

The Looming Financial Nightmare: So Much for Living the American Dream

By [John W. Whitehead](#)

Global Research, February 26, 2020

Region: [USA](#)

Theme: [Global Economy](#), [Poverty & Social Inequality](#)

*“When plunder becomes a way of life for a group of men in a society, over the course of time they create for themselves a legal system that authorizes it and a moral code that glorifies it.” — **Frédéric Bastiat**, French economist*

Let’s talk numbers, shall we?

The [national debt \(the amount the federal government has borrowed over the years and must pay back\) is \\$23 trillion](#) and growing.

The [amount this country owes is now greater than its gross national product](#) (all the products and services produced in one year by labor and property supplied by the citizens). We’re paying more than [\\$270 billion just in interest](#) on that public debt annually. And the top two foreign countries who “own” our debt are China and Japan.

The national deficit (the difference between what the government spends and the revenue it takes in) is [projected to surpass \\$1 trillion](#) every year for the next 10 years.

The United States spends more on foreign aid than any other nation ([\\$50 billion in 2017 alone](#)). More than [150 countries around the world receive U.S. taxpayer-funded assistance](#), with most of the funds going to the Middle East, Africa and Asia.

Meanwhile, almost [60% of Americans are so financially strapped that they don’t have even \\$500 in savings](#) and [nothing whatsoever put away for retirement](#), and yet they are being forced to pay for government programs that do little to enhance or advance their lives.

Folks, if you haven’t figured it out yet, we’re not living the American dream.

We’re living a financial nightmare.

The U.S. government—and that includes the current administration—is spending money it doesn’t have on programs it can’t afford, and “we the taxpayers” are the ones who will pay for it.

As financial analyst Kristin Tate explains, [“When the government has its debt bill come due, all of us will be on the hook.”](#) It’s happened before: during the European debt crisis, Cypress seized private funds from its citizens’ bank accounts to cover its debts, with those who had been careful to save their pennies [forced to relinquish between 40% to 60% of their assets](#).

Could it happen here? Could the government actually seize private funds for its own gain?

Look around you. It's already happening.

In the eyes of the government, "we the people, the voters, the consumers, and the taxpayers" are little more than pocketbooks waiting to be picked.

Consider: The government can seize your home and your car (which you've bought and paid for) over nonpayment of taxes. Government agents can freeze and seize your bank accounts and other valuables if they merely "suspect" wrongdoing. And the IRS insists on getting the first cut of your salary to pay for government programs over which you have no say.

We have no real say in how the government runs, or how our taxpayer funds are used, but we're being forced to pay through the nose, anyhow.

We have no real say, but that doesn't prevent the government from fleecing us at every turn and forcing us to pay for endless wars that do more to fund the military industrial complex than protect us, pork barrel projects that produce little to nothing, and a police state that serves only to imprison us within its walls.

If you have no choice, no voice, and no real options when it comes to the government's claims on your property and your money, you're not free.

It wasn't always this way, of course.

Early Americans went to war over the inalienable rights described by philosopher John Locke as the [natural rights of life, liberty and property](#).

It didn't take long, however—a hundred years, in fact—before the American government was laying claim to the citizenry's property by levying taxes to pay for the Civil War. As the *New York Times* reports, "[Widespread resistance led to its repeal in 1872.](#)"

Determined to claim some of the citizenry's wealth for its own uses, the government reinstated the income tax in 1894. Charles Pollock challenged the tax as unconstitutional, and the U.S. Supreme Court ruled in his favor. Pollock's victory was relatively short-lived. Members of Congress—united in their determination to tax the American people's income—worked together to adopt a constitutional amendment to overrule the Pollock decision.

On the eve of World War I, in 1913, [Congress instituted a permanent income tax](#) by way of the 16th Amendment to the Constitution and the Revenue Act of 1913. Under the Revenue Act, individuals with income exceeding \$3,000 could be taxed starting at 1% up to 7% for incomes exceeding \$500,000.

It's all gone downhill from there.

Unsurprisingly, the government has used its tax powers to advance its own imperialistic agendas and the courts have repeatedly [upheld the government's power to penalize](#) or jail those who refused to pay their taxes.

Irwin A. Schiff was one of the nation's most vocal tax protesters. He spent a good portion of his life arguing that the income tax was unconstitutional, and he put his wallet where his

conscience was: [Schiff stopped paying federal taxes in 1974](#).

Schiff paid the price for his resistance, too: he served three separate prison terms (more than 10 years in all) over his refusal to pay taxes. He died at the age of 87 serving a 14-year prison term. As constitutional activist Robert L. Schulz noted in [Schiff's obituary](#), "In a society where there is so much fear of government, and in particular of the I.R.S., [Schiff] was probably the most influential educator regarding the illegal and unconstitutional operation and enforcement of the Internal Revenue Code. It's very hard to speak to power, but he did, and he paid a very heavy price."

It's still hard to speak to power, and those who do are still paying a very heavy price.

All the while the government continues to do whatever it likes—levy taxes, rack up debt, spend outrageously and irresponsibly—with little thought for the plight of its citizens.

To top it all off, all of those wars the U.S. is so eager to fight abroad are being waged with borrowed funds. As *The Atlantic* reports, "[For 15 years now, the United States has been putting these wars on a credit card](#)... U.S. leaders are essentially bankrolling the wars with debt, in the form of purchases of U.S. Treasury bonds by U.S.-based entities like pension funds and state and local governments, and by countries like China and Japan."

If Americans managed their personal finances the way the government mismanages the nation's finances, we'd all be in debtors' prison by now.

Still, the government remains unrepentant, unfazed and undeterred in its money grabs.

While we're struggling to get by, and making tough decisions about how to spend what little money actually makes it into our pockets after the federal, state and local governments take their share (this doesn't include the stealth taxes imposed through tolls, fines and other fiscal penalties), the police state is spending our hard-earned tax dollars to further entrench its powers and entrap its citizens.

For instance, [American taxpayers have been forced to shell out more than \\$5.6 trillion since 9/11](#) for the military industrial complex's costly, endless so-called "war on terrorism."

That translates to roughly \$23,000 per taxpayer to wage wars abroad, occupy foreign countries, provide financial aid to foreign allies, and fill the pockets of defense contractors and grease the hands of corrupt foreign dignitaries.

Mind you, that staggering \$6 trillion is only a portion of what the Pentagon spends on America's military empire.

That [price tag keeps growing](#), too.

In this way, the military industrial complex will get even richer, and the American taxpayer will be forced to shell out even more funds for programs that do little to enhance our lives, ensure our happiness and well-being, or secure our freedoms.

As Dwight D. Eisenhower [warned](#) in a 1953 speech:

Every gun that is made, every warship launched, every rocket fired signifies, in the final sense, a theft from those who hunger and are not fed, those who are

cold and are not clothed. This world in arms is not spending money alone. It is spending the sweat of its laborers, the genius of its scientists, the hopes of its children. The cost of one modern heavy bomber is this: a modern brick school in more than 30 cities. It is two electric power plants, each serving a town of 60,000 population. It is two fine, fully equipped hospitals. It is some fifty miles of concrete pavement. We pay for a single fighter plane with a half million bushels of wheat. We pay for a single destroyer with new homes that could have housed more than 8,000 people. This is, I repeat, the best way of life to be found on the road the world has been taking. [This is not a way of life at all, in any true sense.](#) Under the cloud of threatening war, it is humanity hanging from a cross of iron. [...] Is there no other way the world may live?

This is still no way of life.

Yet it's not just the government's endless wars that are bleeding us dry.

We're also being forced to shell out money for surveillance systems to track our movements, money to further militarize our already militarized police, money to allow the government to raid our homes and bank accounts, money to fund schools where our kids learn nothing about freedom and everything about how to comply, and on and on.

Are you getting the picture yet?

The government isn't taking *our* money to make *our* lives better. Just take a look at the nation's failing infrastructure, and you'll see how little is being spent on programs that advance the common good.

We're being robbed blind so the governmental elite can get richer.

This is nothing less than financial tyranny.

"We the people" have become the new, permanent underclass in America.

It's tempting to say that there's little we can do about it, except that's not quite accurate.

There are a few things we can do (demand transparency, reject cronyism and graft, insist on fair pricing and honest accounting methods, call a halt to incentive-driven government programs that prioritize profits over people), but it will require that "we the people" stop playing politics and stand united against the politicians and corporate interests who have turned our government and economy into a pay-to-play exercise in fascism.

We've become so invested in identity politics that label us based on our political leanings that we've lost sight of the one label that unites us: we're all Americans.

The powers-that-be want to pit us against one another. They want us to adopt an "us versus them" mindset that keeps us powerless and divided.

Trust me, the only "us versus them" that matters anymore is "we the people" against the police state.

We're all in the same boat, folks, and there's only one real life preserver: that's the Constitution and the Bill of Rights.

The Constitution starts with those three powerful words: "We the people."

The message is this: there is power in our numbers.

That remains our greatest strength in the face of a governmental elite that continues to ride roughshod over the populace. It remains our greatest defense against a government that has claimed for itself unlimited power over the purse (taxpayer funds) and the sword (military might).

This holds true whether you're talking about health care, war spending, or the American police state.

While we're on the subject, do me a favor and don't let yourself be fooled into believing that the next crop of political saviors will be any different from their predecessors. They *all* talk big when they're running for office, and when they get elected, they spend big at *our* expense.

As I make clear in my book [Battlefield America: The War on the American People](#), this is how the middle classes, who fuel the nation's economy and fund the government's programs, get screwed repeatedly.

George Harrison, who would have been 77 this year, summed up this outrageous state of affairs in his song *Taxman*:

If you drive a car, I'll tax the street,
If you try to sit, I'll tax your seat.
If you get too cold I'll tax the heat,
If you take a walk, I'll tax your feet.
Don't ask me what I want it for
If you don't want to pay some more
'Cause I'm the taxman, yeah, I'm the taxman.
Now my advice for those who die
Declare the pennies on your eyes
'Cause I'm the taxman, yeah, I'm the taxman
And you're working for no one but me.

*

Note to readers: please click the share buttons above or below. Forward this article to your email lists. Crosspost on your blog site, internet forums. etc.

This article was originally published on [The Rutherford Institute](#).

Constitutional attorney and author **John W. Whitehead** is founder and president of [The Rutherford Institute](#). His new book [Battlefield America: The War on the American People](#) is available at www.amazon.com. Whitehead can be contacted at johnw@rutherford.org.

[Comment on Global Research Articles on our Facebook page](#)

[Become a Member of Global Research](#)

Articles by: **[John W. Whitehead](#)**

Disclaimer: The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: publications@globalresearch.ca
www.globalresearch.ca contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: publications@globalresearch.ca