Thank God For The Mess We’re In
by Leonard E. Read

Cause and effect, means and ends, seed and fruit, cannot be severed, for the effect already blooms in the means, the fruit in the seed. -- EMERSON

There is a reason for our mess. We are now reaping the bitter harvest of the poisonous seed sowed intermittently during the past. We are experiencing bad effects whose causation can be traced to the employment of wrong means. We suffer the natural consequences of our folly, which proves once again that the universal is rational. To state this in another way, if improper methods did not lead to failures, we would really have a problem. As it is, we need only take our heads out of the sand to see clearly that interventionism not only has failed to provide the something-for-nothing but has led to all sorts of undesirable consequences.

Heads in the sand! I refer to those who do no more than lament the mess we are in -- all they “think” about is whether they can survive it. Though greatly
puzzled, they fail to get the message the mess is meant to convey. Indeed, many are just beginning to realize that we are moving toward disaster, even though we have been on a wrong heading for decades.

Why then do I thank God for the mess we’re in? Simply because the mess is sending up signals – messages loud and clear – that our past is filled with errors which inexorably produced their evil results. The consequences we suffer now were caused by past mistakes, and we need to know what wrong actions are responsible for these bad effects. The fact is, we are being graced with warnings which, when and if read right, can lead to our salvation. That’s why I thank God!

Bearing in mind that what happens has an instruction peculiarly its own and that there is something good in everything bad, let us try to find the lesson. Our past is filled not only with moral politico-economic errors, and our present likewise. How are we to identify the right ones, that is, how expose the fallacies of state interventionism and reveal the merits of human liberty as related to the interest and benefit of every one of us?

When liberty prevails, every individual in the entire population is free to bring persons and other scarce resources into complementary and workable combinations. Reflect on our varied talents. If we approach the matter properly, we come to note our own lack of most of the talents known to man. I, for instance, could no more bring musicians and instruments together to form an orchestra than I could bring technicians and tools together to release atomic energy or to deliver the human voice at the speed of light. But look around; there are millions who can and do bring individuals and other resources into association that render a fantastic service of all sorts to King consumer. And, when liberty prevails so does competition, a constructive force that assures that the efficient servants rise to serve all of us better.

When liberty prevails, there is in the U.S.A. not less than 130,000,000 adults free to release their greatly varied and unique creative energies. The aggregate of these energies – the bringing into combination of things and persons – is beyond the power of anyone to even imagine, let alone measure.

Let us now observe what happens to these sources of creative energy when the state regulates and controls them. What are the consequences when organized physical force – government – controls our creativity, our varied and unique potentialities? To accurately observe and appraise these consequences is to discover the errors – moral and economic – which account for the mess we are in. And the task is to free ourselves from these malpractices.

Suppose that we have found an outstanding individual who has all the degrees and honors mankind has ever bestowed on anyone. How easy to conclude that we, the ordinary consumers, would fare far better than we do now by our own choices, if only we would yield to his “wisdom.” Assume next that he is given power to cast you in his image? Instantly, two individuals have become noncreative – you and he!

It is obvious why this dictocratic action would abolish your creativity – you have become but an image of him. But why the “great” one? How does this diminish his creativity? Whatever effort he devotes to lording it over you is effort he cannot exercise creatively. No one can, at one and the same time, be a dictocrat and a practitioner of liberty. These roles are mutually exclusive. So, we have a small-scale model of the mess.

From this model proceed to the prevailing situation in the U.S.A. We have some 100,000 governments – federal, state, and local – and about 16,000,000 on the payrolls. An enormous percentage of these persons, -- little folks, even as you and I -- are not just telling a single person what to do but commanding millions of us as to what to produce, what and with whom to exchange, what our money is worth; they dictate hours of labor, wages, what our children must study; on and on and on, even to seat belts.

Summarized, these 16,000,000 with some notable exceptions -- those who are not dictocrats -- have not only removed themselves from the nation’s 13,000,000 potential entrepreneurs but, far worse, they have frustrated, to a marked extent, the morals and the
creativity of the citizenry.

As a result of this governmental intervention, the varied talents and uniqueness of each citizen are more or less imprisoned. Add to this the dictatorial, coercive powers extended to labor unions on an enormous scale and, on a lesser scale, to farmers, businessmen, educators, welfare agencies and others. This is a sketch of the mess we are in.

To repeat, when liberty prevails, all are free to bring things and people into workable combinations to the betterment of all, the policeman included. But when the police and their subsidized minions regulate and control, a do-as-I-say-or-else action replaces, to a great extent, the bringing together actions of free people, and to the detriment of all.

Why the qualifying term, “to a great extent?” Why not a total breakdown? The idea and practice of liberty is not that easily overcome. We are born free. Having had many experiences with liberty during the past two centuries, citizens will course their way around and through the dictatorial edicts; they’ll find loopholes – become schemers, evaders. This ingenuity, though debilitating, explains why the mess is not as bad as it might otherwise be; why we continue to live in spite of the mess; why, despite mass killings, millions lived in Nazi Germany and Communist Russia. A Fortuitous leakage of creative human energy! As Lord Macaulay observed in 1839:

It has often been found that profuse expenditures, heavy taxation, absurd commercial restrictions, corrupt tribunals, disastrous wars, seditions, persecutions, conflagrations, inundations, have not been able to destroy capital so fast as the exertions of private citizens have been able to create it.

The signals are loud and clear – far to numerous to recount. The messages are that every one of these evils we now experience are but consequences of past and present errors. As Emerson so wisely pointed out, “Cause and effect cannot be severed.” We must work on the causes rather than the effects if we would repair our ways!

Let me conclude by calling attention to but one signal, a warning that is fretting millions of concerned people all over the world; the rapid decline in the purchasing power of the dollar. The cause? Inflation! Its causes? Excessive governmental expenditures which in turn are caused by people from all walks of life running to government for every conceivable kind of succor – people feathering their nests at the expense of others. The remedy? Remove the causes!

In any event, I thank God for the mess we’re in and its timely warning that we must change our course to avert disaster.

Comment by R. Nelson Nash – This was a chapter in Leonard’s book, THE LOVE OF LIBERTY, published in 1975. Our “mess” has continued to worsen hasn’t it? There will be a turning point sometime in the future. History has proven this to us time and again. Light always overcomes darkness. God is the source of light. Our job is to reflect His light!

Austerity as Economic Liberation

Mises Daily: Thursday, October 30, 2014
by Peter St. Onge

George Soros is back in the news telling Germany who to bail out this week. Soros is especially sore at Germans for promoting austerity, so it’s a great time to ask: does austerity grow an economy?

Why do we care? Investors want to know whether austerity is good or bad for an economy; whether it’s likely to boost growth or to hasten a recession. And for voters, it’s important to know whether it’s time for more, or less, austerity.

First we want to be sure what we’re even talking about. The word “austerity” is often used to describe two things: either reducing government spending, or raising taxes. These, of course, are opposites: lower spending means fewer resources used by the government, and higher taxes means more. What the two ideas have in common is the question: should we hand fewer resources to government?

Like Aesop’s frog-eating scorpion, Keynesian vote-buyers diligently dig up reasons why vote-buying is
good for us all. One of their rallying cries is that we cannot “cut our way to prosperity.” Like all propaganda, such claims are misleading — austerity isn’t about “cutting.” It’s about transferring. Specifically, transferring control over productive resources from bureaucrats to individuals and companies.

Let’s have a look at the vote-buyers’ arguments. Since their goal here is to prove why vote-buying is good for us all, their pet idea against austerity is that government spending creates a “multiplier.” So one dollar of government spending creates, say, two dollars of value. Which would be nice (like unicorns, perpetual motion, and free ice cream forever). And it would mean the Soviet Union’s collapse remains an economic mystery, seeing as it was all shot-through with that productive multiplier.

More precisely, Bob Murphy has nicely demolished this supposed multiplier. In a nutshell, whatever "multiplier" might exist is precisely cancelled by the "negative multiplier" since the resources came from somewhere. If you give one dollar to the government you spend one dollar less at the restaurant. Both dollars had a “multiplier” in opposite directions. They canceled.

So much for the free ice cream.

But, of course, it gets worse: we have great reasons to expect a negative multiplier. That is, government takes a dollar and turns it into, say, 80 cents. Or maybe a nickel. Why? Because governments are very good at wasting resources.

Let's stop and think what an economy actually is — the "microfoundations" as they say. Production doesn't fall out of the sky, like a cargo cult. Rather, production is made up of resources — factories, raw materials, workers and entrepreneurs, concrete, and steel. These things are combined to yield consumption goods, investment goods, or else they’re saved for later. Meaning there are only 3 things you can do with a productive resource — consume it, invest it, or save it for later.

Meanwhile, there are only three categories of people to do any of this consuming, investing, or saving for later. Those are individuals, companies, or governments.

So the question of whether austerity is good or bad is simply a question of whether governments are better custodians of resources. Will government make more productive investments, will they save more prudently, than individuals and companies?

Unless you live under a rock, you already know the answer: governments are astoundingly wasteful. Government “investments” belong in The Onion, and “prudent savings” by governments are in a faraway exotic land.

So if government is a relatively poor steward of resources, it automatically follows that every resource wrenched from the doomed clutches of government makes us richer. Sure, we’ll get fewer wars, less corporate welfare, and less research on robo-squirrels (some of us would pay to lose those particular “investments”). And, instead, those resources go to more productive and prudent investment by people who are spending their own money, who have competent and motivated oversight of how those resources are used.

The core claim of austerity — that resources should be shifted from governments to individuals and companies — is true so long as governments are bad custodians of productive resources. As long as that productivity gap continues — which might be a while — it will remain true that austerity will grow, not shrink, an economy. And so we can merrily liberate our economy, by cutting the government on our way to prosperity.

Note: The views expressed in Daily Articles on Mises.org are not necessarily those of the Mises Institute.

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Comment by R. Nelson Nash – Peter has done a good job of isolating the thought process of a Statist. They are simply weird, evil people. Even more weird is the fact that some people will actually listen to them!
The Cultural and Political Consequences of Fiat Money

Jörg Guido Hülsmann

It may seem unusual that an economist would talk about culture. Usually, we talk about prices and production, quantities produced, employment, the structure of production, scarce resources, and entrepreneurship.

But there are certain things that economists can say about the culture, and more precisely, that economists can say about the transformation of the culture. So what is culture? Well, to put it simply, it is the way we do things. This can include the way we eat — whether or not we dine with family members on a regular basis, for example — how we sleep, and how we use automobiles or other modes of transportation. And of course, the way we produce, consume, or accumulate capital are important aspects of the culture as well.

Limiting Budget Is the Key to Limiting Governments

Now to understand the effects of fiat money on the culture, we must first look at the relationship between financial systems and the nature of government.

A number of economists have observed that fiat money is a prerequisite for tyrannical government, and the idea that monetary interventionism paves the way for tyrannical government is very old and goes back to Nicolas Oresme in the fourteenth century. It has not been emphasized in the twentieth century, but Ludwig von Mises is among the few who has stressed the importance of this relationship.

Mises said that when it comes to limiting government power, it is essential that the government is financially dependent on the citizens, and this addresses the fundamental political problem of controlling the people in office once they are there. We know that generally, once they are in office, elected politicians turn around and do very different things than they said they would do, with many acting contrary to the common good and interests of their constituents.

So how do we ensure that the people in power can be controlled?

Mises tells us the way we control government is through the budget, and this is necessary in a free society. In a democratic system, at least, we elect certain people to the government, and they often enter office believing that they have a mandate to do certain types of things while in office.

But it’s not sufficient that the people tell government officials what they should be doing. It is equally important, if not more important, to dictate how much money the government will have to achieve those ends. So, it is not enough to tell the government that it will only protect private property. This mandate could be pursued with $100,000 or a billion dollars depending on what the people are willing to pay. So if the budget it not controlled, a limited mandate in itself offers no limitation on taxation or how much money is spent.

Mises believed that those who paid the taxes would then need to specifically limit the size of the government budget. The mission of the government does not by itself determine the amount of resources to be used in the mission.

In response, many will complain that if budgets are tightly controlled, then we’ll never have an increase in government services because people hate taxes. That might be so, but, of course, that is the point.

Now, if we abandon a strict connection between what the citizens pay and what government spends, then we find that we move away from rule by the citizens who are being taxed, and toward greater rule by the elites.

The first way this shift can happen is by the government going into debt. The financial relationships then shift toward the new group that is funding the government, namely those who are extending credit to the government. This then weakens the relationship to the citizens who are being taxed, and it also allows the government to spend more money than would have been possible with taxation alone.

Now of course fiat money allows government to take out loans to an unlimited extent because fiat money by definition can be produced without limitation, without...
commercial limitation or technological limitation, and can be produced in whatever amount is desired. In this way, the government benefits from the support of a central bank, which is to be expected because the central bank itself depends on the legal framework of monopoly provided by the government.

Through these means of finding government revenues outside of directly taxing the population, we see then that fiat money allows for an extension of government activities unconnected to the willingness of the population to actually support revenue increases. In turn, the government’s rule becomes rule by elites such as central bankers and financiers rather than rule by the taxpayers, and the government’s ability to spend becomes more dependent on the ability to access fiat money than the ability to convince the citizens to accept a higher tax burden.

The Cultural Features of a Debt Economy

Now we come to the many ways through which a fiat money system affects the behavior of ordinary citizens.

One of the central features of a fiat money system is that it tends to produce near-permanent price inflation. This contrasts with the workings of an economy based on natural monies such as gold and silver. Here the price levels tend to stay flat over the long run or decline, especially in the presence of vigorous economic growth. We saw this throughout the nineteenth century in both Europe and the US, where deflationary growth has been the rule.

The reality of price inflation shapes culture in a variety of ways and much of this is deliberate, as it has long been an idea among government planners and ideologues of all sorts, even before Keynes, that ordinary people should be prevented from “hoarding” money at their homes.

In a free economy with a natural monetary system, there is a strong incentive to save money in the form of cash held under one’s immediate control. Investments in savings accounts or other relatively safe investments also play a certain role, but cash hoarding is paramount, especially among low-income families.

By contrast, when there is constant price inflation, as in a fiat-money system, cash hoarding becomes suicidal. Other financial strategies now become more advisable. It becomes advisable to exchange one’s cash for “financial products,” thus offsetting the loss of purchasing power of money through the return on that financial investment. It also becomes advisable to go into debt and leverage one’s investments. In a word, it becomes rational to pursue riskier investments in order to find a rate of return that can match or exceed the rate of price inflation. This is true across all sectors, including households and productive operations.

Before the twentieth century and widespread access to fiat money, debt was far less common and there were cultural imperatives against going into debt for consumption. Credit for households, for example, was virtually unknown before the twentieth century, and only very poor households fell back on debt to finance consumption.

But in a fiat money system, as price inflation diminishes the value of one’s monetary savings, we are encouraged to adopt a short-term perspective. That is, we need to hurry up to obtain credit as soon as possible and obtain revenue from that debt as soon as possible, because savings lose value if we just hold on to cash.

It no longer makes sense to save up money for a decade to buy a house, for example. It is much more opportune to go into debt to buy a house immediately and to pay back the loan in devalued money. There is then a generalized rush into leverage in a fiat money system since debt-financed investment brings greater returns than savings in cash or equity-financed investments.

It needs to be stressed that this tendency has no natural stopping point. In other words, fiat-money systems tend to make people insatiable in their quest for ever higher monetary returns on their investments. In a natural monetary system, as savings increase, the return on investments of all sorts diminishes. It becomes ever less interesting to invest one’s savings in order to earn a return, and thus other motivations
shift into the foreground. Savings will be used increasingly to finance personal projects including the acquisition of durable consumers’ goods, but also philanthropic activity. This is exactly what we saw in the West during the nineteenth century.

By contrast, in a fiat money society, you are more likely to increase your returns by remaining in debt and continuing to chase monetary revenue indefinitely by leveraging more and more funds.

You can imagine, then, how this inflation and debt-based system, over time, will begin to change the culture of a society and its behavior.

We become more materialistic than under a natural monetary system. We can’t just sit on our savings anymore, and we have to watch our investments constantly, and think about revenue constantly, because if it is not earning enough, we are actively getting poorer.

The fact that the fiat money system pushes us into riskier investments also increases dependency on others because one must depend on the good behavior of those on whom the value of our investments depend.

Similarly, the stronger the level of debt the stronger is the selfish concern about the behavior of others who may owe us money. So fiat money creates an attempt to control others through the political system.

But at the same time, no household and no firm individually has an interest in abolishing the fiat system and putting in its place a natural monetary system. The short-term costs of such a transition would be immense. In this, we see that we are in a “rationality trap” in which one is motivated to maintain the fiat money system in spite of all its downsides, and because the culture at this point is so transformed by more than a century of easy access to fiat money.

Conclusion

We can apply economic analysis to explain cultural transformation, and a particularly important example is fiat money. It has a very important impact on our culture. This is something we would not see unless we step back and take a longer-term historical perspective. Of course, there are many other factors that come into play, but fiat money is an important factor, and the system is perpetuated by the fact that everyone stands to lose in the short run if the current system ceases to function. Moreover, given how our modern culture has been so shaped by fiat money systems, it runs against the very cultural foundations of our current society. In spite of the many short-term costs, we should nonetheless dare to change this system, and it is ultimately a question of courage, and insight, and of the will.

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Comment by R. Nelson Nash – Bankers are the problem. Individuals who are practicing the Infinite Banking Concept are the solution. Hence, the necessity of “building the 10%” who recognize this fact. Join our cause!

Can Anarcho-Capitalism Work?

by Llewellyn H. Rockwell Jr. on November 14, 2014

This talk was delivered at the Costa Mesa Mises Circle on Society Without the State, November 8, 2014.

The term “anarcho-capitalism” has, we might say, rather an arresting quality. But while the term itself may jolt the newcomer, the ideas it embodies are compelling and attractive, and represent the culmination of a long development of thought.

If I had to boil it down to a handful of insights, they would be these: (1) each human being, to use John Locke’s formulation, “has a property in his own person”; (2) there ought to be a single moral code binding all people, whether they are employed by the State or not; and (3) society can run itself without central direction.

From the original property one enjoys in his own person we can derive individual rights, including property rights. When taken to its proper Rothbardian conclusion, this insight actually invalidates the State, since the State functions and survives on the basis of systematic violation of individual rights. Were it not
to do so, it would cease to be the State.

In violating individual rights, the State tries to claim exemption from the moral laws we take for granted in all other areas of life. What would be called theft if carried out by a private individual is taxation for the State. What would be called kidnapping is the military draft for the State. What would be called mass murder for anyone else is war for the State. In each case, the State gets away with moral enormities because the public has been conditioned to believe that the State is a law unto itself, and can’t be held to the same moral standards we apply to ourselves.

But it’s the third of these ideas I’d like to develop at greater length. In those passages of their moral treatises dealing with economics, the Late Scholastics, particularly in the sixteenth and seventeenth centuries, had been groping toward the idea of laws that govern the social order. They discovered necessary cause-and-effect relationships. There was a clear connection, for example, between the flow of precious metals entering Spain from the New World on the one hand, and the phenomenon of price inflation on the other. They began to understand that these social regularities were brute facts that could not be defied by the political authority.

This insight developed into fuller maturity with the classical liberals of the eighteenth century, and the gradual emergence of economics as a full-fledged, independent discipline. This, said Ludwig von Mises, is why dictators hate the economists. True economists tell the ruler that there are limits to what he can accomplish by his sheer force of will, and that he cannot override economic law.

In the nineteenth century, Frédéric Bastiat placed great emphasis on this insight. If these laws exist, then we must study them and understand them, but certainly not be so foolish as to defy them. Conversely, he said, if there are no such laws, then men are merely inert matter upon which the State will be all too glad to impose its imprint. He wrote:

For if there are general laws that act independently of written laws, and whose action needs merely to be regularized by the latter, we must study these general laws; they can be the object of scientific investigation, and therefore there is such a thing as the science of political economy. If, on the contrary, society is a human invention, if men are only inert matter to which a great genius, as Rousseau says, must impart feeling and will, movement and life, then there is no such science as political economy: there is only an indefinite number of possible and contingent arrangements, and the fate of nations depends on the founding father to whom chance has entrusted their destiny.

The next step in the development of what would later become anarcho-capitalism was the radical one taken by Gustave de Molinari, in his essay “The Private Production of Security.” Molinari asked if the production of defense services, which even the classical liberals took for granted had to be carried out by the State, might be accomplished by private firms under market competition. Molinari made express reference to the insight we have been developing thus far, that society operates according to fixed, intelligible laws. If this is so, he said, then the provision of this service ought to be subject to the same laws of free competition that govern the production of all other goods. Wouldn’t the problems of monopoly exist with any monopoly, even the State’s that we have been conditioned to believe is unavoidable and benign?

It offends reason to believe that a well-established natural law can admit of exceptions. A natural law must hold everywhere and always, or be invalid. I cannot believe, for example, that the universal law of gravitation, which governs the physical world, is ever suspended in any instance or at any point of the universe. Now I consider economic laws comparable to natural laws, and I have just as much faith in the principle of the division of labor as I have in the universal law of gravitation. I believe that while these principles can be disturbed, they admit of no exceptions.

But, if this is the case, the production of security should not be removed from the jurisdiction of free competition; and if it is removed, society as a whole suffers a loss.
It was Murray N. Rothbard who developed the coherent, consistent, and rigorous system of thought — out of classical liberalism, American individualist anarchism, and Austrian economics — that he called anarcho-capitalism. In a career of dozens of books and thousands of articles, Rothbard subjected the State to an incisive, withering analysis, unlike anything seen before. I dedicated Against the State to this great pioneer, and dear friend.

But can it work? It is all very well to raise moral and philosophical objections to the State, but we are going to need a plausible scenario by which society regulates itself in the absence of the State, even in the areas of law and defense. These are serious and difficult questions, and glib answers will naturally be inadequate, but I want to propose at least a few suggestive ideas.

The conventional wisdom, of course, is that without a monopoly provider of these services, we will revert to the Hobbesian state of nature, in which everyone is at war with everyone else and life is “solitary, poor, nasty, brutish, and short.” A ceaseless series of assaults of one person against another ensues, and society sinks ever deeper into barbarism.

For one thing, it’s not even clear that the logic behind Thomas Hobbes’s fears really makes any sense. As Michael Huemer points out, Hobbes posits a rough equality among human beings in that none of us is totally invulnerable. We are all potential murder victims at the hands of anyone else, he says. He likewise insists that human beings are motivated by, and indeed altogether obsessed with, self-interest.

Now suppose that were true: all we care about is our own self-interest, our own well-being, our own security. Would it make sense for us to rush out and attack other people, if we have a 50 percent chance of being killed ourselves? Even if we happen to be skilled in battle, there is still a significant chance that any attack we launch will end in our death. How does this advance our self-interest?

Hobbes likewise speaks of pre-emptive attacks, that people will attack others out of a fear that those others may first attack them. If this is true, then it’s even more irrational for people to go around attacking others: if their fellows are inclined to preemptively attack people they fear, whom would they fear more than people who go around indiscriminately attacking people? In other words, the more you attack people, the more you open yourself up to preemptive attacks by others. So here we see another reason that it makes no sense, from the point of view of the very self-interest Hobbes insists everyone is motivated by, for people to behave the way he insists they must.

As for law, history affords an abundance of examples of what we might call trickle-up law, in which legal norms develop through the course of normal human interaction and the accumulation of a body of general principles. We are inclined to think of law as by nature a top-down institution, because we confuse law with the modern phenomenon of legislation. Every year the world’s legislative bodies pour forth a staggering number of new rules, regulations, and prohibitions. We have come to accept this as normal, when in fact it is, historically speaking, an anomaly.

It was once common to conceive of law as something discovered rather than made. In other words, the principles that constitute justice and by which people live harmoniously together are derived from a combination of reflection on eternal principles and the practical application of those principles to particular cases. The idea that a legislative body could overturn the laws of contract and declare that, say, a landlord had to limit rents to amounts deemed acceptable by the State, would have seemed incredible.

The English common law, for example, was a bottom-up system. In the Middle Ages, merchant law developed without the State at all. And in the US today, private arbitration services have exploded as people and firms seek out alternatives to a government court system, staffed in many cases by political appointees, that everyone knows to be inefficient, time-consuming, and frequently unjust.

PayPal is an excellent example of how the private, entrepreneurial sector devises creative ways around the State’s incompetence in guaranteeing the inviolability of property and contract. For a long time,
PayPal had to deal with anonymous perpetrators of fraud all over the world. The company would track down the wrongdoers and report them to the FBI. And nothing ever happened.

Despairing of any government solution, PayPal came up with an ingenious approach: it devised a system for preemptively determining whether a given transaction was likely to be fraudulent. This way, there would be no bad guys to be tracked down, since their criminal activity would be prevented before it could do any harm.

Small miracles like this take place all the time in the free sector of society, not that we’re encouraged to learn much about them. Recall that as the Centers for Disease Control issued false statements and inadequate protocols for dealing with Ebola, it was a Firestone company town in Liberia that did more than any public authority in Africa to provide safety and health for the local population.

There is a great deal more to be said about law and defense provision in a free society, and I discuss some of this literature at the end of Against the State. But the reason we focus on these issues in the first place is that we realize the State cannot be reformed. The State is a monopolist of aggressive violence and a massive wealth-transfer mechanism, and it is doing precisely what is in its nature to do. The utopian dream of “limited government” cannot be realized, since government has no interest in remaining limited. A smaller version of what we have now, while preferable, cannot be a stable, long-term solution. So we need to conceive of how we could live without the State or its parasitism at all.

The point of this book is to speak frankly — at times perhaps even shockingly so — in order to jolt readers out of the intellectual torpor in which the ruling class and its system of youth indoctrination have lulled them. We might have a fighting chance if most people were aware of the ideas in this book, and in our intellectual tradition generally. They would never fall for the State’s propaganda line, its apologias, its moral double standards. They would be insulted by these distortions and dissimulations.

And that’s what we do at the Mises Institute. We don’t publish “policy reports” in the vain hope that Congress will defy its own nature and pursue freedom. Every one of those policy reports winds up in the trash can. They are used to dupe the gullible into thinking the Washington think-tanks they support have influence in Washington.

Instead, we set forth the truth about the State without compromise or apology. The reason Ron Paul attracted so many young people was that they could see he was speaking to them in plain English, not politicalese. He was speaking frankly and truthfully, without regard for the lectures and hectoring he’d get for it at the hands of the media.

We’ve tried to emulate Ron’s approach – and of course, we’ve been delighted to have Ron as a Distinguished Counselor to the Institute since its inception, and as a member of our board as well. The stakes are too high for us to do anything other than speak frankly and directly about what we know to be true. It’s easy to publish toothless essays about public policy. It is harder to focus on war, the Federal Reserve, and the true nature of the State itself. But that is the path we have willingly chosen.

We hope you’ll join us.

Note: The views expressed in Daily Articles on Mises.org are not necessarily those of the Mises Institute.

Llewellyn H. Rockwell Jr. is chairman and CEO of the Ludwig von Mises Institute in Auburn, Alabama, editor of LewRockwell.com, and author of Fascism versus Capitalism.

Comment by R. Nelson Nash – It’s all about how you think! And government schools teach us how to be Statists. Unlearning their nonsense is difficult – but, worth the effort if you aspire to be a free person. The Mises Institute is a valuable resource in achieving this goal in life.

Have an interesting article or quote related to IBC? We gladly accept article submissions as long as permission to reprint is provided. Send submissions for review and possible inclusion in BankNotes to d@infinitebanking.org.
TESTIMONIAL

I just have to share the excitement! It never gets old for me and figured you guys like to hear too.

Got this note today from a guy who watched the video on my webpage: “I feel compelled to drop a line and say thank you for advocating this blatantly obvious concept. I have a reduced paid up whole life policy I started back in 08. I didn't nurture it like I should have in the beginning. It took a little while for the bulb to light up. I wish you the best of luck in your quest to help people see the light.”

I also visited with my dad about the book [Farming Without the Bank]. For five years he has told me it won’t work for him, he hates life insurance, he remembers when grandpa stressed about it, and on and on. The more I talked the less the man listened. Well tonight I asked if he read the book, yup half way through…and now he says he tried to find an agent that would do this 20 years ago and that grandpa had all kinds of policies with NYL. I just chalked up a win to a stubborn German!

I have always been doubtful that the book [Farming Without the Bank] is good, but if it sold my father on this concept I must have done something right.

Thank you Nelson for sharing this with us!

-- Mary Jo Irmen

Nelson’s Favorite Quotes

All you have to do is know where you’re going. The answers will come to you of their own accord.
-- Earl Nightingale

We have a tax code that favors those with the best accountants. --Shane Keats

Trying to control tax shelters is like stepping on Jell-O. It just squeezes out between your toes and the mess is worse than when you began. -- Anonymous Congressional Staff Member

Welcome the newest IBC Practitioners
https://www.infinitebanking.org/finder/

The following producers joined or renewed their membership to our Authorized Infinite Banking Concepts Practitioners team this month:

• Manal Ivie - Little Rock, AR
• Henry Mora - Houston, TX
• Steve Parisi - Allentown, PA
• Allan Johnson - Prince George, BC

You can view the entire practitioner listing on our website using the Practitioner Finder.

IBC Practitioner’s have completed the IBC Practitioner’s Program and have passed the program exam to ensure that they possess a solid foundation in the theory and implementation of IBC, as well as an understanding of Austrian economics and its unique insights into our monetary and banking institutions. The IBC Practitioner has a broad base of knowledge to ensure a minimal level of competency in all of the areas a financial professional needs, in order to adequately discuss IBC with his or her clients.

The IBC Practitioner has signed the IBC Practitioner’s Agreement with the IBI that specifies that he or she is a financial professional who wishes to advertise his status as an IBC Practitioner, and acknowledges possession of the proper licensing and other legal requirements to practice in his industry. The IBC Practitioner agrees for those clients who want an IBC policy, he will design it according to certain characteristics to ensure that these specific clients are getting a “Nelson Nash” policy, as described in his books and seminars. If an IBC Practitioner is dealing with a client who asks for an “IBC,” “Nelson Nash,” “privatized banking,” or “banking” policy, or if the Practitioner recommends such a policy to the client, and/or if the client has come to the Practitioner by referral from his listing at the IBI website, then and only then the Practitioner must be sure to set this particular client up with a dividend-paying, whole life policy.
Members, you are not going to want to miss this year's annual Think Tank Conference! Why? Because it returns to Nelson Nash's innovative foundational message that started it all. I know that it's hard to believe, but Nelson will not be teaching forever. This year’s Think Tank is designed around our most cherished resource so that you will have maximum exposure to his invaluable wisdom. He will teach, and share like never before. I promise that you will see Nelson discussing the key elements from *Becoming Your Own Banker* in a way that you haven't heard before. The Think Tank is held in Birmingham, Alabama, on February 5th and 6th. Registration cost is only $400.

The IBC Practitioner Think Tank is a closed event; only active IBC Practitioner Members, and selected insurance company home office and regional sales personnel are invited to attend. IBC Practitioner membership is defined as those students who have completed the IBC Practitioner Course of instruction, and have joined the 12-month IBC Practitioner Membership, and have remained a member in good standing.

**Agenda - 5 February**
- 9:00 am - Doors open for packet pick-up
- 10:00 am - Start event - General Session
- 12:00 pm - Hosted Lunch
- 1:00 pm - 5:00 pm - Live IBC Work Shop featuring Nelson Nash, Dr Robert Murphy, and Carlos Lara. *This 4 hour event will be open to the general public as a separate ticketed event.*
- 5:30 pm - Hosted Reception
- 6:30 pm - Hosted Dinner

**Agenda - 6 February**
- 7:00 am - Hosted Breakfast
- 8:00 am - General Session
- 12:00 pm - Hosted lunch
- 1:00 pm - General Session
- 4:00 pm - Think Tank Ends

**Speakers:**
- Nelson Nash
- Mark Benson
- JJ Childers
- Mike Everett
- Mary Jo Irmen
- Carlos Lara
- Jayson Lowe
- Russ Morgan
- John Moriarty
- Robert Murphy
- James Neathery
- Jim Oliver
- David Stearns

**Subjects include:**
- Client: "Am I too old for IBC?"
- BYOB - Equipment Financing
- BYOB - Expanding the System to Accommodate All Income
- IBC and Estate Planning
- Neuroeconomics
- Farming Without the Bank
- IBC for Canadians
- IBC Work Shop

If you are a financial services industry professional, want to learn more about the *IBC Practitioners’ Program* and are interested in attending this year’s think tank, it’s not to late to enroll in the program and earn *IBC Practitioner Membership* status. Follow this link to learn how:
http://www.infinitebanking.org/practitioners-program or call David Stearns @ 205-276-2977