Investmentocracy:
A Challenge to Conventional Democratic Principles and a Framework for a New Free Society

Second Edition

G. Stolyarov II

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Abstract

The system of investmentocracy, described and defended here, offers a viable alternative to the conventional democratic principles of "one man, one vote" and the illegitimacy of vote transfers and vote pooling among individuals. Investmentocracy, which rewards contributors to the government with a number of votes proportional to their contributions, permits a viable elimination of compulsory taxation. Investmentocracy also entails remedies for voter irrationality and strong protections for all individual rights, including the rights of non-contributors. I use the Freecharter, a constitution of my own design, to provide a specific framework within which investmentocracy can be viably embedded. Here, both protections for individual rights inherent to investmentocracy itself and protections contained in other parts of the Freecharter will be examined.

Introduction

Numerous principles of voting have unnecessarily been considered sacred in contemporary Western societies. One of these is the principle of "one man, one vote." Another is the inalienability of voting power from individuals. Yet a third erroneous principle often taken for granted is the inability of individuals to legally pool their votes in favor of a candidate or policy they support. Finally, age and residency limitations on voting necessarily exclude some qualified persons while empowering politically ignorant and undedicated others. These common ideas and policies shall hereafter be referred to as Conventional Democratic Principles (CDPs). The application of these principles virtually always requires a system of compulsory taxation to support the functions of the government.

Here, an alternative system is proposed – a system where individuals and organizations are free to augment their absolute numbers of votes, and thereby their relative voting power, in proportion to their voluntary contributions to the government. This system shall hereafter be called *investmentocracy* – rule by investment in the government. Investmentocracy corrects numerous conventional democratic injustices and inefficiencies, while eliminating the need for compulsory taxation.

A concrete and thorough formulation of investmentocracy exists in Article III of the Freecharter, a constitution I created in order to develop a comprehensive framework for a new society and government which will fully respect and protect individual rights. Instead of only discussing how investmentocracy might work in general, it is useful to provide a concrete document for the reader's reference and as a starting point for future attempts to incorporate investmentocracy into a governmental system. The Freecharter is useful in its ability to simultaneously outline a specific arrangement within

which investmentocracy might work, as well as to describe other institutions which complement and reinforce investmentocracy.

Indeed, the Freecharter includes numerous other innovations designed to ensure that a government subject to the principle of investmentocracy does not violate individual freedoms. Some of these protections include a more extensive bill of rights and an equally extensive section of restrictive clauses on the power of governments at all levels, a tricameral legislature with different methods of election for each chamber, rotating veto power by lot and the office of the Nullifier, and the requirement that all citizens of the free society explicitly adopt the constitution.

Here, some of the auxiliary protections for individual rights under investmentocracy will be explained in brief. However, the primary focus will be on these institutions' relation to investmentocracy's viability. It will be useful for subsequent papers to analyze each of the other institutions in the Freecharter in their own right. Examining all of the Freecharter's proposed institutions and innovations can solidify the groundwork for a free society and expand our understanding of how such a society might function.

I. Existing Literature Regarding Investmentocracy and CDPs

1. Literature Regarding Investmentocracy

Investmentocracy itself is a recent intellectual innovation. Thus, discussions of it in previously existing literature have been rare. A proposal extremely similar to investmentocracy was put forth by Walter Williams in "Who Should Vote?" (2002). Williams analyzes voting within a corporation and commonly held understandings regarding how such voting should be arranged. Williams echoes the prevailing consensus that, in a corporation, "[t]he only people who should have voting rights are stockholders, who have ownership rights in the corporation. We generally agree that voting power should be proportional to their stake in the corporation, namely, how many shares they own."[1] This principle conspicuously does not appear in voting under virtually any democratic system today. Williams discusses the problems that arise when those who vote have little or no personal investment in the system which gives them the voting power:

> Suppose a politician campaigned on the promise to increase spending on various social programs that would be funded with higher taxes. People who pay little or no taxes would see themselves as coming out ahead by voting for that politician. They would bear little or none of the costs, at

[1] Williams 2002, "Who Should Vote?"

> least directly in the form of taxes, and they would benefit from the promised social spending increase.[2]

To remedy this wide difference in motivations between the people who vote and the people who contribute to the government, Williams suggests that

> [w]e should consider adoption of a procedure similar to decision-making in the corporate arena: you get to vote if you have financial stake in the country. The size of your vote depends on how much of a stake you have. Therefore, at least in federal elections, we might have a provision whereby a person would have one vote per each one thousand dollars (or fraction thereof) that he paid in income taxes.[3]

In "Dangers of No Tax Liability" (2004), Williams refines his proposal and changes the price per vote:

> Every American regardless of any other consideration should have one vote in any federal election. Then, every American should get one additional vote for every $10,000 he pays in federal income tax. With such a system, there'd be a modicum of linkage between one's financial stake in our country and his decision-making capacity.[4]

Williams's proposal is extremely similar in principle to investmentocracy, although it is somewhat less radical in its scope. Williams seeks to move away from the "one man, one vote" principle, which would in itself constitute enormous progress. But Williams does not explicitly address other conventional democratic principles, such as the inalienability of votes and the inability of individuals to pool their votes. There are four principal differences between Williams's proposal and investmentocracy. First, Williams's proposal does not do away with compulsory taxation, whereas investmentocracy does. Second, Williams recommends rendering a citizen's number of votes beyond one proportional to the amount of *income taxes* paid by that citizen. This leaves out other forms of contribution to the federal government, including payroll taxes, sales taxes, donations, and taxes by non-individual legal entities, such as corporations. This aspect of Williams's proposal evoked criticism from Keith Halderman (2004), who argued that "[s]ince the money collected by the payroll tax is immediately either spent outright or turned into government bonds and then spent, this federal tax differs in no substantial way from the federal income tax."[5] Investmentocracy avoids Halderman's objection by rendering additional votes of each individual *or* organization directly proportional to the sum of that entity's *total* contributions to the government. Third, Williams's proposal does not mention the possibility of organizations – such as corporations, non-profits, and cooperatives – having votes of their own that can be allocated according to the internal decision-making mechanisms of those organizations. In contrast,

[2] Williams 2002, "Who Should Vote?"
[3] Williams 2002, "Who Should Vote?"
[4] Williams 2004, "The Dangers of No Tax Liability"
[5] Halderman 2004, "A Horrible Idea From Walter Williams"

investmentocracy explicitly permits individuals to pool their votes and vote as an organization. Fourth, Williams's proposal does not mention whether votes would be transferable among individuals once they were purchased through tax contributions. Investmentocracy, on the other hand, permits individuals and organizations to freely sell or give away votes as they see fit.[6]

I originated the system of investmentocracy independently of Williams's work but was later gratified to find that a scholar of his eminence has endorsed one of the major animating principles of investmentocracy in his own writings.

2. Literature Critiquing Conventional Democratic Principles

While proposals similar to investmentocracy have been scarce thus far, there has been considerable literature devoted to criticizing conventional democratic principles from the perspective which I embrace here – namely, the view that the sole purpose of government is to protect the individual rights of each of its constituents. This literature is so extensive that it is impossible to even summarize all of it within several pages. Therefore, I will offer only a sampling of past critiques of CDPs.

Particularly trenchant critiques of democracy and the "one man, one vote" principle were offered by many of America's founders, who recognized the fundamental conflict between democracy and individual liberty. James Madison (1787) wrote that

> a pure democracy, by which I mean a society consisting of a small number of citizens, who assemble and administer the government in person, can admit of no cure for the mischiefs of faction. A common passion or interest will, in almost every case, be felt by a majority of the whole; a communication and concert result from the form of government itself; and there is nothing to check the inducements to sacrifice the weaker party or an obnoxious individual. Hence it is that such democracies have ever been spectacles of turbulence and contention; have ever been found incompatible with personal security or the rights of property…[7]

Madison thus argues that a pure democracy, where governmental decisions are made entirely in accord with majority rule and the "one man, one vote" principle, will necessarily devolve into tyranny by the majority of the moment, which will use its voting clout to expropriate and endanger the lives of individuals whose views and interests happen to be in the minority. Concurring with this view, John Adams wrote to John Taylor in 1814 that "democracy never lasts long. It soon wastes, exhausts, and

[6] There are only two restrictions on this prerogative. First, criminals who have not yet made full restitution for their crimes may not participate in the system of investmentocracy. The second restriction is found in Section VI of Article III of the Freecharter, which reads: "No entity that relies on the coercive extraction of revenues may participate in the system of investmentocracy. In particular, foreign governments relying on taxation for their funding may not purchase votes in the system created under this constitution."

[7] Madison 1787, "The Federalist, No. 10"

murders itself. There never was a democracy yet that did not commit suicide."[8] Adams followed this statement with a letter to Thomas Jefferson in 1815, where he stated that "despotism, or unlimited sovereignty, or absolute power, is the same in a majority of a popular assembly, an aristocratical council, an oligarchical junto, and a single emperor. Equally arbitrary, cruel, bloody, and in every respect diabolical."[9] Adams was strongly aware of the possibility that an assembly elected by the people under a democratic system of government could be just as tyrannical as a monarch or an oligarchy if no limitations were placed on its power.

John Stuart Mill authored a classic work questioning the principle of "one man, one vote" in 1859. Mill's "Thoughts on Parliamentary Reform" argues that every person should have *some* voice in deciding political matters, but disputes the idea that every person should have an *equal* voice in this realm:

> But ought every one to have an equal voice? This is a totally different proposition; and in my judgment as palpably false, as the other is true and important... [Supporters of "one man, one vote"] say that every one has an equal interest in being well governed, and that every one, therefore, has an equal claim to control over his own government. I might agree to this, if control over his own government were really the thing in question; but what I am asked to assent to is, that every individual has an equal claim to control over the government of other people. The power which the suffrage gives is not over himself alone; it is power over others also: whatever control the voter is enabled to exercise over his own concerns, he exercises the same degree of it over those of every one else.[10]

Mill argues that because some people have superior qualities of judgment than others, it is not rational to give every person an equal share in government decision-making. Mill observes that "[i]t is the fact, that one person is not as good as another; and it is reversing all the rules of rational conduct, to attempt to raise a political fabric on a supposition which is at variance with fact."[11] Mill then proceeds to enumerate a hierarchy of competency in deciding on political matters with which most reasoning individuals should be able to agree:

> [A] person who cannot read, is not as good, for the purpose of human life, as one who can. A person who can read, but cannot write or calculate, is not as good as a person who can do both... A person who has not, either by reading or conversation, made himself acquainted with the wisest thoughts of the wisest men, and with the great examples of a beneficent and virtuous life, is not so good as one who is familiar with these.[12]

[8] Adams 1814, Letter to John Taylor. Found in Wikiquote, "John Adams."
[9] Adams 1815, Letter to Thomas Jefferson. Found in Wikiquote, "John Adams."
[10] Mill 1859, "Thoughts on Parliamentary Reform"
[11] Mill 1859, "Thoughts on Parliamentary Reform"
[12] Mill 1859, "Thoughts on Parliamentary Reform"

Mill recognizes the spurious nature of the claim that every person has a *right* to the same amount voting power as possessed by everyone else. He writes that "There is no such thing in morals as a *right* to power over others; and the electoral suffrage is that power."[13] In Mill's view, the more educated and competent members of society would be more qualified to properly manage affairs in the public realm due to their superior knowledge, judgment, virtue, and skills. Mill proceeds to propose implementing a system of examinations which anyone may take and upon passing which a certain number of additional votes is conferred on the examinee. Mill would have been skeptical, however, of the system of investmentocracy; he argues that "[t]he presumption of superior instruction derived from mere pecuniary qualification is, in the system of arrangements we are now considering, inadmissible. What it is important to ascertain is education…"[14] While Mill did not advocate investmentocracy, Mill's system and the system of investmentocracy can each be grounded Mill's arguments for rejecting the "one man, one vote" principle.

Rose Wilder Lane's essay "Liberty versus Democracy" (1943) critiqued the principle of majority rule. Lane claims that "The People does not exist. Individual persons compose any group of persons. So in practice, any attempt to establish democracy is an attempt to make a majority of persons in a group act as the ruler of that group."[15] Lane recognizes that majority rule exhibits neither moral superiority nor gains in efficiency: "There is no morality or efficiency in mere numbers. Ninety-nine persons are no more likely to be right than one person is."[16] Lane then notes that unchecked majority rule is a recipe for tyranny: "[B]ecause a majority supports the ruler whom a majority chooses, nothing checks his use of force against the minority. So the ruler of a democracy quickly becomes a tyrant. And that is the swift and violent death of the democracy."[17]

Ayn Rand had even stronger words for the system of unfettered majority rule. For her, democracy in the purest sense is

> a social system in which one's work, one's property, one's mind, and one's life are at the mercy of any gang that may muster the vote of a majority at any moment for any purpose. If *this* is a society's system, no power on earth can prevent men from ganging up on one another in self-defense, i.e., from forming *pressure groups.*[18]

The logical implications of unfettered majority rule, according to Rand, are grim:

[13] Mill 1859, "Thoughts on Parliamentary Reform"
[14] Mill 1859, "Thoughts on Parliamentary Reform"
[15] Lane 1943, "Liberty versus Democracy"
[16] Lane 1943, "Liberty versus Democracy"
[17] Lane 1943, "Liberty versus Democracy"
[18] Rand 1972, pp. 133-134

> In relation to each particular man, all other men are potential members of that majority which may destroy him at its pleasure at any moment. Then each man and all men become enemies; each has to fear and suspect all; each must try to rob and murder first, before he is robbed and murdered.[19]

In order for this universal war to be prevented, Rand advocates that the rights of every individual be institutionally protected by the government and enshrined in the documents which grant the government its legitimacy, such as its constitution and bill of rights. Such protections have been incorporated into the Freecharter, along with the system of investmentocracy.

During the first decade of the 21st century, two major works criticizing CDPs emerged. Hans-Hermann Hoppe's *Democracy: The God That Failed* (2001) offers an anarcho-capitalist critique of democracy and favors instead the institution of a "natural order" based on private property and competitive provision of defense and adjudication. In Hoppe's work,

> democracy is seen as promoting an increase in the social rate of time preference (present-orientation) or the "infantilization" of society. It results in continually increased taxes, paper money and paper money inflation, an unending flood of legislation, and a steadily growing "public" debt. By the same token, democracy leads to lower savings, increased legal uncertainty, moral relativism, lawlessness, and crime. Further, democracy is a tool for wealth and income confiscation and redistribution. It involves the legislative "taking" of the property of some – the haves of something – and the "giving" of it to others – the have-nots of things.[20]

Hoppe's alternative to democracy is a not a government based on investmentocracy, but rather no government at all. The "natural order" that Hoppe defends is one in which "every scarce resource, including all land, is owned privately, every enterprise is funded by voluntarily paying customers or private donors, and entry into every line of production, including that of property protection, conflict arbitration, and peacemaking, is free."[21] Hoppe's recommendations are not the same as mine, as Hoppe rejects constitutionalism along with democracy, while I seek to save constitutionalism by replacing democracy with investmentocracy. However, his exposition of the problems with conventional democracy can help elucidate why investmentocracy is a superior alternative.

The second major recent critique of CDPs is *The Myth of the Rational Voter: Why Democracies Choose Bad Policies* (2007) by Bryan Caplan, some of whose contents shall be examined in greater detail in Section 10. Caplan moves beyond the standard public choice critique of conventional democracy as a system which facilitates the *rational ignorance* of voters. Caplan summarizes the essence of rational ignorance as follows: "In elections with millions of voters, the personal benefits of

[19] Rand 1946, "Textbook of Americanism"
[20] Hoppe 2001, "Democracy: The God That Failed"
[21] Hoppe 2001, "Democracy: The God That Failed"

learning more about policy are negligible, because one vote is so unlikely to change the outcome. So why bother learning?"[22] Caplan believes that rational ignorance cannot account for all the problems with CDPs: "Rational ignorance cannot explain why people gravitate toward false beliefs, rather than simply being agnostic. Neither can it explain why people who have barely scratched the surface of a subject are so confident in their judgments — and even get angry when you contradict them."[23] The perverse incentives toward irrational ignorance under CDPs can be corrected by investmentocracy, as Section 10 demonstrates.

II. Problems With Conventional Democratic Principles

3. Incompatibility of Compulsory Taxation With Individual Rights

The principal problem with CDPs is their incompatibility with a liberal economic order that respects individual private property rights. Richard Wagner notes that

> it is inconsistent or incongruent to implement a liberal principle by conjoining legal principles of property and contract with a simple republic selected by single-member constituencies operating in accordance with majority rule… Market participants will use the political order as a means of gaining favors through imposing disabilities on others.[24]

Disabilities are politically imposed on individuals by means of *compulsory taxation,* which takes money from some and redistributes it to others largely through decisions of simple majorities of *voting persons.* In a pure democracy without checks on majority rule, 51 percent of the people have the power to vote for themselves the property of the other 49 percent. Even with some checks on majority rule, compulsory taxation amounts to the expropriation of some for the benefit of others.

Ayn Rand emphasizes the incompatibility of compulsory taxation and a completely free society.

> In a fully free society, taxation—or, to be exact, payment for governmental services—would be voluntary. Since the proper services of a government—the police, the armed forces, the law courts—are demonstrably needed by individual citizens and affect their interests directly, the citizens would (and should) be willing to pay for such services, as they pay for insurance.[25]

Compulsory taxation is not just a violation of liberty *in itself.* It facilitates other more grievous violations of liberty – up to the complete control of all aspects of individuals' lives by the government. John Unkel argues that advocates of government control have understood this, and for this reason, "[i]n 1916, [Vladimir] Lenin advised Swiss workers that direct federal taxation would be an instrument through

[22] Caplan 2006, "The Myth of the Rational Voter"
[23] Caplan 2006, "The Myth of the Rational Voter"
[24] Wagner 1993, p. 58
[25] Rand 1964, p. 135, "Government Financing in a Free Society"

which Switzerland would be socialized."[26] William Graham Sumner, a leading 19th-century classical liberal thinker, also recognized that the

> taxing power is especially something after which the reformer's finger always itches. Sometimes there is an element of self-interest in the proposed reformation, as when a publisher wanted a duty imposed on books, to keep Americans from reading books which would unsettle their Americanism; and when artists wanted a tax laid on pictures, to save Americans from buying bad paintings.[27]

The power to impose compulsory taxes is the power to impose values by taxing what the people in charge dislike. Moreover, it is the power to use innocent individuals as the unwilling instruments of their own oppression – the harnessing of the fruits of these individuals' productive work for the aim of further restricting, regulating, expropriating, humiliating, and even killing them.

Yet a voting system based on CDPs must rely on compulsory taxation in virtually all cases. CDPs result in an absence of capital markets in ownership of the government, which, according to Wagner, leads to an opportunity "for conflict among owners [here, the citizens at large], because of efforts of winning coalitions of owners to appropriate wealth from other owners."[28] Inalienable votes under CDPs imply the lack of markets for votes. A lack of such markets implies the absence of a way to get the unanimity among owners that a capital market in ownership tends to bring about.[29] A lack of unanimity among voter-owners leads to the perceived need to use force to get the recalcitrant few to conform to the plans of the many – at least when it comes to funding these plans.

4. Ownership Shares in Governmental Entities

There is no reason *not* to have markets for transferable ownership shares in governments. Wagner notes that many governments today face limitations that private entities, such as hotels and corporations, do not – even though these entities provide services similar in nature to those expected of certain governments – "communal services [such as] police, fire protection, sanitation, recreation, and transportation, in conjunction with the provision of … private services."[30] Wagner focuses on cities, which

> are non-proprietary organizations; they are a kind of consumer co-operative. People acquire a non-transferable ownership share by virtue of their residence in a city. This ownership share is inalienable, and it must be relinquished upon moving from the city. There is no market for

[26] Unkel 1952, p. 64, "Some Wandering Thoughts"
[27] Sumner 1952, p. 68, "On Minding One's Own Business"
[28] Wagner 1993, p. 61
[29] Wagner 1993, p. 61
[30] Wagner 1993, p. 60

> ownership shares; people must simultaneously serve as owners of the assets the city represents and as consumers of the services the city uses those assets to produce.[31]

Wagner's analysis can be extended to governments over larger territorial units. Under CDPs, for those governments, too, the "ownership shares" of voting citizens – their votes – are inalienable, and each voting citizen has the same number of voting shares – namely, one. CDPs prevent the kind of share trading that might bring about unanimous political outcomes, thereby precipitating schemes of compulsory taxation.

5. Lack of Sanctity of the One Man, One Vote Principle

Nothing necessitates the maintenance of CDPs under any constitutional order. Even John Locke, who explicitly advocates that all decisions pertaining to the purposes for which a government was established be made by majority rule, in fact recognizes an exception to this principle. He writes that "[w]hosoever… out of a state of nature unite into a community, must be understood to give up all the power, necessary to the ends for which they unite into society, to the majority of the community, *unless they expressly agreed in any number greater than the majority*."[32] Locke, then, cannot be seen as an unqualified adherent of majority rule by the "one man, one vote" principle. This is presumably the decision-making mechanism Locke would require *unless* the constitution set up stipulations to the contrary that were agreed upon by individuals entering into a society. Thus, only setting up such constitutional stipulations is necessary for a departure from CDPs that is fully consistent with Locke.

Majority rule has perhaps no less reserved advocate than Jean-Jacques Rousseau, who wrote that "all the qualities of the general will still reside in the majority: when they cease to do so, whatever side a man may take, liberty is no longer possible."[33] But even Rousseau acknowledged that "the more grave and important the questions discussed, the nearer should the opinion that is to prevail approach unanimity."[34] If a voting mechanism can be found that approaches or arrives at unanimity in deciding important political questions, then even Rousseau should in theory be able to approve of it. If unanimity can be more closely approached by rejecting CDPs, this is not in principle antithetical to Locke or even Rousseau.

[31] Wagner 1993, p. 60
[32] Locke 1690, Section 99. Italics mine.
[33] Rousseau 1762, Book IV, Section 2.
[34] Rousseau 1762, Book IV, Section 2.

III. Mechanics of Investmentocracy and the Transition from CDPs

6. Investmentocracy and the Elimination of Taxation

Investmentocracy is indeed a departure from CDPs that assures effective unanimity in making government decisions. In place of CDPs on the local and city levels, Wagner proposes that "[j]ust as the franchise is weighted in stock companies, ownership shares in municipal corporations could be weighted similarly, with weights based on relative tax payments."[35] Investmentocracy goes a step further by abolishing compulsory taxation altogether and replacing it with *voluntary* contributions to the government. In exchange for these contributions, the government gives a number of perpetually existing votes to each contributor, proportional to the magnitude of his contribution. Decisions submitted to voters are resolved by a majority or plurality of *votes*, rather than a majority or plurality of *voters.*

By abolishing required taxes, investmentocracy eliminates the possibility for coercive redistribution of wealth. Those individuals who do not want the government to give away their money can simply choose legally not to give money to the government. Those individuals who *do* give money receive a proportional amount of votes for it. They are empowered to an extent to direct the use of government funds, but they enter this power with full awareness that, on occasion, the vote will not go their way. This state of affairs is no less consistent with the unanimity principle than membership in a private organization which might occasionally elect officers of whom one disapproves despite one's vote to the contrary. So long as it is possible for any individual to refuse participation in the political process without incurring any costs or having costs imposed on him by others, a vital meta-unanimity in political decisions can be maintained. Any non-voting citizen will still have full *personal and economic rights* under investmentocracy and will be actively protected in these rights. He simply will not have the political voting privilege.

For instance, the government could designate 10 ounces of gold as the price of one permanent vote and enshrine this price as a clause in its constitution. This is precisely the provision in Article III, Section II of the Freecharter. No entity able and willing to pay this price may be denied the ability to contribute and receive votes accordingly.[36] Once the principle of "one man, one vote" is rejected, there is no longer any reason to restrict the votes an individual holds to whole-number amounts. For instance, a person who gives 0.1 gold ounces to the government will thereby purchase 0.01 votes. The number of

[35] Wagner 1993, p. 62

[36] Unless this entity is financed by coercive taxation (Article III, Section VI of the Freecharter) or has engaged in criminal activity for which full compensation has not yet beet made (Article III, Section III).

votes an entity currently controls can be officially recorded in a password-protected Internet database that every voter would be able to access.

7. Transferability of Votes Under Investmentocracy

Once the principle of inalienability of voting power is rejected, vote-holders would be free to transfer their voting shares to others for whatever price such shares will fetch on the free market. The free-market price of voting shares is unlikely to rise above the government price, because one will *always* be able to purchase a vote from the government for the constitutionally specified price. Moreover, an extensive and well-functioning market in votes is likely to eliminate most opportunities to buy votes at *below* the constitutionally specified price, because high demand for these votes will tend to lead their free-market prices to be bid up to the constitutionally indicated amount. If the free-market price of voting shares is ever substantially and sustainably below the constitutionally specified price, this would be a serious and visible sign of trouble for the government. Such a disparity would mean that the government is performing so poorly in the opinion of citizens that there is not even enough demand for its voting shares to bid up their price to the constitutionally specified amount.

8. Pooling of Votes Under Investmentocracy

Investmentocracy would permit individuals to pool their money and purchase votes *as an organization* – with the votes to be cast as internal organizational rules determine. This possibility eliminates the objection that investmentocracy would unduly empower wealthy citizens above all others. Poorer citizens can create voluntary associations to defend their freedoms and amass sizable amounts of votes by making contributions on the behalf of many thousands of members.

9. Cosmopolitanism, Non-Discrimination, and Investmentocracy

Investmentocracy can be accompanied by the abolition of any restrictions on voting power for non-criminal and non-governmental entities besides the ability to contribute the necessary amount for the purchase of votes. Such contributions will be seen as *per se* signs of the contributor's seriousness in engaging in questions of public policy and assuming a personal stake in the government's affairs. Contributions might be made in the name of children, foreigners, corporations, non-profits, and any other entities that can demonstrate the existence of a clear decision-making mechanism by which they might allocate votes. Wagner notes that "[p]resently, residents [in a territory subject to a city

government] must simultaneously be consumers and owners. Conversion of municipal corporations to stock status would separate those two capacities… People would specialize in ownership, in which case the differences between cities and hotels would disappear."[37] If *state and national* governments were likewise converted into corporations with transferable ownership shares, no reason would exist to exclude non-residents from being partial owners of the governments – especially since such prospective owners would be willing to put forth their money and their expertise in management and public policy in service to the government.

Investmentocracy overturns CDPs by establishing a system where votes become genuine ownership shares in government. Multiple votes may be owned by any individuals or organizations that make the requisite contributions, and these votes may be transferred at will in private markets.[38] By eliminating the need for coercive taxation, investmentocracy creates a genuine opportunity for achieving unanimity or meta-unanimity in virtually all government decisions performed by voting. Those who are displeased with the decisions made by the government could provide an effective check on future poor decisions by either withdrawing their financial support or buying a greater percentage of the votes and more substantively influencing government policy. As an added bonus, investmentocracy is the epitome of cosmopolitanism and opposition to discrimination based on circumstantial attributes. It is blind to age, gender, race, nationality, religion, and residency. Its only regard is for the willingness of voters to back their civic participation with money. Investmentocracy leads to a government that is at once respectful of freedoms and well-funded.

10. Investmentocracy and Incentives for Voter Rationality

Under majority rule with the "one man, one vote" principle, irrational and factually incorrect voter attitudes tend to triumph. In "The Myth of the Rational Voter," Bryan Caplan exposes a wide disparity between the economic views of professional economists and the economic presuppositions of a majority of laymen voters:

> Compared to the experts, laymen are much more skeptical of markets, especially international and labor markets, and much more pessimistic about the past, present, and future of the economy. When laymen see business conspiracies, economists see supply-and-demand. When laymen see ruinous competition from foreigners, economists see the wonder of comparative

[37] Wagner 1993, p. 62
[38] Freecharter, Article III, Section IV

> advantage. When laymen see dangerous downsizing, economists see wealth-enhancing reallocation of labor. When laymen see decline, economists see progress.[39]

CDPs will lead to the opinion of the average voter, rather than the opinion of the informed voter, being represented in the kinds of politicians that are elected and the kinds of policies that are enacted. Caplan writes that "[r]egardless of what is going on in politicians' hearts and minds… we can expect democracy to listen to the average voter, even when he is wrong. The empirical evidence indicates that he often is."[40] The reason why voter irrationality about political and religious issues is so prevalent is that the cost of such irrationality for those individuals exhibiting it is extremely low:

> If you underestimate the costs of excessive drinking, you can ruin your life. In contrast, if you underestimate the benefits of immigration, or the evidence in favor of the theory of evolution, what happens to you? In all probability, the same thing that would have happened to you if you knew the whole truth.[41]

The problem with voter irrationality under CDPs is that "the social cost of irrationality can be high even though it is individually beneficial. [I]f one person holds irrational views about immigration, we barely notice; but if millions of people share these irrational views, socially harmful policies prevail by popular demand."[42] Any system that raises the cost of voter irrationality or tends to favor better-informed voters over ill-informed ones will be an improvement over the system based on CDPs and will result in more reasonable, more efficacious policies that also respect individual rights to a greater extent.

The system of investmentocracy does not fall prey to the voter irrationality that Bryan Caplan attributes to systems governed by CDPs. First, investmentocracy facilitates a self-selection process of interested and informed voters; people who are either ignorant of the political situation or apathetic about it are unlikely to contribute much money to it. Voters who *do* contribute sizable amounts of money are likely to have an understanding of their reasons for doing so and how they can effectively attain their goals. They are unlikely to throw away their money in promoting means that fail to achieve the voters' valued ends. By contrast, voters who each have one inalienable vote that cannot be purchased or sold do not bear a high cost for either rational or irrational ignorance. Even for a voter with the best motives, "[i]f his beliefs are false, his good intentions lead him to support policies that are less than optimal, and possibly just plain bad."[43] The risk of having spent large amounts of money for naught if

[39] Caplan 2006, "The Myth of the Rational Voter"
[40] Caplan 2006, "The Myth of the Rational Voter"
[41] Caplan 2006, "The Myth of the Rational Voter"
[42] Caplan 2006, "The Myth of the Rational Voter"
[43] Caplan 2006, "The Myth of the Rational Voter"

they vote in contravention of the laws of cause and effect will make voters under investmentocracy far more careful about checking to see if reality verifies the efficacy of the means whose support they are considering.

11. Defeating the "Social Quacks" Through Investmentocracy

The system of investmentocracy will provide a powerful check against power-hungry persons to whom William Graham Sumner referred to as the "social quacks." These men

> always begin with the question of *remedies,* and they go at this without any diagnosis or any knowledge of the anatomy or physiology of society. They never have any doubt of the efficacy of their remedies. They never take account of any ulterior effects which may be apprehended from the remedy itself. It generally troubles them not a whit that their remedy implies a complete reconstruction of society, or even a reconstitution of human nature.[44]

The interventions of such persons in the government leads to "a vast number of social ills which never came from Nature. They are the complicated products of all the tinkering, muddling, and blundering of social doctors in the past."[45] Under CDPs, the social quacks tend to be among the most interested people in the political process. Because they are animated by their utopian ideas, they are not deterred by only having one vote and may indeed exercise considerable influence on how others cast their votes. Under investmentocracy, however, the social quacks will be confronted with a curious dilemma. If they really care about implementing their ideas, then they have the option of augmenting their voting power with their own money in order to bring this about. However, this will lead them to ask the question, "Is it truly worthwhile for me to spend my own money in order to bring about these utopian visions?" Now the *personal costs* to the social quack of doing something to bring about his plan are apparent to him. He may choose to go ahead with it nonetheless, but only if he believes in it enough to spend considerable money – in defiance of what reason and experience might inform him, upon further contemplation, about the likelihood of his plan accomplishing its intended goals. When it comes to deciding how he will spend large portions of his own money, the social quack might start to become careful – as he would be if he were shopping for a car or a house. He might consider not just the temptations of his platform, but also the evidence of its possible drawbacks and unintended consequences. Investmentocracy is thus likely to lead to more thorough second thoughts among current enthusiasts of governmental solutions to all problems.

[44] Sumner 1952, pp.68-69, "On Minding One's Own Business"
[45] Sumner 1952, p. 69, "On Minding One's Own Business"

12. The Transition from CDPs to Investmentocracy

The Freecharter is primarily intended to be a founding document for the government of a *new* free society. However, a slightly modified Freecharter can be adopted by existing governments so as to bring the benefits of investmentocracy to political structures presently governed by some incarnation of CDPs. Article XIV of the Freecharter is applicable only to existing governments adopting it and is intended precisely to address and mitigate some of the problems of transitioning from CDPs to investmentocracy.

When investmentocracy is adopted, it would be at least imprudent to deprive persons of voting age of the one vote they each had previously. Such an act would appear too much like disenfranchisement to be politically palatable to most members of the society, even though any non-criminal person would be eligible to purchase votes in the future. Moreover, a plausible claim can be made that the one vote previously held by each person *should be* retained, as every person had previously been forced to pay taxes in support of the government. If investmentocracy rewards *one-time* contributions with proportional *perpetual* votes[46], then tax contributions in the past should be rewarded accordingly. In the Freecharter, Section II of Article XIV states that "[a]ny votes possessed by citizens of this country prior to its adoption of the Freecharter are irrevocable and remain in the possession of those citizens *in addition* to the votes the citizens may now purchase in accordance with Article III." Keeping the one vote for every former taxpayer is the least that should be done in the transition to investmentocracy. A more comprehensive scheme of retroactive justice might tabulate the *cumulative taxes* paid to the government by living citizens and residents, value this sum in terms of ounces of gold, and reward the former taxpayers with a proportionate amount of votes. However, I hesitate to make this measure a constitutional *requirement*, as the real-world collection of such data and calculations pertaining thereto – as well as the ability to ensure the completeness of such data and the equitable application of retroactive votes to *all* prior taxpayers – might be unduly difficult or impossible, depending on the society that adopts the Freecharter. Nonetheless, Section III of Article XIV does give the High Legislature the *option* of undertaking this retroactive allocation of votes, provided that this is done within three years of the Freecharter's adoption. If three years are not enough to gather the relevant data and perform the necessary computations, then the entire project of retroactive vote allocation is

[46] Of course, any vote can be transferred to another person, but the *existence* of any given vote is perpetual once it has been purchased.

likely to be more costly than the benefits that it brings in terms of compensating prior taxpayers for the injustices done to them.

The allocation of perpetual votes to investors in the government in Article III, Section II of the Freecharter is extended to a consistent recognition of all votes as perpetual in Article XIV, Section II; votes are therefore considered perpetual irrespective of when they were obtained, thus effectively countering any claim that investmentocracy might disenfranchise anybody.

IV. Resolution of Objections and Concerns Regarding Investmentocracy

13. The Incentive to Invest

Given that votes are granted in perpetuity to investors in the government, why would anybody wish to make more than a one-time contribution? The answer can be found by considering that, while *votes* are possessed in perpetuity, *voting power* is unlikely to remain constant for any given one-time investor. We can measure a given investor's voting power as the *percentage* of *all existing votes* that investor holds. As others invest in the government, the current investors' voting power diminishes, since more votes have been created. In order to maintain their voting power, current investors need to *continue* purchasing enough votes so as to maintain the same fraction of the total number of votes. This incentive for continued *voluntary* and self-interested financing of the government is built into the system of investmentocracy; it is yet another way in which this system harnesses private ambition to ensure that the government can continue to provide protections for all.

Here, some critics of investmentocracy might object that the possibility of an individual's voting power diminishing due to the investment of others is a possibility for that individual's partial disenfranchisement. But this is no more disenfranchising than any *other* increase in the number of available votes – and is in fact less so. After all, in a country with a growing population, the number of eligible voters increases continually, and so the voting power of *everybody* diminishes with the introduction of new voters under the "one man, one vote" principle. Of course, virtually everyone will recognize that, under CDPs, restricting a person's ability to vote simply because that person diminishes others' voting power would be unjust. Thus, it will be necessary for critics of investmentocracy to concede that the steady diminution of *everyone's* voting power under CDPs and a growing population is acceptable. But investmentocracy even offers a way *not* to have one's voting power diminished – a recourse not available under CDPs. To keep one's voting power steady or even to increase it, one needs simply to contribute more funds to the government. Under CDPs, on the other hand, no amount of tax

contributions will enable one to *formally* regain a formerly larger percentage of the vote pool.[47] If the diminution of *all* people's voting power under CDPs is acceptable, then surely the mere *possibility* of the diminution of *some* people's voting power under investmentocracy ought to be acceptable as well.

14. The Welfare Loophole Addressed

A possible vulnerability in the system of investmentocracy might exist if the government under such a system were to engage in making welfare payments to some citizens. Those citizens would then be able to use the same welfare payments to purchase additional votes in the government and thereby be able to vote themselves still more welfare payments. Even if the government were to prohibit welfare payments from being used *directly* to buy votes (and if such a prohibition were enforceable – a doubtful proposition), it would still be the case that such payments would constitute an *indirect* subsidy for welfare recipients who seek to buy votes. After all, by fulfilling *any* of a welfare recipient's existing needs, the government frees the welfare recipient's *existing* resources from being devoted to the fulfillment of those needs; the welfare recipient is thus able to allocate those non-welfare resources to fulfilling ends it would otherwise have been impossible to fulfill. For some welfare recipients, buying votes may be one such end.

Fortunately, this scenario is averted in the Freecharter by its constitutional prohibition on government welfare programs. Article II, Restrictive Clause XIX, explicitly states: "No governmental entity may provide funds to individuals in the event of those individuals' unemployment, unless those individuals have formerly been employees of the specific governmental entity providing the funds." This prohibition eliminates the possible vicious cycle of welfare recipients using their welfare payments to continually increase their ability to vote themselves still more welfare payments.

Eliminating government-dispensed welfare payments is desirable for other reasons besides closing a possible loophole in investmentocracy. The absence of welfare preserves a wide scope for what Clarence Manion calls "the domain of personal virtue." Manion writes that "When any part of this important domain… is transferred to government, that part is automatically released from the restraints of morality and put into the area of conscience-less coercion. The field of personal responsibility is thus

[47] I use the qualification "formally," because under CDPs, the ability to *indirectly* influence the ways in which *other people* cast their votes is disproportionately large for a wide variety of special interest groups, which capitalize on both rational and irrational ignorance to influence the opinions of large portions of the electorate. Ironically enough, with the rise of *direct* ways to augment one's individual voting power under investmentocracy, the *indirect* influences on how other people vote are likely to diminish, since the varieties of political ignorance that make them possible are unlikely to persist where such ignorance entails considerable individual costs.

reduced at the same time and to the same extent that the boundaries of irresponsibility are enlarged."[48] Welfare's perverse moral consequences for both its recipients, and for everyone else in a society where charity is no longer a predominantly private realm, suffice to justify its abolition, particularly since it is precisely a morally perverse exploitation of the welfare system that could lead to trouble under an investmentocracy which tolerates it.

15. Why Investmentocracy Will Not Create a Hereditary Aristocracy

The following possible objection to investmentocracy might be posited. Since votes exist perpetually under investmentocracy and can be transferred at will, they will often be passed down through many generations of a family. While the person who purchased those votes may have contributed significantly to the government and also may have been a person of integrity and respect for individual rights, his descendants might have neither attribute and might not contribute a penny of their own to the government. Nonetheless, they will inherit voting power and therefore be able to influence government decision-making for the worse. They could use their inherited clout to oppress and expropriate others. Even if they did not do anything so dramatic, they might have more votes than their contemporaries who have no inherited wealth but *do* actively contribute to the government in the present and thus have more of a stake in the present government's decision-making. If there are enough individuals with inherited votes, they will, skeptics might claim, constitute a new hereditary aristocracy – an arrangement that is at best inequitable and at worst highly dangerous and destructive.

However, this scenario is improbable. The Freecharter prohibits the government from interfering with transfers of private property.[49] Thus, it allows for no laws of primogeniture and entail which require estates to be passed undivided to the firstborn child or any other single descendant of the original owner. Alexis de Tocqueville observes that where individuals are permitted to divide property among their heirs, intergenerational concentrations of assets are highly unlikely:

> As a result of the law of inheritance, the death of each owner brings about a revolution in property; not only do his possessions change hands, but their very nature is altered, since they are parceled into shares, which become smaller and smaller at each division. This is the direct and as it were the physical effect of the law. In the countries where legislation establishes the equality of division, property, and particularly landed fortunes, have a permanent tendency to diminish…[50]

[48] Manion 1952, p. 23, "Legalized Immorality"
[49] The Freecharter, Article I, Affirmation III
[50] Tocqueville 1835, Volume I, Chapter III

As votes have the status of transferable private property under investmentocracy, a non-restrictive law of inheritance will tend to result in a division of votes along with a division of other property. Since the majority of investors in the government will have multiple children or at least multiple heirs, they will not likely pass their votes to a single individual or organization *unless* they see that individual or organization as by far the most likely to vote in the way they would have voted. If an investor believes in individual rights and limited government, then he will attempt to transfer most of his votes to those of his heirs who have similar political views. Provided that this investor is indeed a wise and prudent person who values liberty and is careful about ensuring its perpetuation, the *worst*-case scenario will be an equal distribution of votes among that investor's heirs. Surely, he would not intentionally distribute a disproportionately large fraction of votes to an heir who is *less* likely than any of the others to vote in favor of preserving liberty – and if liberty is indeed important to the investor, he will take the time to evaluate the characters of the prospective recipients of his votes. But even in the worst-case scenario of equal distribution, the voting power of each member of each subsequent generation will be diluted exponentially, and if any one descendant of a wise and liberty-friendly investor decides to vote in favor of oppression, he will have only a fraction of that investor's votes to vote with – excepting the extremely unlikely scenario where *every* generation in the family only produces one heir. Moreover, as has been previously illustrated, the ratio of the *voting power* of such a would-be oppressor to that of his illustrious ancestor would be even smaller than the fraction of the original votes he inherited, because vast quantities of votes will have been purchased by *other* individuals in the interim and will thus have diluted the voting power associated with any one vote.

If heirs who lack the positive character traits of their ancestors tend to dissipate the fortunes they have inherited, no less can be said for voting power under investmentocracy. Let us posit the scenario of an heir who simply lives off of his inherited wealth by consuming all of the interest that this wealth earns in his bank account and keeping the principal constant. The *absolute* amount of money in this heir's possession remains the same, but if there is inflation of the money supply, his *real wealth* is steadily eroded. This situation is analogous to what would happen to the voting power of an heir who purchases no new votes. While inflation in the monetary realm is undesirable, *vote* inflation under investmentocracy is not only a strong motivator for individuals to keep contributing; it also has the salutary tendency of progressively diluting the voting power of non-contributing heirs. While these tendencies are at work, it is true that there may occasionally arise situations where an heir who does not contribute has more votes than a friend of liberty who does. However, time and the system favor the

friend of liberty, who will be making additional contributions and progressively increasing his share of votes, while the inactive heir's share will progressively diminish. This is no more unjust than an idle, ill-behaved ruffian having millions of dollars from birth while many industrious and virtuous people start with no money and must earn their fortunes over lengthy periods of time. It takes any system time to reward people on the basis of their true merits. However, sustainable voting power, like sustainable wealth, belongs to those who are willing to work for it.

Furthermore, because the price per vote is constitutionally fixed and the Freecharter requires that any non-aggressor who wishes to purchase votes be allowed to do so, there can never exist legitimate barriers to entry into investmentocracy. The exclusivity which has been the hallmark of virtually all historic aristocracies of privilege is absent. If anyone believes that too few individuals or families dominate the political arena through their votes, he or she is fully empowered to dilute their voting power by buying into the system. Moreover, he or she can pool votes with like-minded persons and form a voting bloc that will counterbalance the influence of those whom he or she suspects of monopolizing power. The moment that dynastic concentrations of wealth are made issues of public controversy under investmentocracy, there will arise spirited initiatives to render such concentrations impotent.

Finally, an heir who does not wish to personally purchase votes may be persuaded to *sell* his existing votes. If he truly does not wish to buy another vote for the constitutionally specified price of ten gold ounces, then it follows that the marginal value of another vote to him is less than ten gold ounces. Moreover, it is likely that the value to him of his marginal *existing* vote is also less than ten gold ounces – unless there exists a large gap in his marginal utility function at exactly the number of votes he happens to hold. Thus, most such heirs can be expected to be persuaded to sell off at least some of their votes at or even *below* the constitutionally specified price. Even if they are not willing to do this, a high enough bid – perhaps several times the constitutionally specified price – will surely persuade them. After all, if they meant to use the government as an instrument of their own enrichment, then all that friends of liberty will need to do is to pay them *more* to surrender their voting power than the present value of the revenue stream the heirs could have expected to obtain from using their votes to advocate redistributive government policies. Then the heirs would have all the money they want without any of the inconvenience of having to take over the government. Of course, such a one-time payment would need to be accompanied by a contractual refusal by the heirs to purchase any more votes – since it would be absurd to permit the heirs to use the money they just received for selling their votes to purchase even *more* votes at the constitutionally specified price.

16. Why the Wealthiest Few Will Not Take Over

Skeptics of investmentocracy might be tempted to posit the following scenario. Under a system of investmentocracy, the richest citizens – say, multi-billionaires on the level of Bill Gates – would purchase a controlling interest in the government and thus use it to advance their private interests through regulations and restrictions leveled on the rest of the population.

To show the extreme implausibility of this scenario, I conduct a thought experiment based on real data. Let us assume that the United States adopted the Freecharter in the year 2007. Suddenly, *all* the billionaires of the world – not just of the United States – form a cabal with the intention of taking over the American government and maliciously controlling the lives of everyone else for their pleasure.

According to the 2007 Forbes List of Billionaires, there are 946 billionaires in the world, with a combined net worth of $3.5 trillion.[51] Let us assume that these billionaires are so power-hungry, that each of them is willing to give away *half* of his holdings to purchase shares in the U. S. government. Thus, the cabal of billionaires contributes $1.75 trillion – or about (7/3) billion gold ounces (at a price of $750 per gold ounce) to the government and in exchange receives 233,333,333 votes. This move would significantly decrease each of the billionaires' capital stock and thus their opportunities to generate further wealth, so it is extremely unlikely in itself, but we will assume it for the sake of argument.

As a result of adopting the Freecharter, the United States government can be expected to experience substantial reductions in size, but not all of them would come immediately. Under Article XIV, Section I, while most regulatory agencies would be abolished overnight, contractually locked-in transfer payments, such as Social Security and Medicare, would continue to current recipients, and full refunds would need to be issued to people who have paid into the system but have not received benefits. Moreover, while no new debts will be assumed, the existing national debt will need to be paid in full.

Let us assume that the Freecharter's adoption, for the time being, has reduced the United States Federal Budget to only the following broad categories: Social Security, Defense, Medicare, Unemployment and Welfare, Medicaid, Veterans' Benefits, Administration of Justice, and Foreign Affairs (as any entangling commitments around the world still need to be resolved). This constitutes 63.7% of actual 2007 federal expenditures.[52] Let us assume that most Americans recognize that the government needs to tie these loose ends and that total voluntary contributions from non-billionaires.

[51] "List of billionaires." (2007). Wikipedia, the Free Encyclopedia.
[52] "2007 United States federal budget." (2008). Wikipedia, the Free Encyclopedia.

Contributors to the United States Federal Government in 2007 are willing to give just enough to pay for this reduced budget. The actual 2007 U. S. federal budget was $2.8 trillion,[53] of which 63.7% is 1.7836 trillion. The American non-billionaires, as a result of their contributions, would in total receive about 237,813,333 votes just on account of their 2007 donations. Thus, the American non-billionaires would *already* be contributing more than the cabal of billionaires to the government. Lest it be objected that many of these contributions might be deemed superfluous in the face of the billionaires' $1.75 trillion infusion, it might be argued that the latter would not be used for regular budget expenditures, but instead would be allocated entirely to help pay off the gargantuan U. S. National Debt, which, in 2007, was approximately $9.008 trillion.[54] As any government that adopts the Freecharter would have a strong incentive to shrink its expenditures as quickly as possible, eliminating the national debt would be the top priority of such a government.

However, votes under investmentocracy are irrevocable,[55] so the single votes previously possessed by every adult American citizen have not been taken away. The lowest estimate of voter turnout in the 2008 presidential election is 126,500,000.[56] We can safely assume that at least the currently active voters in the United States would be sufficiently concerned about a proposed takeover by the billionaire cabal so as to come and vote against it. Thus, the non-billionaire Americans – who are each opposed to the billionaire cabal – would have a total of 364,313,333 votes as compared to the billionaires' 233,333,333. The billionaires would only control about 39% of the votes, and so their unambiguous power grab would fail. As time passes, they will be even *less* likely to take over, because, while the billionaires will certainly be unable to contribute half their combined wealth again, the non-billionaires will be making slightly diminishing but regular contributions *every year* to the shrinking government and will thus increase their proportion of votes relative to the billionaires. Over time, the billionaire cabal will be reduced to holding only a small percentage of votes.

The above scenario is among the worst possible, and several factors could mitigate it even further. First, from ubiquitous historical experience, it is virtually impossible to get nearly a thousand extremely wealthy, extremely influential people to agree and coordinate on anything. We can be virtually certain that some of the billionaires are benevolent, principled, interested in the freedoms of the

[53] "2007 United States federal budget." (2008). Wikipedia, the Free Encyclopedia.
[54] "United States public debt." (2008). Wikipedia, the Free Encyclopedia.
[55] Freecharter, Article XIV, Section II
[56] "Voter turnout in the United States presidential elections." (2008). Wikipedia, the Free Encyclopedia.

non-billionaires, politically apathetic, or simply unwilling to sacrifice any of their own interests to coordinate the power grab with other billionaires.

It is most likely that the billionaire cabal will be subject to the same kind of prisoners' dilemma to which any cartel is vulnerable. As Avinash Dixit and Barry Nalebuff explain in *Thinking Strategically*, every cartel faces the difficulty of both detecting cheating and punishing defection or establishing a credible threat of such punishment. Moreover, "[i]dentifying the cheater may be even more difficult than detecting cheating. With just two players, an honest party knows that the other has cheated… With more than two players, we may know that someone has cheated, but no one (other than the cheater) knows who."[57] Since voting under investmentocracy will still be done by secret ballot,[58] detecting any cheating within the cabal of billionaires will be institutionally rendered extremely difficult. Given that 946 is a far greater number than 2, simply having evidence that *some* billionaires reneged on their agreement to partake in the cabal's power grab does not give the cabal information about who defected. Moreover, it is difficult to conceive of a credible threat for punishing the defecting billionaire. If the power grab fails, then all cabal members simply remain private citizens with some voting power but no ability to overturn existing protections for individual rights. Thus, the best way for the cheater to *ensure* that he will not be punished for cheating is not only to cheat but to subtly *encourage* cheating by others, so as to maximize the likelihood that the power grab will fail and *de facto* punishment will be impossible.

The incentives in cheating within the billionaires' cabal are likely to be greater than those within a cartel. A cartel member, by raising its own output, hopes to earn higher revenues at an artificially high price. A billionaire, by defecting from the cabal, could reasonably hope to assure himself a freer and more secure economic climate, as well as freedom from governance by the other billionaires, who would inevitably force him to compromise some of his principles and interests some of the time. By *pretending* to work with the cabal but by secretly voting against it, the billionaire could ensure that he will both remain maximally economically free and will not antagonize the other billionaires.

Moreover, the above scenario assumes that all foreign billionaires would invest in the United States, while no foreign non-billionaires would invest. It is highly likely that, if foreign billionaires invest, so would foreign non-billionaires, and the foreign non-billionaires would be opposed to the billionaires' power grab.

[57] Dixit and Nalebuff 1991, p. 97
[58] Freecharter, Article III, Section IX

A country smaller than the United States might have fewer non-billionaire votes under investmentocracy. However, another way to further mitigate the likelihood of such a power grab in a small country might be to *retroactively* grant citizens a number of votes proportional to their tax contributions to the government prior to the institution of investmentocracy. In the United States, the effects of this might be ambiguous, as a highly graduated income tax structure forces the wealthiest Americans to contribute a disproportionately large amount of money to the government, and so the billionaires (or at least the wealthiest 25 percent of the population) *might* be granted more votes than the non-billionaires under this arrangement. A smaller country, however, has fewer tax-paying billionaires than the United States, and so the billionaires who previously paid taxes in that country would get a smaller share of the retroactively allocated votes.

Of course, even with retroactive vote allocation in place, it is conceivable that some countries with sufficiently small populations and/or gross domestic products will attract billionaire investors who could purchase majority or significant plurality shares – as the fortunes of some billionaires today exceed the gross domestic products of many "developing" countries. However, this is not necessarily a problem; many governments in the "developing" world may be better off if managed for a time by relatively humane billionaires from more advanced countries rather than by local kleptocrats and thugs. Besides, since entry into investmentocracy is always open, a billionaire who buys a controlling interest in a small country will need to be especially careful in his governance not to displease any *other* billionaire, who – out of considerations of justice or of personal advantage – could easily buy into the system and substantially diminish the voting power of the reigning billionaire. A de facto monarchy might exist under investmentocracy in certain countries for a time, but it will tend to transform into a de facto oligarchy over time – which itself is unstable, as lower-income individuals will become progressively more influential through their sustained purchases of votes.

Finally, there exists no guarantee that the wealthiest individuals will exhibit any greater interest in politics under the Freecharter than less wealthy persons. A wealthy person contemplating entry into the political process will face a direct tradeoff between *either* enjoying his life and spending his wealth on personal consumption and on building up his capacity to earn future wealth *or* spending his wealth to buy votes and finance the government. It is entirely conceivable that many wealthy individuals would greatly limit their political participation, especially in an environment – such as the one the Freecharter endeavors to establish – where all individual rights, including property rights, are strongly protected and commerce can proceed with virtually no restrictions or regulations. If wealthy individuals do take an

active role in government decision-making by amassing many votes, it is likely that many of them will simply wield the votes defensively – to secure their own freedom from regulation and coercion rather than to impose barriers to entry into their profession or obtain special privileges for themselves.

17. The Elimination of Forced Carrying and the Mitigation of Free Riding

A commonly accepted view is that government must exist to provide certain "public goods," such as military defense, and that "each individual has an incentive… to try to become a 'free rider,' one who secures the benefits of the jointly consumed good or service without participating fully in the sharing of its costs."[59] If too much free riding occurs on a public good, then that good will be underprovided as compared to the quantity which virtually *all* members of the society would consider beneficial. On the other hand, the *opposite* problem – that of *forced carrying* – is even more dangerous. According to Wagner, when governments following CDPs attempt to reduce free riding by compelling payment for government services, "it becomes more likely that people will be forced to contribute even though the project is not worthwhile to them, which in turn means that inefficient projects can be approved because winning coalitions gain despite the inefficiency of the project."[60] Forced carrying is less desirable than free riding from an individual rights perspective, because, while free riding as such does not violate anybody's negative rights, forced carrying not only entails a violation of rights, but an *absolutely unnecessary* violation at that. How might it be possible to both minimize free riding and eliminate forced carrying, and thereby achieve the optimal size of government?

Investmentocracy eliminates forced carrying completely by making all contributions to the government voluntary. While free riding may not be eliminated, as there will likely always be non-contributors, investmentocracy reduces the incentives for free riding by including a non-public good – the vote – as a reward for individuals' contribution to the provision of public goods. Whereas many people might not contribute to the government simply out of prudent considerations of long-term self-interest, they might do so if motivated by more immediate gains in voting power. Voting power under investmentocracy becomes more lucrative than voting power under CDPs, simply because a single person or organization might actually amass enough voting power to have a large influence on the outcome of an election.[61] By contrast, voting in general elections under CDPs is largely inefficacious

[59] Buchanan 1975, p. 49
[60] Wagner 1993, p. 46
[61] This influence, while it may be large enough to be noticeable, is extremely unlikely to be large enough to place any group in a permanent commanding position over the government and the rest of the population, as was discussed earlier.

from the point of view of a single individual or small constituency. Investmentocracy channels the ambitions of some for increased voting power toward enabling the system to bear the free riding of many others. For instance, an ambitious investor might purchase enough votes to pay for five times the defense he personally needs, and thereby pay for the defense of four free riders without this being his explicit plan. In Adam Smith's words, he is "led by an invisible hand to promote an end which was no part of his intention."[62] In this case, the system of investmentocracy is just such an invisible hand.

The following possible objection might be raised by skeptics of investmentocracy. These skeptics might concede that the motive to acquire voting power might lead some people to fund more public goods than they personally need – and thereby take care of some free riders. However, the skeptics would then proceed to raise the possibility that the total amount of genuine public goods desired by the citizens might *still* be greater than the amount provided for through this motivation. The Freecharter contains several mechanisms by which it greatly reduces the likelihood of this possibility.

First, Article V, Section VIII of the Freecharter gives the High Legislature "the power to commission the creation of such tangible goods and services as can be funded without the coercive participation by or coerced funding from any individual." This power does not extend, however, to interfering with *private* provision of those same goods. The government may, for instance, build its own roads, but it may not exclude private entities from building roads and may not impose barriers to entry into the road industry. Thus, in providing any tangible good or service, the government is constitutionally subjected to the same market forces facing private entities. This means that *if* the government wishes to sustainably provide any tangible public or non-public good, it must do so while being exposed to possibilities of profit and loss on par with private entities. Since the government does not rely on tax revenues and the "soft" budget constraints arising therefrom, it has just the same likelihood as private organizations of being driven out of a given line of business by superior contenders. The "hard" budget constraints facing the government under the Freecharter therefore give it a strong incentive to attempt to become profitable in providing its services.

It is therefore possible for the government to run some *profitable* enterprises providing non-public goods and use the revenue to fund the provision of public goods for which private provision might for some reason be insufficient – such as defense or a secure property rights regime. This is no different from a private corporation donating its profits to charities and think tanks. Thus, any money the

[62] Smith 1776, Book IV, Chapter II, p. 572

government takes in through contributions can be supplemented by revenue from production and sale of private goods by the government. There is nothing antithetical to libertarian or classical liberal principles in this function of government, provided that no coercion is used to fund or supply the tangible government services and that no private providers are restricted from competing with the government. Strictly speaking, the government would not even be exercising the *role* of a government in providing these services. Rather, it would be just another corporation, whose employees might simultaneously hold government jobs.

The second way to ensure the provision of sufficient public goods under investmentocracy is to allow the maximum scope for *private* provision of these goods whenever the government falls short. The Freecharter guarantees that "[n]o individual shall be compelled to employ the services of the government in any capacity, with the exception of the final arbitration of disputes that would otherwise escalate into violence."[63] Thus, nobody is *forced* to use government services unless an otherwise irresolvable dispute is about to become violent. If anybody is displeased with the kind and the amount of government public good provision, he or she is free to provide an alternative. The Freecharter protects the right of individuals to enter any occupation:

> No governmental entity may restrict entry into any industry, profession, or activity by direct or indirect means, including but not limited to licensing requirements, coerced unionization, and either prohibitions from or compulsions to working in any line of human endeavor that is not directly and unavoidably injurious to the health of other individuals.[64]

This prerogative ensures that individuals dissatisfied with the amount of public goods in existence have maximum recourse to remedy the situation on their own, without needing to directly lobby for a change in government policy. Nothing in the Freecharter precludes even an extremely close *approximation* of an anarcho-capitalist world in which *most* defense and adjudication services are privately and competitively provided, but the government is always ready to step in as an arbiter of last resort in the event that no other peaceful resolution to a conflict is available. Investmentocracy and the Freecharter leave it up to the choices of individuals to determine *how much* of each public good the government should provide, and then leave those individuals free to privately provide the rest. Many public and quasi-public goods – such as radio and television services, information on a variety of subjects, esthetic improvements to buildings and landscapes, and even some defense and adjudication services are provided privately in the status quo; there is no reason to think that this provision would not continue

[63] The Freecharter, Article I, Affirmation XXVI
[64] The Freecharter, Article II, Restrictive Clause XII

under a much *more* laissez-faire regime than currently exists. In contrast to the system established under the Freecharter, most systems guided by CDPs establish the government as a *monopoly* provider of certain public (and non-public) goods and also render consumption of many of these goods compulsory. Thus, individuals who are displeased with how public goods are provided have few opportunities for exit or alternative provision under CDPs. Even if the Freecharter system is not perfect in all respects, it is far superior to the system guided by CDPs; it facilitates many more avenues by which public goods can be provided adequately and in a greater variety than the status quo allows.

Third, through its abolition of welfare, the Freecharter system eliminates explicit government redistribution of wealth, which is a source for colossal free riding under the status quo. In 2004, Walter Williams observed that "122 million Americans are outside of the federal income tax system."[65] This means that this enormous fraction of the American population largely free-rides off net taxpayers when it consumes services provided by the United States Federal Government – including national defense, interstate highways, the legal climate established by the federal courts,[66] and education that is supplied via federal subsidies to local and state schools. Under the current system, large numbers of people receive payments in the form of welfare, Social Security, Medicare, Medicaid, which turn the recipients into de facto free riders off government services; they pay the government much less than they receive in goods and services from the government. Under the status quo, the government not only tolerates but *encourages* and *mandates* this free riding by actively facilitating the redistribution of wealth and punishing the net contributors who refuse to comply. Meanwhile, income tax rates are set by the government in accordance with the income levels of taxpayers, and it is widely considered to be immoral to advocate that poorer people contribute *more* to the government than they currently do. While there *might* be free riding under investmentocracy, it would not be institutionally encouraged, and nobody would be discouraged from making contributions. Moreover, without redistribution of wealth as a legal possibility, the worst-case scenario with regard to any free rider is that such a person's contribution to improving the well-being of other individuals would be *zero*. Under legalized wealth redistribution, many free riders contribute *negatively* to other individuals' well-being, since redistribution requires that someone become less wealthy so that another might become more so. By stopping the subsidization and institutionalization of free riding alone, the Freecharter is highly likely to greatly reduce it relative to the status quo.

[65] Williams 2004, "The Dangers of No Tax Liability"
[66] I grant, of course, the possibility that this legal climate may, on balance, be a "bad" rather than a good.

18. Protecting Rights Under Investmentocracy

Government under an investmentocracy will be obliged to respect and protect the individual rights of non-contributors, and constitutional protections for those rights will be in place. However, it might be asked *how precisely* these guarantees will be enforced for non-contributors. Contributors, of course, will be able to use their voting power and the threat of either withholding or increasing future contributions or to ensure that their rights are protected.

Non-contributors also have numerous protections under the Freecharter, some of which are internal to investmentocracy *per se*, and others of which are external to it.

18.1. Protections for Rights Inherent to Investmentocracy

18.1a. Desire for Additional Government Funding

Every non-contributor under investmentocracy is a potential contributor. Current voters and officials within the government will seek additional funds to the extent that they are interested in undertaking any constitutionally permitted government projects. In order to attract these funds, current voters and officials will need to preserve at least an image of the government's legitimacy and desirability; they will need to present the government in such a manner that non-contributors find appealing and worthy of their support. If the government were overtly oppressive to non-contributors, then one of two possibilities would occur. The non-contributors might see no reason to finance the instrument of their oppression, and the government would remain starved for funds and thereby crippled in its very ability to oppress. On the other hand, the non-contributors could pool their resources together and attempt to *take over* the government or at least comprise a substantial enough voting bloc so as effectively oppose further oppression. This course of action can be pursued with especial effectiveness if the oppressed individuals are permitted to form official voting organizations and act as a unit in the acquisition of votes and in voting to reverse the oppressive policies.

The least that can be said for this protection is that it offers more remedies than exist under CDPs. Under CDPs, people who refuse to vote are still bound to pay taxes to support the means of their own oppression. People can opt out of their prerogatives (voting), but not out of their obligations (contributions to the government). Moreover, oppressed persons cannot directly attempt to increase their sway in the government by pooling their resources together and increasing their contributions. They might attempt to exert some added influence through lobbyists or Political Action Committees (PACs),

but this influence becomes diluted by necessarily going through a multiplicity of roundabout channels before having a chance to achieve its goal. Investmentocracy gives oppressed persons the opportunity to either defy the system by refusing to contribute to it or to reform the system by flooding it with contributions.

18.1b. Fewer Reasons to Oppress Non-Contributors

In a system where *everyone* must pay taxes and then everyone can vote on how to spend the resulting money in accordance with the principle of "one man, one vote," the outcome is *necessarily* skewed toward facilitating a redistribution of wealth. The voters who contribute least to the government are able, through their votes, to decide on the allocation of more money than they contribute. If there are n voters, each of whom votes, and d total contributions to the government, then every voter – under ideal CDPs – controls d/n of the total government spending through his vote. However, the voters who contribute least by definition contributed less than d/n to the government, which gives each such voter the power to redistribute the difference to himself. Because of this inevitable vulnerability, the system of CDPs gives rise to the widespread "unfortunate impression that by using the ballot instead of a blackjack we may take whatever we please to take from our neighbor's store of rights and immunities."[67] If most of the net contributors to such a government had a choice about whether to contribute, it is doubtful that anything except charitable motives or the possibility of indirectly influencing government decisions through channels other than voting would lead them to make such a choice. On the other hand, people whose voting power is disproportionately large relative to their contributions have every incentive to vote themselves the wealth of others, unless moral considerations or prudent long-term thinking dissuade them from doing so.

Under CDPs, there exists an institutionalized mechanism for people voting themselves *other people's* involuntary tax contributions. No such mechanism exists under investmentocracy. Under investmentocracy, every person who contributes some fraction – k – of the government's money also gets a fraction of the votes that is equal to k in a new free society and approaches k over time in a society that existed prior to its adoption of the Freecharter. Thus, under investmentocracy, every voter has a degree of control over government spending proportionate to his contribution. The funds of non-contributors are not even in the fund whose allocation is to be determined by vote; the non-contributors cannot vote to expropriate the contributors, nor can the contributors vote to expropriate the non-

[67] Manion 1952, p. 25, "Legalized Immorality"

contributors, because voting only pertains to allocation of funds that have been contributed. The primary *reason* why some people and groups oppress others under CDPs – the desire to redistribute the wealth of the oppressed to the oppressor – is gone under investmentocracy, because the structure of the system simply does not permit such redistribution.

18.1c. Friedman's Four Types of Spending Under CDPs and Investmentocracy

We can analyze the difference between investmentocracy and the system created by CDPs using Milton Friedman's distinction among four types of spending. Friedman rigorously defines the four categories in *Free to Choose* (1990), but gives a concise and eloquent encapsulation of the distinction in his 2004 interview with Fox News.

> There are four ways in which you can spend money. You can spend your own money on yourself [Type I spending]. When you do that, why then you really watch out what you're doing, and you try to get the most for your money. Then you can spend your own money on somebody else [Type II spending]. For example, I buy a birthday present for someone. Well, then I'm not so careful about the content of the present, but I'm very careful about the cost. Then, I can spend somebody else's money on myself [Type III spending]. And if I spend somebody else's money on myself, then I'm sure going to have a good lunch! Finally, I can spend somebody else's money on somebody else. And if I spend somebody else's money on somebody else, I'm not concerned about how much it is, and I'm not concerned about what I get [Type IV spending]. And that's government. And that's close to 40% of our national income.[68]

Under CDPs, spending is of Type III with respect to the voters who contribute least and of Type IV with respect to government officials. The voters who contribute least but still have an equal share of the votes are voting on how to spend *other people's* money on themselves, so their incentives are to maximize benefits for themselves, without regard for what this costs the net contributors to the government. The government officials primarily vote to spend *other people's* money on still other people – a recipe for wastefulness, inflated costs, and ineffectiveness at attaining the stated ends of policies.

Under investmentocracy, spending is of Type I or Type II with regard to all voters. The voters contribute their own money to the government and vote in proportion to their contributions. They can vote to spend this money to benefit themselves, to benefit other people, or both. In both cases, voters under investmentocracy would have a strong incentive to keep costs at a minimum and make sure that the benefits gained justify the expenditures. If voters vote on how to spend their money on themselves, they will tend to maximize benefits and minimize costs. If they vote on how to spend their money on others – for instance, through any constitutionally legitimate public projects – they will endeavor to keep

[68] Friedman 2004. Interview with Fox News.

costs down, which creates a built-in incentive for limited government. Type II spenders have an incentive to save on costs even at the expense of purported "benefits," and thus even government projects that are seen as possibly beneficial by the majority of people might get voted down on account of their costliness – a phenomenon foreign to early 21st-century democracies.

When government spending under investmentocracy is done to enforce individual rights, this will be an instance of Type I spending in the minds of the investors and will thus be more likely than any other kind of spending to effectively accomplish its aims. In order to be viable, individual rights must apply to *all* individuals and not just to some subset of individuals, for, if individual rights apply to only a subset of persons, then that subset can be redefined in the future, and any person might potentially be redefined out of it. Thus, in seeking to secure individual rights *for themselves,* investors in the government will follow the logically consistent course of action in endeavoring to secure these rights for all individuals – contributors and non-contributors.

18.2. Protections for Individual Rights External to Investmentocracy

18.2a. The Bill of Rights and the Restrictive Clauses

Article I of the Freecharter consists of a detailed enumeration of individual rights which are explicitly off-limits to any vote and cannot be legitimately violated by any individual or governmental entity. The listing of these rights at the top of the constitution provides a protection to non-contributors that is external to investmentocracy itself. In the words of Bryan Caplan, "By and large, we don't even ask voters whether we should allow unpopular speech or religion, and this 'elitist' practice has saved us a world of trouble. Why not take more issues off the agenda?"[69]. This is precisely what the extensive Bill of Rights of the Freecharter is designed to do. It recognizes, as Dean Russell does, "that government leaders *elected by the people* frequently turn out to be the worst enemies of the people who elect them"[70] and that every individual deserves officially recognized and socially respected protections against such leaders. Unlike the United States Constitution, where the Bill of Rights is included as an afterthought, the Freecharter enshrines individual rights in Article I; its very structure recognizes that "[t]he *only* reason for our having a government is to protect and defend these rights and freedoms that we already have as individuals."[71]

[69] Caplan 2006, "The Myth of the Rational Voter"
[70] Russell 1952, p. 27, "The Bill of Rights"
[71] Russell 1952, p. 28, "The Bill of Rights"

Some critics may wish to dismiss bills of rights as mere "parchment barriers," which must inevitably fall before the onslaught of power-hungry men with guns who seek to infringe on individual liberties. However, James Madison explains why parchment barriers may hold up against substantial pressure:

> It may be thought all paper barriers against the power of the community are too weak to be worthy of attention. I am sensible they are not so strong as to satisfy gentlemen of every description who have seen and examined thoroughly the texture of such a defense; yet, as they have a tendency to impress some degree of respect for them, to establish the public opinion in their favor, and rouse the attention of the whole community, it may be one mean to control the majority from those acts to which they might be otherwise inclined.[72]

Madison's argument acknowledges that there exist cases in which a bill of rights may be flouted and violated, especially by people of sufficient ruthlessness and determination to acquire coercive power. The primary function of a bill of rights, however, is not to directly affect the minds of these would-be usurpers, but rather to influence the understanding of *a preponderance of ordinary people* regarding the just limitations of their government's powers.

We can conceive of bills of rights as having two distinct functions. First, a bill of rights solves an *information problem* that exists with regard to public awareness of what rights people have and what their justification might be. Dispersed information as a fundamental economic problem has been extensively discussed by F. A. Hayek in "Economics and Knowledge" (1937) and later in *The Fatal Conceit.* Hayek writes that "Clearly there is here a problem of the division of knowledge, which is quite analogous to, and at least as important as, the problem of the division of labor."[73] This division of knowledge exists not just with regard to conditions surrounding production of and demand for tangible goods. Different people also have different knowledge and understandings of what constitutes individual rights, and it is possible that no person has a complete understanding of the entire scope that these rights encompass. Without a document enumerating these rights, or at least their major categories, extensive coordination on matters of justice may not be achieved, just as without a price system the failure of economic coordination on a large scale is virtually certain. As Patrick Henry points out, "A bill of rights, even if its necessity be doubtful, will exclude the possibility of dispute; and, with great submission, I think the best way is to have no dispute."[74]. A bill of rights can be designed to combine insights from the most sophisticated proponents of liberty at the time of its writing. Moreover, it can package these

[72] Madison 1789, "Speech to House of Representatives Proposing Bill of Rights"
[73] Hayek 1937, "Economics and Knowledge"
[74] Henry 1789, Speech to the Virginia Ratification Convention

insights in a document accessible to the ordinary literate person, enabling him to be guided by information he could not have originated in acting to bring about a more just and liberty-friendly state of affairs than he could even have independently conceived.

The second function of a bill of rights is to *raise the costs* of expanding government power. As Madison's argument hints, the unscrupulous would-be usurper may not be swayed by the *merits* of a bill of rights. However, he would find himself acting in a society where most people *do* coordinate their views and enforcement of the just limitations of government by using the bill of rights as a reference and a standard in their decision-making. He who personally disrespects individual rights still faces a higher cost of transgressing against them in a society that has a bill of rights compared to a society that does not. If violations of highly respected principles can be pointed out clearly and concisely to enough people, then these people will act to stop the usurper. Awareness of this likelihood creates a deterrent from undertaking the usurpation in the first place.

If there is no possibility of explicitly pointing out violations with reference to a concrete and accessible document, then this deterrent effect becomes substantially reduced. Most people are not moral philosophers and cannot readily articulate their own original reasons for why a particular expansion of government power is undesirable. Moreover, tradition and implicit cultural understandings tend to be indeterminate and disturbingly fickle – permitting intelligent and rhetorically clever statists to use "tradition" and "culture" as *justifications* for, rather than *restraints* on, unprecedented claims of power. The barriers to the success of statist sophistry are greatly raised if the arguments in favor of growing government are met with resounding prohibitions that people can readily access, remember, and defend.

The Affirmations of Article I of the Freecharter explicitly guarantee rights to life (I), to one's body (II), to property (III), to freedom from confiscation (IV), to free speech (V), to freedom of religion (VI), to free movement (VII), to bear arms (VIII), to privacy (IX), to freedom from search and seizure (X), to freedom from quartering troops (XI), to freedom from taxation (XII), to the full prerogatives of adulthood upon reaching age 16 (XIII), to consensual activities among adults (XIV), to freedom from imprisonment without conviction of a crime (XV), to a fair, speedy, impartial jury trial (XVI), to freedom from torture (XVII), to freedom from self-incrimination (XVIII), to freedom from double jeopardy (XIX), to freedom from paying court fees as a victim or wrongly accused defendant (XX), to freedom from excessive fines (XXI), to freedom from excessive bail (XXII), to freedom of contribution to the government (XXIII), to freedom from involuntary servitude (XXIV), to freedom from

conscription and mandatory "public service" (XXV), to freedom from the use of any government services except final arbitration of otherwise irresolvable disputes (XXVI), to freedom to consume substances (XXVII), to freedom from searches at airports, seaports, and other centers of transportation (XXVIII), and to freedom to accept the Freecharter and become a citizen (XXIX).

Affirmation XXX of the Freecharter is a more expansive version of the Ninth Amendment of the United States Constitution. It reads:

> The enumeration in this constitution of certain rights shall not be construed to deny or disparage others retained by individuals. No individual may be denied the ability to assert his or her possession of rights not enumerated in this constitution and to present this assertion of rights before a court of law, which that court shall be obligated to consider in accordance with reason and the objective facts of reality. A court's action in striking down a statute based on this affirmation of rights is not a usurpation of the role of the legislature. (Stolyarov 2008)

The purpose of this extended version of the Ninth Amendment is to prevent Affirmation XXX from sharing some of the neglect with which its American counterpart has been treated. James Woehlke writes, that during the first 175 years of American history, "[b]ecause interpretation of the Ninth Amendment proved very difficult, it was largely ignored. Courts were generally concerned that using the Ninth Amendment to strike down statutes would be tantamount to usurpation of legislature's role."[75] For this reason, Affirmation XXX explicitly states that invoking non-enumerated rights is *not* usurpation of the legislative function, but rather an obligation of the courts whenever such rights are found to be in accord with reason and reality. Moreover, since the 1965 of *Griswold v. Connecticut*, the Ninth Amendment "has been cited in over a thousand cases,"[76] as opposed to nine prior to 1965 – which offers hopeful news for the future usefulness of a stronger version of this amendment in protecting individual rights under the Freecharter.

Affirmation XXXI of the Freecharter is the counterpart of the United States Constitution's Tenth Amendment, reserving powers not delegated to the central government to subordinate governmental entities and individuals. Finally, Affirmation XXXII states that this bill of rights may never be legitimately repealed or amended, thereby recognizing the permanence and inalienability of individual rights.

[75] Woehlke 1992, "Book Review: *The Rights Retained by the People: The History and Meaning of the Ninth Amendment* edited by Randy E. Barnett."
[76] Woehlke 1992, "Book Review: *The Rights Retained by the People: The History and Meaning of the Ninth Amendment* edited by Randy E. Barnett."

Under investmentocracy, the rights stipulated in Article I are not subject to any kind of vote; they are perpetual and irrevocable. They apply to contributors and to non-contributors alike. If any person or group should attempt to infringe on these rights, the constitutional violation involved will be blatant, visible, and offensive to those who continue to respect the Freecharter.

Likewise irrevocable are the Restrictive Clauses of Article II of the Freecharter. Although some of these clauses do not *immediately* concern individual rights, their *ultimate* object is to hamper the government's ability to develop the *de facto* ability to violate these rights. All governmental entities subject to the Freecharter are prohibited by the Restrictive Clauses from issuing *ex post facto laws* (II), issuing laws that cannot be obeyed (III), suspending *habeas corpus* (IV), punishing criticism (V), issuing bills of attainder (VI), deficit spending (VII), borrowing money (VIII), issuing money (IX), subsidizing financial institutions (X), subsidizing individuals and businesses (XI), granting monopolies or quasi-monopolies (XII), restricting imports (XIII), regulating wages, prices, interest rates, debts, gifts, or inheritances (XIV), regulating workplace safety conditions (XV), regulating consumer products (XVI), mandating interactions with labor unions (XVII), providing foreign aid (XVIII), providing unemployment assistance (XIX), unilaterally altering contracts with government employees (XX), prohibiting gambling (XXI), taxing or regulating the Internet (XXII), punishing or extraditing foreign violators of unjust laws (XXIII), waging non-defensive war (XXIV), inflicting force against innocent people (XXV), regulating commerce except to remove trade barriers (XXVI), mandating educational and business practices (XXVII), requiring affirmative action programs (XXVIII), using religious tests for government employees (XXIX), broadly defining treason (XXX), unlawfully drawing money from the High Treasury (XXXI), allowing officials to accept foreign gifts and titles without the consent of the legislature (XXXII), punishing relatives of treasonous individuals (XXXIII), restricting political advertising (XXXIV), funding political campaigns (XXXV), conducting inspections without warrant at airports, seaports, and other centers of transportation (XXXVI), passing multi-subject bills (XXXVII), and spending "off the budget" (XXXVIII). Moreover, in Restrictive Clause XXXIX, the Freecharter adopts Roderick Long's suggestion that the sum total of all laws passed by the central government be restricted to one million words.[77]

The purpose of the Restrictive Clauses is to prevent governments at any level from creating the conditions under which violations of individual rights can thrive or passing laws that have a high

[77] Long 1994, Provision 1.2.13, "Imagineering Freedom: A Constitution of Liberty."

likelihood of contributing to the violations of such rights. It is not enough to simply enumerate rights; rather, a sound constitution will also prohibit government from undertaking activities that entail even a potential for rights being abused. The Restrictive Clauses forbid governments from applying the aforementioned laws to *anyone* – including non-contributors, which offers non-contributors further explicit guarantees of protection. Restrictive Clause I prohibits Article II of the Freecharter from being amended or repealed, which assures that no amount of voting by contributors can legitimately deprive the non-contributors of these protections.

18.2b. The Tricameral Legislature

The High Legislature established under the Freecharter (Article IV) consists of three chambers – A, B, and C – each with its own modes of election. All three chambers are elected in accordance with investmentocracy, but the particular mechanisms of election vary among the chambers. Chamber A is based on the voluntary subdivision of the population into at most one thousand mille-groups, each of which elects its own Delegate.[78] Upon procuring their first votes, citizen voteholders select the mille-groups to which they will belong and are eligible to change their mille-group membership once every ten years.[79] Chamber B Delegates are elected by a general election, where the top 250 vote-getters receive seats.[80] Chamber C Delegates are each elected by constituents of a subordinate governmental entity or by at least 100,000 people who are not bound by any other governmental entity besides the central government.[81]

The consent of a majority of the members of *each* Chamber is required to pass any law. This increases the difficulty of passing laws as compared to a system – like the United States system – where only *two* legislative bodies must give majority approval to a bill. Even though only contributors determine the Delegates to Chamber A and Chamber B, the ways in which the Delegates to each chamber are determined are sufficiently different that, if one mode of election is particularly susceptible to selecting people hostile to non-contributors, the other mode might not be. For instance, if would-be oppressors concentrate themselves into certain mille-groups and manage to elect a majority of the delegates among the mille-groups, it might still be the case that in the *general* election for Chamber B, the majority of delegates selected do not wish to oppress non-contributors. This may happen, for

[78] The Freecharter, Article IV, Section II
[79] The Freecharter, Article III, Section VII
[80] The Freecharter, Article IV, Section VII
[81] The Freecharter, Article IV, Section XIII

instance, if 51% of the votes in each of 501 mille-groups elect a majority of oppressive delegates to Chamber A. However, 49% of the votes in the 501 mille-groups and 100% of the votes in the other 499 mille-groups could be cast in favor of non-oppressive delegates to Chamber B, which would lead to a majority of non-oppressors in that chamber. The opposite scenario is conceivable, where, while a majority scattered across the mille-groups prefers oppressing non-contributors, the friends of liberty win slight majorities in more than half of the mille-groups and thereby control Chamber A, thus being able to block the illegitimate measures proposed by Chamber B.

Chamber C furnishes a further protection to non-contributors in that the procedure governing elections to this chamber is determined internally within each subordinate governmental entity. That entity's constituents *could* choose to employ the principle of investmentocracy, but they are not obligated to do so in selecting Delegates to Chamber C. Thus, governmental entities whose primary constituents are non-contributors may still employ alternative means to elect even non-contributor Delegates to Chamber C, thus potentially giving non-contributors official representation. Such representation does not violate the principle of investmentocracy, because even a non-contributor-elected majority in Chamber C cannot pass laws without the consent of the contributor-elected majorities in each of the other chambers. Thus, non-contributors still cannot impose burdens on the contributors against their consent, although they may have the ability to effectively block impositions on them by the contributors.

In addition to these structural protections for non-contributors, the High Legislature's enumerated powers (Article V) are considerably limited under the Freecharter, as compared to the enumerated powers of the United States Congress. While Congress had eighteen enumerated powers, the High Legislature has thirteen. Notably absent are the powers to tax, issue currency, regulate weights and measures, regulate interstate commerce, or provide for a militia. The notorious "necessary and proper" clause[82] of the United States Constitution – a clause that has been used to justify numerous usurpations of legislative power – has been eviscerated and replaced with Section XIII of Article V:

> The High Legislature shall have the power to make such laws as shall be absolutely and indispensably necessary for carrying into execution the foregoing powers, and all other powers vested by this Freecharter in the High Legislature, or in any department or officer thereof,

[82] Article I, Section 8, Subsection 18 of the United States Constitution

> provided that no law imposing greater restrictions on any individual than needed for the attainment of this end shall be regarded as necessary.[83]

Even if the High Legislature has majorities that wish to oppress non-contributors, they cannot legitimately vote to do so, because the enumerated powers do not permit virtually any mode of oppression. Moreover, the enumerated power in Section XII is actually another restriction: "It shall be the duty of the High Legislature to refuse their assent to, or to repeal, any laws in conflict with the Freecharter."[84] It is both practically difficult and constitutionally impossible for a government under the Freecharter to oppress non-contributors.

18.2c. The Nullifier

Article VIII of the Freecharter establishes the office of the Nullifier, a random member of the citizen population selected every 24 hours by lot. For the duration of his term, the Nullifier acquires absolute veto power over the decisions of any elected government officials or any officials or functionaries appointed by elected officials at any levels of government. The Nullifier can exercise his veto in ways ranging from reversing a federal executive order, legislative act, or judicial decision to preventing a local government from invoking the power of eminent domain. Section VII requires all governmental officials at all levels to adhere unconditionally to the Nullifier's veto.

Moreover, the Freecharter even gives the Nullifier a measure of post-veto authority, which I define in an earlier work as the ability to revoke any *positive* act of government that has already been implemented, where a positive act is one "that demands a greater degree of obligation from any citizen or resident who is not a government employee than would have been demanded had the legislation not existed."[85] While the Nullifier has broad authority to repeal existing government acts, he has no constitutional power at all to initiate or enact positive government acts himself. Moreover, even the Nullifier's veto authority over current government actions is restricted to a veto over positive measures. For instance, the Nullifier would be able to veto a tax increase but not a tax cut. Moreover, if he were faced with a bill that packaged negative acts together with positive acts, the Nullifier would only have the authority to selectively repeal the positive provisions of the bill.

[83] The last clause is adapted from Long 1994, 1.2.7i. Roderick Long's Virtual-Canton Constitution serves as another model by which a freer society might be achieved and secured, and I have endeavored to borrow its best provisions in the Freecharter.
[84] Article V, Section XII of the Freecharter is adapted from Long 1994, 1.2.14.
[85] Stolyarov 2007, "Post-Veto Authority"

The usefulness of a Nullifier under investmentocracy is apparent when we consider that it is possible for a non-contributor to the government to be selected as Nullifier. The more oppressive a government is, the more non-contributing citizens we can expect to exist as a result, and thus the more likely a non-contributor's selection to the office of Nullifier would be. A non-contributor will, of course, not always be selected, but it is enough to have *one* non-contributing Nullifier who considers himself oppressed and is willing to remedy the situation. If even 1/365 of the population are oppressed and outraged non-contributors, this implies that, on average, one such person will be selected Nullifier in a year – meaning that any interventions designed to oppress non-contributors will not last beyond extremely short time spans. Moreover, some contributors will likely be sympathetic to the plight of non-contributors, which raises the probability of the swift emergence of a Nullifier who will repeal oppressive measures.

In general, if an intelligent, politically informed, and freedom-oriented person is by chance selected as Nullifier, the scope of government oppression might be reduced dramatically overnight, as many such people would have already intellectually prepared themselves for the possibility of being selected. Even though the chances of any given advocate of limited government becoming Nullifier may be slight in a sufficiently degenerate constitutional culture, such an individual would still enjoy the *intellectual exercise* of imagining himself in the role of Nullifier and thus could be expected to already have a plan of action if and when he is selected. The office of the Nullifier is another way to protect the rights of any oppressed minority, even where the legislative, executive, and judicial branches are predominantly in favor of oppression.

18.2d. The Opt-In Constitution

Constitutions and protections for individual rights require more than formal mechanisms in order to be genuinely efficacious. Rather, the *constitutional culture* of the people living under a constitution is vital to its staying power. Nikolai Wenzel writes that

> [i]nformal constraints – a willingness to be bound… – maintain a central importance for constitutionalism. If a critical mass of individuals refuses to be bound, if it rejects constitutionalism generally or the constitution specifically, if it does not accept the deferral of current power for long-run stability, the entire constitutional undertaking will fail. Expediency will trump principle. Power will prevail over rules.[86]

[86] Wenzel 2007, p. 22, ""A Waltz of Régimes in The Land Of Tangos: Lessons from Argentina on Constitutional Culture and Constitutional Maintenance."

In cultures throughout the world, a willingness to trump individual rights to achieve some other objectives prevails to a greater or lesser extent. Even in the United States as early as the mid-20th century, Dean Russell remarked that

> Many of us are drifting back to the old concept of government that our forefathers feared and rejected. Many of us are now looking to government for security. Many of us are no longer willing to accept individual responsibility for our own welfare. Yet personal freedom cannot exist without individual responsibility.[87]

This state of affairs poses difficulties for establishing anywhere in the world a "perfect" constitution that fully protects all individual rights. However, the Freecharter provides a mechanism by which the framers of a new constitutional society are not simply compelled to work with the constitutional culture they find, but rather can have the best elements of that culture self-select into the new free society.

The Freecharter is an opt-in constitution, requiring individuals to explicitly declare allegiance to it before obtaining citizenship. The High Executive defines the Territorial Scope of Sustainable Expansion (TSSE), the territory within which any person may petition for citizenship in the free country, provided that he has some of his property there.[88] Any person within the TSSE may become a citizen, provided that he or she swears an oath of allegiance[89], and children of citizens must explicitly swear the oath upon reaching full adulthood in order to retain their citizenship.[90] While non-citizens may still purchase votes and freely reside and travel within the country, only citizens are permitted to form mille-groups, and non-citizens are unlikely to be allowed to vote by subordinate governmental entities. Therefore, non-citizens are likely to only be able to elect the High Executive and Delegates to Chamber B. Delegates to Chamber A are certain and Delegates to Chamber C are likely to be elected only by people who freely and explicitly swore to uphold the principles and protections inherent in the Freecharter. In practice, since citizenship is extremely easy to obtain and carries with it numerous practical advantages[91], most resident foreigners with property in the country and money invested in the government are likely to become citizens.

By establishing a constitution only for those who choose to opt into it, the framers will be able to *select* their constitutional culture to consist of views and attitudes that are largely favorable to the constitution's perpetuation. After all, people who dislike the constitution have the option of not

[87] Russell 1952, p. 32, "The Bill of Rights"
[88] Freecharter, Article XII, Section I
[89] The oath of allegiance is given in full in Article XII, Section II of the Freecharter.
[90] Freecharter, Article XII, Section VIII
[91] Citizenship under the Freecharter also carries virtually no disadvantages, as Article XII, Section VII permits multiple citizenship.

subjecting themselves to the government it creates or even entering the territory under its jurisdiction. Therefore, those who *do* explicitly agree to live under the constitution will be predominantly interested in preserving it and adhering to it.

Why would anyone, especially in an environment whose native culture does not recognize individual rights, opt into a constitution that fully respects and protects them? Most people in all cultures seek to improve their material well-being and protect themselves from danger. It is a small intellectual step from wanting this to recognizing, as Ayn Rand did, that "[i]f men are to live together in a peaceful, productive, rational society and deal with one another to mutual benefit, they must accept the basic social principle without which no moral or civilized society is possible: the principle of individual rights."[92] Individuals who want a way out of the chaos and bloodshed surrounding their lives will be eager for an alternative and will at least be open to persuasion. How many such individuals exist in any geographical area is an empirical question, but the *size* of the new free society is only important as far as the ability to protect all of its members is concerned. If the government of the new free society can defend all of its consenting members against external aggression, then it does not matter how many people choose to opt in, provided that some do.

Nonetheless, the prediction that a society which respects individual rights will attract considerable interest anywhere in the world is not mere speculation; it is given weight by extensive historical precedent with respect to the United States during its minimal-government years. In the words of Dean Russell,

> [i]t was this philosophy of individual freedom and individual responsibility – reflected in the Bill of Rights – that attracted to this country millions of persons from the government-oppressed peoples of Europe. They came here from every country in the world. They represented every color, every race, and every creed. They were in search of *personal freedom*, not government-guaranteed "security." And as a direct result of the individual freedom specified by the Constitution and the Bill of Rights, they earned the greatest degree of security ever enjoyed by any people anywhere.[93]

Russell's analysis suggests that in *any* constitutional culture – however averse the majority in it might be to liberty – there are many people who seek to thrive in freedom. Such people will be drawn to any society that can effectively guarantee protections for individual rights. They will even be attracted to societies which do not protect rights perfectly but at least offer massive improvement relative to the oppressions that liberty-desiring individuals throughout the world experience in their native cultures.

[92] Rand 1964, p. 126, "The Nature of Government"
[93] Russell 1952, pp. 29-30, "The Bill of Rights"

Why is this the case? Frank Chodorov explains that the "law of association – the supreme law of Society – is self-operating; it needs no enforcement agency. Its motor force is in the nature of man. His insatiable appetite for material, cultural, and spiritual desires drives him to join up."[94] A society where individual rights are protected is so obviously more conductive to material, cultural, and spiritual progress that significant numbers of people anywhere in the world will be unable to resist its allure.

Those who opt to accept the constitution, both contributors and non-contributors to the government, are thus likelier than the average person to be sympathetic to individual rights, especially if they accepted the constitution *in order* to escape from an oppressive native political culture. Under an opt-in constitution, investmentocracy is therefore even more likely to result in adherence to the constitution and thus a consistent respect for the rights of all persons.

Conclusion

Embedded within the constitutional framework of the Freecharter, the system of investmentocracy presents a thorough, systematic alternative to conventional democratic principles. It eliminates any rationale for compulsory taxation and transforms the government from an inefficient cooperative with inalienable shares to a much more efficient corporation with transferable shares. In effect, a government under investmentocracy is akin to a corporation with a perpetual initial public offering (IPO). By enabling the transfer and pooling of votes, investmentocracy facilitates a wide variety of versatile political institutions that can effectively empower virtually any willing individual citizen – both protecting his rights and enabling him to have a say in how the political process provides goods such as defense and the administration of justice. Investmentocracy is a cosmopolitan system that eliminates virtually all forms of discrimination among voters and dramatically lowers barriers to entry into the civic marketplace. Furthermore, investmentocracy gives voters reasons to remedy both rational ignorance and irrational ignorance. It has been shown here that the Freecharter can facilitate an effective transition from CDPs to investmentocracy, and that investmentocracy has a built-in mechanism for encouraging continued voluntary contributions to the government. Via the Freecharter and the system of investmentocracy itself, it is possible to completely immunize the political system against takeovers by either welfare recipients or alliances of would-be plutocrats. Moreover, investmentocracy provides a wide variety of intrinsic protections for the individual rights of non-contributors, while the Freecharter's

[94] Chodorov 1952, pp. 73-74, "Peace or Politics"

other provisions – including the Bill of Rights, the Restrictive Clauses, the tricameral legislature, the office of the Nullifier, and the opt-in requirement are yet additional ways to ensure that inalienable individual liberties remain respected and protected.

No political system is perfect, and it is vital for any system-builder to keep in mind Algernon Sidney's warning that "[a]ll human constitutions are subject to corruption and must perish unless they are timely renewed and reduced to their first principles."[95] However, investmentocracy, especially as expressed in the Freecharter, provides many more layers of protection for the first principles of a free constitutional order than any system in existence today. Given that even the comparatively modest protections for individual liberty that exist under the United States Constitution have ushered in over 221 years of unprecedented economic, technological, and cultural growth and prosperity, the prospects for a society governed in accord with investmentocracy truly warrant extensive optimism.

[95] Sidney 1698, II:13:117

Appendix:

The Freecharter: A Constitution for a Society of Lasting Liberty

Note: The Freecharter is intended to be a constitution for any newly established free society and government that genuinely adheres to the principles of individual liberty, limited government, and free markets. This is not a final version of the Freecharter, which may be updated prior to the actual institution of such a society, which may occur decades in the future. Until then, the Freecharter remains a theoretical exercise, open to refinement, and suggestions, comments, and criticisms regarding it are welcome and may be sent to gennadystolyarovii@gmail.com.

The Freecharter borrows heavily from the United States Constitution. Virtually all protections for individual rights and checks on government from the U. S. Constitution are retained, and many additional ones are incorporated. The Freecharter is also influenced by Roderick Long's Virtual-Canton Constitution. Restrictive Clauses XXXVII - XXXIX in Article II, Sections XXVI – XXVII of Article IV, Section XII of Article V, Sections XIV and XVI of Article VI, and Sections VII-VIII of Article VII are adaptations from the Virtual-Canton Constitution.

The Freecharter

Authored by G. Stolyarov II on November 5, 2008;
Revised on November 19, 2008;
Revised on November 30, 2008;
Revised on April 24, 2010

Preamble: This Freecharter is a constitution that hereby establishes a government whose sole purpose is the protection of those inalienable rights which all individuals possess by virtue of their humanity.

Article I: Affirmations of the Inalienable Rights of Individuals

Affirmation I: Every individual human being – from the moment of conception to the cessation of all bodily functions – possesses a right to life. No individual, organization, or governmental entity may deprive another individual of life, unless that individual has committed deliberate murder of another individual.

Affirmation II: Every individual possesses the right to keep his or her body free from the unwanted intrusions of other persons or governmental entities. No individual, organization, or governmental entity may damage or inflict an inconvenience on an individual's body without that individual's consent. However, this affirmation may not be taken to supersede the individual right to life as described in Affirmation I. Namely, no individual may deprive another individual of life simply on account of non-life-threatening intrusions onto the integrity of the former individual's body.

Affirmation III: Every individual possesses the right to own property that he or she has either acquired by mixing his or her labor with objects in the state of nature or through the explicit consent of prior owners of such property. Property legitimately acquired cannot be taken away from an individual, without his freely given consent, by any other individual or governmental entity for any reason.

Affirmation IV: Every individual possesses the right to retain his or her property in the face of arguments that a "public use" might require its confiscation. There is no "public use" that justifies the seizure of private property without the willing consent of its owner, on the owner's terms.

Affirmation V: Every individual possesses the right to use his or her property for the dissemination of information of any kind. This implies that every individual possesses the right to freedom of speech, freedom of the press, freedom of assembly, freedom of submitting petitions and lists of grievances, and freedom of disseminating written messages to other individuals. No other individual or governmental entity may restrict the ways in which a person uses his property to disseminate information.

Affirmation VI: Every individual possesses complete freedom of religious belief or non-belief. No governmental entity may issue laws restricting the free exercise of religion or the espousal of atheistic or agnostic ideas. Moreover, no official religion over any subsection of the country or the country as a whole may be instituted, nor may any establishment of religion be supported in any manner by any governmental entity. Only religious activities that involve the infliction of involuntary harm upon individuals may be restricted.

Affirmation VII: Every individual possesses the right to free movement through property whose owners consent to such movement. Moreover, every individual possesses the right to free movement through unowned territory. No individual or governmental entity may restrict this right of free movement in any manner.

Affirmation VIII: Every individual who has not committed a violent crime has the right to keep and bear weapons and other devices serving the function of self-defense and defense of property. No individual or governmental entity may restrict this right to bear arms in any manner.

Affirmation IX: Every individual possesses the right to the privacy of his or her person and property. Accordingly, every individual has the authority to choose not to disclose the nonviolent activities engaged in on his or her property to any individual or governmental entity.

Affirmation X: Every individual possesses the right to keep his property – including his houses, papers, electronic documents, and any other physical items owned by him – free from search and seizure, unless warrants for this purpose have been in each case procured from two distinct courts, neither having hierarchical superiority over the other. Each warrant must be supported by oath or affirmation, contain probable cause for the search, and describe specifically the place to be searched and the persons or things to be seized.

Affirmation XI: Every individual possesses the right to keep his property free from the presence of military personnel. Therefore, no quartering of soldiers on private property shall be required by any individual or governmental entity at any time.

Affirmation XII: Every individual possesses the right to remain free of surrendering his money and property under conditions to which he did not explicitly consent. No individual or governmental entity may engage in taxation, defined as the extraction of revenue under coercion or the threat of coercion.

Affirmation XIII: Every individual has the right to the full prerogatives of adulthood upon reaching the age of sixteen years from birth. However, nothing herein shall be construed to limit the recognition of full adult status of individuals younger than sixteen years of age who are able to demonstrate the requisite adult competencies.

Affirmation XIV: Every individual, having reached full adulthood, possesses the right to engage in fully consensual physical and intellectual activities with other full adults. No governmental entity may restrict this right of consensual physical and intellectual intercourse.

Affirmation XV: Every individual has the right to the liberty of his person. No individual may be confined to a particular location outside the scope of his property against his will for any period of time without having been charged with a crime, without having been informed of the charges against him, and without having been found guilty as charged. However, bail may be required for an individual charged of a crime, and that individual's ability to leave the country may be restricted, until the court proceedings regarding the charges against him are completed, whereafter the bail must be refunded and, if the individual is found innocent of all charges, the restrictions on emigration must be lifted.

Affirmation XVI: Every individual charged with committing a crime has the right to a trial that begins no later than seven days after the charges have been made. Failure to initiate such a trial within the specified time period shall result in the automatic acquittal of the person charged. The trial shall be guaranteed to be speedy, public, and impartial. During the course of the trial, the accused person shall be guaranteed the right to examine the evidence against him and to confront all witnesses present. Moreover, every individual charged of committing a crime shall have the right to have the charges against him examined by a jury of private citizens of the country who volunteer for the position. No juror may be disqualified from service on account of superior intelligence, education, or reasoning ability. Moreover, no juror may be disqualified from service during the time of jury deliberations, except for clearly verifiable breaches of integrity in his or her role as a juror. Moreover, jury verdicts of conviction must be unanimous, and the failure to achieve a unanimous verdict within seven days of deliberation shall result in the automatic acquittal of the person charged.

Affirmation XVII: No torture or physical injury may be inflicted on any individual by any other individual or any governmental entity as a means of interrogation, punishment, or for any other reason. Capital punishment shall be the only acceptable infliction of physical injury, and may be used only in cases where deliberate murder has been committed, although nothing in this affirmation shall mandate the use of capital punishment in all such cases. If it is found after the occurrence of an execution that the man executed had been innocent of the crime committed, then the persons responsible for sentencing the executed man to death shall themselves be liable to prosecution for manslaughter.

Affirmation XVIII: No individual may be required by any governmental entity to serve as a witness against himself.

Affirmation XIX: No individual may be subjected to trial more than one time for the same offense.

Affirmation XX: No individual who has been found fully innocent in the course of a trial or who has been confirmed by the court to be a victim of criminal aggression, negligence, or fraud shall be required

to incur expenses in paying for the conduct of the trial. Either the guilty party or the state shall be required to pay for all the legal expenses of such a person.

Affirmation XXI: No individual may be fined for any violation of the law more than twice the amount of damage to the property of others that his violation has brought about. To bring about property damage means to commit an action which was both necessary and sufficient for such damage to occur.

Affirmation XXII: In cases not involving murder, excessive bail shall not be imposed, where excessive bail is defined as any amount greater than ten times the amount of damage to the property of others of which the person to be bailed is accused. In cases involving murder, excessive bail is defined as any amount that exceeds one-half of the total value of the accused individual's property.

Affirmation XXIII: No individual or organization may be denied the option to contribute funds to the government, and to gain the voting privileges derived therefrom, on account of race, nationality, place of residence, religion, philosophy, age, gender, sexual orientation, or any other characteristic, with the following exception. The sole characteristics which may be used to deny the granting of voting privileges to individuals are (i) past aggression against citizens of this country, (ii) an attempt to unconstitutionally overthrow the government thereof, and (iii) status as an official or agent of a foreign government in any capacity.

Affirmation XXIV: No individual shall be held in involuntary servitude of any kind. Such involuntary servitude includes enslavement to private individuals or to any governmental entity.

Affirmation XXV: No individual shall be subjected to military or police conscription by any government or private individuals. Moreover, no individual shall be subjected to the performance of any kind of public or private service without his explicit and freely given consent.

Affirmation XXVI: No individual shall be compelled to employ the services of the government in any capacity, with the exception of the final arbitration of disputes that would otherwise escalate into violence.

Affirmation XXVII: Every individual has a right to consume substances that are not directly and unavoidably injurious to the health of other individuals. No individual or governmental entity may coercively restrict another individual's consumption of such substances, except as is consistent with the jurisdiction individuals and organizations have over their own property.

Affirmation XXVIII: Every individual has the right to remain free from searches, seizures, inspections, and compulsory delays at airports, seaports, spaceports, and other centers or vehicles of transportation. No private or governmental entity may conduct such procedures, unless the individual toward whom they are directed has been directly and individually suspected of criminal activity, and a warrant authorizing the specific procedures in question has been issued by two distinct courts, neither having hierarchical superiority over the other.

Affirmation XXIX: Any individual who resides within the Territorial Scope of Sustainable Expansion (TSSE) and who decides to freely and earnestly accept this constitution becomes thereby a citizen of the

country and shall not be denied the prerogatives of citizenship under any circumstances. Any individual who moves his person or property into the TSSE is considered to reside within it.

Affirmation XXX: The enumeration in this constitution of certain rights shall not be construed to deny or disparage others retained by individuals. No individual may be denied the ability to assert his or her possession of rights not enumerated in this constitution and to present this assertion of rights before a court of law, which that court shall be obligated to consider in accordance with reason and the objective facts of reality. A court's action in striking down a statute based on this affirmation of rights is not a usurpation of the role of the legislature.

Affirmation XXXI: The powers not delegated to the central government by the constitution, nor prohibited by it to other governmental entities or individuals, are reserved to those governmental entities, respectively, or to individuals.

Affirmation XXXII: These Affirmations of the Inalienable Rights of Individuals may not be revised or nullified by any persons employing any means at any time.

Article II: Restrictive Clauses on Governmental Entities

Restrictive Clause I: All restrictions on governmental entities present in Article I are forever binding and unalterable. Moreover, all restrictions on governmental entities present in this article are forever binding and unalterable.

Restrictive Clause II: No governmental entity may promulgate an *ex post facto* law, defined as a law that is intended to apply to conduct made prior to its promulgation.

Restrictive Clause III: No governmental entity may promulgate a law to which complete and secure adherence is impossible.

Restrictive Clause IV: No governmental entity may suspend the writ of *habeas corpus* under any circumstances.

Restrictive Clause V: No governmental entity may coercively punish any government employee or private citizen who expresses views critical of any action of a government functionary or of any government functionary's person. Moreover, no governmental entity may remove from office a person whose sole misconduct has been the expression of such critical views.

Restrictive Clause VI: No governmental entity may issue bills of attainder.

Restrictive Clause VII: No governmental entity may spend money in excess of its revenues during any time period.

Restrictive Clause VIII: No governmental entity may borrow money.

Restrictive Clause IX: No governmental entity may issue money.

Restrictive Clause X: No governmental entity may transfer money to financial institutions without receiving for that money specific and easily delimitable services that such financial institutions routinely grant to their private customers. Such services may only be issued to governmental entities on the same terms as they are issued to private customers of the financial institutions.

Restrictive Clause XI: No governmental entity may subsidize any private individual or business by grants of money or other property which are not meant to either directly pay for the purchase of specific and easily delimitable goods and services by the government or to compensate government employees and contractors.

Restrictive Clause XII: No governmental entity may grant monopolies or quasi-monopolies in any line of business or non-profit activity to any private individual, business, governmental entity, governmental-private partnership, or to any multitude of such organizations, however large that multitude might be. No governmental entity may restrict entry into any industry, profession, or activity by direct or indirect means, including but not limited to licensing requirements, coerced unionization, and either prohibitions from or compulsions to working in any line of human endeavor that is not directly and unavoidably injurious to the health of other individuals.

Restrictive Clause XIII: No governmental entity may tax or otherwise restrict imports of goods and services into the territory under its jurisdiction, unless the specific goods and services in question are each directly and unavoidably injurious to the health of the inhabitants of said territory who do not directly consume said goods or services.

Restrictive Clause XIV: No governmental entity may regulate or influence wages, prices, interest rates, debts, gifts, or inheritances, except in such a manner as would be indispensably necessary to prevent, deter, or diminish coercion, fraud, and falsehood in commercial transactions.

Restrictive Clause XV: No governmental entity may regulate workplace environmental or safety conditions, except in such a manner as to ensure the fulfillment of mutually agreed-upon contracts among employers and employees.

Restrictive Clause XVI: No governmental entity may regulate the quality of consumer products, except in such a manner as to punish fraud and falsehood in advertising.

Restrictive Clause XVII: No governmental entity may require businesses to interact in any manner with labor unions or require labor union membership on behalf of any employee, either as a prerequisite of entering or of remaining in any profession.

Restrictive Clause XVIII: No governmental entity may provide economic aid of any sort to foreign individuals, governments, or miscellaneous organizations.

Restrictive Clause XIX: No governmental entity may provide funds to individuals in the event of those individuals' unemployment, unless those individuals have formerly been employees of the specific governmental entity providing the funds.

Restrictive Clause XX: No governmental entity may unilaterally alter the terms of its contracts with any of its employees, contractors, or agents. No person pledged to serve a governmental entity for a specified time period may be required without his consent to serve beyond the term originally stipulated.

Restrictive Clause XXI: No governmental entity may pass laws prohibiting gambling or other forms of monetary speculation which are undertaken with the mutual consent of all parties involved.

Restrictive Clause XXII: No governmental entity may tax or regulate the Internet in any manner.

Restrictive Clause XXIII: No governmental entity may punish individuals for failing to adhere to regulations, which are contrary to the letter of this constitution, in other territorial jurisdictions. Moreover, no governmental entity may extradite such individuals, whose crimes under the interpretation of foreign systems of jurisprudence are in fact no crimes at all, and force them to stand trial for having violated unjust laws.

Restrictive Clause XXIV: No governmental entity may wage war, except in direct defense of the territory under its jurisdiction. No territory outside a governmental entity's jurisdiction may be invaded or occupied by that governmental entity's forces, except as a direct consequence of invasions and assaults previously undertaken by that territory's occupants and as an unavoidably necessary measure for preventing such future invasions and assaults.

Restrictive Clause XXV: No governmental entity may inflict physical force, except against those who had already initiated or demonstrate an unambiguous, verifiable, and incontrovertible intent to initiate physical force or fraud against innocent individuals. In the event of a war, where a governmental entity's forces inadvertently damage the lives and property of innocent individuals, that governmental entity is obligated to offer as compensation for destruction of property at least twice the monetary value of the property damaged. As compensation for any bodily injury dealt to an innocent individual, the governmental entity responsible must pay for at least twice the injured party's costs of treatment, in addition to providing an income equivalent to the highest former income of the individual injured for any time during which the injury has not healed completely and the individual affected by it has not been returned to his pre-injury physical state.

For any individual unjustly killed, the governmental entity responsible shall offer the deceased individual's next-of-kin at least one hundred times the sum of the cumulative lifetime income of the innocent individual killed and the median lifetime income of a citizen of this free country, multiplied by the sum of one and 0.99 taken to the power of the age at death of the individual killed.

The compensation, C, which must be offered for unjustly killed individuals shall adhere to the following formula, where we let
CLI = the cumulative lifetime income of the individual unjustly killed;
MLI = the lifetime income of the median individual in the territory governed by this constitution;
A = the age of the individual unjustly killed.
Then $C \geq 100(CLI + MLI)(1 + 0.99^{A})$.

Restrictive Clause XXVI: No governmental entity may regulate commerce within its territory, except with the express purposes and sole effects of preventing, deterring, and diminishing coercion, theft,

falsehood, and fraud and lifting any restrictions on commerce imposed by subordinate governmental entities.

Restrictive Clause XXVII: No governmental entity may pass laws prohibiting, regulating, or mandating any kind of educational or business practice, except in such a manner as is indispensably necessary to preventing, deterring, and diminishing coercion, falsehood, and fraud and does not prohibit or regulate any non-fraudulent behavior.

Restrictive Clause XXVIII: No governmental entity may mandate that a certain proportion of its own or a private organization's or another governmental entity's employees, customers, or other affiliates belong to a certain racial, ethnic, cultural, gender-based, or lifestyle-based category. No governmental entity may undertake proactive measures to bring about any manner of distribution among these categories in any organization. Moreover, no governmental entity may restrict any non-coercive changes in the distribution among these categories in any organization.

Restrictive Clause XXIX: No governmental entity may use any religious test as a consideration in hiring, dismissing, compensating, or otherwise treating its functionaries.

Restrictive Clause XXX: No governmental entity may define as treason any activity except the deliberate and planned attempt to overthrow the government which has been established under this constitution through the use of physical violence. A charge of treason can only be substantiated by the indisputable testimony of two witnesses to the same overt act, or a freely given confession in open court.

Restrictive Clause XXXI: No money shall be drawn from the treasury of any governmental entity, but in consequence of appropriations made by law; and a regular statement and account of receipts and expenditures of all public money shall be published at least on a monthly basis.

Restrictive Clause XXXII: No person holding any office of profit or trust in any governmental entity under this constitution, shall, without the consent of the High Legislature, accept of any present, emolument, office, or title, of any kind whatever, from any foreign government.

Restrictive Clause XXXIII: No punishment of treason shall extend to the individually innocent blood relatives of the punished, or result in forfeiture of property except during the life of the person being thus punished. Moreover, treasonous activities that have not resulted in the death of any innocent individual may not be punished by death.

Restrictive Clause XXXIV: No governmental entity may restrict political advertising or private campaign financing in any manner at any time.

Restrictive Clause XXXV: No governmental entity may distribute its own funds to political campaigns of any kind.

Restrictive Clause XXXVI: No governmental entity nor any of its employees may conduct searches, seizures, or inspections at airports, seaports, spaceports, and other centers or vehicles of transportation; nor may any governmental entity through its laws or directives lengthen the time or reduce the convenience experienced in the course of transportation by any individual who has not been personally

and directly suspected of criminal activity and for whose inspection warrants have not been issued, in accordance with Affirmation XXVIII of Article I; nor may any private entity be forced or encouraged by any governmental entity to conduct any of these measures.

Restrictive Clause XXXVII: Any bill, before it may become a law, must embrace no more than one subject, which shall be expressed in its title; appropriation bills shall concern only spending of monies and shall not mandate any other action or conduct, nor shall any bill except a general budget bill contain more than one item of appropriation, and that for one expressed purpose.

Restrictive Clause XXXVIII: No expenditure by any governmental entity may be declared "off-budget" or fail to be listed in the official and freely and publicly available record of expenditures for that governmental entity.

Restrictive Clause XXXIX: The sum total of laws passed by the government established under this Freecharter may not exceed one million words. Any laws passed after this limit has been reached, no previous laws having been repealed, are void and unlawful. Also, each law of the government established under this Freecharter, before being passed, must be read aloud, at normal speed, to a quorum of each chamber of the High Legislature. These provisions may not be evaded by attempting to give the force of law to documents that are not laws by passing laws which merely refer to these documents.

Article III: Investmentocracy

Section I: All popular voting pertaining to the central government established under this constitution shall be done in accordance with the principle of investmentocracy – the allocation of votes to individuals who contribute money to the government, in direct and linear proportion to their contributions.

Section II: Any individual or private organization contributing money to the High Treasury established under this constitution shall receive one vote for every ten ounces of gold contributed. For every fraction of ten ounces of gold contributed, a corresponding and directly proportional fraction of one vote shall be granted in perpetuity to the contributing individual or organization. This price per vote may not be altered or suspended under any circumstances and for any reason, unless the artificial creation and mass artificial production of gold becomes technically feasible.

Section III: In allocating votes to individuals and private organizations that contribute money to the High Treasury, no regard shall be made for the race, ethnicity, gender, age, religion, philosophy, lifestyle, or residency of the contributing individuals. Only individuals who have engaged in criminal activity and have not yet fully compensated for their crimes may be restricted in their ability to purchase votes. Moreover, no regard shall be made for the status of organizations that have not engaged in any criminal activity for which full compensation has not yet been made.

Section IV: Once votes have been acquired by private individuals or organizations, these votes may be traded or given away to other individuals or organizations on mutually agreed-upon terms.

Section V: Once votes have been acquired by private individuals or organizations, these votes may be allocated in any manner by their holders among the alternatives in any given election wherein the voteholders in question are entitled to participate.

Section VI: No entity that relies on the coercive extraction of revenues may participate in the system of investmentocracy. In particular, foreign governments relying on taxation for their funding may not purchase votes in the system created under this constitution.

Section VII: The citizens of this country shall be divided into one thousand groups, henceforth referred to as *mille-groups*. Upon obtaining any vote or fraction of a vote, an individual or organization may choose to belong to any mille-group. Upon selecting a mille-group, an individual or organization retains voting power within that mille-group, in addition to voting power in elections of country-wide scope, in perpetuity. Any citizen voteholder may choose to completely transfer his or her voting power from any one mille-group to any other at most once every ten years.

Section VIII: An Internet database shall be established, containing the number of votes held by every individual and organization. Only the voteholder shall be officially permitted to access information regarding how many votes he, she, or it holds, although it is the voteholder's prerogative to publicize such information.

Section IX:
All popular voting pertaining to the government established under this Freecharter shall be done by secret ballot.

Section X: All willing individuals shall be entitled to observe the counting of votes, provided that the secrecy of each voter's name is preserved.

Article IV: Composition of the Legislative Branch

Section I: All legislative power granted under this constitution is hereby solely vested in the High Legislature, composed of Chamber A, Chamber B, and Chamber C.

Section II: Delegates to Chamber A shall be elected by popular vote, with one delegate selected by and among each mille-group of the population. The number of delegates to Chamber A shall be at most 1000 in number, and one for every mille-group that contains any members.

Section III: Delegates to Chamber A shall be elected for two-year terms in office, with every specific Delegate election held at any time decided internally within the corresponding mille-group, provided that elections are held in two-year time intervals.

Section IV: If and when an untimely vacancy should exist in Chamber A, the mille-group whose Delegate seat has been vacated may elect another Delegate to fill the vacancy.

Section V: Chamber A shall elect its officers from among its Delegates.

Section VI: Chamber A shall have the sole power of impeachment.

Section VII: Delegates to Chamber B shall be elected by a general election where all voters may participate, with the 250 delegates receiving the highest numbers of votes being appointed to the chamber.

Section VIII: Delegates to Chamber B shall be elected for four-year terms in office in a single election held at four-year time intervals.

Section IX: If and when an untimely vacancy should exist in Chamber B, the Delegate receiving the next-highest number of votes in the immediately previous Chamber B election, as compared to the votes received by the Delegates currently serving in Chamber B, shall be appointed to fill the vacancy.

Section X: Chamber B shall elect its officers from among its Delegates.

Section XI: Chamber B shall have the sole authority to try all impeachments. When sitting for that purpose, Chamber B Delegates shall be on oath or affirmation. When the High Executive under this constitution is tried, the Chief Justice shall preside. No person shall be convicted without the concurrence of two thirds of the members present.

Section XII: Judgment in cases of impeachment shall not extend further than to removal from office, and disqualification to hold and enjoy any office of honor, trust or profit in any governmental entity subject to this constitution: but the party convicted shall nevertheless be liable and subject to indictment, trial, judgment, and punishment, according to law.

Section XIII: Delegates to Chamber C shall be elected among the citizens under the jurisdiction of governmental entities that are immediately subordinate to the government created by this constitution. For every governmental entity immediately subordinate to the government created by this constitution, one delegate to Chamber C shall be elected. Individuals who are not subject to such governmental entities may also elect Delegates to Chamber C, provided that such individuals form a group that controls at least one hundred thousand votes and can therefore nominate one C Delegate for every hundred thousand votes thus held.

Section XIV: Delegates to Chamber C shall be elected for six-year terms in office, with every specific Delegate election held at any time decided internally within the corresponding subordinate governmental entity, provided that elections are held in six-year time intervals.

Section XV: If and when an untimely vacancy should exist in Chamber C, the citizens under the jurisdiction of the subordinate governmental entity whose Delegate seat has been vacated shall elect another Delegate to fill the vacancy.

Section XVI: Chamber C shall elect its officers from among its Delegates.

Section XVII: Each Chamber shall be the judge of the elections, returns, and qualifications of its own members, and a majority of each shall constitute a quorum to do business; but a smaller number may

adjourn from day to day, and may be authorized to compel the attendance of absent members, in such manner, and under such penalties as each Chamber may provide.

Section XVIII: Each Chamber may determine the rules of its proceedings, punish its members for disorderly behavior, and, with the concurrence of three fourths, expel a member.

Section XIX: Each Chamber shall keep a journal of its proceedings, and from time to time publish the same; and the yeas and nays of the members of either House on any question shall in every case be entered on the journal.

Section XX: No Chamber, during the session of the High Legislature, shall, without the consent of each of the two others, adjourn for more than three days, nor to any other place than that in which the three Houses shall be sitting.

Section XXI: The Delegates to Chambers A, B, and C shall receive a compensation for their services, to be ascertained by law, and paid out of the High Treasury under this constitution. They shall in all cases, except treason, felony and breach of the peace, be privileged from arrest during their attendance at the session of their respective Chamber, and in going to and returning from the same; and for any speech or debate in any Chamber, they shall not be questioned in any other place.

Section XXII: No Chamber Delegate shall, during the time for which he or she was elected, be appointed to any civil office under the authority of this constitution, which shall have been created, or the emoluments whereof shall have been increased during such time: and no person holding any office under this constitution, shall be a member of either of the three Chambers during his continuance in office.

Section XXIII: A majority of votes in each of the three Chambers of the High Legislature is required to pass any piece of legislation.

Section XXIII: Every bill which shall have passed each of the three Chambers of the High Legislature, shall, before it become a law, be presented to the High Executive; if he approves he shall sign it, but if not he shall return it, with his objections to that Chamber in which it shall have originated, whose members shall enter the objections at large on their journal, and proceed to reconsider it. If after such reconsideration two thirds of that Chamber shall agree to pass the bill, it shall be sent, together with the objections, to each of the other two Chambers, by which it shall likewise be reconsidered, and if approved by two thirds of both Chambers, it shall become a law. But in all such cases the votes of all three Chambers shall be determined by yeas and nays, and the names of the persons voting for and against the bill shall be entered on the journal of each Chamber respectively. If any bill shall not be returned by the High Executive within fifteen days after it shall have been presented to him, the same shall be a law, in like manner as if he had signed it, unless the High Legislature by their adjournment prevent its return, in which case it shall not be a law.

Section XXIV: Every order, resolution, or vote to which the concurrence of Chambers A, B, and C may be necessary (except on a question of adjournment) shall be presented to the High Executive; and before the same shall take effect, shall be approved by him, or being disapproved by him, shall be repassed by

two thirds of each of the three Chambers, according to the rules and limitations prescribed in the case of a bill.

Section XXV: No law, varying the compensation for the services of the Delegates to the Chambers of the High Legislature, shall take effect, until an election of Delegates to Chamber A shall have intervened.

Section XXVI: The deliberations of the High Legislature shall be open to public view and record.

Section XXVII: The Legislature may not delegate its legislative authority to any other person, body, or bureau.

Article V: Enumerated Powers of the Legislative Branch

Section I: The High Legislature shall have the power to raise and support armies composed entirely of volunteer servicepersons, but no appropriation of money to that use shall be for a longer term than two years. These armies may be used to repel invasions, suppress violent insurrections, and create establishments for the common defense that do not coerce any citizen under this constitution.

Section II: The High Legislature shall have the power to define and punish piracies and felonies committed on the high seas, and offenses against the law of nations.

Section III: The High Legislature shall have the power to declare war, grant letters of marque and reprisal, and make rules concerning captures on land and water.

Section IV: The High Legislature shall have the power to provide and maintain a navy, air force, and defensive space infrastructure.

Section V: The High Legislature shall have the power to make rules for the government and regulation of the land, naval, air, and space forces whose purpose is to provide for the defense of the citizens under this constitution.

Section VI: The High Legislature shall have the power to constitute tribunals inferior to the High Court.

Section VII: The High Legislature shall have the power to determine the rules governing the property of the government under this constitution, in accordance with the restrictions stipulated in Articles I and II.

Section VIII: The High Legislature shall have the power to commission the creation of such tangible goods and services as can be funded without the coercive participation by or coerced funding from any individual. In participating in the production of a good or service, the activities of the High Legislature and any individuals acting under its authority may not in any manner exclude or restrict the production of the same good or service by private individuals or organizations.

Section IX: The High Legislature shall have the power to establish the High Treasury and to direct it to invest the government's funds, at the prevailing market rates of interest, into the endeavors of consenting financial institutions.

Section X: The High Legislature shall have the power to direct the High Treasury to use its funds to refund the court expenses of verified victims or acquitted defendants, up to the full amount of such expenses.

Section XI: The High Legislature shall have the power to use funds from the High Treasury to purchase land from consenting foreign and domestic individuals and governmental entities.

Section XII: It shall be the duty of the High Legislature to refuse their assent to, or to repeal, any laws in conflict with the Freecharter.

Section XIII: The High Legislature shall have the power to make such laws as shall be absolutely and indispensably necessary for carrying into execution the foregoing powers, and all other powers vested by this Freecharter in the High Legislature, or in any department or officer thereof, provided that no law imposing greater restrictions on any individual than needed for the attainment of this end shall be regarded as necessary.

Article VI: The Executive Branch

Section I: The executive power under this constitution shall be vested in a High Executive, who shall hold his office during the term of four years, and, together with the Second Executive, chosen for the same term, be elected by the plurality of votes cast in a general election where all voteholders are eligible to participate and vote a number of times in direct and linear proportion to the number of votes they hold.

Section II: Only citizens under the jurisdiction of this constitution for a period of at least five years, or citizens who accepted this constitution at the time of its initial adoption, are eligible for the offices of High Executive and Second Executive.

Section III: The High Executive and Second Executive shall, at stated times, receive for their services a compensation, which shall neither be increased nor diminished during the period for which they shall have been elected, and they shall not receive within that period any other emolument from any governmental entity under this constitution.

Section IV: Before the High Executive enters on the execution of his or her office, he or she shall take the following oath or affirmation:–"I do solemnly swear (or affirm) that I will honestly and reliably execute the office of High Executive under this Freecharter, and will to the best of my ability, preserve, protect and defend the constitution of this country."

Section V: The High Executive shall be commander in chief of the army, navy, air force, and space defense infrastructure of the government created under this constitution; he may require the opinion, in writing, of the principal officer in each of the executive departments, upon any subject relating to the

duties of their respective offices, and he shall have power to grant reprieves and pardons for offenses against the government created under this constitution, except in cases of impeachment. However, nothing in this Freecharter shall be construed to extend to the Executive the power to initiate military action.

Section VI: The High Executive shall have power, by and with the advice and consent of Chamber B, to make treaties, provided two thirds of the Chamber B delegates present concur; and he shall nominate, and by and with the advice and consent of Chamber B, shall appoint ambassadors, other public ministers and consuls, judges of the High Court, and all other officers of the government created by this constitution, whose appointments are not herein otherwise provided for, and which shall be established by law: but the High Legislature may by law vest the appointment of such inferior officers, as they think proper, in the High Executive alone, in the courts of law, or in the heads of departments.

Section VII: The High Executive shall from time to time give to the High Legislature information of the state of the country, and recommend to their consideration such measures as he or she shall judge necessary and expedient; he or she shall receive ambassadors and other public ministers; he or she shall take care that the laws be honestly and reliable executed, and shall commission all the officers of the government created by this constitution.

Section VIII: The High Executive, Second Executive, and all civil officers of the government created by this constitution, shall be removed from office on impeachment for, and conviction of, treason, bribery, or other high crimes and misdemeanors.

Section IX: In the event of the removal from office of the High Executive by any means, the Second Executive shall become the High Executive and shall appoint a new Second Executive, subject to approval by a majority of each of the three chambers of the High Legislature. Likewise, in the event of the removal of the Second Executive from office by any means, the High Executive shall appoint a new Second Executive, subject to approval by a majority of each of the three chambers of the High Legislature.

Section X: The High Legislature may by law provide for the succession to the office of High Executive in the event that both the High Executive and the Second Executive are simultaneously unable to fulfill their duties.

Section XI: Whenever the High Executive transmits to each of the three Chambers of the High Legislature his written declaration that he is unable to discharge the powers and duties of his office, and until he transmits to them a written declaration to the contrary, such powers and duties shall be discharged by the Second Executive as Acting High Executive.

Section XII: Whenever the Second Executive and a majority of either the principal officers of the executive departments or of such other body as the High Executive may by law provide, transmit to each of the three Chambers of the High Legislature their written declaration that the High Executive is unable to discharge the powers and duties of his office, the Second Executive shall immediately assume the powers and duties of the office as Acting High Executive.
Thereafter, when the High Executive transmits to each of the three Chambers of the High Legislature his written declaration that no inability exists, he shall resume the powers and duties of his office unless the

Second Executive and a majority of either the principal officers of the executive department or of such other body as the High Legislature may by law provide, transmit within four days to each of the three Chambers of the High Legislature their written declaration that the High Executive is unable to discharge the powers and duties of his office. Thereupon the High Legislature shall decide the issue, assembling within forty-eight hours for that purpose if not in session. If the High Legislature, within twenty-one days after receipt of the latter written declaration, or, if the High Legislature is not in session, within twenty-one days after the High Legislature is required to assemble, determines by two-thirds vote of each of the three Chambers that the High Executive is unable to discharge the powers and duties of his office, the Second Executive shall continue to discharge the same as Acting High Executive; otherwise, the High Executive shall resume the powers and duties of his office.

Section XIII: No person shall be elected to the office of the High Executive more than twice, and no person who has held the office of High Executive, or acted as High Executive, for more than two years of a term to which some other person was elected High Executive shall be elected to the office of the High Executive more than once.

Section XIV: In the case of bills that contain spending appropriations, the High Executive may exercise a line-item veto, signing some provisions into law and sending back others with objections to the High Legislature.

Section XV: The High Executive may not interpret the laws he signs into action in any manner differing from their original and stated intent. The interpretation either by the High Legislature by the High Court of these laws shall prevail over the interpretation by the High Executive in the event of diverging views between the High Executive and either of the aforementioned other branches.

Section XVI: It shall be the duty of the Federal Executive to refuse assent to or execution of any laws in conflict with the Freecharter, and to grant reprieves and pardons to any persons accused of violating such laws.

Article VII: The Judicial Branch

Section I: The highest judicial power of under this constitution shall be vested in one High Court, and in such inferior courts as the High Legislature may from time to time ordain and establish. The judges, both of the High and inferior courts, shall hold their offices during good behavior, and shall, at stated times, receive for their services, a compensation, which shall not be diminished during their continuance in office.

Section II: The High Court shall be comprised of precisely fifteen justices, and one Chief Justice, who shall preside over the High Court's proceedings.

Section III: The judicial power shall extend to all cases, in law and equity, arising under this constitution, the laws of this country, and treaties made, or which shall be made, under their authority;–to all cases affecting ambassadors, other public ministers and consuls;–to all cases of admiralty and maritime jurisdiction;–to controversies to which this country's government shall be a party;–to controversies between two or more subordinate governmental entities;– between a subordinate

governmental entity and a citizen under the jurisdiction of another governmental entity; — between citizens under the jurisdiction of different governmental entities;–and between a governmental entity, or the citizens under the jurisdiction thereof, and foreign states, citizens or subjects.

Section IV: In all cases affecting ambassadors, other public ministers and consuls, and those in which a governmental entity shall be party, the High Court shall have original jurisdiction. In all the other cases before mentioned, the High Court shall have appellate jurisdiction, both as to law and fact, with such exceptions, and under such regulations as the High Legislature shall make.

Section V: The trial of all crimes, except in cases of impeachment, shall be by jury; and such trial shall be held within one hundred kilometers of the location where the said crimes shall have been committed; but when not committed within the boundaries of this country, the trial shall be at such place or places as the High Legislature may by law have directed.

Section VI: The High Court shall have the power to judge the constitutionality of laws, directives, and other acts instituted by the High Legislature as well as the activities of the High Executive and of any subordinate governmental entity, provided that the text of this Freecharter is rigorously adhered to, not contradicted, and not augmented by interpretation. Any contravention of the text of this Freecharter in the course of the High Court's constitutional interpretation shall automatically render such interpretation null and void.

Section VII: It shall be the duty of the High Courts and all subordinate courts to strike down as void and unlawful any laws, issued by any governmental entity, in conflict with the Freecharter.

Section VIII: Neither the High Court nor any subordinate court shall construe any part of this constitution to be without effect, or to be judicially unenforceable.

Article VIII: The Nullifier

Section I: Every 24-hour period, one citizen of this country shall be randomly selected by lot to assume the position of Nullifier.

Section II: The selection of the Nullifier must occur in such a manner that every citizen of this country has a verifiably equal probability of being selected during each 24-hour period.

Section III: The Nullifier, during his continuance in office, shall have the power to veto any positive action undertaken by any governmental entity or agent thereof. This veto power extends to, but is not limited to, acts of the High Legislature and the High Executive, decisions of the High Court, and governmental entities subordinate to the government established by this constitution. A positive government action is any action that demands a greater degree of obligation from any citizen or resident who is not a government employee than would have been demanded had the government act in question not existed. The Nullifier may not veto any act of government that is negative in nature, i.e., that does not include any positive measures as above defined.

Section IV: The Nullifier shall have no constitutional power at all to initiate or enact positive government acts himself.

Section V: When faced with a bill or other decision of a governmental entity that packages negative acts together with positive acts, the Nullifier only has the authority to selectively repeal the positive provisions of the bill.

Section VI: The Nullifier has the authority to repeal previously implemented positive acts of any governmental entity.

Section VII: The Nullifier's veto shall be unconditionally adhered to by all governmental officials whose activities it concerns.

Article IX: The Amendment Process

Section I: The High Legislature, whenever two thirds of each of the three houses shall deem it necessary, shall propose amendments to this constitution, or, on the application of the legislatures of two thirds of the governmental entities subordinate to this constitution, shall call a convention for proposing amendments, which, in either case, shall be valid to all intents and purposes, as part of this constitution, when ratified by a convention with delegates elected from throughout the population, with the delegates receiving the highest number of votes being selected to participate in the convention.

Section II: No amendment to Article I or Article II of this constitution may be passed; nor may any amendment contrary to the provisions in Article I or Article II be enacted.

Article X: The Institute for Constitutional Revision

Section I: The Institute for Constitutional Revision, a non-governmental body for the interpretation and periodic rewriting of parts of this constitution, is hereby established.

Section II: Three hundred years past the time of enactment of this constitution, and every three hundred years thereafter, the Institute for Constitutional Revision shall have the authority to completely rewrite any portions of this constitution, with the absolute and unqualified exception of Article I and Article II. The new constitution thereby produced shall become the new supreme law of the land once it is enacted.

Section III: Membership in the Institute for Constitutional Revision shall be independent of the political process and shall be open to any individuals who have passed an objective test, consisting of the following components:

(i) The ability to recite, from memory, the entirety of this constitution.

(ii) The authorship of a freely and publicly available dissertation which shall have at least 1500 words devoted to the analysis of at least 10 works pertaining to constitutional thought written in each fifty-year period following the year 1600 and extending to the time at which the dissertation is written. The analysis within the dissertation may not be judged on its ideological content, provided that it, as well as the works it examines, actually address in an intelligible manner the subject of constitutions and constitutional thought.

(iii) The recitation of the following oath upon the successful completion of components (i) and (ii): "I do solemnly swear (or affirm) that I will honestly and reliably interpret the constitution of this country and analyze the extent to which its mechanisms adhere to its principles, as set forth in Articles I and II. While this constitution is in force, I shall endeavor to the best of my ability to use my influence in any legitimate manner to ensure that it is respected and adhered to. If and when the time comes to revise this constitution, I shall endeavor to the best of my ability to align its mechanisms with the principles and protections set forth in Articles I and II."

Section IV: Membership in the Institute for Constitutional Revision shall be lifelong, unless the member freely and voluntarily resigns or is convicted of committing violent crime or fraud against a private citizen, in which case the Institute for Constitutional Revision may establish an internal tribunal judging whether the member thus convicted might be expelled.

Section V: Members of the Institute for Constitutional Revision may not hold or run for any political, including any judicial, office of any governmental entity subject to this constitution.

Section VI: Members of the Institute for Constitutional Revision may not provide material support or any public endorsement for the campaign or agenda of any individual running for any political, including any judicial, office of any governmental entity subject to this constitution. However, members of the Institute for Constitutional Revision may vote in elections in the capacity of private citizens and issue public statements regarding the constitutionality and compatibility with this constitution of any measure, promise, or political theory enacted or held by any official of any governmental entity subject to this constitution.

Section VII: In consequence of any ruling issued by the High Court, the Institute for Constitutional Revision shall issue a statement of its own, providing an independent analysis of the constitutional status of the matter in question and the validity or invalidity of the High Court's decision and reasoning. In the event of dissent among members of the Institute for Constitutional Revision, only the opinion of a majority of members may be issued as an official statement of the Institute, and each member who is of a different mind may issue his or her own statement of opinion.

Section VIII: The constitutional interpretation statements issued by the Institute for Constitutional Revision, or any members thereof, in the time interval between constitutional revisions shall not be legally binding, but the government officials, including judges, whose actions these statements address are obligated to read them and to issue a response within a time period of ninety days.

Section IX: The Institute for Constitutional Revision shall not draw on the funds of the High Treasury in any circumstances. Rather, it shall generate its revenue entirely from the non-coercive activities in which it and its members engage. Private donations to the Institute for Constitutional Revision are permitted, provided that the donors do not set conditions on the manner in which the funds are to be used, nor on the conduct of the Institute for Constitutional Revision, nor on the ideas espoused by members thereof.

Article XI: Subordinate Governmental Entities

Section I: Any multitude of citizens subject to this constitution shall have the right to form a subordinate governmental entity with its own constitution and laws, provided that no provision or restriction of this constitution is contravened in the statutes and conduct pertaining to the subordinate governmental entity.

Section II: The subordinate governmental entities are subject ultimately to the government created by this constitution and may hold no other government of men above it.

Section III: Existing foreign governmental entities within the Territorial Scope of Sustainable Expansion (TSSE) may, through the internal mechanisms pertaining to them, opt to become subordinate governmental entities subject to the government created by this constitution. Foreign governmental entities outside the TSSE may, through the internal mechanisms pertaining to them, petition the High Legislature for admission into this country. For such a petition to be approved, it must receive a majority vote in its favor in each Chamber of the High Legislature.

Article XII: Status of Citizens and Foreigners

Section I: The High Executive shall define any area of land currently this country's borders as the Territorial Scope of Sustainable Expansion (TSSE) for this country. Land within the TSSE is not officially under the jurisdiction of this country, but it may be transferred to this country's jurisdiction if the individuals or organizations owning it consent to abide by this constitution.

Section II: Any person who owns property within this country's borders or within the TSSE may opt to become a citizen of this country, which he or she shall automatically become upon swearing the following oath, with his or her hand placed upon the Freecharter, before any officer of any governmental entity subject to this constitution:

"I hereby accept this Freecharter as the supreme manmade law by which I must abide. In particular, I hereby accept that all individuals have the inalienable rights stipulated in Article I of this constitution and that no governmental entity may assume the powers that are restricted by Articles I and II. I hereby solemnly promise that I will not violate any of the aforementioned individual rights and that I will not direct any governmental entity to perform actions in which it is constitutionally forbidden to engage."

Section III: Upon becoming a citizen of this country, a citizen transfers any of his or her property that was located in the TSSE into the legal jurisdiction, but not the ownership, of this country's government and annexes any of his or her land that was located in the TSSE to the territory subject to the jurisdiction thereof. If some of his or her property or land is located outside the TSSE at the time of his or her admission as a citizen of this country, then this property and land retain the legal status they had prior to such admission.

Section IV: Any citizen of this country shall have full and irrevocable legal rights and privileges, as stipulated in this constitution and all laws created under it.

Section V: Non-citizens of this country shall hereby be termed foreigners. All foreigners who have not been convicted of a violent crime and do not have a record of violently and physically aggressive or fraudulent behavior are hereby guaranteed free entry into, movement throughout, and exit from the territory contained within the boundaries of this country. Foreigners are permitted unfettered access to the territories and facilities held by any governmental entity subject to this constitution. However, in moving through any privately owned territory contained within the boundaries of this country, foreigners must abide by the terms and conditions instituted by the owners of said territory. Moreover, in using government territories and facilities, foreigners must abide by the universal and non-discriminatory rules that have been created regarding the use of such territories and facilities.

Section VI: Foreigners may reside and engage in non-coercive activities within the territory of this country for a time period of indefinite duration, open to the foreigners' own free choice, provided that they abide by all the laws of this country and by this constitution. Foreigners who make this choice are strongly encouraged to take the oath described in Section II, as they shall, with or without taking the oath, be held to the same standards of conduct as are expected of citizens.

Section VII: A citizen of this country is hereby permitted to simultaneously be a citizen of any foreign country, tribe, clan, or state.

Section VIII: Any child of a citizen of this country, in any location, shall be treated as a citizen until he or she reaches full adulthood or sixteen years of age, whichever comes earliest. At such a time, he or she may affirm his or her citizenship by taking the oath stipulated in Section II of this article before an official of any governmental entity subordinate to this constitution. No attempts shall be made to deny such a person the right to take this oath.

Section IX: Children of foreigners residing in this country or within the TSSE shall be subject to the legal status of their parents, but also to all the legal protections of citizens of this country. Upon reaching adulthood or sixteen years of age, whichever comes earlier, these persons, too, may become citizens by taking the oath stipulated in Section II of this article before an official of any governmental entity subordinate to this constitution. No attempts shall be made to deny such a person the right to take this oath.

Article XIII: Status of This Constitution

Section I: This constitution, and the laws of this country which shall be made in pursuance thereof; and all treaties made, or which shall be made, under the authority of this constitution, shall be the supreme law of the land; and the judges serving every subordinate governmental entity shall be bound thereby, anything in the constitution or laws of any subordinate governmental entity to the contrary notwithstanding.

Section II: The Delegates of the High Legislature before mentioned, and the officials of subordinate governmental entities, and all executive and judicial officers, both of the government created by this constitution and of subordinate governmental entities, shall be bound by oath or affirmation, to support this constitution; but no religious test shall ever be required as a qualification to any office or public trust under this constitution.

Article XIV (Only for existing governments that adopt the Freecharter): Transition to the Freecharter

Section I: All payments that the government of this country contractually obligated itself to make prior to accepting the Freecharter remain valid and enforceable by law, although no future obligations of this sort which are contrary to the provisions of the Freecharter may be undertaken.

Section II: Any votes possessed by citizens of this country prior to its adoption of the Freecharter are irrevocable and remain in the possession of those citizens *in addition* to the votes the citizens may now purchase in accordance with Article III.

Section III: Within three years of the adoption of the Freecharter, the High Legislature has the option of retroactively allocating votes to individuals, in accordance with the price per vote stated in Article III, Section II, and based solely on accurate computations of the cumulative taxes paid by those individuals prior to the Freecharter's adoption.

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About Mr. Stolyarov

Gennady Stolyarov II (G. Stolyarov II) is an actuary, science-fiction novelist, independent philosophical essayist, poet, amateur mathematician, composer, and Editor-in-Chief of **The Rational Argumentator**, a magazine championing the principles of reason, rights, and progress.

In December 2013, Mr. Stolyarov published ***Death is Wrong***, an ambitious children's book on life extension illustrated by his wife Wendy. *Death is Wrong* can be found on Amazon in **paperback** and **Kindle** formats.

Mr. Stolyarov has contributed articles to the **Institute for Ethics and Emerging Technologies (IEET)**, **The Wave Chronicle**, **Le Québécois Libre**, **Brighter Brains Institute**, **Immortal Life**, **Enter Stage Right**, **Rebirth of Reason**, **The Liberal Institute**, and the **Ludwig von Mises Institute**. Mr. Stolyarov also published his articles on Associated Content (subsequently the Yahoo! Contributor Network) from 2007 until its closure in 2014, in an effort to assist the spread of rational ideas. He held the highest Clout Level (10) possible on the Yahoo! Contributor Network and was one of its Page View Millionaires, with over 3.1 million views.

Mr. Stolyarov holds the professional insurance designations of Associate of the Society of Actuaries (ASA), Associate of the Casualty Actuarial Society (ACAS), Member of the American Academy of Actuaries (MAAA), Chartered Property Casualty Underwriter (CPCU), Associate in Reinsurance (ARe), Associate in Regulation and Compliance (ARC), Associate in Personal Insurance (API), Associate in Insurance Services (AIS), Accredited Insurance Examiner (AIE), and Associate in Insurance Accounting and Finance (AIAF).

Mr. Stolyarov has written a science fiction novel, ***Eden against the Colossus***, a philosophical treatise, ***A Rational Cosmology***, a play, ***Implied Consent***, and a free self-help treatise, ***The Best Self-Help is Free***. You can watch his **YouTube Videos**. Mr. Stolyarov can be contacted at **gennadystolyarovii@gmail.com**.