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Let Kids Buy What They Want

"Sweetheart, I think you're making a terrible decision. However, I am not going to stop you."

"Yay!"

That's from a not-too-long-ago escapade with my daughter, who was about to spend her money on what I honestly thought was dumb. Why, if she was making a mistake, didn't I stop her?

My kids get a weekly allowance of a few dollars, and we have, effectively, no restrictions on how they spend their money. Unless they want to spend it on something that will almost certainly hurt them or others – our name is on the mortgage after all – for the most part, we let them buy whatever they want as long as they have the money to pay for it.

We are working to help our children learn how to make good decisions by putting them in a position where they can make a lot of relatively low-stakes bad decisions. And even then, bad is in reference to our preferences, not necessarily what is bad in some cosmic sense.

Learning Is a Process

It's an approach to financial education, and education more generally. We unschool, perhaps not as radically as some, but we don't follow a set curriculum, and we let the kids follow their passions. What are their passions? Some days it's My Little Pony. Other days, dinosaurs. Maybe it's Minecraft roadblocks. What's important here is the search process.

We are teaching our children to make good decisions by giving them the opportunity to make less-good decisions. I can yell until I'm blue in the face about what I think is important. I can work to control what

they read, watch, eat, and so on. At this point, I should note that we do have things like a bedtime, but even then, the restrictions are few. Once in their rooms, the kids will usually play or read until they finally fall asleep. They also have jobs around the house, like unloading the dishwasher, which they are expected to do in order to get paid once payday rolls around.

It really started to click for us when I read a book called *The Opposite of Spoiled* and I came to realize the degree to which money is a teaching tool at this stage in our kids' lives as much as it is anything else. My hope is that by trusting them to make their own choices, and by being there to catch them when they fall, we will help our kids learn to choose wisely with respect to how they use their time, talents, and treasures.

There's also an interesting lesson in materialism and happiness in all of this. It's one thing to say to a kid, "You don't need that and it won't bring you lasting joy." It's something else entirely for them to enjoy the fleeting pleasure of one acquisition and then help them see how the joy didn't last long before they were on to the next thing without which their lives could not be complete.

Scarcity Is Real

There are also few things that help children appreciate the reality of scarcity like seeing that they chose to use their money to buy one thing, and now can't buy another.

Over time, and as the kids get older, we're going to help the kids know how much money they would have had if they saved everything instead of spending it on pins and Power Ranger swords and God knows what else.

It's a very Hayekian approach to learning. My hope

and expectation is that the kids will develop better habits through experiment, trial, and error than they would had I simply told them how they should choose, or if they had wanted this bauble or that trinket and I had simply said, "No, that's a waste of money and you'll not have it."

Our experience has seen them making decent choices now. Well, maybe not decent, but better than they used to.

Will the kids ultimately be wise financial decision-makers? Ask us in about 10 years, but we're optimistic.

Art Carden is an Associate Professor of Economics at Samford University's Brock School of Business. In addition, he is a Senior Research Fellow with the Institute for Faith, Work, and Economics, a Senior Fellow with the Beacon Center of Tennessee, and a Research Fellow with the Independent Institute.

The Right of Self-Determination

By Ludwig von Mises

It has already been pointed out that a country can enjoy domestic peace only when a democratic constitution provides the guarantee that the adjustment of the government to the will of the citizens can take place without friction. Nothing else is required than the consistent application of the same principle in order to assure international peace as well.

The liberals of an earlier age thought that the peoples of the world were peaceable by nature and that only monarchs desire war in order to increase their power and wealth by the conquest of provinces. They believed, therefore, that to assure lasting peace it was sufficient to replace the rule of dynastic princes by governments dependent on the people. If a democratic republic finds that its existing boundaries, as shaped by the course of history before the transition to liberalism, no longer correspond to the political wishes of the people, they must be peacefully changed to conform to the results of a plebiscite expressing the people's will. It must always be possible to shift the boundaries of the state if the will of the inhabitants of an area to attach themselves to a state other than the

one to which they presently belong has made itself clearly known. In the seventeenth and eighteenth centuries, the Russian Czars incorporated into their empire large areas whose population had never felt the desire to belong to the Russian state. Even if the Russian Empire had adopted a completely democratic constitution, the wishes of the inhabitants of these territories would not have been satisfied, because they simply did not desire to associate themselves in any bond of political union with the Russians. Their democratic demand was: freedom from the Russian Empire; the formation of an independent Poland, Finland, Latvia, Lithuania, etc. The fact that these demands and similar ones on the part of other peoples (e.g., the Italians, the Germans in Schleswig-Holstein, the Slavs in the Hapsburg Empire) could be satisfied only by recourse to arms was the most important cause of all the wars that have been fought in Europe since the Congress of Vienna.

The right of self-determination in regard to the question of membership in a state thus means: whenever the inhabitants of a particular territory, whether it be a single village, a whole district, or a series of adjacent districts, make it known, by a freely conducted plebiscite, that they no longer wish to remain united to the state to which they belong at the time, but wish either to form an independent state or to attach themselves to some other state, their wishes are to be respected and complied with. This is the only feasible and effective way of preventing revolutions and civil and international wars.

To call this right of self-determination the "right of self-determination of nations" is to misunderstand it. It is not the right of self-determination of a delimited national unit, but the right of the inhabitants of every territory to decide on the state to which they wish to belong. This misunderstanding is even more grievous when the expression "self-determination of nations" is taken to mean that a national state has the right to detach and incorporate into itself against the will of the inhabitants parts of the nation that belong to the territory of another state. It is in terms of the right of self-determination of nations understood in this sense that the Italian Fascists seek to justify their demand

that the canton Tessin and parts of other cantons be detached from Switzerland and united to Italy, even though the inhabitants of these cantons have no such desire. A similar position is taken by some of the advocates of Pan-Germanism in regard to German Switzerland and the Netherlands.

However, the right of self-determination of which we speak is not the right of self-determination of nations, but rather the right of self-determination of the inhabitants of every territory large enough to form an independent administrative unit. If it were in any way possible to grant this right of self-determination to every individual person, it would have to be done. This is impracticable only because of compelling technical considerations, which make it necessary that a region be governed as a single administrative unit and that the right of self-determination be restricted to the will of the majority of the inhabitants of areas large enough to count as territorial units in the administration of the country.

So far as the right of self-determination was given effect at all, and wherever it would have been permitted to take effect, in the nineteenth and twentieth centuries, it led or would have led to the formation of states composed of a single nationality (i.e., people speaking the same language) and to the dissolution of states composed of several nationalities, but only as a consequence of the free choice of those entitled to participate in the plebiscite. The formation of states comprising all the members of a national group was the result of the exercise of the right of self-determination, not its purpose. If some members of a nation feel happier politically independent than as a part of a state composed of all the members of the same linguistic group, one may, of course, attempt to change their political ideas by persuasion in order to win them over to the principle of nationality, according to which all members of the same linguistic group should form a single, independent state. If, however, one seeks to determine their political fate against their will by appealing to an alleged higher right of the nation, one violates the right of self-determination no less effectively than by practicing any other form of oppression. A partition of

Switzerland among Germany, France, and Italy, even if it were performed exactly according to linguistic boundaries, would be just as gross a violation of the right of self-determination as was the partition of Poland.

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

Ludwig von Mises was the acknowledged leader of the Austrian School of economic thought, a prodigious originator in economic theory, and a prolific author. Mises's writings and lectures encompassed economic theory, history, epistemology, government, and political philosophy. His contributions to economic theory include important clarifications on the quantity theory of money, the theory of the trade cycle, the integration of monetary theory with economic theory in general, and a demonstration that socialism must fail because it cannot solve the problem of economic calculation. Mises was the first scholar to recognize that economics is part of a larger science in human action, a science that he called "praxeology."

[Comment by R. Nelson Nash -- But, even in the hostile economic environment in which we find ourselves today one can secede from the system by adopting – and practicing *The Infinite Banking Concept* as taught by the **NELSON NASH INSTITUTE**. Visit \[www.infinitebanking.org\]\(http://www.infinitebanking.org\) to learn more.](#)

The Problem With Socialism

By Thomas DiLorenzo

A quarter of a century after the spectacular collapse of socialism in the Soviet empire, a large segment of the “millennial” generation (those born between 1982 and 2004) thinks socialism should be the wave of their future. A 2016 Pew Foundation poll found that 69 percent of voters under the age of 30 expressed “a willingness to vote for a socialist president,” and a 2015 “YouGov.com” poll revealed that 43 percent of young Americans between 18 had 29 had a “favorable” opinion of socialism” and prefer it to capitalism. Who says the public schools aren’t teaching the kids anything these days?

A very large segment of the younger generation obviously finds promises of “free” education, health care, and groceries promised by socialist political demagogues like Bernie Sanders and Hillary Clinton to be quite appealing. Just as obvious is that they are oblivious to the fact that socialism would destroy their economic future, and their children’s future, and strip them of their freedom, just as it has done wherever else it has been imposed.

This is why I have written my latest book, released today, entitled *The Problem with Socialism*. My hope is that it will be viewed as a companion to Henry Hazlitt’s classic *Economics in One Lesson*, and I have tried my best to write it in a similar style (although no one can really match the great Hazlitt).

Following Mises and Hayek, I define “socialism” not just as “government ownership of the means of production.” As Hayek wrote in the 1976 edition of *The Road to Serfdom*, “socialism” evolved by that time to also mean government-enforced redistribution of income through the welfare state and the progressive income tax, primarily. The ostensible end of socialism – income equality – remains the same, but the means have evolved.

In addition, as Mises wrote in his own classic on *Socialism*, socialists have always employed a dual strategy: 1) nationalize as much private property as possible; and 2) “destruction” or the destruction of as much of the private property/free enterprise society as possible with taxes, regulation, inflation — whatever will work. Consequently, my sixteen-chapter book covers a lot more topics than just the economic arguments against socialism as pioneered by Mises, Rothbard, Hayek, and others, as seen in the following list of chapters:

1. The Problem with Socialism
2. Why Socialism is Always and Everywhere an Economic Disaster
3. Egalitarianism versus Human Reality
4. Islands of Socialism: The Follies of Government Enterprise
5. Why “The Worst” Rise to the Top Under

Socialism

6. The Socialist Roots of Fascism
7. The Myth of Successful Scandinavian Socialism
8. How Welfare Harms the Poor
9. How Socialized Medicine Kills the Patient and Robs the Taxpayer
10. How Socialism Causes Pollution
11. Karl Marx’s “Progressive” Income Tax
12. Minimum Wage, Maximum Folly
13. How Socialist Regulation Makes Monopolies
14. Destroying Capitalism by Socializing Capital
15. Is Socialism Really the Best Way to Organize Schools?
16. Socialist Myths and Superstitions about Capitalism.

Parents with college-age children who are concerned about the pervasive, politically correct brainwashing that their children are about to be exposed to should consider having them read *The Problem with Socialism* along with *Economics in One Lesson*. At that point, they will be prepared to become daily readers of mises.org and LewRockwell.com and will at least have a chance of becoming economically-educated citizens and not another generation of dupes and pawns of the state.

Thomas J. DiLorenzo is professor of economics at Loyola University Maryland and the author of *The Real Lincoln; How Capitalism Saved America; Lincoln Unmasked; Hamilton’s Curse; Organized Crime: The Unvarnished Truth About Government*; and most recently, *The Problem With Socialism*.

Comment by R. Nelson Nash — Many of you are aware of my great admiration for the writings of Tom. This is a man who is not afraid to tell the truth and he does it in a very effective style. Tom says, “My hope is that it will be viewed as a companion to Henry Hazlitt’s classic *Economics in One Lesson*, and I have tried my best to write it in a similar style (although no one can really match the

great Hazlitt).

This is an extraordinary book. I urge you to buy it in large quantities and sell them to everyone you know. They all need to know what has happened to our country as well as the rest of the world. As a companion book, read Clarence Carson's, *The World in the Grip of an Idea* (if you can find it). By all means read *The Great Utopian Delusion* by Paul Cleveland and L Dwayne Barney. Their book is available on our website.

Why We Need Profits

by Jakub Bozydar Wisniewski

Monetary profit isn't the only kind of profit, and people may do many things for psychic profit. Nevertheless, in a complex and industrialized world, monetary profit is essential in building sustainable economies.

It is relatively easy to understand and appreciate the benefits of direct cooperation. The value of familial gift-giving, mutual help between friends, and barter exchange is typically obvious enough even to the economically untrained mind. However, as social cooperation reaches ever more complex levels, its character becomes increasingly abstract, and, in intellectual terms, its proper appreciation becomes increasingly demanding.

The Benefits of Monetary Profit

One of the most important tools of such advanced cooperation is monetary profit. As explained by Ludwig von Mises, it fulfills a number of functions that make it an indispensable guide for creating social value in an environment characterized by highly diverse preferences, high transaction costs, and a high degree of interpersonal anonymity. It alerts producers to unsatisfied consumer demand. It provides a uniform scale of exchange value that allows for sound cost accounting. It motivates successful entrepreneurs to become ever more productive. In sum, it is the central nexus of the intricate evaluative process that makes complex social cooperation possible, or, to paraphrase Frédéric Bastiat, makes the world fed. And it can serve as such only when all individuals are completely free to appraise various goods and services and reward

others for their successful provision.

The above is difficult to grasp fully even as a set of purely economic statements. But what may further add to the difficulty is that those statements seem to militate against certain deeply ingrained moral prejudices. For one, accumulation of monetary profits easily attracts accusations of "acquisitiveness" and "greed." While it is easy to think of such accusations as well-meaning moral admonitions, they actually betray a very naïve vision of morality, one that completely ignores the realities of extended social cooperation. Such cooperation enables but also requires high productivity, which requires sustained capital accumulation, which, in turn, requires prudence and thrift — that is, saving and investing one's hard-earned profits rather than spending them in acts of reckless consumption or equally reckless "magnanimity."

Furthermore, extended social cooperation is typically characterized by a high degree of dynamism, which breeds both opportunity and the corresponding uncertainty. Holding on to a substantial part of one's profits is what makes such uncertainty manageable by providing a crucial margin of safety to one's long-term business plans. In other words, far from being an expression of acquisitiveness and greed, profit accumulation in a free market economy is a crucial indication of practical wisdom applied to complex productive processes.

Monetary Profit Isn't the Only Kind of Profit — But It's Very Important

Focusing on making profits is also often accused of promoting the instrumental treatment of others. This, again, betrays a morally naïve understanding of advanced social cooperation. Profit-driven entrepreneurs are no more likely to treat their collaborators and customers instrumentally than, say, members of families or groups of friends. The latter treat their dear ones and their company as "instruments" for the attainment of direct psychological satisfaction. The ultimate goal of the former is also some form of psychological satisfaction, be it familial or otherwise, but since they operate in a

highly complex environment of economic uncertainty, recourse scarcity, and preference heterogeneity, they need to rely on quantitatively precise signals to guide their actions. And these signals, as described earlier, can be provided only by monetary profits and losses. These economic tools, far from instrumentalizing the participants of market transactions, are but instruments themselves. In addition, the most profitable market enterprises are precisely those whose owners derive direct satisfaction from creating social value, and their profitability is the ultimate confirmation that they are successful in this regard. In other words, the only way in which they can successfully use their associates and clients as instruments is to treat them as ends in themselves. Thus, an economically informed and morally mature understanding of the phenomenon of entrepreneurial profit collapses the distinction between instrumental and intrinsic value.

Finally, the uniform scale of exchange value provided by the profit-and-loss system allows for objective comparisons of wealth generated by the business success of particular individuals and their enterprises. In this way, a complex monetary economy generates the amount of envy that is unlikely to exist in a barter or gift economy, and envy is an inexhaustible source of moralistic accusations. The obvious thing that must be said in this context is that envy is a vice that must not be appeased, and that the same environment that seems so conducive to its proliferation is perhaps also the only environment in which it can be successfully confronted and overcome by its victims. After all, the more you are afflicted by a disease, the more incentive you have to identify and eliminate its causes, even if you are likely to make many misidentifications along the way.

Within the framework of a free society, the profitable is the good and the good is the profitable. However, understanding and appreciating this fact requires letting go of a naïve vision of morality that is wholly inadequate in the context of extended social cooperation, which, in turn, can be properly appreciated only through sound economic education.

Why Is School Compulsory?

By Kevin Currie-Knight

School has nothing to do with freedom. First, there are state laws mandating that you have either attended school or have learned the very specific kinds of things you'd learn in school. That form of education is not a choice: it is legally compulsory.

But schooling is culturally compulsory as well. That's what Austrian philosopher and Roman Catholic priest Ivan Illich said.

Illich was a critic of state education systems who, in 1970, wrote a now celebrated book called *Deschooling Society*, in which he boldly argued that, like the separation of church and state, we need a corresponding right protecting people from state establishment of education. He suggested that the article should read, "The State shall make no law with respect to the establishment of education."

School became culturally mandatory.

But his point didn't end there. Illich recognized that preventing the state from making school compulsory might not be enough. We live in a society where even if schooling weren't legally compulsory, we've grown to think of it as the only legitimate path to adulthood. In other words, schooling (or something like it) is not only legally mandatory, but it is culturally mandatory.

After Illich proposed this separating-school-from-state amendment, he suggested that it might have to be accompanied by a "law forbidding discrimination in hiring, voting, or admission to centers of learning based on previous attendance at some curriculum."

Unfree Minds

Think of it this way: even if schooling were not legally compulsory, if you live in a society where employers and others expect to see a school transcript as a condition of employment or of membership, or where the common question posed to children is "What did you learn in school today?" then most people will see school as the path to becoming an adult.

Despite the title of Illich's book, his end goal wasn't

the abolition of schools. At several points, he makes it clear that school is fine as an option for people who want it. His concern was that the legal establishment of schooling leads to the idea that the only way to learn the necessary skills for adulthood is through schools. Twelve-plus years of math and English, of grades and grade point averages. That schooling.

Mandatory becomes universal, and universal becomes inevitable.

How have we succumbed to such a narrow understanding of education? Simply put, when anything is legally mandatory, it becomes universal, and when anything is universal for long enough, the culture forgets that there were ever any alternatives.

Step 1: Pass Laws

Public school advocates in the early 19th century like Horace Mann and Henry Barnard sought to create tax-funded public school systems in the states that, because they wouldn't charge tuition, would outcompete private schools. Eventually, reformers pushed for laws making school attendance mandatory in all states (Massachusetts was first in 1851, and Alabama was the last in 1918).

In the early 1900's reformers also succeeded in mandating all teachers (at least in public schools) must pass through state-approved teacher education programs. As historian Diane Ravitch describes, "Teacher certification eventually came to be identified with the completion of teacher education programs rather than with the receipt of local certificates or the passing of subject-matter examinations."

The result was that, by the early 20th century, each state had laws mandating that the proper path to adulthood was to go through a set amount of schooling, and while one could go to a state-approved private school if one could pay tuition, the obvious choice for most was the local ("free") public school — which only hired teachers who passed state licensing requirements.

Step 2: The Culture Conforms

Those legal requirements have cultural effects. Colleges and jobs that don't require college degrees

grow to expect or require high school transcripts as part of the application process. And culturally, we come to see schooling as a normal part of childhood — any parent out with their child during a school day can expect to hear, "Shouldn't she be in school?"

The question "How old are you?" has been all but replaced with "What grade are you in?" Suzy isn't 11 or 12; she's a sixth grader.

Homeschooling and unschooling are on the rise, but even then, many states (like Louisiana, Maine, and New York) set strict guidelines on how homeschooling may or may not be done, including what subjects must be taught and annual testing of students that resembles testing done in public schools.

Culturally, the current model of K–12 schooling is so entrenched that homeschooling and unschooling are often criticized for not properly "socializing" children, the assumption being that the proper socialization is the kind found in schools.

Deschooling Culture

When Illich called the first chapter of his book "Why We Must Disestablish Schools," he meant disestablish in two senses. Legally, he argued that there should be no compulsory schooling laws or state licensing laws for teachers that, as he said "constitutes a form of market manipulation and is plausible only to a schooled mind."

But he also wanted to see a world in which companies no longer require school transcripts for hiring, a world without the cultural expectation that the only or best path to adulthood is through formal schools. School should be one educational option among many: apprenticeships, individual or group tutoring, and any other educational structure human minds can create. But schooling should not be the culturally privileged default option.

Kevin Currie-Knight teaches in East Carolina University's Department of Special Education, Foundations, and Research. His website is KevinCK.net. He is a member of the FEE Faculty Network.

Nordic Socialism Isn't the Answer for America

by Nima Sanandaji

The new American Dream is to be found in Denmark, at least according to the American left. As the support for free markets is falling, many Americans turn to the vision of introducing democratic socialism, inspired by the Nordic countries. It was the quest of introducing a Nordic-style welfare model that propelled Bernie Sanders, an unlikely candidate, to compete with the much more well-funded and connected candidate Hillary Clinton for months in the Democrat primary. However, the aim of introducing a Nordic-style welfare model is also shared by Clinton, who will run against Trump in the coming presidential race. Ezra Klein, editor of the liberal news website Vox, has explained, "Clinton and Sanders both want to make America look a lot more like Denmark – they both want to pass generous parental leave policies, let the government bargain down drug prices, and strengthen the social safety net."

Out with the Old

Turning towards democratic socialism is a major course change in American politics. Turning towards democratic socialism is a major course change in American politics. For a long time, Americans have favored small governments and free markets over a generous welfare state. However, opinions are changing. A recent Harvard University study shows that a significant share of the American youth have lost faith in the free market system. Merely 38 percent of Americans in the age group 18-34 support capitalism. This is only slightly higher than the 33 percent who support socialism. As a contrast, amongst the middle age generation (50-64 years), fully 52 percent are in favor of capitalism while only 15 percent prefer socialism. Amongst those over 65, as few as 7 percent support socialism, while 60 percent believe in capitalism.

The same poll showed that Bernie Sanders, the self-proclaimed socialist, was by far the most favorable candidate among young Americans. A majority of 54

percent had a favorable view of Sanders, compared to 37 percent for Hillary Clinton and as few as 17 percent for Donald Trump.

Bernie Sanders, who joined the Democratic Party in 2015 after having been the longest-serving independent in US congressional history, used to be an old-fashioned socialist. His recent popularity owes to a clever shift in rhetoric, wherein Sanders explains that he doesn't believe in socialism in general, but rather Nordic-style democratic socialism in particular.

Tried, and Failed

These days, it is difficult to generate enthusiasm about pure socialism. The system has failed, leading to human misery on a wide scale in every country in which it has been introduced. The Soviet Union, Cuba, Venezuela, and North Korea are hardly positive role models. China, the last major socialist country, has in many ways transitioned to a capitalist economy. A less radical idea that is gaining ground is democratic socialism.

Will the American Dream of equality, social mobility, and lower poverty be strengthened in such a system? Democratic socialism is becoming increasingly popular amongst the Left in the United States. An important reason is that positive role models exist. In fact, a number of countries with social democratic policies – namely, the Nordic nations – have seemingly become everything that the Left would like America to be: prosperous yet equal and with good social outcomes. Bernie Sanders himself has explained, "I think we should look to countries like Denmark, like Sweden and Norway and learn from what they have accomplished for their working people."

Is it likely that the US will become more equal, prosperous, and better prepared to face social challenges if democratic socialism is introduced? Will the American Dream of social mobility be strengthened in such a system? Will Americans benefit from longer life spans and lower poverty if they adapt Nordic-style welfare models? According to Bernie Sanders, Democrat activists, left-of center intellectuals, and journalists, the answer seems to be yes. However, as I

show in my new book *Debunking Utopia – Exposing the Myth of Nordic Socialism*, much of this is built upon misconceptions about Nordic societies:

- Yes, it is true that Nordic societies combine high living standards with large welfare states. However, numerous studies show that the high tax systems significantly impede the living standard in these countries. Nordic countries compensate for large public sectors by having strong working ethics and adapting market-friendly reforms in other fields. The lesson for America certainly isn't that higher taxes will create more prosperity, but rather the opposite.
- Nordic societies did not become successful after introducing large welfare states. They were economically and socially uniquely successful already in the mid-20th century, when they combined low taxes and small welfare states with free-market systems.
- The root of the high levels of equality, the economic prosperity, the high levels of trust and other advantageous social features of the Nordics seem to be a unique culture rather than unique policies. After all, Spain, Italy, and France also have large welfare states, built upon the ideals of democratic socialism. Why doesn't the American left believe that US society would evolve to resemble Southern Europe after introducing a large welfare state?
- Over time, the generous welfare states of Nordic nations have created massive welfare dependency, gradually eroding the strong norms of responsibility that undermine the region's success. This, combined with the growth-reducing effects of a large state, explains why Nordic countries have gradually, over the past decades, moved towards less-generous welfare, market reforms, and tax cuts.
- The combination of open borders, high taxes, and generous welfare systems has been anything but a success in Sweden. The open-border policies that Sweden experimented with in 2015 lead to a massive influx of new arrivals, who are finding it

very difficult to integrate in the country. The result is massive social tension and increasing poverty. Countries such as the US, Canada, Australia, New Zealand, and even the UK are much better at integrating the foreign-born in their labor markets.

Lastly, while the idea of Nordic-style democratic socialism is all the rage among the left in the US and other countries, in the Nordic countries themselves social democracy has never been weaker than today. In Denmark, the social democrats themselves have introduced massive market reforms and called for a much slimmer welfare state. In Sweden, the only one of the Nordic countries to currently be led by a center-left government, the Social Democrats are polling their lowest support in modern times.

In a time when the American left – and, for that matter, much of the global left – are enthusiastically pushing for a Nordic-style democratic socialism, perhaps it is worth knowing more about the strengths and shortcomings of the system?

Nima Sanandaji is a research fellow at CPS, and the author of *Scandinavian Unexceptionalism* available from the Institute of Economic Affairs.

This article first appeared on FEE.org.

Comment by R. Nelson Nash — For a amplified explanation of the failure of the Nordic nations experiment with socialism I recommend that you read historian Paul Johnson's *Modern Times* (Revised Edition) published in 1983. Begin reading on page 604. As Nima Sanandaj pointed out "Nordic-style democratic socialism" is all the rage among the left ... (currently). Paul Johnson's book was written in 1983. That is 33 years ago! Surely his insight did not appear suddenly at that time! But, once a fallacious idea is implanted in the mind of a socialist it is almost impossible for them to see the truth. History demonstrates this fact conclusively.

VISION

By Leonard E. Read

Note - Frequent readers of BANKNOTES are aware of my relationship with Leonard E. Read and my admiration for his works during his lifetime. In the following issues I will be sharing his book, VISION, one chapter per month. It was written in 1978. What a privilege it was for me to know this great man! – R. Nelson Nash

Chapter 14

THIS TIDE OF UNREASON

Let us not dream that reason can ever be popular. Passions, emotions, may be made popular, but reason remains ever the property of the few.
-GOETHE

For striking evidence that reason is less popular than are passions and emotions, read a book by Andrew Dickson White, a professor of history at the University of Michigan and later co-founder and first President of Cornell University. One of his specialities was the French Revolutionary period and its monetary nonsense.

White, as President of Cornell, delivered a speech entitled, "Fiat Money Inflation in France," before the Senate and the House of the U. S. Congress. The next day, April 13, 1876, he repeated it at the Union League Club, New York City. This scholar and diplomat continued to study and elaborate on that speech and in 1912 it appeared as a small book by that same title and "for private use only." A new edition was issued by the Los Angeles Chamber of Commerce in the early forties when I was General Manager, and numerous printings have been undertaken by FEE.¹

What follows is a commentary on a single paragraph from White's book which, if carefully reflected upon, has a lesson for the few who reason:

Singular, that the man who stood so fearlessly against *this tide of unreason* has left to the world simply a reputation as the most brilliant cook that ever existed!

The man referred to was Brillat-Savarin (1755-1826). This Frenchman lived in Bresse, a rich and fertile region in eastern France. He was, as any well-read gastronome will concede, the founder of modern cooking. Of his numerous talents, this art was his lifetime love. Not only was he the ingenious innovator of countless, delectable dishes but he spent his adult life putting his recipes into instructive, witty words and phrasings. His book, *La Physiologie de gout*, was released in 1824, a year before he passed away.

Mrs. M. F. K. Fisher, a distinguished writer and cook herself, wrote a 469-page book, featuring the innovations of this Frenchman, her title being a translation of his: *The Physiology of Taste*.² Not only have I read the book but I have dined in Bresse where I savored Poularde de Bresse en Creme—one of Brillat-Savarin's recipes and what a chicken dish!

Brillat-Savarin was an innovative, inventive genius of the culinary art—a bright star in his field, comparable to Edison and Kettering in theirs. And, like these two inventors, he was a true devotee of the freedom way of life. Further, this star of my theme was also a lawyer, an economist, and a member of the National Assembly during the French Revolutionary period.

It was during this period that Mirabeau, a great orator and hero of the masses, urged yet another enormous issue of assignats—paper money "secured" by confiscated Catholic church properties, which comprised more than one-fourth of all the land in France. Of course, the assignats were irredeemable legal tender, as is our paper currency.

Brillat-Savarin, responding to Mirabeau's proposal, "called attention to the depreciation of assignats already felt. He tried to make the Assembly see that *natural laws work as inexorably in France as elsewhere*; he predicted that if this new issue were made, there would come a depreciation of thirty per cent." White then refers to Brillat-Savarin as "the man who so fearlessly stood against *this tide of unreason*."

Right now we in the U.S.A. are faced with a tide of unreason on the rampage. Natural law works as inexorably here as in France or elsewhere; our legal tender, like the assignats of yore, is suffering the same

fate and for the same reason: passions, emotions, expediency. As did Mirabeau, many know better but yield to temptation-popular or political. Spineless!

Thank heaven, there are the few, in and out of office, who, as Brillat-Savarin, stand against our tide of unreason. Goethe was so right: "... reason remains ever the property of the few."

The question is, will our few exemplars stand as models for future generations? Will their righteousness grace not only this generation but also our progeny? The answer is assuredly affirmative, for every action-good or evil-casts its light or darkness into the days and months and years ahead, dwindling or intensifying as time goes on.

Brillat-Savarin's righteousness-"the man who stood so fearlessly against this tide of unreason" -was no more sacrosanct than the righteousness of a few others in the National Assembly. Yet, the glorious stature of those others is all but forgotten-dwindled away-while his example is still aglow, a light in today's darkness. Why his and not the others? Answer this question and the few righteous ones of our time will possess a guideline to brighten the lives of future generations.

I feel certain that Andrew Dickson White would no more have singled out-highlighted, dramatized-Brillat-Savarin than one or two others in the National Assembly had it not been for that Frenchman's *excellence* as an innovator of cooking and his consequent reputation as a gastronomical genius. A reputation for excellence in anyone of countless fields carries with it a drawing power; it attracts listeners not only in one's own time but into the future.

Observe the tendency of the masses to accept any opinion voiced by those who have the reputation of being the greatest in anyone endeavor, be it football, baseball or whatever. For instance, there are virtuosic orators such as Cicero, or William Jennings Bryan, or some other. Millions listened to them in their time and ever so many know of their messages today. And it makes not one whit of difference whether or not the ideological views be buncombe or wisdom. A reputation for excellence has an unbelievable thrust to it, regardless of wisdom or nonsense.

Finally, what does this mean for our few who stand ramrod straight for the private ownership, free market, limited government way of life? If their ideas are to bear fruit in the future and have more attraction than the famous who father babble and ignoble notions, they must gain a reputation for excellence. Let it be in oratory or writing or fearlessness or cooking or whatever most nearly approximates their uniqueness.

As Goethe wrote, "... reason can never be popular." Nor can being right! May our few who achieve excellence side with Henry Clay: ""I would rather be right than be president." President Lincoln gave us a good guideline to achieve excellence:

Let us have a faith that right makes might, and in that faith, let us to the end, dare to do our duty, as we understand it.

¹ Available in paperback from FEE.

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**Nelson's Newly Added Book
Recommendations**
<https://infinitebanking.org/books/>

The Problem With Socialism by Thomas DiLorenzo

*Closing of the American Mind: How Higher
Education Has Failed Democracy and Impoverished
the Souls of Today's Students* by Allan Bloom

Nelson's Favorite Quotes

When a candidate for public office faces the voters he does not face men of sense; he faces a mob of men whose chief distinguishing mark is the fact that they are quite incapable of weighing ideas, or even of comprehending any save the most elemental...

So confronted, the candidate must either bark with the pack, or count himself lost. His one aim is to disarm suspicion, to arouse confidence in his orthodoxy, to avoid challenge. ...

All the odds are on the man who is, intrinsically, the most devious and mediocre — the man who can most easily adeptly disperse the notion that his mind is a virtual vacuum.

The Presidency tends, year by year, to go to such men.

As democracy is perfected, the office represents, more and more closely, the inner soul of the people.

We move toward a lofty ideal.

On some great and glorious day the plain folks of the land will reach their heart's desire at last, and the White House will be adorned by a downright moron.

– H.L. Mencken, July 26, 1920

Nelson's Live Seminars & Events for August & September 2016 <http://infinitebanking.org/seminars/>

Brentwood, TN - Nelson Nash Live Seminar
August 13, 2016 Contact Paige McKechnie for attendance information: 615.593.7845 or paige@threeccorp.com

Uniondale, Long Island - Nelson Nash Live Seminar
August 20, 2016 Contact Alan Blecker for attendance information: Mobile: 914-413-1793; Office: 201-962-7173 or Alan@AlanBleckerCPA.com

Sacramento, CA - Nelson Nash Live Seminar
September 9-10, 2016 Contact Kaye Lynn for registration information: ff@kayelynn.com 916-806-1214

Nelson Nash Live "Becoming Your Own Banker" Seminar in Red Deer, Alberta.
September 17, 2016 Contact Dale Moffitt for registration information: 403-872-7135
Dale@macdevfinancial.com

Nelson Nash - 8 HR - Live Seminar in Edmonton, Alberta.
September 24, 2016 Contact McGuire Financial Inc for registration information or go directly to www.McGuireFinancial.ca/infinite-banking to register. Or email to admin@mcguirefinancial.ca or marg.zacher@mcguirefinancial.ca
Edmonton - 780-462-1289 Calgary - 403.538.6898
Toll Free 1.877.364.8204

Nelson Live in Lawrence, KS
September 3- - October 1, 2016 Contact the event sponsor for registration information: Michael Everett, michaelkeverett@gmail.com 785-760-3189

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

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

- Jayson Lowe - Edmonton, Alberta
- Russ Bragg - Jamison, Pennsylvania
- Patrick Donohoe - Salt Lake City, Utah
- Jason Breit - Melville, New York
- Tony Coccarelli - Richardson, Texas
- Melany Newsham - Edmonton, Alberta
- Scott Guldin - North Huntingdon, Pennsylvania
- Harry Smallwood - Columbus, Ohio

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.



We are excited to share the new website
Lara-Murphy.com.

With the site, Carlos Lara and Dr. Robert Murphy have expanded their unique Austrian economic message found in their monthly newsletter, the *LMR*.

Personally, I most enjoy their online weekly Podcasts and want to share the Podcast link with you.

Let us know what you think!

