capital. This is why it goes unnoticed. It's the origin of fantasy-land.

There is one enemy of a global ruling class that has cosmopolitan materialism as its goal; nationalism. Nationalism is the sole fear of capitalist governments and they have said so time and again. The 2016 World Economic Forum meeting in Davos, Switzerland made anti-nationalism its sole purpose. All politicians were required to ritualistically give an anti-nationalist speech and provide reasons why liberal capitalism is not the cause of Europe's present problems.

Emmanuel Macron, who won the French presidency amidst accusations of vote tampering to avoid a nationalist victory, said at Davos, “If we aren't able to agree a standard of international cooperation, we will never convince the middle class, the working class that globalization is good for them.” This is a strange and cryptic utterance. It is Machiavellian in that the “middle class” needs to be manipulated into continuing to accept capitalist rule.

Never knowing when a population will finally have enough – like Romania in 1989 – the Regime has imported its militia from the third world. This unofficial militia exists so as to protect those few profiting from the present system. Matthew Goodwin, political scientist at the University of Kent, said that Europe's political systems “have never before been so unstable, with record levels of vote-switching and a loss of support for the mainstream.” If nationalism regains political traction at the street level, this “migrant horde” will be mobilized against it. In Charlottesville in 2017, we put 2500 men in the street. Many of our people manhandled the

scrawny Antifa brought in by the mayor to keep us out. Seeing out giant numbers, they panicked, and began a mass wave of arrests and harassment that continues to this day. Using the fake story about a car that allegedly rammed into a fat girl, it's spun the tightly controlled narrative that if nationalists take power, then more fat girls will suffer.

The mass censorship of the right, deplatforming even mainstream conservative sites and social media accounts, systematically removing dissidents from their jobs and all manner of terrorism isn't from the state, since this would be too obvious. Rather, it comes from private capital, from tech companies and legal firms. Its humorous to see communists defending the sacral rights of property when big money serves their interests. Constitutional issues don't matter since that document was written long before this phenomenon. As my friend Jason Augustus has stated many times, the Section 230 of the Communications Decency Act of 1996 says that “No provider or user of an interactive computer service shall be treated as the publisher or speaker of any information provided by another information content provider” (47 U.S.C. § 230).

Users are separated from the content of what they publish. This means that tech firms are not responsible for what these ideas might do, but in return, they cannot remove these legally. This clearly references any online service that publishes third-party content. This doesn't protect actual criminal acts, but it means that the massive censorship of right wing thought is blatantly against the law.

Not for a moment do I demand “protection” for what I say on First Amendment grounds, though this is what that Amendment was meant to protect, not pornography or gangsta rap. Rather, I demand recognition because it is factually and logically correct and on that basis alone. “Freedom of speech” exists only to the extent that this freedom helps us gain the truth. Otherwise, what good does it do? However, this implies that most people care about the truth, can separate self-interest from the truth and know how to properly analyze complex arguments. Since none of this holds for most Americans in fantasy-land, First Amendment arguments are legal niceties only. It is not the reason why we do what we do. Its not the reason so many of us have sacrificed everything.

Paul Topete would be a major name in music today if he towed the line. I'd be a tenured professor somewhere, or maybe even a professional musician. Willis Carto would have been a multi-millionaire publisher. Edgar Steele would be a rich lawyer in Idaho. E. Michael Jones would be a tenured professor at St. Mary's. Michael Hoffman would be with the Associated Press. William Pierce would have been a famed physicist. Ted Gunderson would have been permitted to retire from the FBI in peace, but none of this happened.

Had society been healthy, this is what they'd be doing, but it isn't. Because we saw the truth in a world based on deception. Our western societies are healthy and the deception an anomaly, the present power structure is systematically corrupt. You cannot be successful and be a decent man. It's no longer possible. Once we peeked behind the curtain, we were forced to act. We refused to hide, use pseudonyms or ran from exposure. This cost us everything: families, fame, fortune, social respect, employment and status. Yet we have something that the upper middle class, pseudo-intellectual Americans in fantasy-land will never have: self respect and integrity. We're still here. The Regime has not broken us, they're not all powerful and they make lots of stupid mistakes, especially when they're losing the world over. Hundreds of our activists languish in jail hundreds more are going broke fighting civil suits. Media reports don't even have a semblance of truth.

Wherever nationalist policies have been consistently enacted, from South Korea to Russia Libya to Syria to Iran to Belarus to Germany to Spain to Argentina, they have succeeded, often in

a very brief time. This is because these policies are based on the shared traditions and religion (from which all traditions derive) as the foundation, not the mythic “individual” or “corporate citizen.” The court journalist will sneer at the nation, call it a “myth,” but has no problem accepting the “international community” or the “sovereign individual” as real. By himself, the individual is literally nothing, a powerless cipher. A nation, a community, on the other hand, can be very powerful, and cohesion, not numbers, is what counts.