

## ***Coming Next Month...***

**AOA's Big "Million Dollar" Trade Show  
Thursday, May 20<sup>th</sup> at the  
Long Beach Convention Center!**

***and***

**The Command Economy (Basic Economics)**

### **The Big Show**

You'll want to remember to mark your calendars for the big "**Million Dollar Trade Show and Educational Conference**" next month. The big show will be held on Thursday, May 20<sup>th</sup> at the Long Beach Convention Center **in Hall C, 300 East Ocean!**

You'll meet vendors galore with new products and services; you can attend **FREE educational seminars** and have chances to win some great prizes. Who knows, you may even go home with a **brand new flat screen TV or a cruise for two to Mexico!**

**FREE ADMISSION? *All we ask is that you please bring a couple of CANNED goods for the Union Rescue Mission food drive.***

Our main goal is that you walk away with just one idea to help you make and/or keep more money than ever before. You'll want to attend our **FREE educational seminars** which will include:

- **The 7 Step Success System on How to Make and Keep Millions, (Been There, Done That),** *by Dan Faller, AOA's President*
- **How to Get 3 Times the Market Rent Without Section 8 –** *by Nick Sidoti, "Dr. Cash Flow"*
- **How to Evict Gang Bangers, Drug Dealers and Nuisance Tenants** *by Attorney Leslie Born*
- **Discover How and Where You Can Obtain Free Money** *by Tim Payne, Grant Specialist*
- **How to Properly Handle Move-Ins and Move-Outs to Avoid Lawsuits** *by Attorney Matthew Gorman*
- **How to Protect Yourself Legally During the Tenancy; Laws You Need to Know** *by Attorney Dennis P. Block*
- **When Should You Take Advantage of the Buying Opportunity of Our Lifetime?** *by Bruce Norris, Foreclosure Specialist*

- **10 Must Have Tax Strategies for Real Estate Investors** by *Karla Dennis, Tax Specialist*
- **How You Can Get Super Rich in Commercial Real Estate**, by *Cherif Medawar, R.E. Investor*

Be sure to check out the times of each of our **FREE EDUCATIONAL SEMINARS** listed in next month's issue. It is going to be AOA "Show Time" and you'll need and want to be there. See you at the big show!

### **The Command Economy (Basic Economics)**

*The below was written by Charles Goyette, a contributing author to Whiskey and Gunpowder. Whiskey and Gunpowder, a free e-letter is the independent investor's daily guide to gold, commodities, profits and freedom. To subscribe, visit [www.whiskeyandgunpowder.com](http://www.whiskeyandgunpowder.com).*

America is transforming itself, without forethought, debate, or pause, into a command economy. A command economy is a top-down, state-controlled economy directed by planners and bureaucrats, boards and bodies, administrators and authorities. A command economy is not characterized by mutuality of interest and agreement between parties. It relies on edict. A command economy, as the name implies, orders the affairs of a nation by coercion. In a free economy goods and services are bought and sold by consent; business transactions are based on agreement; contracts depend upon a meeting of the minds of the parties involved. In a command economy government sets prices, controls and directs resources, and oversees production and consumption. Free economies produce prosperity; command economies produce poverty. The transformation of America is already taking place at breakneck speed, even before the current economic crisis is full blown. Historical precedents insist that as conditions worsen, the transformation into a command economy will accelerate.

It is astonishing that this should be taking place, especially at a time in which three billion people around the globe have rejected the poverty, want and shortages of their command economies to begin the experience and blessings of abundance. It is not as though object lessons are wanting. China's stunning economic growth, its modernization and rising living standards are the result of nothing more complicated than freeing the command economy. Although lessons abound, Americans are choosing—or perhaps failing to choose and therefore letting the choice be made for them—to go in much the same direction as the command economy of postwar Great Britain. That period saw the nationalization of entire sectors of the British economy, a currency crisis and prolonged economic decline including crippling unemployment and choking inflation. The reasons that the United States would choose to follow a pattern that hollows out economies the way it did the British are many. But as a symptom, although not a cause of this self-inflicted harm, look to the modern American politician. For today's breed of politician,

power is their very passion. Their every concern and the entire public debate about politicians centers around the use of power. How may power best be exploited and aggrandized? Who is to be bailed out, who is to be plundered to pay for it? Who is to be subsidized, who penalized? Who shall be taxed and who shall be paid? In contrast, the founders looked upon power very differently: How can it be kept in check? In yielding to the former and to their command economy, the current generation of Americans, blessed with so much, will be the shame of the ages.

Anyone believing the evidence for the looming command economy is being overstated need look no further than the speed at which American finance has been nationalized in the current crisis. Legislators voted an initial \$700 billion bailout package, but in no time the taxpayers ended up with more than eighteen times that, \$12.8 trillion in loans, spending, and guarantees. And to make clear who is really in charge, the giveaways are accompanied by a refusal of the authorities to disclose who is getting what and what kind of collateral, if any, is being given. The trend was dramatically illustrated in October 2008. In a development that played out like a scene from *The Godfather*, the CEOs of the nine largest banks in America, dealmakers and negotiators in their right, were ushered into a room at the Treasury Department in Washington and handed a one-page document agreeing to sell preferred shares to the government. They were told by Henry Paulson, according to the *New York Times* account, that they must sign it before leaving. The chairman of Wells Fargo protested that his institution didn't have problems with toxic mortgages and didn't need a bailout. Too bad. "It was a take it or take it offer," said one insider. An online writer for *The Wall Street Journal* favorably likened Paulson's commandeering of the banks to Reagan at the Berlin Wall. "History often carries an air of inevitability," he gushed.

If there is inevitability to America's becoming a command economy, it is a sorrowful day for human freedom. The Central Plan of the command economy is incompatible with dissent, disagreement, individual preferences, and your own plan, whatever it may be. If the Central Plan is to prevent foreclosures on homeowners who can't pay, then the plans of individuals whose resources will be used to prevent those foreclosures must give way. If your individual plan and the Central Plan are in conflict, you will have to give up your plan. As we have noted, a free economy rests on agreement, but a command economy is constructed of coercion [FORCE]. One of the reasons (among many to which I refer in my book The Dollar Meltdown) that a command economy produces poverty has to do with the diversion of productive human effort. In a free economy people provide services that are sought by others and they are rewarded for doing so. Each individual's own wants and needs are met to the extent he finds ways to serve others. **But in a command economy enormous amounts of human effort are expended in attempts to influence or control the Central Plan.** This activity produces no new wealth. **It only seeks to divide what wealth already exists.**

The command economy is not the exclusive province of either the left or the right, Republican or Democrat, Communist or Fascist, Stalinist or Nazi, Pol Pot, Mao, Chávez, or Ahmadinejad. It is what they all have in common. Just as war is the health of the state, economic turbulence is the state's opportunity for self-advancement. As the unseen and

destructive consequences of each new command and initiative unfold, new plans are created and commands issued to undo the latest harm. In the current sequence, the Fed used its monetary monopoly to create artificial credit conditions; the cheap money fueled a housing boom, which, like all bubbles, popped; the monetary and fiscal authorities rushed in to bail out the banks; the only means they have of bailing out the banks is to borrow or print more money. And that's only going to make matters a lot worse.

If there is inevitability to America's becoming a command economy, it is a sorrowful day for human freedom. The Central Plan of the command economy is incompatible with dissent, disagreement, individual preferences, and your own plan, whatever it may be. If the Central Plan is to prevent foreclosures on homeowners who can't pay, then the plans of individuals whose resources will be used to prevent those foreclosures must give way. If your individual plan and the Central Plan are in conflict, you will have to give up your plan. As we have noted, a free economy rests on agreement, but a command economy is constructed of coercion. One of the reasons (among many to which I refer in my book The Dollar Meltdown) that a command economy produces poverty has to do with the diversion of productive human effort. In a free economy people provide services that are sought by others and they are rewarded for doing so. Each individual's own wants and needs are met to the extent he finds ways to serve others. But in a command economy enormous amounts of human effort are expended in attempts to influence or control the Central Plan. This activity produces no new wealth. It only seeks to divide what wealth already exists.

*P.S. As individuals seek to protect themselves from the destructive effects of the command economy, new measures are taken to prevent them from doing so: wage and price controls, rationing, currency controls and reporting. I go into great deal about these, the current crisis and what steps you should take to protect yourself and prosper in my book, The Dollar Meltdown.*