

THE FREEDOM APP

Building True Freedom
Through Contractual Republics

SAMPLE



PETE SISCO

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Pete Sisco

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Chapters One to Four of Fifteen

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Gratitude

Firstly, I wish to express my deepest gratitude to my mentor, the late Professor Andrew J. Galambos, from whom I learned the definitions and core concepts in this book. The first electronic edition of this book was released on what would have been his eighty-ninth birthday.

I also thank my wife, Connie, whose relentless encouragement and support brought this book to the marketplace faster than it otherwise would have been.

Finally, I want to thank the readers who took a chance to invest their valuable time and money to read about an idea that might have sounded preposterous at first blush.

I especially extend my gratitude and respect to those readers who elect to participate in building Freedom.

Introduction

This book is written to introduce you to a powerful idea that has the ability to change the course of humanity. It is only possible because humankind has progressed over thousands of years to a point where this idea is now practical. Most of the knowledge and technology enabling this idea has been created in the last 400 years. The last few decades of innovation have put us on the cusp of something that is tantalizingly close to our grasp.

The “idea” is global human Freedom and world peace.

Freedom, as defined in this book, is achievable not by voting for the right politicians in the right countries but by common individuals organized into groups that facilitate Freedom. True Freedom does not operate on a majority doctrine. It must simultaneously accommodate the full spectrum of the human pursuit of happiness. Every Christian, Muslim, Jew, Atheist, Communist, Capitalist, Hedonist and Iconoclast must be free to conduct his life as he sees fit. As implausible as it may seem, we have this Freedom within our reach right now.

Unfortunately, we are also very close to destroying our chances of achieving this Freedom. Many people are becoming increasingly aware that we live in a society where the rules of the game are slanted against the regular guy. From the worker to the professional to the businessman who is having his quality of life reduced by the State and its allies who find ways to take more from the common man than they offer in return.

In recent years personal rights have been trampled in favor of big government power. Around the world people are seeing a decrease in their standard of living and quality of their life. Personal and public debt are reaching stratospheric levels that defy repayment. Coercion is used to settle matters between countries and, increasingly, to keep unsatisfied citizens from changing the system. In most Western countries young people today know they cannot expect the quality of life their parents had. Does anyone honestly believe this is the best system humankind can achieve?

There is a way to remedy all of this, and more. Perhaps the best news is that it does not require the participation of senators, congressmen, members of parliament or dictators. It only requires the participation of good people who already live their lives without trying to harm others. That is, it only requires the ninety-eight percent of us who are already decent people to adopt the concepts in this book. Permission need not be sought from anyone or any State.

Humankind has tried thousands of years of coercive, political administration of people and property and it has resulted in virtually perpetual wars and the legal confiscation of every individual's property by taxation.

There is another way to organize a society and that is what this book is about. I ask perhaps the most difficult thing to ask of another person – to consider changing what you believe. The future of humanity rests on the ability of enough people to do

exactly that. The world can be changed and the destiny of humankind can be altered onto a path of global human Freedom and world peace.

Every time I visit an international airport and see the bustle of activity on the runways, I smile at the thought of two men on a North Carolina sandhill in 1903 who finally flew for twelve seconds. Massive change is possible from humble beginnings. It starts with people who can visualize a better way forward.

It is my hope that you, fellow Freedom seeker, are one of those people.

Respectfully,

Pete Sisco

“If you want to converse with me, first define your terms.” Voltaire

Chapter One: Let Us Define Our Terms

Definitions

Freedom. Everyone loves it. Everyone is in favor of it.

Every South American dictator with death squads has claimed he was fighting for the Freedom of his people and their country. Every Communist despot who has starved or shot millions of people to death was doing it for Freedom. Every US president who has dropped tons of high explosives on Southeast Asia or the Middle East was fighting for Freedom. Every State in the world proclaims it is on the side of Freedom for its people. A State never declares it is in favor of enslaving its own people and as many foreigners as possible.

With every State on the planet working toward Freedom, why are there always dozens of wars being fought simultaneously? Why must people have half or more of their lifetime production involuntarily surrendered to the State through taxation?

Is all that really necessary in the service of Freedom?

This book has the immodest aim of completely changing your views on some of the most closely held beliefs in our society. I ask you to consider refining your outlook on Freedom, Capitalism and the role of the State and how you define them. While virtually everyone supports the concept of human

Freedom and, at the very least, pays it lip service, this book will show you that Freedom has never existed in all of recorded human history, and nor will it until certain basic technologies enable Freedom to operate universally.

Could I be any more arrogant and preposterous than to expect these few thousand words will change deeply-held beliefs and thus alter the course of humanity?

Nevertheless, I proceed.

Freedom can never be created or even fostered by dropping planeloads of high explosives on people and buildings or by shooting people one at a time any more than a light bulb can be invented by destroying all candles and oil lamps. One State can defeat another State by force, but that can never create Freedom.

In the Western world we are told from the time we can learn that we are blessed to live in Freedom. We are reminded on every national holiday and in nearly every political speech how fortunate we are to have so many freedoms and to live in a country that is the envy of the world. Many countries claim that they are the best place to live on earth and constantly tell their citizens how fortunate they are. They'll also say that their military fights only for Freedom and that higher taxes are the only way we can ensure our Freedoms are maintained.

Ask a politician or citizen to define Freedom and he or she will likely mention freedoms relating to voicing your opinion,

choosing your religion and being able to marry whomever you chose. (Depending where you live at this time in history.) Those are not definitions of Freedom; at best they are manifestations of it.

To have a serious discussion clear definitions are indispensable. The following definitions are not in wide use, to say the least. They are, however, operational definitions with enormous utility, as you will see.

Throughout this book the following words are defined in this way:

Freedom: The societal condition that exists when every individual has one hundred percent control of his own property.

Property: An individual's life and all non-procreative derivatives of his life.

Capitalism: That societal structure whose mechanism is capable of protecting all forms of property completely.

State: Any person or organization that claims to protect property by coercing the owner of that property.

Each time Freedom, Capitalism and State are used in this book they will be capitalized to differentiate these definitions from the common definitions (or lack of) used in contemporary discussions.

Freedom

“The societal condition that exists when every individual has one hundred percent control of his own property.”

Much can be seen in the value of this definition by considering what conditions are excluded. By this definition a person is not living in Freedom if he or she must:

- Pay taxes to a State under threat of penalty or prison
- Ask permission from a State to leave (e.g. hold a passport or exit visa)
- Have the consent of the majority to practice birth control
- Pay financial debts created by other people in previous generations

When an individual's property is taken without consent he or she is not living in Freedom, irrespective of who takes the property and for what purpose. So whether a tribal chief, pharaoh, king, dictator, governor, prime minister or president decrees that some percentage of an individual's property is rightfully not his or her own, the victim is not a free man or free woman living in a free society by the definition used in this book.

To be clear, if you, the person reading this, must pay income, property, excise or other taxes under the threat of being put in prison then you do not live in Freedom as defined here.

Moreover, by this definition, if one segment of the population has one hundred percent control of its property, but the remainder

does not, it is not a free society. Thus it can be seen by anyone with even a passing familiarity with recorded history that the societal condition of one hundred percent of the people having one hundred percent control of their own property has never existed at any known time or place. There are no people on earth currently living in the condition of Freedom as defined in this book.

However, such Freedom is possible. In fact, we are tantalizingly close to achieving it.

Property

“An individual’s life and all non-procreative derivatives of his life.”

There are some important distinctions in this definition. First, every individual owns her own life and body. Nobody else owns even a tiny fraction of it. Not even if many people hold a vote and decide, by the mystical power held in majority opinions, that they suddenly own her body.

This definition is logically consistent with how humans are constructed. Humans are biologically autonomous. One man’s failing kidneys are not magically assisted by standing with a group of people with functioning kidneys. A starving woman is not helped by other people eating food. A majority of beating hearts does not revive another individual’s stopped heart. Each individual owns his own life and body. A human whose life is owned, even partially, by someone else is living in a condition of slavery.

This book is not about a slavery app, it's about a Freedom app. It's about a way to escape human slavery in all of its forms and achieve global human Freedom.

The definition of Freedom stipulates that every individual has control of his Property and, therefore, over his life and all non-procreative derivatives of his life. Why specify "non-procreative"? Because children, who are obviously procreated, are not slaves either. They are not owned as Property.

The non-procreative derivatives are the things an individual discovers, builds and innovates using his body and mind. When a man builds a boat from his own labor, knowledge and materials, he owns that boat. When he writes a song, he owns the song. When he innovates a new industrial process for manufacturing a polymer, he owns that process. If other people helped him they own a portion of the Property created. An individual's non-procreative Property is the physical Property and intellectual Property he generates with his life.

A society that is free acknowledges that every man owns his life and what he produces with his life.

Capitalism

"That societal structure whose mechanism is capable of protecting all forms of property completely."

Capitalism has existed for centuries and in that time the word itself has been corrupted and abused in many ways. In some people's mind, Capitalism is a system of cheating the little guy in favor of the wealthy, or a system to curry favor with political

power to gain advantages. Examples abound of abuses committed under the corrupted banner of Capitalism.

This book uses a different and distinct definition of Capitalism. A social system can only be called Capitalism if it protects all forms of property completely. If one person is coerced, if his agreement is breached, if he is defrauded, then the social system is not Capitalism. Capitalism, as defined here, can only result in mutual, agreed-upon benefit to all parties.

Importantly, we learn from the definition of property that every individual owns the (non-procreative) derivatives of his life. That makes every individual a capitalist with something to sell in a marketplace. It gives everyone the ability to be the “capital” and not just the “labor” in the marketplace. Money is well known as capital, but labor and intellectual property are also forms of capital and, by these definitions, all individuals have property to be offered in the capitalist marketplace.

True Capitalism can never provide a corrupted advantage to one party who is supported by powers of coercion.

In a condition of Freedom, operating under Capitalism, every individual has property to offer into a marketplace that protects his property completely.

State

“Any person or organization that claims to protect property by coercing the owner of that property.”

By this definition, a State cannot exist in a free society because it relies upon and exclusively uses coercion rather than mutual agreement. It breaches the condition of “one hundred percent control of his own property” established in the definition of Freedom. A State does not have customers, it has victims. It usurps property by force under threat of harm.

It can be conceded that some States are worse than others. At this time it is better to live in Paris than in Pyongyang. In 1940 it was better to live in Wellington than in Warsaw. All are States run by coercive means but some are more coercive than others. None, however, meets the definition of Freedom.

It must also be conceded that if the entire apparatus of federal, state and local “government” in a large country, for example the United States of America, was to disappear overnight a very unwelcome condition would manifest itself. The sudden absence of any organized control would surely deteriorate into widespread crime and violence. In some cities it would only take hours to do so. So, while a State does not meet the definition of Freedom and therefore cannot ever provide the condition of Freedom, it is not desirable to see the State suddenly disappear without something in its place that works better, not that it is likely anyway.

What is required is to build the technology of Freedom as quickly as possible so the marketplace of individuals can move from a coercive social system to a non-coercive social system. Thus the State is gradually diminished and supplanted by a more durable, peaceful and humane system that does not rely upon the coercion of individuals for its operation.

Fortunately every technological tool to build Freedom is at hand right now. These tools can be used to foster the interconnectivity of individuals and to create the companies and products designed to protect property completely. These superior, peaceful and voluntary products and methods of property protection will gradually but effectively replace the State mechanism of violence and confiscation as a pathway to Freedom.

Of course, being a truly free society, those wishing to continue living under a system of State control will be able to do so, provided they all agree to be coerced by their “leaders” and that the coercion is confined to those who agreed to have it done to them. A free man has the right to choose to be a slave. It is the hope of this book that most of us will eventually choose Freedom if, at long last, we have the choice.

Freedom As Absolute Freedom

The above definitions interconnect in a way that requires Freedom to be measurable and absolute. A person who is ninety percent free — having only ten percent of his property taken from him involuntarily — is not free. True Freedom in a society demands one hundred percent control over one’s property for one hundred percent of people. This is measurable and therefore a goal to be single-mindedly sought.

Of course, if one murder occurred five years in the past, then over a five-year period it could be said the condition of Freedom was not achieved. Measured over a four-year period it might have been achieved.

Coercion can be quantified and that is a valuable tool in measuring Freedom. By analogy, coercion in a society is similar to a contaminant in drinking water being measured in parts per million. Even water with zero parts per million of contamination might still contain a few parts per billion.

When a State usurps a large fraction of every working person's production by coercion, and then adds to the burden by borrowing more money in the name of the victims and their posterity, the amount of coercive contamination approaches equality with the amount of production. Stated another way, societies we are told are "Free" approach 500,000 parts per million of coercion. When drinking water is approaching half poison it's time to look for a new well.

Most people have no trouble understanding a woman who is forcibly raped "only" five percent of the time is not living in a condition that anyone would call Freedom. Many have more difficulty understanding that a man who has "only" five percent of his annual income forcibly taken from him by a State is also not living in a condition of Freedom. But coercion is coercion and it can be measured accurately.

Freedom, as defined, cannot be achieved through coercion. It can only be achieved through mutual agreement by all parties concerned. To achieve the condition of global human Freedom, all people must interact by contract instead of by coercion. They must live in a social system that supplants all forms of coercive property interference with voluntary mutual agreements.

Agreements are contracts. Free people must live in a Contractual Republic.

“No one pretends that democracy is perfect or all-wise. Indeed it has been said that democracy is the worst form of government except for all those other forms that have been tried from time to time.”

Winston Churchill

Chapter Two: Democracy Is The Best Of The Worst

Tribalism, Monarchism, Theocracy, Communism, Fascism, Democracy

Around 10,000 years ago Neolithic humans began to change from predominantly nomadic hunting and gathering societies to settling in one place and developing both agriculture and the domestication of animals. Such an arrangement supported larger populations and likely gave rise to the earliest forms of loosely organized government.

A hunter/gatherer could, if he chose, live on his own or with his immediate family as he worked to satisfy every aspect of his survival. He found his own water, food, tools and shelter. He provided his own protection from the natural threats around him. He did not need to live in a society of any size larger than his immediate clan, and even that was not essential.

In a more sophisticated society of planting and harvesting and the domestication of animals, the division of labor became an efficient adaptation. In that circumstance individuals required mutual cooperation in order to survive. The man who plowed all day did not have time to fetch water or make clothes or raise animals. In these societies interpersonal agreements and social

rules would have needed to evolve. Some rules are required. Who makes them?

The first rulers were some variation of a tribal chief. The tribal chief was the guy who could outwit or overpower the others in his tribe and therefore establish himself as the rule maker for everyone. Do what the chief says or he and his allies will kill you or run you out of the safety and security of the tribe.

As time went on populations grew and human knowledge increased. More complex forms of governing were developed. The concept of the tribal chief was elevated to a monarch who usually claimed to be chosen by the prevailing deity. The King ruled over everyone because that's what the Creator of the Universe said he wanted. Do what the King says or he and his allies will kill you, imprison you, or run you out of the safety and security of the kingdom.

As religions formalized around written texts, some leaders claimed to be in direct communication with the local Creator of the Universe and declared their Divine Right to make the rules. Pharaohs, Prophets and Popes decreed laws that dictated the terms and conditions that individuals were compelled to obey. Do what the Pharaoh, Prophet or Pope says or he and his allies will kill you, imprison you, or run you out of the safety and security of the country.

The Ancient Greeks gave us the first concepts of democracy: rule by the people. Not by all the people, of course. Certainly not by the slaves the Greek aristocrats owned while philosophizing

about the merits of democracy. Likewise for the Founding Fathers of the United States who created a republic of the people, for the people and by the people — as long as the people owned land and weren't women or originally from Africa or born in America as Native Americans.

In a representative democracy citizens have a vote as to who will rule. They elect representatives and those representatives have a chosen leader. The winner with the most votes for either himself or his party will become the President or Prime Minister and has the right to sign the laws. Do what the President or Prime Minister says or he and his allies will kill you or imprison you. To be fair, outside of the United States, most democracies won't kill you anymore. The US is a recent example of a special case where the President has given himself authority to kill you by military drone or otherwise without any legal due process whatsoever. His authority, we are informed, applies to all people on earth regardless of citizenship or domicile. That certainly tortures the word democracy but that is not the only thing US agents torture these days.

In recent centuries formal systems of Communism and Fascism have been instituted to rule over billions of people. Usually citizens are told that all power resides in The People and that the Chairman, Fuhrer or President is acting for the best interests of The People. In either system rules are made that favor the State and its maintenance of absolute power over every individual. And again all must do what the Chairman, Führer or President says or he and his allies will kill or imprison you.

The central point here is that using the definition of Freedom in the Chapter One, *"The societal condition that exists when every individual has one hundred percent control of his own property"*, it can be seen that of Tribalism, Monarchism, Theocracy, Communism, Fascism and Democracy none meets the definition of Freedom.

Yes, some systems are much worse than others — nobody would prefer a 1940s Führer over a 1990s Australian Prime Minister. However, in every known example of social organization there is always a phalanx of chiefs, presidents, ministers, governors, premiers, mayors, city councillors, congressmen, lords, senators, borough councillors, imams, members of parliament, kings, princes and uncountable bureaucrats who control the property of others by decree and without explicit mutual consent of any kind. Moreover, compliance by individuals is always mandatory if they want to avoid prison and the guns that keep them there.

As the single greatest killer of the twentieth century, Chairman Mao Zedong, said in Chapter Five of his *Little Red Book*, *"Every Communist must grasp the truth: Political power grows out of the barrel of a gun."* True words spoken by a man with his finger in the trigger.

Absurdly Slow And Inherently Inefficient

Representative democracies are absurdly slow reaching any decision other than increasing taxes or usurping individual rights, which can often be decided late at night and with

immediate effect. Projects such as building new airports or power plants can take decades of political wrangling and horse trading to reach a decision. Citizens wanting relief from laws limiting who they can marry — for example, a member of another race or a member of the same gender — can struggle for decades to get permission from the people who control those aspects of their lives.

Likewise for citizens wanting to ingest alcohol or other mood altering drugs into their own bodies. In the United States it took thirteen years to repeal the Eighteenth Amendment banning the consumption of alcohol. In most Muslim-governed countries it's still illegal and subject to harsh punishment. Similarly, millions of Americans are in prison or have been in prison for taking certain other mood altering drugs. Changing these conditions in a State system will take many years and millions of dollars paid to the campaigns of politicians and aspiring politicians. This is grossly inefficient financially, to say nothing of being immoral.

As technology rapidly accelerates, the contrast with ossified political law-making comes into bold relief. Does anyone expect to have a government agency quickly restore damage to her financial records from identity theft? Or to quickly and effectively thwart fraud and theft done by persons on the other side of the planet? If it takes years to enact the simplest laws, how can representative democracies cope with an accelerating change of pace that can generate entirely new industries every year?

The nature of democracies is to offer hundreds of millions of people only two, three or ten choices as to who represents their

views on hundreds of issues for several years at a time. So the individual who, for example, feels strongly about ensuring the rights of marriage equality, must therefore vote for a candidate or party that also wants to bomb a foreign country, increase income taxes, hire more State workers at taxpayer expense, impede trade with other nations, sell cluster bombs to a Middle East dictator, expand the practice of eminent domain (compulsory purchase), militarize local police departments, restrict access of foreign airlines, and on and on. Make your vote — endorse all the above or lose marriage equality — take it or leave it.

There is no granularity in the selection of representatives and it approaches a mathematical impossibility to be represented by a person who reflects all of one's political and philosophical positions. Representative democracy is, by definition, a crude and increasingly antiquated approximation of the will of individuals and, given current technology, there is no compelling reason to continue its use if something superior can be innovated.

The Moral Hazard Of Costs Borne By Innocents

States and their allies benefit from operations and programs financed by taking money from productive people who do not directly benefit in proportion to their loss. Beneficiaries of State operations and programs benefit disproportionately to their contributions. People on welfare vote for more welfare funding. People in the military vote for more military spending. Lobby groups ensure their interests have disproportional influence by

contributing to and often corrupting the politicians making these decisions.

Although this is commonplace, it does not bear close scrutiny as a model for moral, non-coercive behavior in a free society. The foundation of our society rests on what is known in economic theory as a 'moral hazard'. This is the circumstance where a party will take a risk or undertake an action because the costs incurred are not paid by the party taking that action.

By way of example, in April of 2012 a man was arrested in a Florida McDonald's restaurant for not paying for a one dollar cup of soda. Management called police who responded and arrested the man. In this case what would normally be a misdemeanor offense was elevated to a felony on the grounds that the man had committed other petty thefts in the recent past. The felony carried the possibility of five years in prison and a fine.

Suppose the thief was tried by an irritable judge who gave him, say, three years in prison. The cost of the police dispatcher, the uniformed officers who performed the arrest, the officers who processed the thief into jail, his lawyer, the prosecuting lawyer, the court clerks, bailiffs, judge's assistants, the judge, the prison guards, generous retirement pensions for all of the above, all of the thief's legal appeals, and three years' worth of food, supervision and health care would all be paid by the individual taxpayers of Florida. Not by the McDonald's franchise that had one dollar's worth of soda stolen from it. (No doubt, with an incremental cost of perhaps ten cents.)

So, for the sake of a ten cent financial loss to the McDonald's franchise, the taxpayers of Florida might have had to pay hundreds of thousands of dollars in expenses. Why? Why is McDonald's security problem Joe Taxpayer's financial problem? Every hamburger restaurant has many categories of expense. They pay for inventory, wages, rent, electricity and much more. Why do their security costs have to be paid by innocent citizens? And how can a system that can trigger thousands of dollars of expense for a ten cent theft be called rational, never mind efficient? Putting that expense on innocents is plainly immoral.

The United States military is often used for similar purposes and with the same moral hazard. About eighty years ago the United Fruit Company was operating in Guatemala. The company made an inexpensive and lucrative deal with the dictator du jour and acquired land and certain exclusive rights to operate its business, including ownership of 42% of the arable land in the country. Over time new governments and popular opinion began to turn against the United Fruit Company and the deal it had made.

Under the circumstances the United Fruit Company could have negotiated with the new government, spent money on a public relations campaign to persuade Guatemalan citizens of the merits of leaving things as they were and so on. The company ultimately chose a different path. Many current and former executives of United Fruit were part of or had friends who were part of the Eisenhower administration. They used their influence to have the Central Intelligence Agency orchestrate a coup that

would precipitate a change in the government. CIA planes and personnel and US military aid, equipment and training were provided to the Guatemalan army and, after dropping some bombs, a new government friendly to United Fruit was soon installed and United Fruit could carry on its business.

Of course, the American taxpayer had to surrender millions of hard earned dollars in order for the United Fruit Company to solve its little problem of local dissatisfaction. There is also the matter of the resulting civil war which resulted in the deaths of more than 100,000 Guatemalans, but that also was not a cost to the United Fruit Company.

This is a moral hazard. The costs of McDonald's and the United Fruit Company's problems are paid for by someone else. So why would they care what it costs?

This arrangement continues unabated today. Whenever a politician talks about "American interests" or "British interests" it often means that millions and even billions of taxpayer dollars are going to be spent to protect the operation of an oil company or other multinational company that has found its foreign income in danger of disruption, thus making the company's problem the taxpayers' burden. The oil business, in particular, finds itself in these situations because they go into some of the most politically unstable parts of the world to extract resources. Deals are made with dictators and local warlords and these arrangements are inherently fragile. Rather than provide their own security at their own expense, they opt to have their home country's military intervene on behalf of the company. Many

believe this is the principal reason dozens of US military bases exist in the Middle East and sub-Saharan Africa. The annual cost of those bases is astronomical — to taxpayers — but not to the companies they protect by force or threat of force.

At the risk of laboring this point, the same phenomenon of moral hazard rests in every individual who wants other taxpayers to pay for his or her personal expenses. Sub-prime government loans for houses and education, outright government grants for education, unemployment benefits for the chronically unemployed, food stamps, government housing, day care, grants and sub-prime loans to individuals starting businesses, and thousands more examples.

Irresponsible or self-indulgent behavior will always increase in an environment where someone else has to pay the financial price. The largesse isn't only going to bankers who receive million dollar bonuses the same year their faltering bank needs billions in taxpayer bailouts. When a college student graduates fifty thousand dollars in debt with a degree in basket weaving, he isn't even aware that taxpayers likely contributed another fifty thousand in state and federal funds to offset the cost to the student.

The foundation of our present social system is predicated on making other people pay each other's expenses. This is a very low technology, especially in light of how exacting the rules of mathematics are and how we have the technological ability to account for fractions of a penny and billions of transactions per

minute. This reckless moral hazard can be avoided. It is a moral imperative that it is avoided.

Citizens Surrender Roughly Half Their Lifetime Production

In a society where there are taxpayers and tax consumers the equilibrium gradually shifts toward favoring the tax consumers. As Alexander Fraser Tytler said, "A democracy cannot exist as a permanent form of government. It can only exist until the majority discovers it can vote itself largesse out of the public treasury."

Certainly the twentieth and early twenty-first centuries have seen steady increases in taxes to individuals living in democracies. We are now at the point where politicians can, without blushing, declare that tax brackets of fifty-five, sixty-five and seventy-five percent are fair and just. Even a person who finds himself in the "low" bracket of, say, twenty-five percent of his income being involuntarily taken by the taxman finds that the amount he has left is subject to further sales tax, fuel tax, property tax, council tax, value added tax, goods and services tax, telecommunications tax, road tolls, license fees, vehicle registration fees and many more.

Let us not forget that when "soak the rich" taxes are levied against, for example, an oil company, that company has only one place to get the extra money: from the man filling his tank at the pump. Taxes levied against companies are always collected in the end from the customers of that company. The last guy to

touch that hamburger pays all of the taxes it incurred along the way. That last guy is probably you.

Most people don't stop to think that the taxes that come off their paycheck are only the beginning of the taxes they pay. By the time they have bought groceries, fuel, rent, clothes, entertainment, insurance and medicine, it's fair to say about half of their production has been usurped — involuntarily — by taxes at multiple levels of government. Of course, that's rarely enough so the State borrows more money in your name with the legal promise that you will pay it back in the future whether you agreed to or not. They also print more fiat money and thereby rob your total net worth proportionately.

After two thousand years of democracy that began in Ancient Greece, we still have a social technology that burdens the citizen with confiscation of half of his lifetime production and that forces him to pay for the largesse, irresponsibility, recklessness and fraud of people unknown to him. For this great cost the individual is represented by a system that can take decades to respond to issues that affect him directly and that can never reflect the totality of his personal beliefs and priorities. Perhaps worst of all, the individual cannot opt out of this arrangement and is compelled to participate under pain of lengthy imprisonment enforced by men with guns.

Two thousand years of virtually stagnant social technology leaves us no better off than an Ancient Athenian citizen and perhaps not far removed from one of his slaves. In the same amount of time we've developed technologies to analyze sub

atomic particles smashed together in super colliders, perform microscopic corrective surgery on a human fetus, visit the depths of the ocean and peer toward the origin of the universe itself. Social technology alone has stagnated at a point where individuals are still subservient to overlords who control our property by coercive means.

This does not need to remain our condition. We can build something much better.

A Slave In 1813 vs 2013

It can sound reckless and overstated to use the word slavery to describe the condition of a citizen of a modern democracy. Take the situation of an African slave living in the United States in the year 1813. That slave had an owner who would put him to work at some hard labor, perhaps plowing a cotton field. The slave worked for all of the daylight hours and did not receive any income for his labor.

However, it would not be correct to say he received absolutely nothing for his labor. To keep a slave alive he had to at least be provided food and water at regular intervals. And even the dimmest slave owner would have realized a slave exposed to the elements twenty-four hours a day would be more likely to get sick and die or at least be unable to work at peak output. So the African slave in America in 1813 would have been provided a basic shelter to keep most of the rain and wind off of him, similar to that of a horse or cow. As meager as the food and accommodations were, they would have a value equal to some

percentage of the slave's work output. For argument's sake, we might say that the slave owner provided ten percent of the slave's work value in the form of food and shelter. Another way to say it would be that the slave owner kept ninety percent of the value of the slave's labor.

Irrespective of the exact amounts, would anyone argue that the African slave was actually not a slave because he received some compensation from his owner? If the master was so benevolent as to return half of the slave's labor value in the form of bountiful meals and a softer bed, would the African have ceased being a slave? Of course not.

The central issue is that the African did not agree, by voluntary consent, to the arrangement. He also was not free to leave the arrangement and go find better prospects in a wider marketplace. Everything done to him was completely legal; it just wasn't moral because it was done through coercion. The State made it legal. Coercion made it immoral.

Moving forward two centuries we could look at any American laborer and see that no matter what kind of work he does or how many hours he works, he never receives one hundred percent of his pay. His local, state and federal governments take a portion of every dollar he makes. The total percentage taken from him varies according to where he lives, how much he earns, whether he's married, and several other factors. So where the African slave had ninety percent of his labor's value confiscated the modern American has perhaps fifty percent of his confiscated.

The American cannot opt out of this arrangement. Like the African, he was born into this bondage and there is no legal way to escape from it without great expense. (Even Americans who emigrate from their home country are still legally required to pay US taxes. US Citizens remain the property and the financial asset of the US government for their entire lives and even after their death if they die with nominal assets.)

The African slave in 1813 and the American citizen in 2013 share the common circumstances of living with a legal obligation to perpetually surrender a portion of their production to either a slave-owner or a State and cannot be released from this condition. Their voluntary consent is not necessary to either the slave-owner or to the State.

One substantial distinction is that the African slave knew good and well he was a slave to a master who controlled almost every aspect of his life, while the modern American is constantly told he is among the freest people in the world. He is told he is Free by the State that controls virtually every aspect of his life.

Crucially, he is never given a measurable definition of Freedom.

“We have it in our power to begin the world over again.” Thomas Paine

Chapter Three: Thomas Paine And Halfway To Freedom

Physiocrats, Smith, Locke, Paine, America, Contractual Republics

Like other technologies, human Freedom has gradually progressed over many years. Perhaps for hundreds of thousands of years the guy with the biggest club or the most violent clan could dictate his terms to others. Incremental improvements were made in Ancient Egypt, China and Babylon thousands of years ago. Then the Ancient Greeks made an important improvement in the form of democracy which gave some individuals nominal say in the disposition of their own property.

Individual Freedom received a very important boost in the eighteenth century from the French Physiocrats who postulated that the wealth of an economy should not be measured by the wealth of the King or State but rather by the output of the people working in that country, in particular the people working in the dominant industry of agriculture.

The Physiocrats advanced the idea that individuals will work harder for their own interests than they will for another's interests, and that every individual can judge his best interests better than anyone else. They promoted the concept of laissez

faire where the State would not interfere in commerce which would therefore naturally flourish because all parties benefited from free exchange. To protect individuals and their agricultural commerce, the Physiocrats said it was necessary to protect private property. They also identified the role of capital in investing in land and in paying workers during the interim before that land became profitable. The work of the Physiocrats represented a more sophisticated understanding of both labor and capital and its importance to the total wealth of a society.

Soon Adam Smith expanded the premise of the Physiocrats to recognize not only agricultural industry and property but all forms of industry. He further elaborated that the individual working for his own self-interest caused not only a natural equilibrium between supply and price and would thus husband his resources optimally, but also acted to improve the wealth of the entire society as if guided by an invisible hand to which he was oblivious.

John Locke added that all people were independent and equal and had the inherent right to protect themselves. In his *Second Treatise of Government*, Locke wrote, "The state of nature has a law of nature to govern it, which obliges every one: and reason, which is that law, teaches all mankind, who will but consult it, that being all equal and independent, no one ought to harm another in his life, health, liberty, or possessions." He further concluded that men gathered into civil societies as a practical means of mutual protection.

The Physiocrats, Adam Smith and John Locke had a significant influence on the economic beliefs of a small number of very influential people most commonly known as the Founding Fathers of the United States of America. These men enshrined the concepts of the primacy of the individual, the separation of government powers, the rights of property and liberty to all equally and the efficacy of trade and commerce left unimpeded into the founding documents of their new country.

These intellectual developments are all steps toward recognizing that every individual has inalienable rights no person or organization can morally usurp and that an individual's property is his own, just as his life is his own. Arriving at this simple conclusion seems to have taken humankind many thousands of years. Even today parts of the world struggle to recognize the universality of these principles and subvert the rights of women or religious minorities or ethnic groups or homosexuals and others.

We Don't Need A King

Thomas Paine, author of *Common Sense*, delegitimized monarchy in his famous pamphlet and moved the masses of the American colonies to seek, not reconciliation with the English King, but total independence from England and the throne. He also advanced the idea that any man possessed of common sense could make his own judgements on political issues and should be permitted to vote, irrespective of whether he was a land owner.

Said Paine, “In England a king hath little more to do than to make war and give away places; which in plain terms, is to impoverish the nation and set it together by the ears. A pretty business indeed for a man to be allowed eight hundred thousand sterling a year for, and worshipped into the bargain! Of more worth is one honest man to society and in the sight of God, than all the crowned ruffians that ever lived.”

Paine went on to suggest each of the thirteen colonies elect at least thirty delegates to form a Congress, and that this body elect a president. Even a progressive thinker like John Locke favored a constitutional monarchy that somewhat limited the monarch but left it in place. Thomas Paine, however, persuasively argued the colonies did not need a King and could instead perform all of the necessary political duties and functions by their own means and on their own authority. In short, Paine made the case that we don't need a King.

Although these ideas were highly radical — and grounds for execution — they seized the minds of Americans and have influenced the American character ever since.

The veracity of Thomas Paine's hypothesis that a society could provide its own protection and become fruitful without the divine regal providence of a King was well proven in the first two centuries of American independence. The massive industrial production and innovation generated, which made the nation by far the wealthiest and most scientifically advanced country in the history of the world, demonstrated in the clearest empirical terms that Americans did not need a King.

Neither, in fact, does any other society.

We Don't Need A State In The Same Way We Didn't Need A King

At the time Thomas Paine was telling people they didn't need a King it must have seemed inconceivable. The King was not only the unquestioned head of State, he was also imbued with the aura of being chosen by God as the legitimate ruler over his subjects. His wealth was unfathomable to the average person and his army and navy made him virtually invincible. Rule by monarch had operated for centuries and every success of the State was credited to the King. Every failure was the result of treachery, disloyalty or unworthy subjects. The King was above open criticism.

Telling millions of colonists they had been mistaken all of their lives to put their loyalty and faith in a King to protect and ensure their best interests seems like a difficult argument to make, to say the least. It was certainly treason, punishable by death, and therefore tainted with the reek of criminality. For several millennia of known history men always had a leader, an authority figure who unilaterally dictated the terms of everyone's life.

How difficult would it have been for American colonists to embrace the idea that not only did they not need a King but that the monarchy itself was a villain in human affairs? On top of the potential disloyalty many were conditioned to feel, they were asked by Paine to further embrace the belief they could make their own laws and regulations on nothing more profound than

their own authority. Yet Paine's arguments carried the day because they appealed to the innate common sense that an individual should not be under the control of anyone other than himself. Bolstered by the giants who argued a similar case before Paine's pamphlet, the idea of the sanctity of the individual persuaded enough people to organize themselves into a social system outside the realm of England and monarchy. That was a giant step for humanity.

Yet as successful as the American experiment is, it has gradually evolved into a system of rule that one could argue is more oppressive than the minuscule taxes and regulation imposed by King George III. Contemporary America operates on taxes, tariffs, laws and regulations that control every scrap of property of every citizen, even when he permanently leaves his country of birth and lives, works and keeps his money elsewhere. Perhaps even King George III would have blushed at such a suggestion, given the minuscule Stamp Tax he tried to impose on the colony.

The cost of running the American State, in lieu of a monarchy, approaches and perhaps exceeds half of the lifetime production of every citizen. Six months of each year every American toils to make his mandatory payments to the State and now owes hundreds of thousands of dollars the State has borrowed or promised. All the while he is repeatedly told how "Free" he is.

So here is another seemingly difficult idea to embrace: we don't need a State in the same way and for the same reasons we didn't need a King. Every individual, by his own authority over

his property, actions and ideas, can act in concert with every other individual to protect all forms of property from coercive attack.

After all, the protection of property is the alleged purpose of the State. The problem is that the State's only means of protecting property is to attack everyone's property. A ten year old could identify that contradiction — if he weren't educated in a State system that makes sure he's kept oblivious to reason and logic when it comes to social matters.

Coercive control over another's property is morally wrong whether that coercion comes from a Pharaoh, a thug, a King or a State. Having fifty-one percent of the population sanction the coercion at a ballot box does not change the immorality of coercing the other forty-nine percent.

The function of every Contractual Republic (and there will be thousands of them) is to protect the physical and intellectual property of every member of that Republic. This is achieved through the decentralization of power in a way that, eventually, precludes the concentration of any coercive power over individuals. Contractual Republics do not employ logical inconsistencies in their operation. They are created to protect all forms of property and they are able to perform their function without attacking the property of anyone inside or outside of the Republic.

Moreover, how people choose to live inside of their Republic is up to them and their contractual agreements. As long as they do

not use coercion they are not only free to operate by their own rules among themselves, but they are also free to trade with all other Republics that choose to trade with them.

An individual that uses coercion is at risk of being excluded from trading in his Republic. A Republic that uses coercion is at risk of being excluded from trading with other Republics. This is the choke point of all coercion.

“Contract and coercion are mutually exclusive concepts.” Andrew
J. Galambos

Chapter Four: How Contractual Republics Work

One Rule: No Coercion

Contractual Republics will exist in many forms (as discussed in Chapter Eight). However, all of them will operate on at least one common principle: all individuals participating in that Contractual Republic agree to interact with each other by mutual agreement. On one hand, this is a concept that is very familiar to all of us. We visit a store where the merchant asks a price for what he is selling, and if we agree on that price we pay and make an exchange. That is a contractual transaction. If we shoplift it is not contractual, it is coercion. Very few of us shoplift. Many of us already go through our lives without ever overtly infringing on the property of another without consent. For many of us the transition to living in Contractual Republics would be seamless.

On the other hand, politics doth make thieves of us all. The non-contractual seizure of an individual's property has been codified into our social system in the form of politically created laws. A majority vote to take, for example, twenty percent of any gain made from one man's investment and use that money to pay for another man's college tuition is all that is required to make it moral in most people's eyes. Nations have differing legal requisites such as whether a law is ratified by certain bodies, or conflicts with a constitution, or reaches a certain threshold of

majority, but the principle is always the same — property is taken without the direct consent of owners.

There is always a gun at the end of the chain of legal events. A new law is passed and individuals are required to surrender property. Refusal or evasion results in legal action. If an individual ignores or does not acknowledge the authority of the law, he soon comes face to face with police with guns who will take him by force to appear in a courtroom. After he is duly convicted of breaking the law he can be fined (more physical property taken) or sent to a prison (intellectual property taken). He cannot escape from prison as other men with guns will shoot him for trying.

In a Contractual Republic there are no “laws” as we know them today. Zero. There are only voluntary agreements between individuals, organizations, companies and whatever combination of parties wish to enter into mutual agreements. All of the agreements, irrespective of whatever other terms and conditions they specify, always stipulate one overarching rule: the parties to the agreement will not use or support the use of coercion. Coercion is defined as an attempted, intentional interference with property. That is, coercion is the non-contractual control of someone else’s property.

In a Contractual Republic, it is not considered whether something is legal or illegal, only whether it is contractual or non-contractual between the parties involved.

The Universal Imperative

Contractual Republics are not technocracies or otherwise reliant upon high technology to function. Although today's computerization and networking of society makes the task orders of magnitude easier and more efficacious, they are not indispensable.

In principle, the basic concepts and mechanics of Contractual Republics could have existed and operated successfully centuries ago. Reality dictates that all humans must act to maintain their lives. At an absolute minimum every person needs food, water and shelter in order to continue living. In the modern world none of us can provide these for ourselves. Truly, none of us.

Romantic images of a rustic mountain man hunting and living off the land and needing no one are, in reality, impossible from a practical standpoint. Leaving aside the issue of whose property he is living on, he is using a rifle he did not design or manufacture. That rifle is made with steel he did not smelt and iron he did not mine. The boots he wears are made with leather from cattle he did not raise and the synthetic soles come from petroleum he did not refine. Even the most fiercely independent among us must come into contact with other people and trade something of value we create, whether physical property or intellectual property, for something of value other people create. This is literally what keeps us alive.

This was true ten thousand years ago and it will be true ten thousand years from now. In every era, at least as far back as Homo sapiens' history stretches, there has been one imperative: the need to trade one thing for another in order to create a perceived benefit for both parties.

Co-operation is the nature and fundamental purpose of every social system. One member guards the cave from intruders, another leaves to gather some materials for bedding. One tends the fire, another gathers something to eat. One man trades his extra knife for another man's extra cooking pot. Every day, in every corner of the world, irrespective of religion or education or technological sophistication, many billions of transactions transpire between individuals who trade their time, effort, intellect or wealth for something someone else is willing to exchange.

This universal human need and desire to continue living and to better our circumstances is the indispensable condition of Contractual Republics. We must interact with each other in order to stay alive. If every interaction is contractual, and therefore non-coercive, then every individual will be in one hundred percent control of his property. In such a circumstance true Freedom would exist and crime and war would not exist.

These are the stakes inherent in the elimination of coercion: the total abolition of war and an asymptotic approach toward the elimination of crime.

This condition of true Freedom and non-coercion can exist, even in a world where no two individuals are the same or have the same beliefs, aspirations or values. In fact, any social system that does not respect those various, and often opposing, conditions is doomed to eventual failure.

Without a social system of universal property protection, humankind is destined to live in war and crime as it has since the beginning. Time might well be running out. The danger today is that we no longer kill each other with stones and bullets. We have the technology to destroy the species very quickly through biological and nuclear methods. These technologies used by the current social system that is based upon coercion as its means of operation is a dangerous situation, to say the least. Some would argue that the routine use of coercion by States, coupled with advancing weapon technology, means almost certain extinction or massive regression for the human species.

The Contractual Republic is a peaceful social technology to preserve the species indefinitely in an environment that maximizes human happiness and productivity.

A Comprehensive Property Protection Mechanism

A Contractual Republic is a marketplace of a few or of millions, where individuals can interact under mutually agreed terms. The republic and the institutions inside the republic all function to protect individuals from force or fraud from the other members of that republic.

Just as no individual can function in life without the benefit of other individuals, so too can no Contractual Republic function without the benefit of other Contractual Republics. Just like the lone mountain man, as large, powerful and seemingly independent as one republic might be, if it can make its own jet engines it probably cannot mine its own titanium or refine its own jet fuel or grow the full variety of foods that its members desire. Every Contractual Republic will need to interact with many others.

It is the interaction between Contractual Republics that creates a massive, comprehensive property protection mechanism. The non-use of coercion, via force or fraud, is the one and only contractual commitment that is always common to every Contractual Republic. Therefore a member of any republic is protected from coercion by any member of any republic. This is a fantastically powerful technology with unprecedented utility.

A network of Contractual Republics is an inherently peaceful and productive social system. It allows every individual to be in contractual control of his or her property at all times and provides ready restitution in the event of a breach of terms by an individual, group of individuals, company or any other entity inside of any of the republics.

No Public Property

Within a Contractual Republic there is no vague concept of public property. All property, physical and intellectual, has an owner or owners. The definition of Freedom is the condition that

exists when every individual has one hundred percent control of his own property. If someone's property is spontaneously declared public property it defies the definition of Freedom. The same is true for forcing individuals to pay for property they do not truly own and cannot control or sell in any way.

Most of the things we associate with the term public property — parks, libraries, monuments, beaches, wildlife areas, etc. — would be provided by and owned by individuals in a similar way that millions of shareholders can own a single, large corporation. Of course, those wanting to support a park, library, monument, beach or wildlife area are free to pay to use such property and likely able to invest in it as an owner.

In addition to making Freedom logically possible, having no so-called public property also eliminates the moral hazard of a coercive authority unilaterally declaring all individuals bear the costs of property they might not wish to support. Such declarations are always accompanied by the involuntary seizure of money from individuals in the form of mandatory taxes, fees, tariffs, duties, levies, capitations, assessments or other euphemistic terms for organized, involuntary, coercive theft of property.

No Moral Hazard, Taxes, Et Al

Contractual Republics supplant coercive State mechanisms with non-coercive, voluntary mechanisms. The benefits of this are far-reaching and very broad in scope, but on the most basic level they avoid the immoral pitfalls of every known social

system in use globally (e.g. Tribalism, Monarchism, Theocracy, Democracy, etc.).

In a Contractual Republic there is no moral hazard created by allowing people to plunder others for their own gain. A company cannot persuade a State to spend billions of involuntary taxpayer dollars for the benefit of the company. A moocher cannot trade his political vote for benefits paid for by a coerced third party. There is no State to facilitate the coercion and no taxes to be collected or spent. Of course, an individual (or a company for that matter) could ask a charity to help him under whatever terms he and the charity can agree upon. Charities in Contractual Republics are, by definition, funded by voluntary contributions from compassionate people.

Likewise, the arbitrary assertion that property can be declared public and therefore the financial liability of a coerced third party would also not be possible. Financial obligations are only entered into in voluntary and explicitly contractual ways. Therefore, the single largest expense of most individuals and families — taxation — no longer exists in a Contractual Republic. Contemporary services provided, or allegedly provided, by the State are offered by entities that need to persuade customers of the benefits of voluntarily paying for those services.

Since all human interaction in a Contractual Republic is transacted through specific contracts, there is no need to invoke universal laws that affect everyone. Instead, the granularity of interaction extends all the way down to specific individuals under

specific conditions. Through her specific contractual interactions, an individual can assert her particular beliefs, aspirations and values to ensure she is not only acting morally but also in accord with her precise social, business and personal priorities. These preferences are mostly executed at the speed of machine computation and never done coercively against any other party. This condition is always a mathematical impossibility in current democracies and a logical impossibility when using coercion.

I hope this sample resonated with you.

The other chapters of *The Freedom App* include:

- **Chapter Five: Capitalism Redefined**
- **Chapter Six: Rational Contracts**
- **Chapter Seven: Rational Justice Mechanism**
- **Chapter Eight: Multiple Contractual Republics**
- **Chapter Nine: Rational Boycott**
- **Chapter Ten: Contractual Estates**
- **Chapter Eleven: Supplanting Coercive And Unjust State Mechanisms**
- **Chapter Twelve: The Freedom App**
- **Chapter Thirteen: Giving Up The Coercion Habit**
- **Chapter Fourteen: Life In The Contractual Republic**
- **Chapter Fifteen: A Chapter To You Personally**



You can purchase *The Freedom App* [at this link](#).