

Who Are the Freemen?

by Jeffrey A. Tucker

Trapped in their Montana farm, trying to fend off the feds, the worst crime the “Freemen” are accused of is attempting “to compete with the Federal Reserve,” according to the *New York Times*. Imagine. These people thought that private parties could, on their own initiative, issue checks, print notes, and extend credit without monetary backing. They should have known that only a government-backed banking cartel can do that.

If this type of privatization continues unabated, street gangs will attempt to impersonate tax authorities by stealing property, looting families, and driving people to financial ruin. We can't have that. A government of this size and fragility must retain the exclusive right to engage in such actions as check kiting, counterfeiting, and large-scale theft. But I wonder why street gangs don't get similar treatment?

It is clear why Ralph Clark, the leader of the Freemen, had the notion that he could run a monetary system better than the government has. Mr. Clark is himself a victim of a federal money machine and the business cycle it generated some 15 years ago. It bankrupted him, and set in motion the surreal and tragic events that led to his present fame. He probably assumed his private financial system, however shaky, would work better than the one that has wrecked him.

This is Mr. Clark's second go-around with the media. In the early 1980's, before he was demonized as a thieving, right-wing wacko on the government's dole, he was trumpeted as a prime example of the beleaguered family farmer whom the government needs to immediately save. He was the subject of numerous moving profiles, including one in *Life* magazine and another by Geraldo on ABC's *20/20*. It was Mr. Clark's sad story that inspired the “Farm Aid” concerts starring Willie Nelson and John Cougar Mellencamp. Nobody cared

what his theology was back then.

In fact, neither portrayal gets it right. Better to think of him as a high-profile victim of the business cycle. During the fed-driven credit boom in the mid-1970's, when inflation was picking up speed but interest rates seemed under control, banks encouraged farmers and ranchers to expand their holdings using government-backed loans. In that inflationary atmosphere, debtors appeared to win out over savers. Racking up debt appeared to be a way to profit from monetary debauchery. The central bank was controlling the market signals, and the signal said borrow to the hilt.

In the first phase of such a fed-driven economic boom, an economy can make impressive gains in growth while interest rates and even price increases remain under control. When inflation does pick up, debtors do indeed do well, paying off their debts in cheaper dollars. But since the boom is artificial, and destined to turn into bust, it is important to get the timing right if you are going to play this game. At some point, interest rates will begin to incorporate an inflation premium, and then you are sunk.

So it was with Mr. Clark. In 1978, he borrowed heavily to add 7,000 acres to his land, and about one year later interest rates spiked up to 21 percent. With a normal profit, he might have gotten by, but in 1980 and 1981 he experienced a serious drought and then a hailstorm that destroyed what remained of his crops. A year later, the Farmers Home Administration called in his entire loan of \$825,000. Land that had been in his family since 1913 was on the verge of being taken away by his supposed benefactors, the federal government and its connected financial interests.

Mr. Clark thus became a national symbol of the declining fortunes of family farms. In reality, he was a living example of why you should not trust the federal government's banking methods. The Reagan administration, under pressure from the media campaign and busy making political tradeoffs to support a military-driven Keynesian economic boom, vastly expanded agricultural subsidies and imposed a moratorium on farm foreclosures. The relief and the cash came just in time for Mr. Clark and his family. He signed a ten-year contract in 1984 for the government to pay him \$48,000 per year to suspend production on steep slopes and eroding land.

With extra time on his hands, Mr.

Clark began to read into what makes the government's monetary system tick, and became self-educated on all sorts of matters, from taxes to contract law, and tapped into the “patriot” movement of government skeptics and dissidents. When the subsidies stopped, Mr. Clark found himself still buried in debt and in more trouble than ever. That's when he resorted to privatizing some of the fancy financial schemes he learned from federal policy. This involved issuing “perfected liens” on assets of federal agents or agencies charged with breaking contracts, which are then converted into “Certified Bank Drafts” and spent or held.

I do not understand this device any better than I understand the fed's own Mexican bailout or Robert Rubin's financial shell game that kept the government running after Congress cut off its money. If these actions are legal, I do not know why Mr. Clark's should not be. In fact, *Media Bypass* magazine says that the Treasury Department has accepted checks written on liens over the years, and has even issued refunds for overpayment. When you are \$5 trillion in debt, I suppose, you take what you can get.

If the Freemen are crazy, the people who run the government and its financial system are crazier still. The government began issuing paper money on top of liens and issuing endless checks as early as the New Deal, or possibly earlier. Lincoln financed his war against the South with the same technique. So have most governments in world history, but less with respectable cover than the Federal Reserve offers the United States government. The error the Freemen made was not to understand that Leviathan, especially when it is at war or deeply in debt, claims certain privileges.

As the government cracked down on this privatized Federal Reserve system, and surrounded his farm with federal agents, Mr. Clark hung a sign outside his house: “Freemen are NOT a part[of] the de facto corporate prostitute a/k/a the United States.” But if hanging a sign is all it takes to be independent, those words would be on everyone's front door. The key to government—which is why people find it so objectionable when it becomes too big—is that it is above the law it enforces against everyone else. That's why it can claim that the “township” of Justus where Mr. Clark lives does not even exist, that his wheat farm has already been repossessed and sold at an

auction, and that his paper money notes are fraudulent but that T-bills and the new \$100 note are not.

Mr. Clark's is a tragic story. This family was tricked by the fed's manipulation of interest rates (which was heralded in a liberal media campaign), sucked into the farm welfare racket, and then had its farm confiscated by the very people who claimed to be helping it all along. We're supposed to be surprised that some people will buy into a cranky monetary theory and adopt exotic political ideologies to keep the FBI and other federal agencies from destroying their lives?

What is puzzling about this case—and puzzling too about the mounting cases of other groups targeted by the FBI—is why the federal government should be involved at all. We're talking about, at worst, \$2 million of funny money, which the Freemen never tried to pawn off as government-approved paper currency or checks. Most of the people who got it didn't accept it; those who did knew what they were doing, and were often associated with local and state tax offices and other agencies.

If media reports are correct, the Freemen are hardly the only ones engaged in issuing these "liens" against agencies and their employees. Besides, credit card fraud alone runs into tens of billions per year, yet the feds are not involved in every case. There are several crackhouses in a neighboring town, often swarming with visitors, that are not surrounded by FBI officials. The Crips and the Bloods, who kill and maim people, are not broken up as conspiracies against the public. For that matter, the fed, Congress, and the White House can dump \$40 billion on a bankrupt foreign government, and you are called a nutcase for even looking into it.

No, we all know that the FBI's actions in this case, and in many others, are designed to make the point that radical political dissent will not be tolerated. It's roughly the same point the government tried to make, much more violently, at Waco and Ruby Ridge. Today, we are supposed to celebrate the government for having the "patience" not to have stormed the farm and killed people, since the regs no longer allow agencies to issue shoot-on-sight orders. How sanguine we've all become to unconstitutional violations of liberty and rights.

In his state of the union address, Clinton explained that we should "never—ever—shut the federal government

down again." If we did not have a government, he went on, Americans would be "left to fend for themselves," precisely what more and more people are pleading for the opportunity to do. Ever more government resources are devoted to making sure they cannot. We might say that the purpose of the present regime is to prevent any group from claiming to be freemen, ever again.

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MEDIA

McCarthyism in Manhattan by Mark Racho

Last August I wrote an article in these pages, "Radio Days," in which I described WABC talk radio as the only conservative voice to be heard in New York City and the tri-state area. That voice is now gone; although WABC remains on the air, the station has lost its teeth. On April 17, the morning papers announced that "racist" talk-show host Bob Grant had been fired, and that his brilliant colleague Jay Diamond had "taken a temporary leave of absence."

This may not seem important to readers in the greater United States (and beyond), but wherever New York leads, other places seem to follow. New York and the surrounding states are so given over to absolutist liberalism that the loss of the last few vestigial organs of an alternative point of view must be deplored. Sadly, even the feebly conservative *New York Post* could not muster a defense of Mr. Grant when the media monolith moved in.

Why did Mr. Grant get fired? He made the mistake of being conservative, and passionately so. How did Mr. Grant get fired? The Disney Corporation recently acquired WABC. Having refused to part with its subsidiary Miramax Films' anti-Catholic movie *Priest* and the obscene *Kids* (a film that graphically portrays young children having sex), Disney

suddenly discovered what it imagines to be ethics and then leaned on WABC, after a campaign of slander by such paragons of virtue as Jesse Jackson, Al Sharpton, and the "media watchdog" FAIR. Fairness and Accuracy In Reporting has long nursed a hatred for WABC and its hosts, putting out a carefully edited tape of Mr. Grant and Mr. Diamond's racier quotes.

In FAIR's worldview, any criticism of a black person by a white is "racist," and the tape of Mr. Grant appears to prove the point. According to the tape, blacks are "savages," "maggots," and "animals," and the local television news media delighted in playing cuts from it. Channel Five news actually denigrated Mr. Grant's listeners for daring to listen to his program. The New York papers spoke of "the words of hate that built Grant's tomb." What they omitted to mention was that Mr. Grant's "words of hate" were reserved for such heroes of the black community as the rapists who violated the Central Park jogger and the rioters who burned down sections of Los Angeles in 1992. Neither was Grant sparing with his epithets when it came to white savages, but the *New York Times* and its acolytes forgot to mention this fact. Jack Newfield, the aging leftist at the *New York Post*, reported that Mr. Grant avoided having black guests on his show; perhaps Newfield said this because Grant's many black guests were the "wrong kind of black," including Professor Walter Williams and Dr. Thomas Sowell (both of whom Grant often praised as "brilliant" and "great Americans").

Last month I received the tape FAIR had cobbled together from Grant's many years of broadcasting. It was an ill-spliced and amateurish effort, which any college radio intern could see through in seconds, the words hardly fitting together and the phrases selected out of context. But that did not stop the monolith and its friends in "alternative media" trusting the tape's veracity. I'm surprised some bright spark did not superimpose Mr. Grant's head on a photograph of Charles Manson.

The firing had, of course, been in the air for a long time, dating from the Republican victories in New York in 1994. Mr. Grant's effective support of Republican candidates rendered him obnoxious to the New York elite. How dare anyone oppose the saintly orator Mario Cuomo? How dare anyone criticize Mayor Dinkins for allowing a pogrom to take place in