

The failure of all squeeze schemes

Written by Supreme Servant

Eventually all squeeze schemes run into trouble and you will need a spin story to blame the disaster on your enemies. SSS is the ideal experienced partner to guide you in this. The failure of all squeeze schemes comes about because of 2 seemingly contradictory causes

- the tax slaves will resist your moral guidance
- the tax slaves will obey your moral guidance

Let me try to clarify this. All squeeze schemes have in common that you morally condemn as evil those from who you take wealth (producers of wealth, who have an accurate view of people's needs) and praise as good those to whom you give wealth (unproductive without money, who have a distorted view of people's needs). No government can operate without this moral underpinning. Without a moral underpinning you would be nothing more than a common robber. Since those you call morally evil (the rich) got their money in voluntary relationships from those you branded morally evil (the poor), you implicitly condemn everyone as evil.

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Resistance

The tax slaves will resist your confiscation because it is coercion and by definition coercion is something the tax slaves do not prefer. They will try to appear less productive and understate their production of wealth. More and more threats are required to prevent that, especially as the amount of their lives you confiscate grows and they have less to lose by rebelling. This means the costs of the scheme will eventually outrun the benefits. There is full support from the people who think they benefit from your schemes, you can completely ignore them. Try to portray the state as something through which everyone gets rich over the backs of everyone else. Point cameras at what you build, keep in the dark what you take. Ridiculous as it may sound, people buy it.

Obedience

It is more likely however that eventually your tax slaves will obey your moral guidance which is even worse than resistance. Resistance can be broken with a lot of threats and violence. Compliance can not be broken. This means the productive slaves of your herd will respond with: "If the poor are so noble and the rich so evil, I will stop producing wealth and become a good poor person". This is the nightmare of every servant of the state. His schemes all rely on

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draining the productive with the excuse of helping the unproductive to control more resources. The situation that arises is that effectively no one can be taxed and everyone holds up their hand. Read 'Atlas Shrugged' for more information on productive people giving up the production of wealth.

Example

Suppose as an example you promise the poor a state pension and squeeze an absurd amount of money out of productive people to finance it. This is basically a fear scheme with [mommy motherland](#) nurture characteristics (the poor pensioners suck on the tit of the motherland and would die in the streets without your coercion). You make your scheme mandatory, because you claim people do not care about the poor elderly so they have to be forced, but at the same time they adore your leadership because you force them to care for the poor elderly. Eventually however all the people whom you tax will disappear and you end up with only poor elderly. You end up with what you portrayed as good and no bad productive people to extort.

Not only immigration and emigration will cause this to happen. Border crossing by itself is not a problem, since you control borders and you can rob the productive on the way out (which usually makes them want to stay) and stop unproductive on the way in.

Unfortunately however the productive will become less productive and this is what eventually kills all schemes, since these schemes all require taking money from the productive, because this is where the money is. It is like a boat with the captain who says "standing on the starboard side is evil and standing on the port side is good", while constantly stealing from those on the starboard side. The boat will flip even if you give different reasons for why starboard is good and port is bad. You have to make them feel guilty in order to sell them expensive redemption, but you do not want them to change their behavior either. By making your laws contradictory, you can prevent the goal of good ever being reached (see also [religion](#)) because you will always have a law to call them bad. But in the end they will throw in the towel anyhow. Pricing laws are a nice example of this. Do they price low? Call it dumping and confiscate them. Do they price high? Call it a monopoly and confiscate them. Do they all price the same? Call it a cartel and confiscate them.

With the mandatory pension scheme, it will actually happen that the population starts to age and you end up with elderly only. People will have less kids (they have to work very hard to earn your taxes, so there is no relaxed environment to have kids) and young tax slaves will go abroad instead of having their wealth confiscated. The young are not sensitive to the

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argument: "we will confiscate all your wealth when you cross that border". It might also be a problem that animals often do not breed well in captivity and the same goes for tax slaves.

There is no way out of this dilemma. You can not just start taking money from people and threaten them without a moral justification and guilt/redemption scheme. You would be no different from an ordinary criminal, who will always steal small potatoes and have small power compared to the politician or priest. In order to steal big time, it needs to be done in broad day light and you need to base it on morality. Tax slaves are driven by a moral compass, you just apply the magnetic field and they line up to your needs.

The spin



The spin puts the misery of broken promises, debt default, hyperinflation and poverty on someone else. You can use [ethnic or racial minorities](#) , but also abstract concepts like 'the free market', 'capitalism' or ' [greed](#) '. If you make it more concrete you will likely face war as people go out to irradiate the minority. War is a great opportunity to reward some people who usually could not sell their produce to voluntary buyers (e.g. Attack helicopters). Weapons are all bought with taxes, since the tax slaves do not like war. They usually resist so much, you even need to finance it with inflation instead of taxation, which is dumped on their children.

With abstract concepts, you can get some puzzled faces. It is like blaming the crash of an aircraft on gravity. It is true, but it's not the whole story, gravity was there all along. If you go for this option beware of other rulers appealing to the more simple and understandable 'kill the ... minority' option. The slaves might lift him on their shield instead of you.

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