

# **The Story of Our Times**

**Daniel Caffrey 2018**

## The Story of Our Times

Stories drive human action. They frame patterns of meaning to explain the chaotic world about us. They explain the past. How the present came to be. Stories shape our possible futures and create human reality.

For 1600 years one story dominated the western world. It percolated through the Roman Empire eventually controlling it. After the fall of the empire the barbarian invaders were converted.

From Vienna to Galway, from Seville to Kiev the story shaped every aspect of life. It was imperative that you believed the story. If you didn't you risked torture and death.

There were good reasons to believe it. If you believed the story and did good works you would save your soul and go to paradise. Otherwise you would lose it and live forever in damnation.

There was no way of telling if the story was true. Truth could only be established in the in the afterlife.

The story ruled kings emperors and every person in society for 1200 years.

After a thousand years the story began to lose its grip on society and it's rulers. The story itself divided into different variations. Printing press spread different interpretations of the story. Politics were split asunder.

Science provided new theories and stories based on direct observation. There was a test for truth in scientific stories.

By the 1900's new stories of Nationalism, Communism, Socialism and Trade Unionism changed the way people thought and acted.

The new stories, theories were secular. Their truth would be established in the real world with the passage of time. It would be known whether their promises came true or not. As time passed the truth or falsity could be established in the here and now.

By the second decade of the 21st century new stories are in play. Their genesis was in the 1960's. When the new stories came they met with little resistance.

Every good story needs a villain. The villain of the story was already in place.

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Stories of its dreadfulness stretched back through time. “Capitalism” was exploitative. It benefited the “rich.” It caused poverty. The world was full of oppressed people. They were victims of capitalist oppression. The first priority was to establish who were the victims

The identification of the victims led to identity politics. The victims could be found by the delineations of gender, race, ethnicity and indigeneity. These victims needed justice. The unequal distribution of wealth caused by capitalism had to be fixed. “Social justice” was the core theme of the story.

The politics of identity crept into every aspect of interrelationship of individuals and the new groups with the state.

The stories came from academia and the intellectual elite. Academia is a factory for the manufacture of theories and stories, Almost every academic was opposed to “capitalism.” It mattered.

According to Robert Nozick

***“The opposition of wordsmith intellectuals to capitalism is a fact of social significance. They shape our ideas and images of society; they state the policy alternatives bureaucracies consider. From treatises to slogans, they give us the sentences to express ourselves. Their opposition matters, especially in a society that depends increasingly upon the explicit formulation and dissemination of information.”***

Ideas are fluid in academia. You can tweak a document, change an argument or frame a proposition with a few hours on a word processor. In academia identities can be constructed and deconstructed with ease. It is just a matter of compiling statistical assemblages, conjugation to conjure groups of shared identities. Individuals could choose an identity from the offered choice of the oppressed. When people came from academia to politics they preached the new story with a passionate certainty.

They were not deductive theories The practical heuristic tacit knowledge of the Productive Economy was unknown to academics and social scientists. It was a world they had never seen or experienced.

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But like scholastics of old, they had read the books and analysed the data. They knew what had to be done to achieve social justice. The means to carry them out was

*“top-down; judicial command, legislative rescript, bureaucratic dictate, and, most of all, incessant, intense and self-conscious preachment, indispensable to their unfolding.”*

**Stephen Balch**  
**Cognoscendancy: Tyranny of the Talkers**

Post modernism helped the new stories take a foothold. Post modernism says there can be no objective truth. All texts, arguments have unavoidably the agenda, motivation and the position of power of the writer.

The text has to be “deconstructed” to find the motivation of the proposer. The identity of the writer is crucial to finding the “truth.” There were multiple truths and their veracity is determined by the identity of whoever holds them. They were based on deconstructing texts. Deconstructing the real world was difficult. Each gender, race, culture, ethnicity had its own truth. All truths were subjective. They belonged to the group who held them. Truths are the sole possession of those who hold the particular identities. Personal enquiry almost disappeared. Diversity not of opinion but of one’s assigned group identity ruled. Individual truth vanished. Anyone seeking to weigh the truth passes judgment on the “value” of the culture, gender, victim, oppressed, marginalised persons or personages who hold them. To think otherwise is to be politically incorrect. Whole arenas of thought were bounded off. Accusation of offenses against the group were posted.

You could be labelled sexist, homophobic and racist. If you were so labelled you had no right to express an opinion. Effectively you were being told to shut up. Social justice demanded it.

This new story and its mode of thinking dominated the western world. The story was powerful and compelling. It reigned supreme in the media, academia, bureaucratic and political elites,

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The struggle of the Enlightenment to establish objective shared truth was over.

### **So what happened.**

The story called for social justice, equality, welfare for the poor, the needy, the “marginilised” the reformatting and re configuration of society.

The mechanism to achieve social justice was to be the same as that used by communism and socialism. Control of the state by the true believers. But this time they would leave the Productive Economy in place. Communism and socialism had destroyed it. They needed taxes of the Productive Economy to redistribute to their new voting blocks in the identity groups they had framed to support them.

The state was going to be the instrument to apportion social justice, salve the wounds of the victims of past, cure poverty current oppression and become the sole dispenser of compassion.

In place was the First Welfare State built by the Trade Union parties. Here to hand was the instrument to frame and construct the new story. To put flesh on the bones of social justice and the creation of equality. The First Welfare State build by the trade union parties was based on Christianity, humanism and compassion. The principle was simple. If you could work you must. But if you could not work you would be supported by the state.

All political parties agreed that a growing Productive Economy built by the workers and owners should extend welfare to all those who could not take part in the Productive Economy.

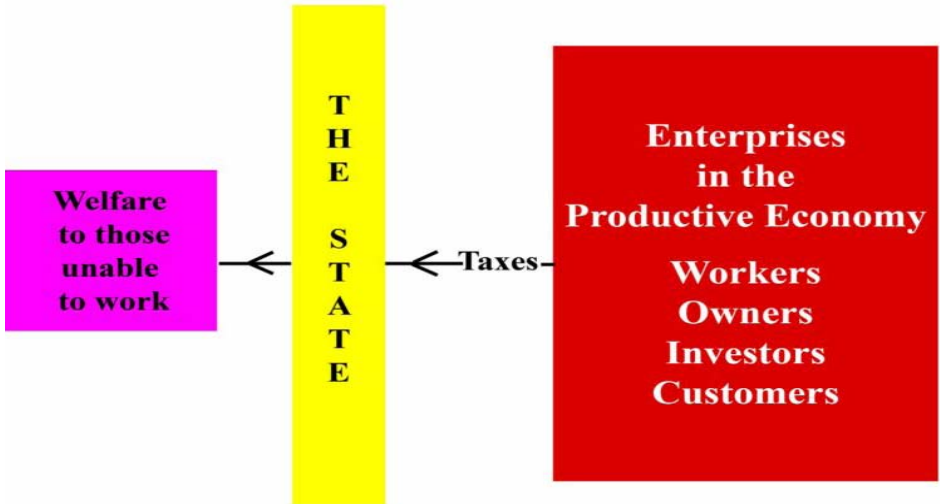
The agreement across the political spectrum was that there would be welfare for those who could not work.

If they had worked in the Productive Economy at some stage of their lives and paid tax to the State it would support them if by accident illness or infirmity they could no longer work. It would be at a level sufficient to maintain them in comfort and decency.

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Taxes would be taken from the only source of tax the Productive Economy and those who could not work and earn their living in the Productive Economy would be supported by the state.

**This is the First Welfare State**



The First Welfare State continued until the late 60's and early 70's when the new story took hold.

The new theory said that the victims of, colonialism, gender discrimination, race disadvantage and “poverty” caused by “capitalism” should receive recompense and redress from the state.

The criteria changed. For the first time in history payment was made from the taxes gathered in the Productive Economy to those who could work. That entitlement could be lifelong and be taken up by your descendents. You were not going to be treated as an individual by the state but as part of an assigned or conjured identity. The welfare system had changed.

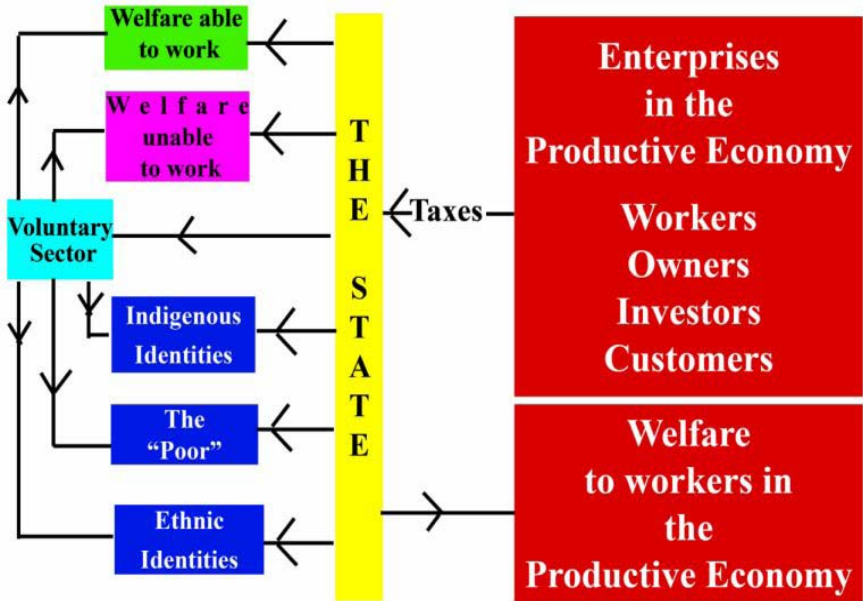
The Second Welfare State had started.

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And since some families in the Productive Economy were not faring well the Second Welfare State decided to extend welfare to people working in the Productive Economy.

Thus came into place the Second Welfare State.

**This is the Second Welfare State the new story built**



The state gained a general remit to spend on “social” development. On any group it deemed victims in the new story.

For the first time in the history people who could work would get welfare from the state. If they were part of a group defined as victims of capitalism, “poverty”, colonial oppression, gender discrimination they could receive a benefit from the state without contributing.

The taxes to pay for it would come from the workers, and owners and customers in the Productive Economy.

The Second Welfare State armed with the new story had only to establish who were the victims. There were many.

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The distinction between those able to work and those unable to work faded away.

Ironically those who relied on the First Welfare State, the infirm, the sick the retired received less than they needed. There was a limited budget. They had got theirs. The Second Welfare State had higher ambitions.

There is even the prospect of Universal Income. This will put everyone into the passive welfare system. They will never come out. It would be politically impossible to get the votes to remove it.

## **Has it worked. No. It couldn't.**

The contrast of the offer in the Productive Economy for those able to work with what they get from the Second Welfare State tells it all.

### **Destiny of those able to Work**

<b>State Welfare System</b>	<b>Productive Economy</b>
<b>No opportunity</b> <b>No gain in experience</b> <b>No career progression</b> <b>Can't own a business</b> <b>No achievements no pride</b> <b>No value added to society</b> <b>Drain in tax</b> <b>Income static &amp; low</b> <b>Restricted social circle</b> <b>No hope</b> <b>Low opportunity for children</b> <b>Total dependence on the State</b>	<b>Increasing Opportunities</b> <b>Gaining Experience</b> <b>Career Progression</b> <b>Own your own business</b> <b>Pride in achievements</b> <b>Contribute value added</b> <b>Contributing tax to society</b> <b>Increasing Income</b> <b>Friends at work</b> <b>Hope</b> <b>Opportunities for children</b> <b>Own property</b> <b>Independent of the State</b>

The Second Welfare State failed everywhere it was tried and for all who received it. You could see the failure every place where the able bodied were in state care.



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You could see its outcomes for Outback Aboriginals, Native Americans, Canadians. You could see it in the ghettos of St Louis, Baltimore, Manchester, Glasgow, St Louis, Ballymun and London. In some places it was horrific.

### **The Second Welfare State was not a pleasant place to be**

Once able bodied people entered state care they passed into a limbo of unexamination and general chaotic misery. Few stories seeped out about what life in the care of the Second Welfare State was really like.

If dysfunction was mentioned the reason for it was that not enough money was being spent in it. By now there was a myriad of state and non-government organisations delivering welfare to the able bodied. The number of state servants and charity supported helpers expanded into multitudes. So many that the solution to fix the problem was thought to be better coordination of state resources.

### **Indigenous people**

Billions of dollars were taken from the workers and owners in the Productive Economy and paid out to "oppressed" indigenous peoples. It did little good. They became wards of the state sequestered and locked into government dependency marooned from the one thing that could help them, well paid employment and ownership in the Productive Economy. The thing that was lifting their fellow citizens out of poverty.

The "support" became inter-generational. Farther followed son, daughter followed mother into the arms of the "caring" state.

### **It was unbelievably expensive**

Imagine a person of working age is suddenly incapacitated. They need adaption to their dwelling. They need help with cooking and bathing. They may need a state house. The support is intensive and costly. This is given by society because they cannot work. It is a real benefit to them and society.

Imagine someone loses their job. They need income support. They may need a state house. They need lunches, shoes and clothing for their children. It is expensive both in capital and ongoing expense.

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They cease producing goods and services They lower their purchases. They stop paying taxes and instead receive them. The burden on the suppliers of Tax, the Productive Economy became gargantuan.

### The First Steps

The first steps to implement the new theories and stories were in Lyndon Johnson's "War on Poverty." This new version of the Welfare State, the Second Welfare State, would build the great society. So far the war on poverty has cost about \$23 trillion dollars. Poverty and homelessness has increased. The number not in work and dependent on some form of state assistance has reached nearly 100 million. The number on food stamps, needing state assistance to feed them and their families, has reached 45 million. And this continues even as the unemployment level fell and growth returned after the Great Recession. Poverty has not been cured by the State. It has worsened.

The able bodied poor on passive welfare get a low fixed income no matter their skills, talents and ambitions. If they stay in state dependence they will have the same purchasing power for life. The recipients of able bodied welfare have no discretionary income and disposable income rarely meets the bills.

Leaving dependency meant they lose child care, working for families, tax credits and rental subsidy. Any gain from job was offset by the loss of their benefits. The welfare trap was set.

It turned out exiling able bodied people to "Passive Welfare" was not a blessing. Idle with no prospects many succumbed to drugs, alcoholism, depression, crime and domestic violence.

Their life was ruled by bureaucrats in the welfare office. However well intentioned the bureaucrats goodwill was in short supply. There were rules, many and complex. The Second Welfare State was a crime ridden drug fuelled poverty stricken seething failure.

As if the state fostered dependency was not inflicting enough misery the state made things worse.

It stopped educating the lower deciles in the education system. A great number of the children entering the state education system from chaotic households in the limbo of the Second Welfare State were uneducatable.

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Households which valued literacy and learning could thrive. But those where it was not present would not. New job entrants from the children of passive welfare became unemployable. They went straight from school to welfare and were likely to stay there for life.

It didn't help that central banks lowered interest rates and flooded the world economy with \$14 trillion. The better off got cheap loans at 4% for asset bubbles. The able bodied on welfare could get loans from pay day lenders at 500%.

Local government and state planning laws made the building of houses well nigh impossible and city limit boundaries stopped urban expansion. Houses became unaffordable.

Attempts to cure tobacco smoking and the effects of alcohol by increasing excise duties deepened poverty. The poor in most well off countries pay over 45% of their income in Excise Duties.

To turn the screw tighter on the able bodied in Second Welfare States governments opened the floodgates of immigration. This depressed wages at the lower end of the scale. The able bodied on welfare had to compete for the jobs that might be their first step on the ladder out of dependency.

### **Government spending rose dramatically**

Because the state was spending so much on able bodied welfare and missing out on the tax they would have paid employed in the Productive Economy all Governments in welfare economies have unsustainable debt. The costs to the state of millions of able bodied people on welfare was horrendous. In Australia 47% of households are dependent on the state. In the United states 47%, and in the UK 52%. The share of the German budget devoted to welfare is now 52%.

### **It hurt the lower earners in the Productive Economy**

With an increased burden on Productive Economy wages at the lower deciles stagnated. The lowest earners earned barely more than welfare. Instead of a reasonable gap between welfare and employment they were nearly aligned.

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What if the \$23 trillion spent on the war on poverty had been left in the Productive Economy. It would have been used quite differently. The Productive Economy can do what the State cannot.

### **This is what the \$23 Trillion could have done**

Value added to raw material capital investment and skilled labour	The State does not add value
There would have been new growing enterprises.	The state cannot create new enterprises.
More employment, more taxes and better welfare to those unable to work.	The state cannot create new taxable income
There would have been new jobs	The state can't create jobs
New goods and services and more value added.	The state cannot create goods and services.
Profits would have been earned and new capital investments made increasing productivity.	The state doesn't make investments or increase savings. It spends.
Better training and skill improvement in hands on tacit knowledge.	The state cannot provide experience in the real world
The Productive Economy could have generated more exports	The State does not export anything.
Sponsored social enterprise and charities	The state does not generate donations.

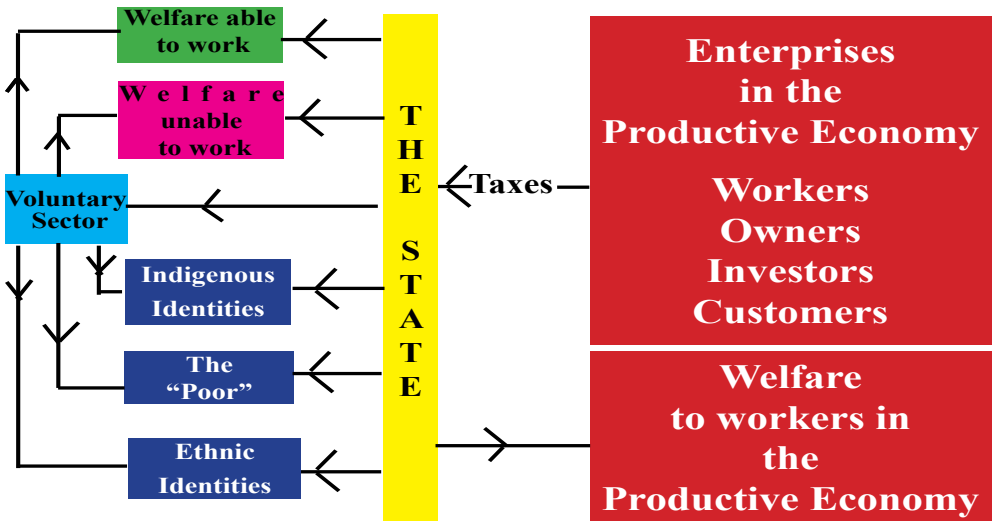
Poverty among able bodied people would have been negligible. Instead of the extraction \$23 trillion from the Productive economy to spend on poverty maintenance the money would have generated well paid jobs making welfare to able bodied people unnecessary.

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The able bodied now on welfare could have enjoyed what their fellow citizens in the leafy suburbs enjoy. Well paid employment, the ownership of businesses and lives full of hope and endeavour independent from the state. The comparisons with countries with a Productive Economy who did not pay welfare to the able bodied was stark. There the people were lifting themselves out of poverty. Four hundred million Chinese and six billion elsewhere had been lifted out of poverty by their Productive Economies. The idea of paying people for past and current “oppression”, levelling down incomes and payment to those who could work was thought ridiculous.

Poverty in advanced economies where the state taxed the Productive Economy to lift people out of poverty was in fact creating and exacerbating poverty in the midst of plenty.

According to the new story of the progressive elite this was impossible. Poverty was caused by capitalism. But where were the political parties who had been formed to defend and advance the Productive Economy? Why weren't they telling it's story of success. They once had. They went silent Here is why.



Look at this diagram again.. This time consider them as voters. There were now more voters dependent on the state than there are in the Productive Economy.

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Furthermore advances in efficiency was lowering the numbers in some sectors of the Productive Economy. Agriculture dropped from 60% of the work force to 3%. Industrial workers are now only 12%.

So conservative political parties signed up to the Second Welfare State. They feared the wrath of voters. They were in aggrieved groups well organised by the elites. They had a story of woe and misery caused by capitalism

The new story had elevated victims to sacred status. They were untouchable. The new progressive story was powerful. And the majority of voters believed it.

The academic elites, political elites advanced the story on every front. It was fused into the marrow of their being. And who could resist a story like theirs.

They were helping the poor, the downtrodden, the victims of capitalism that capitalism had left behind. They traded on the human instinct for compassion. It was as powerful as the story of communism and socialism and trade union government which had enthralled billions for decades.

Those who once championed the free enterprise economy were scared of the shrieks of the media and lobby groups that they were cruel and heartless.

The new ideas, progressive stories, theories were hazy, ill defined. There was no central dogma or catechism one could refer to.

There was total media and propaganda effort to substantiate them. They were difficult to subject to reasoned argument.

They grew mighty state bureaucracies. Terrence P Jeffrey notes

*“The 22,235,000 employed by government in the United States now outnumbered the 12,258,000 employed in manufacturing”*

<https://www.cnsnews.com/news/article/terence-p-jeffrey/government-workers-now-outnumber-manufacturing-workers-9977000>

As the caring state took more responsibility for millions of people it gradually claimed to be the sole spokesperson for society.

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It took control of almost every aspect of what people said, did, eat, smoked and drank. The most commonplace aspects of human behaviour were regulated and proscribed.

The political and academic elites knew what was good for us and we were going to do it. They had a story that worked. We live under the rule of experts. Statistically categorised by our minders who frame the totality of our lives and the policies under which they think we should live.

Our assigned relationship with the state not as an individual citizen. We were to be dealt with in the category of our group identity.

**There was only one sensible conclusion.**

**The state was causing the poverty  
for able bodied people on welfare  
it professed to cure.**

The outcome has been what Jeffrey A Tucker calls a re configuration “of the relationship between the individual and the state and between society and its governing institutions.”

*”What they wanted was what is today called the managerial state. Objective and scientific experts would be given power and authority to build and oversee large-scale state projects. These projects would touch on every area of life. They would build a cradle-to-grave welfare state, a regulatory apparatus to make all products and services perfect, labour law to create the perfect balance of capital and labour, huge infrastructure programs to inspire the public (highways! space! dams!), fine tune macroeconomic life with Keynesian witchdoctors in charge, a foreign-policy regime that knew no limits of its power, and a central bank as the lender of last resort.”*

*“The institutions built by the paternalistic, urbane, and deeply smug social democrats are being captured by interests and values with which they profoundly disagree.”*

*“It was a gigantically invasive state, administered by elite bureaucrats, blessed by intellectuals, and given the cover of agreement by the universal right of the vote.”*

Jeffrey A Tucker Open Your Eyes Fee.org

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The social democrat elite had to leave the Productive Economy in place. That was one lesson learned from the socialists. If they destroyed it the flow of taxes would cease.

But this “democratic socialism” was stunting the growth in the Productive Economy while consigning working age people to the ghetto of welfare. It had not solved the problem of poverty. It was actually increasing it by its extractions from the Productive Economy and consigning the able bodied to permanent welfare

But they had constructed a mighty Second Welfare State with tremendous spending and political power.

The old ideological battles of socialism and communism had vanished. Trade Unionism had nearly passed away.

There was a new story in play and the new ideological divisions had to be framed against its reality.

The rulers across the political spectrum left to right had melded the state with society and society with the state.

The state was now our guardian. It would direct almost every aspect of our lives and take as much as it wanted from the Productive Economy and dispense it as it saw fit.

Those who worked, managed and invested in the Productive Economy would work hard to pay for it. That was the role assigned to them. They belonged to no group. The story of the Productive Economy would be lost in the cacophony of state immiseration. It would be a story seen everywhere in action but seldom told.

***“These are the ideological battle lines of the future,  
not  
Left vs. Right  
but  
freedom vs. all forms of government control.”***

**Jeffrey A Tucker Open Your Eyes Fee.org**

***Sic transit gloria mundi.***



## Quotes

*“Taxpayers have spent \$22 trillion on [President Lyndon B.] Johnson’s war [on poverty]. Adjusted for inflation, that’s three times the cost of all military wars since the American Revolution.”*

*Yet despite this spending, the poverty rate has hovered between 10 and 15 percent for the last 40 years.”*

**Robert Rector - Senior Research Fellow Heritage Foundation**

*MORE than 1.4 million people in Ireland are receiving social welfare payments, ranging from unemployment assistance to child benefit, according to new figures seen by the Sunday Independent.*

*Nearly €3 out of every €10 in gross current expenditure allocated by the Government goes on social welfare.*

*In all, the Government spent €12.1bn in 2005. Old age payments during 2005 came to €2.9bn - or 24 per cent of the total. An extra 7,517 people became eligible to draw a contributory old age pension.*

*Another big group were widows, widowers and one-parent families which increased by 8.5 per cent to more than €998m.*

**Jerome Reilly**

**The Independent February 25 2007**

*“For example, real commonwealth expenditure on childcare has increased from \$1.8 billion in 2002-03 to just less than \$7bn, so that spending per child under the age of five has literally trebled; yet there are few signs of any social returns from massively boosting outlays... Equally, real commonwealth school spending per school-aged child has doubled since 2002-03, but the proficiency level of lower performing students has barely increased, while that of higher-performing students has dropped.*

*And in healthcare too there is a great deal of “flat-of-the-curve” spending, which yields no health benefits, and evidence of widespread waste.”*

**Henry Ergas**

**Quoted by Andrew Bolt Herald Sun April 25 2016**

## Quotes

*“There were 235,000 homeless Americans between 18 and 30 in 2014, making up 24 percent of the nation’s homeless population. That was up from 226,000 in 2007, when the age group made up 20 percent of the total homeless population, according to the Department of Housing and Urban Development.*

*It is not a small number. Even after accounting for every government assistance program — housing subsidies, food stamps, help with the electricity bill — nearly 16 million Americans still fall below 50 percent of the poverty line, measured by the Census Bureau’s revamped poverty measure that includes the effect of government support. That translates to roughly \$8.60 per person per day for a family of four. That group is six million people larger than half a century ago.*

*... a share that has refused to shrink despite five decades of economic growth.*

*..... By believing the poor are not exerting enough effort, we allow ourselves not to care. This permits politicians — and voters — to go normally about their business while 16 million Americans live on \$8.60 or less a day.”*

**Eduardo Porter Electing to ignore the poorest of th -poor  
NYT Economic Scene 17 11 2015**

*““Here’s what taxpayers currently fund to help families with children:*

*\$1.15 billion in accommodation assistance*

*\$182 million in childcare assistance*

*\$260 million in hardship support*

*\$1.25 billion for the DPB*

*\$16.9 million for out of school care*

*\$267 million in child support*

*\$1.93 billion in family support*

*\$494 million for in work tax credits*

*\$176 million for paid parental leave*

*\$32 million for parental and family tax credits*

*\$1.58 billion in early childhood education subsidies”*

**David Farrar KiwiBlog**

## Quotes

*“Nearly one-third of New Zealand children are in households that depend on a benefit. About 409,000 New Zealanders get all their income from welfare. We spend 250 per cent more on welfare than we do on education. Since 1960 welfare spending per head, in inflation-adjusted dollars, has increased fivefold. “*

**Bruce Logan Maxim Institute 2005**

*“Spend evaluations systematically underestimate costs and overestimate. Governments think the cost of each taxpayer dollar spent is \$1.*

*This overlooks the huge cost of raising tax dollars.*

*Empirical estimates of “deadweight losses” -- the costs of distortions to citizens’ work, consumption, savings and investment decisions that taxes cause, plus tax collection costs -- are typically 30c-plus per dollar raised. Therefore, the \$322 billion that governments tax us causes \$100 billion in deadweight losses -- a massive 9.2 per cent of GDP. Yet spend evaluations ignore this.”*

**Paul Kerin April 01, 2008**

**New Agenda for Prosperity conference paper**

**[www.melbourneinstitute.com/conf2008](http://www.melbourneinstitute.com/conf2008)**

*‘A household in the bottom 10 per cent pays 43 per cent of its income in tax, but the average household and a household in the top 10 per cent both pay 35 per cent – eight per cent less than the bottom 10 per cent.’*

**UK Office for National Statistics (ONS)**

**<http://www.equalitytrust.org.uk/news/96-public-favour-more-progressive-tax-system>**

*“A Universal Basic Income would redefine the relationship between individuals, families, communities, and the state by giving government the role of provider. It would make work optional and render self-reliance moot. An underclass dependent on government handouts would no longer be one of society’s greatest challenges but instead would be recast as one of its proudest achievements.”*

**Oren Cass Bloomberg June 17 2016**

**<http://www.nationalreview.com/article/436621/universal-basic-income-ubi-terrible-idea>**

## Quotes

*“Back in 1948, when inflation had rendered meaningless the minimum wage established a decade earlier, the unemployment rate among 16-17-year-old black males was under 10 percent. But after the minimum wage was raised repeatedly to keep up with inflation, the unemployment rate for black males that age was never under 30 percent for more than 20 consecutive years, from 1971 through 1994. In many of those years, the unemployment rate for black youngsters that age exceeded 40 percent and, for a couple of years, it exceeded 50 percent.”*

Thomas Sowell Socialism For the Uninformed  
townhall.com 31 5 2005

*“Failure by state agencies to solve the problems of poverty and welfare dependency actually results in the allocation of greater resources to those agencies, when they have already proven themselves poorly adapted to solving the problem.”*

John Tamahere  
Address to Knowledge Wave Conference.

*“The State is never going to get anywhere preaching to its citizens about responsibility, self-control and the need to think about the future when these are, to the State itself, alien concepts.”*

Fintan O’Toole  
‘We don’t believe enough in the future not to stuff ourselves with what’s in front of us now’  
Irish Times Jul 22 2014

## Quotes

*“The state has become a vast and intricate system of patronage, whose influence very few can entirely escape.*

*It is essentially corporatist: the central government, avid for power, sets itself up as an authority on everything and claims to be omniscient both morally and in practice; and by means of taxation, licensing, regulation, and bureaucracy, it destroys the independence of all organizations that intervene between it and the individual citizen.*

*If it can draw enough citizens into dependence on it, the central government can remain in power, if not forever, then for a very long time, at least until a crisis or cataclysm forces change”*

Theodore Dalrymple *How Not to Do It*

Nothing works in the omniscient state. *City Journal* Winter

*The modern overloaded state is a threat to democracy: the more responsibilities Leviathan assumes, the worse it performs them and the angrier people get—which only makes them demand still more help.*

John Micklethwait, Adrian Wooldridge, *The Fourth Revolution*,

*“In the process of course, the state is either granted or arrogates to itself (or, of course, both) ever-greater powers. A bureaucratic monster is created that takes on a life of its own, that is not only uneconomic but anti-economic, and that can be reformed only at the cost of social unrest that politicians naturally wish to avoid. Inertia intermittently punctuated by explosion is therefore the most likely outcome.”*

Theodore Dalrymple

Is “Old Europe” Doomed? February 6th, 2006

*“The cost of U.S. regulations is now larger than Germany’s economy, amounting to a \$4 trillion loss to the American economy.”*

Mercatus Center at George Mason University.

<http://mercatus.org/publication/cumulative-cost-regulations>

## Quotes

*“The only way to break the vicious cycle of disadvantage and dysfunction is to build capabilities through economic and social development based on engagement with the real economy.”*

Noel Pearson

*“In the past, discussions of inequality stressed raising up those at the bottom; today, it’s all about bringing down those at the top.*

*A truly forward-looking discussion would examine how to grow a productive economy, create jobs and raise living standards for all.*

*In contrast, a Piketty-style debate over ‘who is getting the biggest share’ of a stagnant economy is a navel-gazing distraction with zero progressive content.”*

Sean Collins The American Situation blog.

*“The intellectual wants the whole society to be a school writ large, to be like the environment where he did so well and was so well appreciated. By incorporating standards of reward that are different from the wider society, the schools guarantee that some will experience downward mobility later. Those at the top of the school’s hierarchy will feel entitled to a top position, not only in that micro-society but in the wider one, a society whose system they will resent when it fails to treat them according to their self-prescribed wants and entitlements.”*

Robert Nozick

Why Do Intellectuals Oppose Capitalism?

<https://www.libertarianism.org/publications/essays/why-do-intellectuals-oppose-capitalism> 1 Jan 1998

*“Policymaking is easy, if it ignores reality. And the problem we have is not only that policymakers craft policies designed to fail, but that citizens in a democracy do the same. The desire to do something is overwhelming. The solution is derived from interests and not connected with the reality of the problem. The result is that nothing is done.”*

George Friedman June 20th 2016

## Quotes

*The liberal mind-set has therefore led to a conception of government that conservatives view with deep suspicion. In the liberal worldview—and you see this magisterially embodied in the philosophy of John Rawls—the state exists in order to allocate the social product. The rich are not really rich, because they don't own that stuff. All goods, in liberal eyes, are unowned until distributed. And the state distributes the goods according to a principle of fairness that takes no account of the moral legacy of our free agreements or of the moral effects of a state-subsidized underclass.*

*...;..... On the liberal view, therefore, government is the art of seizing and then redistributing the good things to which all citizens have a claim. (This may seem hard on the rich, but in fact it is psychologically convenient for them, since it removes the obligation to account for their wealth.) On this view government is not the expression of a preexisting social order shaped by our free agreements and our natural disposition to hold our neighbor to account.*

*It is the creator and manager of a social order framed according to its ruling doctrine of fairness and imposed on the people by a series of top-down decrees. Wherever this liberal conception prevails, government increases its power, while losing its inner authority.*

*It becomes the “market-state” of Philip Bobbitt, which offers a deal to its citizens in return for their taxes, and demands no loyalty or obedience beyond a respect for the agreed terms of the deal.*

Roger Scruton: The Good of Government  
[www.firstthings.com/article/2014/06/the-good-of-government](http://www.firstthings.com/article/2014/06/the-good-of-government)“

*The list of our newfound rights is almost endless, but ten conversations with ten different Progressives will yield ten different sets of absolute rights. Perhaps the only common thread among them all is the demand that the state coerce all members of society into paying for all the goods and services to which we now have a “right.”*

Yonathan Amselm

The Formlessness of Progressivism <https://mises.org> 30 12 2015

## Quotes

*“Scarcely anyone interests himself in social problems without being led to do so by the desire to see reforms enacted. In almost all cases, before anyone begins to study the science, he has already decided on definite reforms that he wants to put through.*

*Only a few have the strength to accept the knowledge that these reforms are impracticable and to draw all the inferences from it.*

*Most men endure the sacrifice of the intellect more easily than the sacrifice of their daydreams. They cannot bear that their utopias should run aground on the unalterable necessities of human existence.*

*What they yearn for is another reality different from the one given in this world ... They wish to be free of a universe of whose order they do not approve.”*

Ludwig von Mises

*“In a progressive country change is constant; and the great question is not whether you should resist change which is inevitable, but whether that change should be carried out in deference to the manners, the customs, the laws and the traditions of a people, or whether it should be carried out in deference to abstract principles, and arbitrary and general doctrines.”*

Disraeli’s speech in Edinburgh in 1867

*“Scarcely anyone interests himself in social problems without being led to do so by the desire to see reforms enacted. In almost all cases, before anyone begins to study the science, he has already decided on definite reforms that he wants to put through. Only a few have the strength to accept the knowledge that these reforms are impracticable and to draw all the inferences from it.*

*Most men endure the sacrifice of the intellect more easily than the sacrifice of their daydreams. They cannot bear that their utopias should run aground on the unalterable necessities of human existence.*

*What they yearn for is another reality different from the one given in this world ... They wish to be free of a universe of whose order they do not approve. “*

Ludwig von Mises



## Quotes

*“If man is not to do more harm than good in his efforts to improve the social order, he will have to learn that in this, as in all other fields where essential complexity of an organized kind prevails, he cannot acquire the full knowledge which would make mastery of the events possible.*

*He will therefore have to use what knowledge he can achieve, not to shape the results as the craftsman shapes his handiwork, but rather to cultivate a growth by providing the appropriate environment, in the manner in which the gardener does this for his plants.*

*There is danger in the exuberant feeling of ever growing power which the advance of the physical sciences has engendered and which tempts man to try, “dizzy with success”, to use a characteristic phrase of early communism, to subject not only our natural but also our human environment to the control of a human will.*

*The recognition of the insuperable limits to his knowledge ought indeed to teach the student of society a lesson of humility which should guard him against becoming an accomplice in men’s fatal striving to control society – a striving which makes him not only a tyrant over his fellows, but which may well make him the destroyer of a civilization which no brain has designed but which has grown from the free efforts of millions of individuals.”*

Hyak

Nobel Prize Speech December 11 1974 speech.

*“It must be first of all recognized that the condition of things inherent in human affairs must be borne with, for it is impossible to reduce civil society to one dead level.*

*Socialists may in that intent do their utmost, but all striving against nature is in vain.*

*There naturally exist among mankind manifold differences of the most important kind; people differ in capacity, skill, health, strength; and unequal fortune is a necessary result of unequal condition. “*

Leo X111 Rerum Novarum

**Effects of regressive taxes on Beneficiaries and Pensioners**  
**Data is from 2016**

<b>Beneficiary</b>	<b>Yearly</b>	<b>Weekly</b>
<b>Income</b>	\$11,960	\$230
<b>Income Tax</b>	\$1,255	\$24
<b>Income after tax</b>	\$10,705	\$206
<b>Regressive taxes</b>		
<b>Tobacco</b>	\$6,552	\$126
<b>Alcohol</b>	\$260	\$5
<b>GST</b>	\$624	\$12
<b>Total regressive taxes</b>	<b>\$4,524</b>	<b>\$143</b>
<b>Total all tax</b>	\$5,779	\$167
<b>Income after all tax</b>	\$6,181	\$63
<b>Tax, Excise as % of Income</b>		<b>73%</b>

<b>Pensioner Single</b>	<b>Yearly</b>	<b>Weekly</b>
<b>Income</b>	\$21,191	\$396
<b>Income Tax</b>	\$2,546	\$49
<b>Income after tax</b>	\$17,607	\$347
<b>Regressive taxes</b>		
<b>Petrol Tax</b>	\$1,560	\$30
<b>Tobacco Tax</b>	\$6,552	\$126
<b>Alcohol Tax</b>	\$780	\$15
<b>GST</b>	\$520	\$10
<b>Total regressive taxes</b>	<b>\$9,412</b>	<b>\$181</b>
<b>Total all tax</b>	\$11,958	\$237
<b>Income after all tax</b>	\$9,233	\$178
<b>Tax, Excise as % of Income</b>		<b>57%</b>

**Effects of regressive taxes on Minimum and Median wage  
Data is from 2016**

<b>Minimum Wage \$31,270</b>	<b>Yearly</b>	<b>Weekly</b>
<b>Income</b>	\$31,270	\$610
<b>Income Tax</b>	\$4,472	\$86
<b>Income after Income tax</b>	\$26,798	\$524
<b>Regressive taxes</b>		
<b>Petrol</b>	\$2,080	\$40
<b>Tobacco</b>	\$6,552	\$126
<b>Alcohol</b>	\$780	\$15
<b>GST</b>	\$780	\$15
<b>Total regressive taxes</b>	<b>\$10,192</b>	<b>\$196</b>
<b>Total all tax</b>	\$14,664	\$281
<b>Income after all tax</b>	\$16,608	\$329
<b>Tax, Excise as % of Income</b>		<b>53%</b>

<b>\$60,000 per Year</b>	<b>Yearly</b>	<b>Weekly</b>
<b>Income</b>	\$60,000	\$1,154
<b>Income Tax</b>	\$11,223	\$216
<b>Income after tax</b>	\$48,777	\$938
<b>Regressive taxes</b>		
<b>Petrol</b>	\$3,120	\$60
<b>Tobacco</b>	\$6,240	\$126
<b>Alcohol</b>	\$1,560	\$30
<b>GST</b>	\$2,080	\$40
<b>Total regressive taxes</b>	<b>\$13,312</b>	<b>\$256</b>
<b>Total all tax</b>	\$24,223	\$472
<b>Income after all tax</b>	\$35,777	\$682
<b>Tax, Excise as % of Income</b>		<b>41%</b>

## Further Reading Books

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Dianne West	The Death of Grown Up
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Edward Lorenz	Measuring Wealth
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Jeffrey Mervis	Tracking who climbs up – and who falls down – the ladder.
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When I was a small boy  
my mother told me

“Don’t put that in your mouth”

“Don’t eat that”

“Don’t say that.”

I was a child.

I obeyed my mother.

She was wiser than I

Now I am a man

The State says

“Don’t put that in your mouth”

“Don’t eat that”

“Don’t say that.”

I have a new mummy.

This new mummy

is not wiser than I.

If I obey my new mummy

I will be a child

with an

all powerful

and foolish mother

# The End