



## The Source for Freedom and Self-Reliant Information<sup>1</sup>

Thomas Jefferson defined *rightful liberty* as “unobstructed action according to our will within limits drawn around us by the equal rights of others—I do not add ‘within the limits of the law,’ because law is often but the tyrant’s will, and always so when it violates the right of an individual.”

### Inside This Issue

- **The American Conundrum, Democracy or Freedom .....1**
- **The U.S. Individual Income Tax is Incompatible with a Free Society.....4**
- **Are Stocks Overvalued? .....6**
- **World Dominators (Great Businesses) to Buy Right Now .....8**
- **Speculating in the Stock Market .....10**
- **ObamaCare and the Right to Healthcare .....11**

### The American Conundrum, Democracy or Freedom

In the organization of society there are only two possible belief systems. The first, derived from the *Old World*, stems from the conviction that government is the grantor and protector of human rights and therefore, is responsible for protecting and providing for the poor and down-trodden.<sup>2</sup> The consequences of this philosophy have resulted in compulsion, slavery and poverty throughout the *Old World*.<sup>3</sup>

<sup>1</sup> Each Jeffersonian Group, LLC ([www.jeffersoniangroup.com](http://www.jeffersoniangroup.com)) publication is intended solely for information purposes and is not intended nor does it purport to provide legal, tax, individual investment advice, estate planning advice, insurance advice or business advice. In addition, information and analysis is compiled from sources believed to be reliable but such accuracy cannot be guaranteed. Readers should do their own research and consult with expert legal, tax, insurance, business and financial counsel before taking any action. Copyright © 2013 Jeffersonian Group, LLC

<sup>2</sup> See Rose Wilder Lane, *The Discovery of Freedom, Man’s Struggle Against Authority*, p. 22 (1943), Fox & Wilkes (1993).

<sup>3</sup> *Id.* at p. 38.

This *Old World* belief system was challenged by early American colonists and a new belief system emerged. In 1776, the Founders of the United States changed this *Old World* view with the conviction that individuals had certain pre-existing inalienable rights that overrode or superseded legitimate government; they enshrined this belief in the *Declaration of Independence* and subsequently included it in the *Bill of Rights*, the first ten Amendments to the Constitution of the United States of America.

The struggle for individual rights (i.e. freedom or *rightful liberty*) in the United States continued until President Franklin D. Roosevelt's New Deal legislation was vindicated by the Supreme Court in the Spring of 1937 and the *progressive movement* took over. "Progressives believed in the power of science and economics, employed by government, to lift up the economic and social position of the general population."<sup>4</sup> To accomplish their goals, the *progressives* needed to turn back the clock, back to the time when government was the grantor of rights and provided for the poor and down-trodden, by forcibly taking property from the productive classes and distributing it to the less fortunate among us.

In the *Old World*, superstition and religion (Divine Right of Kings) were used to control society, e.g., only the clergy were allowed to read and interpret the bible. In order to control society today, the *progressives* have replaced superstition and religion with the promise of democracy and compulsory education. With the advent of government-controlled compulsory education, resulting in increased specialization, less emphasis has been placed on inalienable rights, leading many Americans to regard democracy to be a greater good, i.e. more important than individual freedom. In addition, because of this increased specialization, similar to the relationship between the clergy and bible in the *Old World*, only government-approved attorneys and academics are allowed to interpret the Constitution.

However, it is important to note that individual freedom and protection of private property, not democracy, was the original intent of the American constitutional order. Although many Americans believe that a "majoritarian democracy is . . . the core of [the] entire system [of the United States government],"<sup>5</sup> this belief represents incorrect propaganda developed by our government-controlled education system. In fact, the word "democracy" is not used in the Constitution, and the Founders were so determined to avoid the problems associated with democracies that they specifically guaranteed within the Constitution, "a Republican Form of Government" to each State."<sup>6</sup> James Madison, the architect of our Constitution, expressed his

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<sup>4</sup> Richard A. Epstein, *How Progressives Rewrote the Constitution*, p. 3, Cato Institute (2006).

<sup>5</sup> John Hart Ely, *Democracy and Distrust*, p. 7, The Classics of Liberty Library (2004).

<sup>6</sup> U.S. Const. art IV, §4.

fear and concern as follows, “. . . democracies have ever been spectacles of turbulence and contentions; have ever been found incompatible with personal security or the rights of property; and . . . have been violent in their death.”<sup>7</sup> The Founders clearly understood the dangers inherent in a democracy and Edmund Randolph of Virginia probably best describes their efforts at the Constitutional Convention, “The general object was to produce a cure for the evils under which the United States labored; that in tracing these evils to their origins, every man had found it in the turbulence and follies of democracy.” All the participants at the Convention shared the same views regarding the evils associated with democracy.<sup>8</sup>

Aristotle described *democracy* as tyranny by the many; and, the Founders believed that a democracy meant centralized power, controlled by majority opinion, which would become completely arbitrary, resulting in the continued age-old concept of the rule of man. Whereas, by establishing a republic, which was decentralized and representative in nature, with the government’s purpose limited to protecting liberty and private property rights, the United States would enter the enlightened age of the rule of law.<sup>9</sup>

Accordingly, our Founders gave us a constitutional republic with written guarantees to protect individual freedom and property rights. The government created in 1787 is best described by Thomas Jefferson, “. . . a wise and frugal government, which shall restrain men from injuring one another, which shall leave them otherwise free to regulate their own pursuits of industry and improvement, and shall not take from the mouth of labor the bread it has earned. This is the sum of good government, and this is necessary to close the circles of our felicities.”<sup>10</sup>

Partly due to our compulsory education system, most Americans believe they live in a democracy rather than a Constitutional Republic with written guarantees protecting inalienable rights. Because of this erroneous belief, it becomes much easier for politicians to erode and circumvent our rights using democracy or majority rule as justification.

Unfortunately today, we Americans have chosen democracy over freedom. According to Ludwig von Mises (1881-1973),

[the experiment in individual freedom started by our Founders] is impractical because most people are still too unenlightened to grasp its meaning. There was a psychological

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<sup>7</sup> The Federalist No. 10 (James Madison).

<sup>8</sup> Ron Paul, M.D., Congressman, U.S. House of Representatives, *Sorry, Mr. Franklin, “We’re All Democrats Now”*, Jan. 29, 2003.

<sup>9</sup> *Id.*

<sup>10</sup> Thomas Jefferson, First Inaugural Address, Mar. 4, 1801.

error in the reasoning of the old [libertarians, e.g., Thomas Jefferson]. They over-rated both the intellectual capacity of the average man and the ability of the elite to convert their less judicious fellow citizens to sound ideas.<sup>11</sup>

Probably the best illustration of a democracy is two wolves and a lamb deciding what to have for dinner, while freedom would be a well-armed lamb contesting the vote.<sup>12</sup>

As John Lennon sang, they “keep you doped with religion and sex and TV. And you think you’re so clever and classless and free. But you’re still peasants as far as I can see. A working class hero is something to be.”

Maybe it’s time we realize our predicament and make every effort to restore our Constitutional Republic. The first step is through education and making those around us aware of the fraud perpetrated on the public by the media, academia, Congress, the President, and the Judiciary.

Until our Constitutional Republic is restored, we are all working class heroes or peasants, and many of our fellow Americans will continue to “think [they are] so clever and classless and free.”

**The U.S. Individual Income Tax is Incompatible with a Free Society** (*Book Review by John-Michael Seibler, Resident-Fellow with The James Madison Institute*)

Individual income taxpayers inevitably wonder when tax-rates become confiscatory. As rates increase from ten to forty percent, at what point do U.S. citizens and residents become indentured servants? When you surrender a third or more of your earnings in direct taxes, that amount of daily labor is spent in servitude. How much can reasonably be seized as payment for public goods and services?

Mr. Robert G. Beard Jr., J.D., LL.M., C.P.A. has authored an essential read for every taxpayer. It

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<sup>11</sup> Ludwig von Mises, *Omnipotent Government*, p. 317, originally published in 1944, *The Classics of Liberty* (2012); Mises also stated, “The realization of the [libertarian] plan is impossible because—at least for our time—people lack the mental ability to absorb the principles of sound economics. Most men are too dull to follow complicated chains of reasoning. [Libertarianism] failed because the intellectual capacities of the immense majority were insufficient for the task of comprehension.”

<sup>12</sup> This statement has been attributed to Dr. Benjamin Franklin and parts of it was used by Richard Maybury, *Whatever Happened to Justice*, p. 125 (1993).

asks those questions and more, while delivering in spades on its no-fuss title, *The U.S. Individual Income Tax is Incompatible with a Free Society*.

The book offers a legal justification for abolishing the IRS and enacting a national sales tax. Despite unprecedented political power-grabs by the IRS, it's a debate that generations of constitutional scholars would lay to rest. Yet Robert Beard boldly re-examines American legal history to shine a new light on key cases and constitutional mandates. Form 1040 also gets a long over-due constitutional analysis. He convincingly posits the form is a vehicle for these greater unconstitutional intrusions into personal finances and the continued erosion of constitutional rights.

Beard's arguments are ultimately honest, engaging, and assuage common concerns with the federal income tax. He explains the income tax is contrary to the founding generation's understanding that "taxation was the root of most evil." It violates their driving determination "not to repeat the mistakes of the Europeans." In the proper context of original intent, the principles of the Scottish enlightenment, and classical liberalism, the book primarily addresses three main problems with the individual income tax:

1. Our definitions of direct and indirect taxes.
2. Our troubled interpretation of the Sixteenth Amendment.
3. Specific conflicts with the administration of the tax and our constitutional rights as U.S. citizens and residents.

While delightfully readable, Beard's book provides abundant research and a rich history behind these issues. He concludes that our individual income tax laws, "as administered today, would be considered repugnant to the Constitution, a direct violation of the Fourth and Fifth Amendments; and accordingly, ruled null and void."

So, what has happened since 1886, when a law authorizing the compulsory production of private financial papers was deemed unconstitutional and void? Adam Smith left us four warning signs of a bad tax in *The Wealth of Nations*. Beard traces America's violation of each one, and elucidates our growth away from seventy-five-years of survival on indirect taxes alone (e.g., duties, imposts and excises).

Robert Beard portrays the deep complicity among all three branches of government and the IRS in violating individual's rights through the income tax. He is right to declare it "a fraud on the public." For not only is the tax itself incompatible with a free society, but the administration and collection of the taxes is constitutionally questionable as well.

America's revolutionary history and jeopardized future demand an end to the individual income tax. Ultimately, Beard urges Congress to consider replacing it with a national sales tax.

If we want to learn from "the mistakes of the Europeans" as our founders intended us to, we need a firm defense against the government's slow and silent demise of liberty. That begins with a well-informed public. Robert Beard's book gives voice to that long-silent nation of taxpayers, who can feel the growing hunger of government.

This book is a must read for all of us who would not be devoured.

John-Michael Seibler, Resident-Fellow  
The James Madison Institute

### **How to acquire our "must read"**

*The U.S. Individual Income Tax is Incompatible with a Free Society* is available through our website, [www.jeffersoniangroup.com](http://www.jeffersoniangroup.com); and, through Amazon.com and Barnes & Noble, by searching for Robert G. Beard, Jr. It is offered in hardcover, softcover, eBook, Kindle edition, and Nook.

Help us make the New York Times Best Seller's List... buy copies for you, your family, and friends... thanks!

### **Are Stocks Overvalued?**

Harry S. Dent is forecasting a stock market crash "for 2014 to 2015." According to Mr. Dent, "even on *normal* valuations measured by price-to-earnings (P/E) ratios, stocks are as highly valued as they were before the last crash in late 2007. In fact, 2013 looks almost exactly like 2007 did."<sup>13</sup>

When an economy is near its top there "are *never* bad signs." "How could there be? That's when the economy looks its best." Mr. Dent points to Japan in late 1989 before its two-decade downturn; the U.S. economy in late 1929 before the worst stock market crash in U.S. history; and the U.S. economy in early 2000 before the tech stock crash. "You can't look at the

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<sup>13</sup> Harry S. Dent, Jr., *Think Stocks Aren't That Overvalued Yet? Well Think Again...*, Survive & Prosper, a publication of Boom & Bust, October 15, 2013.

economy for meaningful signs of an economic slowdown or a stock market crash. You have to look at demographics that foreshadow major changes years and decades in advance.”<sup>14</sup>

Mr. Dent points to Economist Robert Shiller’s *Cyclically Adjusted S&P 500 P/E Ratio* analysis for the period 1880-2040. According to Shiller’s theory, which uses a 10-year average of earnings adjusted for inflation (rather than one year—the prior year), once P/E’s hit 24-to-25 times the average of the last ten-years, they subsequently decline or fall as low as 5-to-8 as they did in 1921, 1932 and 1982. According to Mr. Dent, “P/E ratios in most major bull markets peak between 23 and 27 on Shiller’s indicator. Those numbers represent extreme overvaluation! We’re already there and headed up.” Dent continues,

The next crash will take us even lower than the ’07 crash did, according to analysis of my Dow Megaphone pattern. I see the Dow peaking between 16,000 and 16,700 by early 2014—at a Shiller P/E ratio of 27, similar to that of 2007—and then crash to as low as 5,800 a few years from now. The situation may get so bad that we’ll even see a Dow of 3,300 - 3,800 in the early 2020’s.<sup>15</sup>

In spite of Mr. Dent’s warnings, Dr. Mark Skousen, a direct descendant of Dr. Ben Franklin and a renowned economist from the *Austrian School*, recommends allocating 80% of our investment capital to stocks. He does cite Marc Faber, publisher of the *Gloom, Boom & Doom* Report, who is predicting a “1987-style crash ‘will happen in the back half of 2013’.”<sup>16</sup>

In addition, Dr. Skousen points to the fact that many advisors are forecasting a massive decline and also mentions Mark Spitznagel, who bases “his pessimistic forecast on his understanding of Austrian economics—the economics of Ludwig von Mises and Friedrich Hayek, and the Austrian theory of the business cycle.” According to Dr. Skousen, an Austrian economist himself, Spitznagel “focuses entirely on the next crash or mini-crash,” while his emphasis “is on the entire boom-bust cycle; aggressively investing in stocks during the boom phase, but playing it conservatively during the bear phase.”<sup>17</sup>

The Federal Reserve’s “easy-money policies [e.g., pumping \$85-Billion into the economy each month] cannot last.” And, “the Fed is creating another unsustainable inflationary boom that will end badly.” But, according to Dr. Skousen, as long as the Fed continues “pumping billions of paper money into the system,” while short-term interest rates are low, he remains “bullish,

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<sup>14</sup> *Id.*

<sup>15</sup> *Id.*

<sup>16</sup> Dr. Mark Skousen, *Forecasts & Strategies*, Vol. 34, No. 10, October, 2013.

<sup>17</sup> *Id.*

though cautious.” Dr. Skousen currently recommends 80% in stocks and mutual funds, 10% in interest bearing investments and bonds, and 10% in natural resources (oil & gas and gold).<sup>18</sup>

Dr. Steve Sjuggerud, for similar reasons as Dr. Skousen, believes that “today is a great time to invest. It’s time for you to act and put REAL MONEY to work... Please don’t wait... In a few years, this incredible opportunity will be gone. . . . In a couple of years, we’ll move our wealth to safety. . . . Big, triple-digit-profit opportunities are in front of us. And the timing is perfect...”<sup>19</sup>

Personally, I tend to agree with all three advisors, including Mr. Dent. However, Mr. Dent’s timing may be off. Assuming the Federal Reserve keeps interest rates low and continues to pump billions into the economy each and every month, a substantial correction next year is doubtful. Therefore, today, it would appear that we may have 2-to-3 more years of ever-increasing stock prices, albeit, the ride may be bumpy at times.

But, if we buy *world-dominating* businesses, which pay dividends and have a track record of increasing their dividend payouts, and, we reinvest those dividends back into the company, a stock market crash is actually a cause for celebration in that we then are able to buy more great businesses at great prices.

In addition, for speculative positions, be sure to use the *trailing stops* strategy, which was discussed in Issue 1-2013, available online at [www.jeffersoniangroup.com](http://www.jeffersoniangroup.com).

### **World Dominators (Great Businesses) to Buy Right Now**

Dan Ferris, Editor of *The 12% Letter*, specializes in *World Dominating Dividend Growers* (WDDG’s), which he recommends to his subscribers. As of Friday, October 18<sup>th</sup>, three were within his buy range: (1) Sysco (SYY), buy up to \$33; (2) Intel (INTC), buy up to \$24; and (3) Microsoft (MSFT), buy up to \$34.<sup>20</sup>

Also, Cola-Cola’s (KO) buy up to price is listed as \$35<sup>21</sup> while the most recent closing price is just under \$39. However, if you do not own any stock in Coca-Cola (KO), I would suggest that you purchase at least 25%-to-50% of the initial position you desire to acquire with your current investment capital. Even if you pay a higher price than desired, as long as the company is

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<sup>18</sup> *Id.*

<sup>19</sup> Dr. Steve Sjuggerud, *All You Need to Know to Make Big Money Safely in the Next Three Years*, True Wealth, October 2013.

<sup>20</sup> Dan Ferris, *The 12% Letter*, October 2013, published by Stansberry & Associates Investment Research.

<sup>21</sup> *Id.*



paying at least a 2% dividend on your purchase price, with a record of increasing their dividend payouts by about 10% per year, and, you automatically reinvest your dividends, your dividend yield on your initial investment will exceed: 6% in 10-years; 13% in 15-years; 32% in 20-years; and 106% in 25-years.<sup>22</sup>

Coca-Cola's yield today is 3% and it "has paid uninterrupted dividends on its common stock since 1893 and increased payments to common shareholders for 51 consecutive years." And, the "annual dividend payment has increased by 9.8% per year over the past decade," which is slightly higher than their growth in earnings per share.<sup>23</sup> If you do not own shares in Coca-Cola (KO), you should.

Another *World Dominator*, recommended by Dan Ferris, editor of *Extreme Value*, is Cisco Systems, Inc. (CSCO). The buy up to price is \$23, with a P/E ratio under 13 and a 3% dividend yield.

And, although not listed as a *World Dominator*, The Walt Disney Company (DIS) is a favorite of mine. After arriving in Florida in the summer of 1983, Walt Disney World feels like our second home; and, with two young grandchildren, the magic continues! In order to get a Disney stock certificate, I purchased one share, and enrolled it in Disney's dividend reinvestment program sometime in late 1985. Since Disney did not pay much of a dividend, e.g., the yield today is only about 1%, I never bought any more shares. Then, this past January I looked at my annual statement and had over 50 shares of stock. What I found was that since purchasing the stock, there had been two 4-to-1 stock splits and one 3-to-1 stock split during the period that I owned the stock.

In order to simplify the computations and determine an annualized return over 27 years, I ignored the reinvested dividends; and, computed an annualized per annum return of 74.64%, i.e. 100 shares of Disney stock purchased for \$11,262 on January 2, 1986 would turn into 4,800 shares valued at \$238,224 on December 28, 2012. Unfortunately, I did not buy 100 shares, I only bought one... this mistake has been corrected!

It appears that every time Disney's stock price gets over the \$100 per share price, they split and bring the price back down to the \$25-to-\$35 range. Based upon my experience and observations, The Walt Disney Company (DIS) is a *World Dominator*, which, instead of paying

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<sup>22</sup> To obtain these yields, all dividends would be re-invested to purchase additional shares, which in turn would increase the dividend payout. According to Dan Ferris, Editor of *Extreme Value*, If you did not reinvest the dividends, by starting with a 2% yield and maintaining a 10% annual dividend growth, you would "be making about 14% annually over your original cost in 20 years. The S&A Digest: *The Master Series*, from the desk of Porter Stansberry, October 06, 2013.

<sup>23</sup> Dividend Growth Investor, available at <http://www.dividendgrowthinvestor.com>.

increasingly higher dividends, makes up for it by using other strategies that are shareholder friendly, e.g., 4-to-1 stock splits. Another newsletter writer considers The Walt Disney Company (DIS) to be a “Legacy Asset.”<sup>24</sup> *World Dominator* and/or *Legacy Asset*, The Walt Disney Company (DIS) is a great long-term investment... buy it and lock it away.

## Speculating in the Stock Market

As discussed in prior issues (available at [www.jeffersoniangroup.com](http://www.jeffersoniangroup.com)), the purchase of *World Dominator* individual stocks (real businesses), for example, that “have survived and thrived through two world wars, the Great Depression, countless financial panics and periods of booms and busts... and for more than 100-years [have] continually generated wealth for their owners,”<sup>25</sup> is not a speculation. The recommended strategy is to purchase such companies, like Johnson & Johnson (JNJ), at a reasonable-to-low price, with the intent to hold it, reinvest the dividends back into the company/business; with the ultimate goal of living off those dividend payments once financial independence has been attained.

Speculation occurs, as I see it, when you invest in index funds, ETF’s, and various sectors of the market to take advantage of trends with the intent of making a substantial profit.

Dr. Steve Sjuggerud believes that the next three years are ripe for speculation: “*We are at the peak of most likely the greatest financial mania that will ever be seen in our lifetimes, and quite possibly the greatest ever witnessed.*” Some of his recommendations follow:

- ProShares Ultra Health Care Fund (NYSE: RXL)
- ProShares Ultra S&P 500 Fund (NYSE: SSO)
- ProShares Ultra Technology Fund (NYSE: ROM)
- WisdomTree Emerging Markets Equity Income Fund (NYSE:DEM)
- Blackstone Group (BX)<sup>26</sup>

Dr. Mark Skousen also is very bullish, but cautious. In Issue 1-2013, dated July 24, 2013, I included seven of Dr. Skousen’s recommendations. With the exception of IAMGOLD (IAG), the other six securities mentioned in July continue to be recommended by Dr. Skousen. IAMGOLD

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<sup>24</sup> Elliott Gue’s Top 10 Stocks, *These 10 “Legacy Assets” Beat the Market 4-to-1*, Street Authority, October 2013, [research@StreetAuthority.com](mailto:research@StreetAuthority.com).

<sup>25</sup> Elliott Gue, *Stocks That Outlast Wars... Recessions... Financial Panics...*, Dividend Opportunities, October 17, 2013.

<sup>26</sup> Dr. Steve Sjuggerud, *True Wealth*, October 2013, available through [www.stansberryresearch.com](http://www.stansberryresearch.com).

(IAG) was sold by Dr. Skousen and replaced with Freeport McMoRan Copper & Gold (FCX, \$35.22, 3.6% yield).<sup>27</sup>

In addition, Dr. Skousen has added LinnCo, LLC (LNCO, \$31.55, 9.9% yield) to his recommended portfolio. Also, many money managers and investment advisors strongly recommend the Houston-based pipeline company, Enterprise Products Partners (EPD, \$62.74, 4.4% yield);<sup>28</sup> if you did not purchase it back in July, you may want to consider doing so now.

With respect to any speculative stock position taken, have a plan, limit your losses, and protect your profits.

### **Obamacare and The Right to Healthcare**

Over the past several years our health insurance coverage has continued to increase but, we have been able to keep it under \$500 per month for the two of us, by raising the deductible and having a policy that only includes catastrophic coverage. Our 25-year old son's coverage is \$120 per month. But, we have been told that we will no longer be able to keep our policies because of the Affordable Care Act (Obamacare).

In spite of President Obama's promise, "if you like the health plan you have, you can keep it," our monthly premium, under Obamacare, will rise to \$1,637 per month, an increase of over 225%; and, our son's premium goes from \$120 to \$289 per month, an increase of almost 150%.

According to an analysis by the Manhattan Institute, "on average, the cheapest plan offered in a given state, under Obamacare, will be 99% more expensive for men, and 62% more expensive for women, than the cheapest plan offered under the old system. And those disparities are even wider for healthy people, [e.g., me and my family as indicated above]."<sup>29</sup>

How could this happen... the Affordable Care Act... really? "Obamacare's bevy of mandates, regulations, taxes, and fees drives up the cost of insurance plans that are offered under the law's public exchanges."<sup>30</sup>

And, the reason our health insurance coverage is projected to increase by over 225% is because of the requirement that all health insurance plans "must cover 10 minimum essential health

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<sup>27</sup> Dr. Mark Skousen, *Forecasts & Strategies*, Vol. 34, No. 10, October, 2013, available at [www.MarkSkousen.com](http://www.MarkSkousen.com).

<sup>28</sup> *Id.*

<sup>29</sup> Avik Roy, *Obamacare's Website Is Crashing Because It Doesn't Want You to Know How Costly Its Plans Are*, *Laissez Faire Today*, October 17, 2013, [lftoday@lfb.org](mailto:lftoday@lfb.org).

<sup>30</sup> *Id.*

care services.” The services that my wife and I must now pay for, and do not need nor want, are as follows:

- Maternity/Newborn Care
- Mental Health and Substance Abuse Services
- Prescription Drugs
- Preventive/Wellness Programs and Chronic Disease Management
- Pediatric Services<sup>31</sup>

In other words, Congress and the President have decided that whether we like it or not, we must pay for health insurance covering the above services or pay a penalty. Furthermore, because of this law and how the insurance companies are regulated, it may be impossible to find a company that will offer us a policy which is not compliant with the requirements of Obamacare; or, if more appropriately renamed, the **Unaffordable** Care Act.

How did this happen? As Professor Randy E. Barnett has said, “without an understanding of natural rights [or inalienable rights], [Americans] are very likely to misinterpret the Constitution in crucially important ways.”<sup>32</sup> And, this is exactly what has happened.

According to Dr. Williams, “During earlier periods, Congress and the Supreme Court had far greater respect for the Constitution. They understood that if the federal government was to have a power not delegated, or expressly forbidden, by the Constitution they had to use the provisions of Article V to gain that power by amendment.” For example, in 1919 Congress understood that to prohibit the sale of alcohol, it required the passage of the Eighteenth Amendment. “Today, it’s an entirely different story. Congress, the White House and the Supreme Court have abiding contempt for the Constitution and we Americans are left with a constitutional carcass.”<sup>33</sup>

As Dr. Williams points out, “No matter what you think about the alcohol prohibitionists, we can have a bit of admiration for them because they used the constitutional route to get their agenda across.”<sup>34</sup> Whereas, today, “constitutional stealth” (e.g., taxation, majority votes for legislation and “totalitarian tactics” of agencies like the EPA, FDA and IRS) seems to be employed to circumvent the Constitution; and, thereby, avoiding the amendment process required by Article V.<sup>35</sup>

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<sup>31</sup> Robert Longley, *Obamacare Penalty and Minimum Insurance Requirements*, About.com U.S. Government Info, October 1, 2013, <http://usgovinfo.about.com/od/healthcare/a/Obamacare-Penalty-And-Minimum-Insurance-R>.

<sup>32</sup> Randy E. Barnett, *The Structure of Liberty, Justice and the Rule of Law*, p.25, Oxford University Press (2004).

<sup>33</sup> Walter E. Williams, Professor of Economics at George Mason University, *Constitutional Corruption*, Oct. 4, 1995, <http://www.gmu.edu/departments/economics/wew/articles/95/Constitutional-Corruption.htm>.

<sup>34</sup> *Id.*

<sup>35</sup> *Id.*

Dr. Williams continues, "...the education establishment has played a greater role through the dumbing down of Americans. The resulting ignorance has allowed us to let charlatans and quacks in the legal profession tell us what the Constitution means."<sup>36</sup>

Obamacare or the Affordable Care Act was passed because many Americans have been mistakenly convinced that health care is a right that everyone should have. Under the natural rights philosophy, which is enshrined in our founding documents, including the Constitution, American's have a right to pursue happiness or property, which would include a right to *pursue* healthcare; however, a positive right to healthcare, forcing other individuals to provide healthcare, is contrary to the natural rights philosophy in that it requires another individual to "do some act for the benefit of the person entitled."

As stated in the *Declaration of Independence*, we have "certain unalienable Rights" that include "Life, Liberty and the Pursuit of Happiness." The rights granted us by our Constitution are negative rights not positive rights. We have a right to *pursue* food, shelter, clothing, property, healthcare, insurance, etc. but, we do not have a right to these things. If we did, then somebody else would have to be enslaved to provide them for us.

Negative rights, which is the basis of our Constitutional Republic, represents individual freedom, while the granting of positive rights subjugates some Americans for the benefit of others, i.e. slavery.

A simple concept (positive and negative rights or slavery vs. freedom) purposely ignored within our compulsory education system, which needs to be changed in order to save our Republic. "The survival of past societies has depended heavily upon the choices of laws, just as [America's] survival and prosperity is heavily dependent upon the choices, often conscious and deliberate, that [are made] today."<sup>37</sup> If we continue on the current path chosen for us by the *progressives*, we will meet our demise like all great empires that came before us.

What is the future to be for individual freedom or *rightful liberty*? Will we make the right choices?

Dum spiro, spero—While I breath I hope.

Slainte mhath,

Robert G. Beard, Jr., J.D., LL.M., C.P.A.

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<sup>36</sup> *Id.*

<sup>37</sup> Richard A. Epstein, *Principles for a Free Society, Reconciling Individual Liberty with the Common Good*, p.13, Basic Books (2002).