

Analysis of the Club 75 Alliance Manifesto

By Jeff Graubart

Introduction

Two points in the introduction of the manifesto have appeal.

- 1) They plan on using a legal path to opting out of income tax already available to multi-millionaires (with multiple residences): leaving the country and renouncing their citizenship.
- 2) They plan on achieving this without civil war by:
 - a) Passing a constitutional amendment allowing a state to secede “when the federal government no longer has the consent of the governed.”
 - b) Encouraging the migration of those who wish to opt out of taxes to New Hampshire.
 - c) Having New Hampshire secede from the union.

The biggest obstacle is the passage of the constitutional amendment. However, considering these horrific times, both red and blue states are seriously examining secession should the other side take control. This makes 2024 an excellent time to propose such an amendment.

The proviso that those moving to New Hampshire must opt out of positive rights will have many unintended consequences. Primarily, it will create labor shortages, which will be discussed in depth later. More generally, it is a sacrifice that need not be made. Positive rights stem from nature’s gifts, not the productive labor of others. The demand to live in the best locations and start one’s business in the optimal location creates positive rights. The payment for these belongs to the community. The sweat of one’s brow belongs to the individual.

Blue-boxed chapter comments are from the perspective of the AFFEERCE business plan and land-based capitalism. I hope they add another dimension to the discussion.

Progressive Popularity

The first part of this section is a statement of fact: that the majority pays less under an income tax than they would under some other tax raising the same revenue. The statistics bear this out.

The thesis of this section is that because an income tax benefits the majority, it is in the interest of voters to support an income tax, and it cannot be repealed. This is particularly true of large families, where the number of income tax deductions cannot be replicated in a sales tax or even a fair tax that eliminates the regressive payroll tax.

A sales tax on discretionary items is not mentioned and should be considered (it is mentioned in a later chapter). I believe a majority could be persuaded to support such a tax. However, there is an element of tyranny in deciding what is discretionary and what is not. There is no objective solution.

The word “benefit” in this section contradicts its usual use. In everyday parlance, the benefit of the income tax is the nature and on whom it is spent. In this section, “benefit” means those who pay less. That should be clarified.

There is a more significant source of revenue that benefits an even larger majority in both senses of the word “benefit.” The minority pays this expense gladly and voluntarily. This is the rent people pay to live in the best neighborhoods and the rent paid by businesses for the optimal location. Purchasing land into a commons trust and distributing that rent equally solves many problems of a modern political economy.

Alice Doesn't Live Here Anymore

The Reed Amendment is a frightening law I did not know existed. Any constitutional amendment allowing secession should specifically allow for free travel and trade.

Efficiency, priority, and acknowledgment are attributes, the lack of which go well beyond charitable contributions when it comes to the government. Who can forget the \$37 screws, \$7,622 coffee makers, and \$640 toilet seats? As for priority, it is another word for tyranny. I could live with a lack of acknowledgment if that were the only flaw with taxation. But Alice has the right to be thanked when she saves an African village from dysentery by providing fresh water.

The point of this section is that Alice does better by moving to Monaco, and she does.

Pondering the Emirates

The arguments for Cathy moving to the UAE are weak. Three years of savings could be eaten up by a single accident where catastrophic health insurance might not kick in until \$10,000 out of pocket.

Planning for retirement is very dicey. Putting money in the stock market, ignoring economic news, and having blind faith that the major corporations will continue to enjoy their credit monopolies and that the central banks will continue to prop up those monopolies with free money is going to result in many homeless, older adults, one way or the other. For the 70% of people who live paycheck to paycheck, not one would save a penny for retirement. Once unable to work, the “good” ones would live out of garbage cans and sleep on heating grates until they died of some disease. The “bad” ones would turn to crime and cost society far more for public and private security than any public retirement plan.

If Social Security were optional, I would choose it. There is neither inefficiency nor priority with Social Security old-age insurance. It is a benefit that everyone should choose for their self-interest because it places the most significant burden on the next generation. It is only unsustainable if the population is shrinking, the lifespan is increasing, and economic progress fails to account for this deficit.

Back to Cathy, the extreme homophobia, sexism, and other curtailments on freedom in that part of the world make it a no-go, even without these other issues. That is the point of this section. While the UAE is probably a wrong decision for Cathy, an independent New Hampshire would not be.

That remains to be seen.

Tyranny of the Majority

Let us take a closer look at the “acid test” for the tyranny of the majority.

“Suppose a lot of people who opposed the law left the country (or the jurisdiction of the law). Would either the government or the majority of people be materially worse off? If the answer is yes, the law **may** qualify as tyranny of the majority.”

As an aside to the main point, using the phrase “acid test” in conjunction with the word “may” is a contradiction that logically says nothing. My analysis will stick with the spirit of what I believe to be the intent.

I believe that exit rights are a fundamental adult human right, on par with a child’s right to life. There are myriad reasons a person decides to leave a jurisdiction. If one of them is a law, does that make the law unjust? Does that make the law a “tyranny of the majority?”

In a slave society, a runaway slave will cost the government. If the majority were slaves, that would be a case of tyranny of the minority. Suppose a wealthy embezzler “cleaned” their money, paid taxes on the embezzled funds and fled the country when arrest appeared imminent. Would the laws against embezzlement be a tyranny of the majority?

The section began with the words, “We’ve established the fact that income tax benefits the majority...” But the word benefit is sophistry. The meaning of benefit in the section above was that the majority paid less than the minority. There was no discussion on the distribution of those funds, which the term “benefit” implies.

If we use benefit in its more conventional sense, revenue received minus revenue paid, and the majority do not benefit from the income tax, it cannot be called “a tyranny of the majority.”

Suppose that Cathy, the web designer, received a degree in computer science at a public university. Almost all members of the upper middle class that this paper addresses went to a university. Even private universities, such as Harvard and Yale, are subsidized by federal tax dollars.

Having received her subsidized education, Cathy decides to move to New Hampshire, where she is not obligated to pay it forward. That is in her self-interest. She was a net beneficiary in the past but not in the future. Where is the tyranny? The income tax would be better classified as the folly of the majority.

For the sake of argument, suppose that Vermont has a state income tax and provides free healthcare. Neighboring New Hampshire has neither. Two competing large employers establish their factories in the two states, respectively. The employer in Vermont can pay much less. There is no healthcare cost, nor are factory workers' taxes very high. The employer in New Hampshire must pay a salary that covers its workers' healthcare and a “fair tax,” which favors a higher total tax for the New Hampshire workers than their counterparts in Vermont. The employer in New Hampshire will go bankrupt. This points out a tyranny of the minority. The employer pays a higher tax in Vermont, but the benefit of cheaper labor far outweighs this tax. The actual cost is picked up by people like Cathy, who are neither factory workers nor employers. This is a case where the failure of the tax to be sufficiently progressive creates a tyranny of the minority.

When distributions are considered, the benefit calculus changes. Those at the top and those at the bottom receive the greatest benefit. Whether factory workers or computer engineers, virtually all

workers receive fewer benefits than contributions. The income tax is a tyranny of the minority and the majority's folly.

Insinuated Moral Obligation

Does Cathy have a moral obligation to stay in the U.S. after receiving a subsidized education? Not unless she signed a promise to repay the money if she decided to leave. The income tax is inherently corrupt, leading to moral dilemmas that should never exist. Although I would call the income tax a tyranny of the minority, and the author calls the income tax a tyranny of the majority, we both agree it is tyranny.

Morality is a function of personal ethics and religious beliefs. Individuals make moral decisions. States have no business legislating morality. Nor do they have any business passing legislation that alters subjective moral judgments through guilt.

Moral obligation to the state is fiction that applies to all benefits, not just those of an income tax. The goal is to build a psychological wall so the ruling minority need not build a physical one with all the ugliness that it implies.

Multilateral Secession

The process of multilateral secession is running up against time constraints. There is a high probability that the U.S. will be in civil war before CACR passes in New Hampshire. Never has the United States witnessed the two leading presidential candidates falling below such a low bar. The lies and contradictions of our debt-based capitalist society have become so fragile that the gerontocracy fears that passing the torch will break everything.

It is essential to recognize that the Israel-Hamas war has sealed the fate of our nation. The fundamental ethos of the political right, that "might makes right," and only the fittest survive, is consistent with the eradication of the Palestinians by the Israelis. The Israelis are strong, and the Palestinians are weak. It has even led to sympathy on the right for strongman Putin in Ukraine, considering Western decay.

The left has a different ethos. While support for democracy against theocracy is just, violence against civilians is the gravest of all sins. Netanyahu's sins in Gaza and his support of theocracy over democracy at home have split the left with the vast majority in full support of Palestine. Their standard bearer, Biden, is seen as a co-conspirator with the fascist Netanyahu.

Barring a dramatic turn of events, Donald Trump will win the presidency by a landslide. That was probably the case before October 7, but October 7 sealed Biden's fate. Trump has promised what his supporters see as a benevolent dictatorship. There will be secession, border skirmishes, and possibly full-scale civil war.

This section will need updating in 2025. As I mentioned earlier, a preemptive constitutional amendment on secession today stands a good chance of passage and might help avert future violence.

Consent of the Governed

The United States does not now, nor has it for some years, enjoyed the consent of the governed. There has been a somewhat steady decline in consent, starting with Watergate and the Vietnam War and reaching an abyss today, with a brief rebound in the days following 9/11.

As it says in the Declaration of Independence, governments derive their sole right to exist from the consent of the governed.

This section has the flavor of designing a document on who will captain the ship once the Titanic sinks. A government that does not enjoy the consent of the governed will fall one way or the other. At this point, it is a reasonable bet that the democratic government of the United States will fall in the 2024 election.

That said, we can examine these documents from the perspective that the current government does not soon fall.

In the personal statement of the Club 75 Alliance, the controversial points are 4 and 5. Point 4 states, "I do not expect or want the government of New Hampshire to provide me with the positive rights described in Part 3 of the United Nations Covenant on Economic, Social, and Cultural Rights, such as the right to an adequate standard of living and the right to a free education. I hereby explicitly and irrevocably opt out of these positive rights."

Point 5 states, "I understand and agree that if I become unable to provide for myself, there is always the risk that voluntary charity may not be enough to keep me alive. I hereby accept that risk."

Nature provides these so-called positive rights to every species on the planet. Families and churches gave their members these "positive rights" in the not-too-distant past. Now, with all our progress, are people expected to surrender these rights to the new order of atomistic individuals? Are they expected to produce or die?

There are several flawed assumptions behind these tragic points. The first is zero-sum, and the second closely related assumption is that these benefits only come at the expense of taxing the productive labor of others. Neither is true, even in this corrupt society of income taxation.

There is ample evidence that zero-sum does not apply. For instance, tax money that goes to the defense industry is used to hire workers who feed their families and pay taxes. It is used to purchase materials mined and processed by workers who use the money to provide for their families and pay taxes. Tax money that funds food stamps goes to merchants and farmers who use it to feed their families and pay taxes. It has even been shown in the Henry George Theorem that tax money used to build needed infrastructure generates more value than its cost. During the periodic crises of debt-based capitalism, when business is in a recession, these benefits keep the economy going until business can recover.

The benefits of taxation are hardly zero-sum. The explicit and irrevocable opting out of these rights will destroy an independent New Hampshire during the inevitable recessions and panics of debt-based capitalism.

The second assumption that these benefits are paid for today by taxing productive labor is also somewhat false; however, the reason why should disturb people more than the income tax. Much of the federal government's spending is not collected through income taxes. (For various reasons, payroll taxes cannot be put in the same bucket as the income tax.) Furthermore, according to Cato, 22% of federal

spending is borrowed, and that percentage is growing. When the government prints money to pay for benefits, it is felt hardest at the lowest levels. On the other hand, stock markets explode in value from the credit provided by central banks and the inflation of assets. The payroll tax and inflation tax are highly regressive. As tax rates have fallen in the last four decades, it is no surprise that inequality has increased.

Most inflation cannot be measured. It is the time spent waiting in line because the business can only afford one counter person to make a small profit. It is the inability to find a plumber or electrician at a reasonable cost, so the drip goes unfixed or the buzzing in the wall continues unrepaired. It is hanging up in frustration because the voice in telephone hell can only say, "Your call is important to us. Please hold for the next available..."

As the inflation tax replaces the income tax, the income of those who would benefit from a further reduction has risen steadily. The 75 Club would be better named the 200 Club. Large employers, however, would not be members.

I call these arguments a defense of the income tax under debt-based capitalism. The more progressive, the better. A progressive tax is less likely to tax productive labor and more likely to tax rents.

This is not to say I support the income tax. All taxes are tyranny. But if I were a prisoner in a concentration camp, I might favor an enforced bread-sharing program, even though such a program would be anathema in a free society. And that is the problem. We do not live in a free society. Debt-based capitalism is nothing like the capitalism of Adam Smith, David Ricardo, or Thomas Paine.

In a free society, there are no taxes. The land associated with properties has been purchased into the Commons Trust, and the rent on that land is distributed equally to everyone for government services and many of the items specified in Part 3 of the UN Covenant. There is no problem with priority because Warren Buffet receives the same distribution for food and housing as a pauper begging on the street (who no longer needs to beg). In contrast, Warren Buffet's distribution is not even a decimal point in his housing budget.

There is no problem with efficiency because the per capita size of the distribution is fixed and distributed through a non-sovereign cellular democracy. The wealthy will pay significantly more than the poor, gladly and voluntarily, unless they wish to be evicted from their exclusive neighborhood by a sovereign individual willing to pay a higher rent or a sovereign entrepreneur willing to pay a higher rent for a better business location. Non-sovereign governments cannot go into debt or raise revenue through taxes. Only a 2/3 plurality of the adult sovereign citizens of a dominion can levy a consumption tax over and above the equal per-capita rent distributions.

Land-based capitalism does not arise from a revolution, changing minds, voting a politician into office, or having everyone move to one state. It is created by a business plan that uses the profit motive to build a new world as an embryo in the old. People rush to become part of this new world to take advantage of the opportunities, and ultimately, the legacy governments fade away.

It is difficult to see who would demand the dismantling of the safety net and accept the risk of death to eliminate the income tax, a patchwork fix at best for a much larger problem. Certainly not those at the top or bottom who receive a net benefit from the income tax. Nor will those in the middle who have found that replacing the income tax with the inflation tax is even more painful. Members of Club 200 (who are not employers) will be too diverse in their proposed solutions to reach the requisite 1 million new citizens of New Hampshire.

The rights of the citizens of New Hampshire to secede and abolish the income tax are fundamental human rights that should be supported. This is independent of whether it is an optimal policy and whether it will generate sufficient support. From the perspective of this fundamental human right, the CACR and proposed constitutional amendment are well-worded. As I stated several times earlier, 2024 is probably the best and possibly the last time to get such an amendment passed.

The speech to Congress is perpetrated on a false assumption. "Madam President ... None of us want to be kept alive at the involuntary expense of other people. For us, that would clearly violate the non-aggression principle."

The statement is true, but based on the false assumption that such aid can only come from the involuntary expense of other people. I have already stated that people will voluntarily pay to live in the best neighborhoods. Entrepreneurs will voluntarily pay to have the best locations for their businesses. In the absence of other taxes, in competition with others who wish to live in these neighborhoods or have these choice retail or industrial locations, the rents will be enormous. The equal per capita distribution of these rents will provide a safety net through which no one can fall. Yet this will be at nobody's involuntary expense.

The AFFEERCE business plan to bring about land-based capitalism requires only \$24 million of startup capital to begin the natural process of purchasing the world's land into the Commons Trust. It requires minimal interfacing with legacy governments and initiates a natural process that will lead to the withering away and obsolescence of the sovereign state, much as feudal manors are no longer with us today.

As in the Club 75 manifesto, everything in the AFFEERCE business plan is legal and above board.

We want the right to purchase property and not be slapped with antitrust. In exchange, we will accept legacy government oversight. These are trivial compared to engineering a migration and passing a constitutional amendment.

In the United States today, such aid comes at other people's involuntary expense. The powerful motivation to secede from those who hold these moral principles is easy to understand.

Resisting the Proclivity

Nature's bounty supports a government far better than a tax on productive labor. The oil-rich countries without income taxes are autocratic regimes supported by those abroad who profit from keeping the oil away from the equal ownership of sovereign individuals.

The manifesto claims, “We don’t necessarily want to emulate this, but it makes sense that the more democratic a society, the harder it is to avoid an income tax because it benefits the majority.”

Many parts of this statement are wrong. The income tax has net benefits only to those at the top and bottom, a minority.

What is beneficial and the very essence of a democratic society is the “positive rights” that the manifesto eschews. In a country lacking these positive rights, the only solution is to execute those who steal a loaf of bread because sending them to prison provides the criminal with food at the involuntary expense of others, housing at the involuntary expense of others, and medical care at the involuntary expense of others. Or should we envision a democratic New Hampshire where criminals have the right to live off the productive labor of others while their victims have no such right?

It is not the tyranny of the majority that leads to support for the income tax, but rather a helplessness in the face of a tyranny of the minority. Presented with the choice of an income tax versus an inflation tax, the majority reluctantly will choose an income tax. Presented with the choice between an income tax and sales tax, those with large families will reluctantly choose the income tax. This is not because they benefit from the taxes. It is because they believe it is the most efficient way to live in a society where criminals are not shot on sight, where starving people are not dying on their doorstep, where shantytowns do not litter the horizon, where every retail item is not behind lock and key, where every successful person does not need a bodyguard, where there is not a chronic labor shortage because all the workers died out (or fled) during the last recession.

Priority in the distribution of these benefits is tyranny. Inefficiency in the distribution of these benefits is corruption. But the benefits themselves are the building blocks of a democratic society. That is a critical error on the part of Club 75.

In examining exports, it is essential to differentiate between the export of land (natural resources) and labor (product). A country that exports its natural resources is depleting its wealth. A country that exports its labor increases its wealth. The greater the ratio of labor to material in an exported product, the wealthier the nation will become. China does far better, shipping \$1,687 of products per capita than the UAE, exporting \$41,354 of natural resources per capita. The supply of labor is infinite. The supply of natural resources is not.

I was disappointed that this section did not include the suggested study of Vanuatu, whose economy comes closest to New Hampshire regarding agricultural exports.

Few will join the Club 75 Alliance by pledging to points 4 and 5. It is tantamount to throwing democracy out with the income tax. Counterintuitively, it will also destroy freedom.

I believe land-based capitalism can abolish all taxes, eliminate priority and inefficiency, and still deliver necessities to all as it funds a limited, non-sovereign government. It is a system of freedom, democracy, and prosperity, the likes of which the world has never seen. An initial profitable investment of \$24 million is all that is needed.

The topics presented at the end of this section are interesting.

The right of an adult to take their own life is a fundamental human right. This right, in a “free” New Hampshire, presents some problems. If an adult with a large family takes their own life, what is to become of the children? Are others coerced to pay for the education and upbringing of these children? Should the children be executed to avoid placing an involuntary burden on others? Should they just be allowed to roam the streets eating garbage?

In land-based capitalism, every human is entitled to food, housing, education, and healthcare, paid for not by involuntary taxation but by the quest for the best land (location). Each child carries an equal allocation for food, housing, healthcare insurance, police protection, streets and sanitation, local non-sovereign government, and other democratically allocated positive rights. Should one or both parents or the adults in any other collective arrangement take their own lives, families and collectives everywhere will want to take in these children for both financial and spiritual benefit.

Loyalists

The plan for those who remain in New Hampshire but refuse to agree to points 4 and 5 will create confusion for employers and the school system. Will privatized schools get the same per diem for loyalist children as that charged New Hampshire residents? What if a loyalist wants to homeschool their child? Will the state fork over money for that? Luckily, this quagmire is only knee-deep, and equitable solutions exist.

In contrast, I will mention how the “education distribution” is handled under land-based capitalism. Teachers at similar grades or in similar trades receive an equal stipend per student hour of instruction. Schools also receive compensation per student hour of instruction. An equal-sized payment per student hour of instruction is distributed to teachers and schools based on merit, determined through cross-federation standardized testing of the students. The same stipends are paid whether it is a home school, trade school, a public school, a private school, or a private tutor. Private schools, homeschools, tutors, and trade schools are free to charge additional fees. Any topic can be taught, provided a voluntary standards group (VSG) handles certification and testing. Grades that are out of sync with student merit will hurt the merit rating of the instructor. Budgeting this from the ground rent, it is assumed that students, on average, will spend a third of their lives in continuing education.

The real crisis for a sovereign New Hampshire is not the provision of schooling for loyalist children or the extra paperwork and deductions for employers of loyalist employees. It is an unsolvable problem because it is implicit in the tyranny of sovereignty itself.

Mostly, people who cannot pledge points 4 and 5 will choose to leave the state. New Hampshire will pay for their relocation. But moving expenses are a few thousand dollars. What about the property they leave behind? Even if as few as 10% choose to leave (and it is likely to be much higher), the real estate market will collapse. Homes throughout the state will go for pennies on the dollar. This, in turn, will

spark an even more significant exodus, and sovereign New Hampshire will fail before it even has a chance to get started.

The cost of electoral sovereignty in land-based capitalism is high. Not only must the vote on sovereignty receive a 5/6 plurality of the dominion, but those voting “no” have the right to a 133% premium on their permanent structures. In a world where sovereignty is typically found at the individual, family, or collective level, most sovereign city-states will be formed by consensus on previously uninhabited land. A sovereign state the size of New Hampshire is almost impossible because of the high rents required to defend sovereign land. Rent is paid one way or the other. If land in New Hampshire has not been purchased into a Commons trust, land value will collapse, as described above.

The AFFEERCE business plan will allow New Hampshire to achieve its goals without ever being sovereign or dealing with loyalists.

A declaration of sovereignty on inhabited land ultimately leads to unspeakable horrors, as exemplified by the State of Israel or the genocide of Native Americans in the Western Hemisphere.

Honoring the Bucket List

For most of history, people were cared for into old age by an extended family. Theories on why the extended family is no more, from both the left and the right, can fill volumes. Suffice it to say, it is gone, and under debt-based capitalism, the cost of caring for these isolated individuals in old age is prohibitive.

A reduction in the population over time will topple governments and lead to unspeakable horrors because no government-supplied safety net of a declining working population is sufficient to handle this cost. Under debt-based capitalism, the solution of having a life celebration followed by a painless self-inflicted death is probably the best we can hope for.

How does land-based capitalism solve this problem when ground rent, even if flaunted like a Rolex by the landed aristocracy, is insufficient to pay for this care? Such care also violates the principle of equal distribution for all. The reintroduction of priority is the reintroduction of tyranny.

Land-based capitalism provides the financial incentive for new social structures that can be summarized as voluntary collectivism. Per capita distributions for food and housing follow the hierarchical branches of cellular democracy until they reach a sovereign entity. Large families and collectives use economies of scale to maximize the food and housing benefits. In land-based capitalism, people are valuable. Even a freeloader in a collective, at the very least, brings their food and housing distributions. The elderly bring food, housing distribution, and an objectively calculated age distribution to the collective. Home healthcare workers in mutualist organizations or large families can bring in a small amount of extra income caring for the infirm. In short, land-based capitalism creates the social structures that return us to the day of the extended family. The elderly can live out their years neither lonely nor impoverished.

Immigration

In a free society, all borders are open. Unconditional exit rights imply the existence of entrance rights. Sovereign New Hampshire has open borders because a newcomer places no burden on the existing population. One wonders what happens to a newcomer who lapses into a coma or robs a bank with no assets to their name. Are they deported?

National Defense

If relations turn out as Club 75 hopes, purchasing national defense from the United States is an option, although it might put significant stress on New Hampshire property and sales taxes. This indicates that priority is a problem with all taxation, not just the income tax.

A volunteer national militia is no match for North Korean nukes, nor would it fair well against a hostile United States.

Suppose the United States will not accept a reasonable defense fee (as agreed to by most New Hampshire citizens). In that case, the only option is no defense—one more example of the folly of sovereignty.

The military of the Worldwide Federation of land-based capitalism is funded by almost 10% of the ground rent worldwide. It is tasked primarily with protecting exit rights, children's right to life, and exclusive land use by the highest payer of ground rent. It can only be activated by a vote of the cellular council at the highest level of dominion.

Millionaire Emigration Morality

Given the current political discourse, the strategies presented in this chapter for engaging others are good. Unfortunately, most people prefer not to think about these very complex issues. Instead, they choose a team and defend it to the death.

It is even challenging for those willing to look at all the ideas. For instance, I agree with many of Club 75's assessments of the income tax and probably all their positions on human rights. The two moral arguments in the section are correct. So are all the arguments about Alice, Bob, and Pierre. Yet my solution is radically different.

Convincing people of new ideas and solutions is almost impossible.

A profitable business plan and only a profitable business plan can transform the world. It does not rely on politicians, ideology, or violence. Instead, it creates a new world, and people will come or not. If they come, the world changes. If they do not, it does not.

The AFFEERCE business plan for land-based capitalism is consistent with all the objectives of Club 75. Like all business plans, it is dynamic. If there is an improved version of the business plan, it becomes that improved version.

Patriotic Millionaires

Multi-millionaires or billionaires who own large companies are the chief beneficiaries of the income tax. Positive rights for their workers give them a competitive edge against industries outside the country and increase their margin against small business competitors within the country. The satisfaction of minimum needs, created from positive rights, protects their factories from a hostile takeover by the workers or general demands for nationalization. It is no surprise that they demand higher taxes.

However, much of the benefit they get from the income tax comes from taxing people in the middle class, and it is not in the interest of the billionaires to allow the middle class to opt-out. "Patriotic" millionaires want to set an example to increase further the guilt of middle-class taxpayers who want out of the income tax.

Billionaires are very concerned about the inflation tax that has slowly replaced the income tax over the last four decades of tax cuts. The bulk of the inflation tax shows up in unmeasurable forms such as longer lines and waiting times, less variety, lower quality, less content, cheaper construction, and transactions that never happened for lack of a negotiated price. Prices are not rising because, contrary to economic theories of the 19th century, monopolies always benefit from economies of scale. Marginal profit is steady or increasing. Monopoly profits are maximized when the price is as low as possible. The same money printing behind the inflation tax excludes small businesses from competitive credit, driving them out of business and leaving the mega-monopolies in their stead, with lower prices, lower quality, and less variety.

Just as potential members of Club 75 have come to realize that the inflation tax is worse than the income tax it replaced, many billionaires view the problem from a more global perspective, fearing the inflation tax will lead to the end of Western Democracy, leaving business decisions vulnerable to the whims of fascist gangs, or their factories open to seizure by the communists.

The surge in support for the income tax among "patriotic" millionaires cannot be reduced to the simple calculus expressed in this chapter.

Charity Demand Rate

A flat rate tax on discretionary income to support needy people is tyranny. It encourages dishonesty from those wishing to qualify. It creates a disadvantaged class in what should be a classless society. It leads to classism, racism, and a cycle of poverty. It discourages productive labor both in its recipients and those who must involuntarily pay with their labor to support those recipients. It breaks apart families and further isolates people from each other with its stringent regulations on the sharing of benefits. It forbids the saving of money to lift oneself out of poverty.

Even if you do not wish to leap into land-based capitalism, a universal basic income is qualitatively superior to the garbage of existing welfare systems. A flat-rate tax where the proceeds are divided equally among every citizen eliminates the mendacity, the bureaucracy, the classism, the racism, the cycle of poverty, the discouragement of productive labor in the recipients, the tyranny of priority, the breaking apart of families and isolation, and restrictions on savings to rise out of poverty.

A UBI does not require a czar to decide what income is discretionary and what income is not. Those at the bottom will see a net gain from the UBI, and those at the top will see a net loss. If you do nothing

else with this critique, remove and replace this section with one on the UBI. This chapter is an embarrassment.

If the chapter is replaced with one on the UBI, it could be one of the most important chapters in the book. A UBI provides a way for criminals to pay, at least partially, for their incarceration. This is a disincentive for criminal behavior rather than the incentive for criminal behavior without the UBI (unless all convicted criminals are shot). It is a disincentive to take advantage of hospital charity by injuring oneself. Even without these two extreme examples, my general disagreement with the Manifesto is that food, housing, unlimited education, and basic healthcare are essential rights for the flourishing of freedom and democracy. However, the tyranny of flat taxation is far more benign than the tyranny of income taxation to accomplish this.

Although the UBI is qualitatively superior to existing welfare systems, it is only a poor surrogate for positive rights. Qualitatively superior to a UBI is a democratically allocated UBI. Each person receives the same stipend for food, housing, health insurance, police and fire protection, local government, etc. This is more in keeping with the principles of John Locke. People have the right to spend the result of their productive labor however they choose. The community can democratically decide how its UBI should be spent (provided each community member gets an equal share). Indeed, a democratic majority has the right to say that the money stolen from their productive labor must be used for nutritious meals or warm and safe shelter rather than drugs, alcohol, prostitution, or gambling. In a free society, people can spend their hard-earned income on any of these. However, the money provided by the community is offered explicitly to prevent their neighbors from eating from dumpsters, begging with children, and sleeping on heating grates.

Qualitatively superior to an allocated UBI is an allocated UBI where the money is not involuntarily extracted from individuals' labor. Instead, it is voluntarily paid as rent to live or set up business in the best locations.

Selling Secession

Secession has indeed broken through the Overton Window, as mentioned in this chapter. 2024 and 2025 are the critical years for passing the constitutional amendment discussed here. Even by 2025, peaceful secession might no longer be possible.

I hate to be the fool with the placard that says, "The end is nigh," but I will say it anyway. "The end is nigh." With luck, I will be proven a fool.

Whether my pessimism is foolish or not, an amendment for peaceful secession is better proposed today than during civil war or state border skirmishes. It is difficult to say precisely what will happen after the 2024 election, except that the outcome will be gruesome.

My advice to Club 75 is to prioritize the secession amendment. Moving a good secession amendment into public discourse today forestalls poorly written, hurried, and contradictory amendments in the future. It could forestall a civil war.

The arguments proposed in this section are well thought out and can be used to further the discourse.

Federal Debt

The right of a sovereign government to go into debt is an indictment of sovereign governments. The very act is theft. It is far more onerous than an income tax that can be lowered. Debt is inherited forever.

Anything close to a per capita repayment of the federal debt would bankrupt a free New Hampshire before it got out of the gate. Even a negotiated settlement of half this amount would destroy New Hampshire.

Debt-based capitalism requires debt. Without debt, the economy would collapse as all money disappeared. This is not an excuse for debt but an indictment of debt-based capitalism.

In land-based capitalism, the currency is backed by the rents people pay for the best land they can afford. Unlike other commodity currencies where the supply is unrelated to progress and population (valid reasons to mint more currency), rents are primarily a function of progress and population.

In the transition to land-based capitalism, paying off the federal debt is simple. The business plan is designed to make our currency extremely scarce during Phase II. Deflation and hyperdeflation of the currency lead to several strategic outcomes including hyperinflation of fiat currencies (trivializing repayment of the debt), a shifting of productive resources into servicing the Earth Dividend (the name given to our democratically chosen set of life-long positive rights and government services), and a reduction in the present value of an Earth Dividend (allowing worldwide coverage).

The Long Shot

Democracy is not the problem. Consider that over the past four decades, as income tax rates have fallen, the number of people who might benefit from opting out has also fallen. This is because the inflation tax that replaced the income tax is so much worse for those who consume more than they invest in the stock market. Furthermore, the inflation tax does not respect national borders. Monaco's measurable 2022 inflation rate was 6.2% (I cannot locate figures from 2023).

The income tax benefits a minority at the very top and very bottom. The majority reluctantly supports an income tax because it is better than an inflation tax, and they rightly fear a society that has a moral obligation to execute paupers for stealing a hunk of cheese. To call this a tyranny of the majority is disingenuous at best.

There is tyranny. All taxes are tyranny. The big lie is that government services and a level playing field only come at the involuntary expense of others. The Georgists have an acronym, ATCOR (All Taxes Come Out of Rent). Taxes are obligatory; rent is voluntary. It is not a simple calculus: cut taxes by \$1, and that \$1 will go toward rent. Tit-for-tat, it is closer to 50%. But recall that the employer who does not need to pay their employees a sufficient wage to cover taxes has cheaper labor costs. As labor costs drop, other factors of production play an increasing role in determining profit margins. Chief among them is location. Common location elements include distance/access to suppliers, distance/access to customers, and commuting distance for employees. As labor costs drop, businesses will voluntarily pay a higher rent for

the optimal location. This is the heart of ATCOR and the soul of Henry George's seminal work "Progress and Poverty." As automation drives down labor costs, rents go up accordingly. Amazing innovations over the past several decades, in conjunction with falling tax rates, have left the average worker with a real income smaller than in 1972, while the real value of the stock market and the wealthiest Americans have increased by a factor of 6.3 in the same period. There is tyranny all right, and it is not the tyranny of the majority.

In the future, artificial intelligence will decimate labor costs as it drives up rents. Imagine the joy of the average worker under land-based capitalism as AI lightens their workday burden while it increases their rental income. Now, consider the dystopian effect of AI under debt-based capitalism.

Consider, if you will, how much the employer will save if, in addition to taxes, workers' salaries no longer needed to cover healthcare, their children's education, essential nutrition, and basic shelter. Almost all income would be discretionary. Labor costs would evaporate. High voluntary rents paid by the most efficient user for the best land/location would bring prosperity to the world.

The AFFEERCE business plan to bring about land-based capitalism and Club 75 are not mutually exclusive. The secession amendment, elimination of the income tax, and freedom are objectives of both organizations. Although the distribution of ground rent is still years away, New Hampshire can have no objection to a "private" trust distributing rents received on its leases however it sees fit.

It would be consistent with freedom that cities be given the right to accept 30% of the ground rent instead of property taxes. This can be done citywide or in selected neighborhoods as an experiment. However unorthodox, the New Hampshire legal system will enforce the Commons Trust lease. There can be no question of deception, as the Commons Trust paid full property value yet took possession of the land alone. Furthermore, those who decide not to sell their land into the Commons Trust will continue to suffer the tyranny of property taxation.

New development on property-tax-free Commons Trust land will facilitate the creation of megacities, drawing an influx of people who wish to abolish the income tax and all other taxes but know that a free and democratic society requires an equitable safety net through which none can fall.

Land-based capitalism is both more democratic and freer than any society that ever has existed. The Tiebout Hypothesis is realized as every community is unique, and a mobile population naturally gravitates to the communities that meet their needs, whether that be a diverse non-sovereign city, a sovereign rural community that enforces biblical laws, or a sovereign anarchist collective.

The AFFEERCE business plan to bring about land-based capitalism requires an investment of only \$24 million to get started. That is pocket change in the world economy. Today, the business plan is outside the world's radar. It is an opportunity for an insightful investor to achieve great wealth as they create a free, democratic, and prosperous world.

Steve Vilee's Response

I've finally had a chance to study your analysis in detail. I want to reiterate my thanks to you for taking the time to analyze the manifesto so thoroughly. Let me start by mentioning a few of your points that I found particularly enlightening:

1. In Tyranny of the Majority, you are quite correct that the word "may" is inappropriate for an "acid test". For what it's worth, I used the word "may" because applying the test with too small a number of people can suggest that something is tyranny of the majority when in my mind it doesn't qualify. I can elaborate if you like. But in the next edition of the manifesto, I'll try to restructure this paragraph to be clearer.
2. In Multilateral Secession, it's refreshing to hear you say a constitutional amendment on secession today stands a good chance of passage and might help avert future violence. This is in stark contrast to most libertarians who say the constitutional amendment has no chance, but otherwise they mostly agree with the manifesto. Maybe your comment will encourage libertarians to rethink their view on this.
3. In Resisting the Proclivity, I would also like to do a study of Vanuatu. I don't know anyone with the expertise to explain how that country avoids an income tax. My gut feeling is that Vanuatu is at high risk of introducing an income tax soon, just as the Maldives did. But maybe your comment will stimulate discussion of this topic.
4. Also in the same section, the question of what is the appropriate punishment for someone who steals a loaf of bread is an important one. Of course, they shouldn't be executed. But putting them in prison doesn't make sense either, for the reasons you mentioned: the state would need to provide them with food and health care. I don't have all the answers, but I'm leaning toward some kind of corporal punishment. Reminder: all of this applies only to those who agreed to point 5 of the personal statement. The Loyalists would be grandfathered into the positive rights they have now. Anyway, this is a very important topic, which merits much further discussion.
5. One more thing in Resisting the Proclivity: when someone commits suicide, what happens to their children is an important question. Indeed, the same issue arises when the parents die for any other reason. Of course, the children should not be executed, nor should they roam the streets eating garbage. I imagine New Hampshire would still have a foster care program that looks for someone to adopt them. They would be placed with a family member if possible, or a friend of the family. I believe the government could provide this much without an income tax. Hopefully your comment will inspire libertarians to address this important issue more thoroughly.

Most of my disagreements with your analysis ultimately stem from your belief that land-based capitalism can provide positive rights without taxation. In my view and in the view of most libertarians, something like land-based capitalism that provides "something for nothing" cannot be sustainable in the very long term. We express this idea via the acronym TANSTAAFL

(https://en.wikipedia.org/wiki/No_such_thing_as_a_free_lunch). I realize you feel differently, and I look forward to your next edition of AFFEERCE. I'm sure this will be a topic of ongoing friendly debate between us.

Apparently, my message in Progressive Popularity didn't come through clearly. I meant to say that income tax benefits the majority, compared to some other tax raising the same amount of total revenue, with the revenue being spent in the same way under either tax. So I'm focusing on the income tax in isolation. I prefer to study the benefits of a welfare program separately, and in this section I'm not saying anything about whether a welfare program benefits the majority. You're saying that the word "benefit" here contradicts its usual use. I wonder if there is some other word that would better convey what I'm trying to say.

It seems I should have listed the last paragraph of Tyranny of the Majority in my "important" list: "Tyranny of the Majority" sounds judgmental, but we don't mean it that way. It's the phrase used by authors like John Adams and John Stuart Mill to describe this phenomenon... So no, I don't agree that income tax is tyranny. I'm not passing judgment on it at all. I'm looking at it dispassionately as a political scientist would, saying it's an example of a phenomenon known as "tyranny of the majority", where a minority have an incentive to emigrate, and the majority have an incentive to discourage them from emigrating.

In Consent of the Governed, you believe it's difficult to see who would demand the dismantling of the safety net and accept the risk of death to eliminate the income tax. The premise of the Club 75 Alliance is that there are a million or so people who would agree to exactly that, and feel strongly enough about it to move to New Hampshire. If I'm wrong about that, the project will be a non-starter, and everything else will be a moot point. But dismantling the safety net is a fundamental plank of libertarianism, perhaps one of the defining planks. But yes, it's important that libertarians understand everything this implies, including the risk of death. If you're saying many libertarians haven't fully thought it through, I'm inclined to agree.

To answer your questions about Loyalists, in 2021 New Hampshire introduced a program called Education Freedom Accounts (<https://www.education.nh.gov/pathways-education/education-freedom-accounts>) that allows parents to direct some public funds to alternative providers of education, including private schools. I believe there is an option for homeschooling. The formula for calculating the eligible amount of public funds is complicated, and I confess I don't completely understand it myself. But my proposal is that Loyalists would be grandfathered into whatever programs and options are available at the time of secession.

I don't understand your statement "people who cannot pledge points 4 and 5 will choose to leave the state". We won't just offer to pay for their relocation. We'll encourage them to stay, and if they do, we're

going to grandfather them into the positive rights they have now. Did that message not get through? So I don't expect any mass emigration.

In your response to National Defense, you did not say anything about Costa Rica, which has managed just fine for over 70 years with no military at all. I'd really like to hear what you have to say about that.

Feel free to publish your analysis as is, and I'll be happy to link to it from my site. It should prompt exactly the kind of discussion I'm looking for.