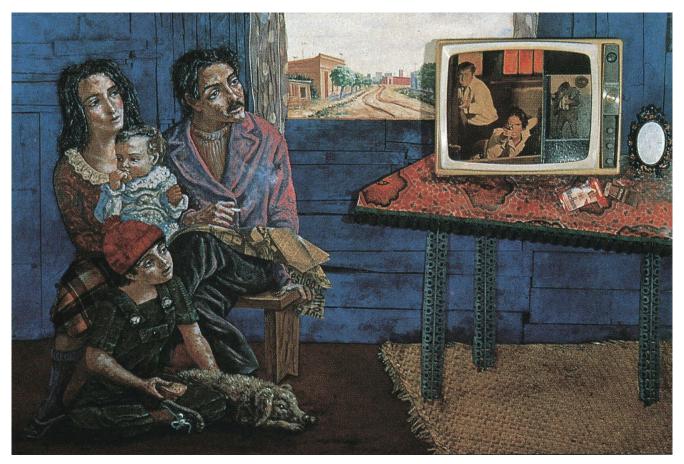
## Watching the Revolution From Your Recliner

## Instead of Going to War, Are You Willing to Just Break a Few Laws?

by <arl Nelson (December 2024)</a>



Juanito Laguna's Family Watching Television (Antonio Berni, 1977)

This is the third, and final installment in a series of exploratory essays regarding our current political situation (Part One: "On Persuasion, Crowds, Christianity, and Our Farcical Politics" and Part Two: "The Sovereign Individual"), and then these final thoughts presented here

as the survivors of our present conundrum look up (hopefully) to enter the Promised Land.

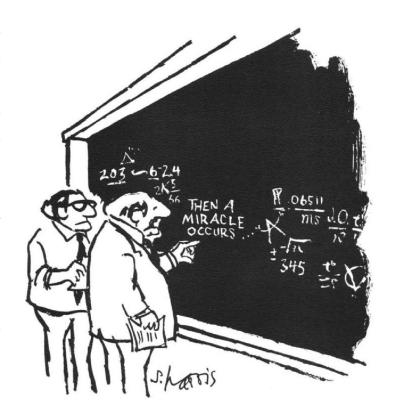
According to "The Sovereign Individual," separatist movements will be fueled by the urge to avoid the federal debt, and may begin by jurisdictions abolishing the payment of federal tax.

"Consider, for example, the growth of medieval towns that served as safe havens for serfs escaping feudal subjugations. Their role may prove analogous to the role of new jurisdictions in accommodating the coming exit from nation-states." —The Sovereign Individual, Pg. 243

As our increasingly indebted government thrashes about for more revenue to stave off the inevitable default on its obligations, while increasingly spending its actual revenues on benefits most taxpaying citizens can't use, don't want, or actually abhor, such as sex change services, support of illegal immigrants, green energy boondoggles, foreign wars, upside down educational institutional goals etc., they will siphon off the saved wealth of its productive citizens in an increasingly confiscatory manner. An example would be Kamala Harris's proposal-which would seem the last word in such schemes—to tax unrealized gains, which would suck away the private citizenry's savings right down to the bottom of the glass—and then take the glass. As my brother said once about the debt industries who circle the indebted like buzzards: "They don't just bankrupt you—they gut and clean you first." In effect, as government deficit spending drives inflation onwards and upwards, taxes on unrealized gains are a way of wringing the last drop of wealth out. For example, say the real value of your house hasn't risen, but its possible sale price has risen 30% within the past year. Then you are on tap for taxes on that unrealized gain. You might well have to sell your home in order to meet the tax bill. An unrealized gains tax is a way of confiscating all wealth. "You will own nothing and be happy," as the World Economic Forum details the Great Reset. Inflation, under this tax, will make all of your wealth taxable ... over and over, until it is gone.

"If it becomes impossible for politicians to obtain resources to redistribute, the public may respond in a rational way and forget about politics, just as well-intentioned people ceased organizing marches of penitents when the Middle Ages came to an end." —The Sovereign Individual, Pg. 224

The other side of the government's vice-like grip on the citizenry will be to regulate and legislate initiative—the personal State's natural antagonist-into oblivion as must necessarily ratchet up their control of the private sector. So that while soaking up more and more private wealth, while offering less and less useful governmental services, the leviathan will gradually make it harder and harder for the private



"I THINK YOU SHOULD BE MORE EXPLICIT HERE IN STEP TWO,"

individual to advance economically or even survive. It will be a situation a bit like the current FEMA oversight of hurricane Helene. While claiming no money left for hurricane victims after shipping in illegal immigrants and supplying them with housing and incomes — FEMA then criminalizes private attempts to alleviate their suffering.

Again, with the *First Things* Wisdom: "When a house is collapsing, it's a great advantage to be on the outside." -R. R. Reno

And to repeat Herb Stein: "If something cannot go on forever, it will stop."

Eventually, the government will print so much money that its value is naught, and its impoverished citizenry starves ... or hover just on the edge of destitution and chaos as is the case with crumbling tyrannies throughout the world.

When neither side can win, a negotiation is the only way out and a symbiosis occurs. What shape this offspring will assume has historically depended upon how it is birthed. The path of the journey often determines the state of the arrival. All of life dictates this. When the journey is fanatic, the result often is quite despotic. (e.g. French Revolution) When the journey is reasonably conducted, the result is often a more successful situation. (e.g. American Revolution)

How do I see the events unfolding?

Are you up to practicing a little larceny and dipping into 'illegal acts'?

As the state collapses, corruption will increase. This is because the State in collapse will necessarily increasingly treat all wealth as theirs. Individuals who try to keep their wealth will necessarily be criminalized. Unless we can do away with all human nature (and efforts are underway), corruption will occur and as a desperate matter *must* be commonly practiced. Criminal activity will be necessary and even an expression of liberty. But that's looking at the downside.

The upside is that obeying the law will be of no protection anyway, as the law as is however the State may use it at any moment; something which can change diametrically without the loss of a step. For example, as noted in *The Sovereign Individual*, a previous essay, the first priority of the FBI, for example, is to protect itself and the managerial elite in which it is embedded. "This operational mission of the FBI explains why when a citizen brings an issue to the FBI, the citizen is more than likely going to end up as a target. This reality is key to understanding the disparity between what people perceive as the FBI mission, and what the ACTUAL mission is." —The Last Refuge

The most important upcoming lesson for the citizen is to not be confused. Know how to locate and secure where true help lies.

The survivor's cultural toolbox will have to inculcate a criminal mindset. That is, it's not breaking the law which is bad. Rather, getting nothing from risky activities and getting caught is what is bad—for everybody.

But, again on a positive note, getting caught is not necessarily the end of a sad tale.

Coercive tyrannies naturally brew parallel societies—as simple survival mechanisms. As the upcoming tyranny closes its fist, necessities will not only talk—but capture the conversation. A black market in all goods will thrive. And how will you locate this black market? A corrupt official could very well be your ally. This official might well have ferreted you out because you are supplying something the official needs themselves. And in some matters, they are working both sides of the fence themselves. Negotiate like a CIA handler recruiting a source. Cement your collaboration with the need. This could be the "the beginning of a beautiful friendship." (Rick in "Casablanca")

Or you might create a bit of the parallel market yourself by taking on an entrepreneurial role. The parallel role of the erstwhile honest citizen in this quasi-state arrangement will likely be that of a "fixer". Perhaps I know someone (perhaps myself) who can alter or fabricate vaccination records. And I also know someone who doesn't want vaccination but needs work certification for a "vaccination passport." I become the gobetween of these two who never meet. I, in turn, might be able to upload my fee into my anonymous blockchain cryptowallet, accessible from anywhere in the world. This could in turn be accessed by my foreign investment arm. (A variation on the ancient practice of money exchange, "hawala," currently used by Islamic terrorists.) The possible arrangements are as vast as the complexities of any operating free market—free of governmental intrusion.

Our current "employee-based" government (see *The Sovereign Individual*) uses the stick to extract taxes from its citizenry. Self-interest dictates that the citizenry who generate wealth will flee from the "employee-based" government to the "customer-based," if they can do so safely. Vice versa; those who consume the governmental largess will migrate oppositely—such as the offer of governmental benefits which spurs our influx of illegal migrants. Once systems are put in place allowing the wealth generators to keep their wealth from being confiscated by the "employee-based" governments, wealth will flow from out of these governments into "customer-based" governments.

Blockchain currencies and encrypted communications now make this possible. The demand is there. The technology is here. There are already countries offering residencies for a yearly basic payment (Switzerland) and even citizenship with diplomatic passports (the New Seychelles) It is only a matter of time until the structural business arrangements are put in place to monetize this opportunity and have the wealth rush commence. Emerging market transformations enabling this

commerce may inch along initially, growing incrementally, until some crystallizing insight (or some critically achieved level of corruption) meld the parts into a immense opportunity — which may well become the future of smuggling! (Get in on the ground floor, you tech whizzes.)

Imagine the government takes 40% of my income in taxes, but I can move my taxable income to where it is untouchable for a 5% surcharge. Then, for perhaps 20% of my taxable income, I can purchase residency in a government more to my choosing. This gives me a savings of 25% of my taxable income while living under the laws which I desire. As more and more citizenry take advantage of this option, the "employee-based" (taxpayers as vassals) government will lose its tax base. Currently, "the top 10 percent of income earners pay more than 60 percent of all federal taxes and 76 percent of income taxes." -Google. Those who produce wealth are greatly out voted. Certainly the "employee-based" system of governing has created a grossly tax-heavy Ship of State carrying the great risk of its most productive workers jumping ship, on its books. Truly, if the FDIC were to investigate its own government, the state would be shuttered and its leaders possibly indicted.

Initially, hidebound confiscatory governments will probably double down on the tax evaders with a bigger stick—as imprisonment marks its biggest deterrent. But as conditions become more and more onerous and the taxpaying citizen's personal situation more desperate, more of the wealth will leave and greater numbers of the moochers enter. At some point governments will be forced to use more of the carrot approach of the "customer-based" government — and the "employee-based" governments will be forced into becoming more "customer-friendly." I would imagine one type of a stable symbiosis would occur when the two governmental types blend into one form of government in which only those paying above a certain amount of taxes (on non-governmental income) could vote.

(Ironically, this is a close approximation of the condition of

our citizenry at the time the Constitution and Bill of Rights was written, in which a section restricting the vote to landowners was nearly included. At its least disruptive, this symbiosis would simply represent a turning back of the historical clock. (And they say this is impossible? Have they never watched a pendulum swinging back-and-forth as the clock ticks forward?)

A present problem is that I know little of blockchain currencies, encrypted communications, the dark web and criminal enterprise. How would I go about securing my wealth outside of governmental inspection and reach? The obvious answer would be to employ those who do. As an analogy, your average drug user knows little about narcotics production, processing and distribution. And yet they are able to easily access their supply through a nearby dealer. Currently there is a huge demand for legal tax havens, and a gazillion legal and lobbyists working to supply them. Likewise entrepreneurial startups using encrypted communications and blockchain technologies to evade state tax are bound to appear as cybersecurity allows. Cartels surely already employ some of this expertise. 'Criminals' are surely busy, as I write this, doing the work required. Not always evading the law ("Founders and CEO Of Cryptocurrency Mixing Service Arrested," but working every day, like little soldier ants, to get the bugs out and more money moved.

I include <u>this</u> following, courtesy of the Department of Justice, as a sidebar in order to give you some account of the technological work-arounds currently being employed to move wealth outside of oversight:

RODRIGUEZ and HILL began developing Samourai in or about 2015. Samourai is a mobile application that users can download onto their cellphones, and the application has been downloaded over 100,000 times. After users download

Samourai, they can store their private keys for any BTC addresses they control inside of the Samourai program. These private keys are not shared with Samourai employees, but Samourai operates a centralized server that, among other things, supervises and facilitates transactions between Samourai users and creates new BTC addresses used during the transactions. Samourai is used by customers all over the world, including customers located in the United States and in the Southern District of New York.

RODRIGUEZ and HILL designed Samourai to offer at least two features intended to assist individuals engaged in criminal conduct to conceal the source of the proceeds of their activities. First, Samourai offers cryptocurrency mixing service known as "Whirlpool," which coordinates batches of cryptocurrency exchanges between groups of Samourai users to prevent tracing of criminal proceeds by law enforcement on the Blockchain. Second, Samourai offers a service called "Ricochet," which allows a Samourai user to build in additional and unnecessary intermediate transactions (known as "hops") when sending cryptocurrency from one address to another address. This feature similarly may prevent law enforcement and/or cryptocurrency exchanges from recognizing that a particular batch of cryptocurrency originates from criminal activity. Since the start of the Whirlpool service in or about 2019, and of the Ricochet service in or about 2017, over 80,000 BTC (worth over \$2 billion applying the BTC-USD conversion rates at the time of each transaction) has passed through these two services operated by Samourai. Samourai collects a fee for both services, estimated to be about \$3.4 million for Whirlpool transactions and \$1.1 million for Ricochet transactions over the same time period.

Smuggling has been a lucrative profession since the birth of the state and it doesn't stop. (Currently, I'd guess a sophisticated crime syndicate's most pressing roadblock is insufficient corruption of the government's cybercrime fighting bureau. Buying off officials is the time-honored blue ribbon source of lucrative crime.) If there is money to be made from my personal situation (and that of millions of Middle Americans like me), I suggest the suppliers will find me! Rather like those repeated warnings to update my auto warranty.

I'll just wiggle a bit around here, like bait in the water ... maybe mention that I have quite a bit in taxable funds but, if they are any good, they probably know that. In fact, they probably have my tax returns and are pulling together a prospectus now—with a forecast amount of just what my tax savings could be—as an emblazoned graphic numerical overlay of a brochure-quality, blurred photo with an umbrella drink and a bikini clad girl. ("Time-Limited Offer!")

How could I trust that these illegal entities won't just take my money and disappear also?

It would seem the trick would be in properly structuring the incentives. If my tax launderer were to say, reap 5% of my contribution every payday, and honest transactions generate a continuous, ongoing revenue base, why would they steal from me and kill such a remunerative goose? And if I try the process several times, and it works as stated, trust is established. We have a secure business relationship. I have secured a useful vendor. Shazaam!

Suddenly winning this revolution is as simple as providing enough of a conduit for enough of the wealth producing citizenry to do likewise—and then to extend their recliners and watch the revolution play itself out on TV! No nasty war. (Again, nobody busts down your door at 3 A.M., if they're not paid—and no nasty imprisonment—as the state eventually finds such action is only eliminating its best producers.) Just good solid watchable entertainment as the Leviathan gradually

starves, eating its own spawn while rotting from the belly up.

Bereft of their prize wines, snazzy events and Gouda cheeses, I really don't think there is much real fight in these smug Ivy Leaguers ensconced within the Deep State. Goodness, they likely are already pulling in the corruption dollars while transferring this money to safer havens as we speak. (I've read that the upper echelons of the CCP are.)

The next question is how to survive until the latter state and its next equilibrium is established? There will be a political flip-flop in which the former vassals are soon to be the directors. Like an ice flow in which one must jump between the chunks of ice to cross a roiling stream—the deft survivor will have to navigate both states until the safety of the opposite shore is reached. The new order will be illegal, until it isn't. There's the leap.

We might need a gun and secure measures to protect ourselves during these transitional times against criminal opportunists and other desperate types.

There's a plethora of clever home defense tricks. For example: "This alarm system worked out great when two homeless individuals tried to get a night's rest in my backyard. They tripped that fishing line which removed the stick which caused the rock to crash down on this fog horn which I buried in the dirt." —Jason Hanson, Spy and Survival Briefing

But armed rebellion (which is a matter of military strategy and far outside my bailiwick) might not be necessary at all. Imperiling bottom lines might be all it takes.

The negotiation will occur within the struggle, a struggle between two false states: a government which pretends to have validity based on the will of a corrupted citizenry, and a productive citizenry which only pretends fealty to the government, while placing its bets elsewhere. It will be a dog and pony show on both ends.

The government will bend or ignore laws so as to do as it pleases. (Already occurring.) And the citizenry will pretend to pay fealty, while in reality they hide the bulk of their activity (commerce and expression) in a parallel world. This is just beginning to appear — like a surreptitiously taken and developing photo negative — in the measures the State is taking to stop it: digital currencies, citizen IDs, proposed world tax, the addition of 87,000 armed American IRS agents, and the arrest recently of Telegram CEO Pavel Durov in France after refusing to divulge the algorithm to his encrypted application … among many other lawfare activities. My goodness! What are they afraid of?

The citizenry will hide their wealth in the cyber-sphere, while the government pulls its money out of the air. This struggle is currently not apparent while also occurring everywhere, virtual and literal. Over time the government will be forced to do what it has historically done, and sell its laws for financing. And in return, the citizenry will be able to purchase the laws they need, and then purchase a physical presence from their crypto wallets. "Beam me up, Scotty."

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Over the long term I am optimistic. Just that we exist ... is incredibly optimistic. The path of all life is optimistic. (Just not perhaps mine or yours.)

Creatures evolve to be more successful, and especially so — and in an especially accelerated way — with humans of record. As easy as it is to point up all of the catastrophes and sufferings in human history, there also is a concomitant — albeit mysterious trend — towards greater human happiness, prosperity, proliferation, and freedom. Our problems seem to release these energies. And we don't wait for these problems to fall upon us. Rather, we actively seek them out; we search for them. Did the necessity of travelling to the moon fall upon us? No. But we solved it anyway.

The path of life is also ironic. The overreach of the first leads to vulnerability and grants advantage to the second. Even the Bible speaks to this truism.

But many *that are* first shall be last; and the last first, spoke Jesus. (Mark 10:31)

In an equally quixotic manner, we reached and argued for both world wars, achieved and solved them. We argued our way into the Cold War and then out again. Currently we have achieved confrontation with Global fascism, Islam, the Corporate and Managerial Elites, the Deep State, fomented Environmental Collapse, and are seeking many more disasters with Artificial Intelligence, and Scientific and Technological 'Advancements' to name several actions on active fronts. Our plates are full! And then there is the constant cultural quarrel of the sexes.

"It's not over, till it's over," as they say. (And it never is.)

But on the positive side again.

Increasing levels of governmental censorship ironically bring increasing awareness of the government's nature — as the great irony of censorship is that it energizes expression.

Covid history is illustrative. The greater the media censorship, the more vocal and present authoritative independent sources have become. Instead of receiving only 'authoritative' information vetted and filtered by media reporters — the actual sources are writing their own statements, and publishing to large, truth hungry audiences. The result is that our former ignorance of the 'swamp' for example, with all of its myriad estuaries is revealing itself.

Further, censorship is expensive. It prevents the free flow of

information and ideas which feed wealth creation. There is a reason the CCP must steal leading technologies. Free societies create leading technologies; they create value; they create wealth. And wealth is power.

A third reason the evolution looks optimistic is that tyranny is expensive. A lot of surveillance is required. You must watch the watchers also. And enforcement is expensive. They all must be paid salaries good enough that they won't need to supplement their income by being pulled into the parallel economy of individual ('criminal') initiative. And finally, all of this governmental employment comes at the expense of a wider labor pool, and private, wealth creating, remunerative (taxable) employment.

The curve of evolution favors efficiency, and wealth creation. Tyrannical, censoring structures are fossilizing entities. The question for all of these atheistic dinosaurs glancing up is when, how, and where the comet will strike. They've always one foot in the grave. And if change doesn't come with the suddenness of a comet strike, what kind of change will be negotiated from agonies of the contest to come?

One way or another, a new equilibrium will be established between the centripetal (governing) and centrifugal (liberating) forces. As suggested in the previous essay, *The Sovereign Individual*, I believe we are leaving a "employee-based" political system to enter a "customer-based" political system. So, Kirk to crew:

"Initiate wealth transfer." Pop those recliners. Tune in.

(Though, according to the authors of *The Sovereign Individual*, historically, these revolutionary changes have taken up to 500 years to fully manifest. So you might need some snacks and bathroom breaks penciled in.)

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**Carl Nelson**'s latest book of poetry titled, *Strays*, *Misfits*, *Renegades*, *and Maverick Poems* (with additional Verses on Monetizations), has just been published. To have a look at this and more of his work please visit <u>Magic Bean Books</u>.

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