



BANKNOTES

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There's No Such Thing as Excessive Profits

Problems with a "Fair Rate of Return"

By Robert P. Murphy

If you want to do business in Venezuela, you will have to let the government do your bookkeeping to make sure you aren't making too much. Venezuelan president Nicolás Maduro's decree, called the "Organic Law of Fair Prices," sets a maximum "fair" profit at 30 percent of costs.

Besides the practical problems of implementing such a measure, the ceiling rests on a basic misconception: the idea that there is such a thing as "fair" or "excessive" profits misunderstands the function of profit — and loss — in a market economy.

To bemoan a capitalist earning high profits is like complaining about a surgeon saving too many lives.

The Profit-and-Loss Test

The great Austrian economist Ludwig von Mises cherished the market process because he thought it was a wonderful institution for using the world's scarce resources in the way that best serves consumers. The market prices of various resources, from labor hours to tons of iron to acres of farmland, show entrepreneurs how valuable those resources are in the most valuable activity — as judged by the spending decisions of consumers — and thus provide the right incentives to deploy them rationally.

As I detail in my new book on Misesian thought, *Choice: Cooperation, Enterprise, and Human Action*, we can understand Mises's perspective by imagining

a silly scenario where a building contractor decides to coat apartment interiors with solid gold. Surely tenants would be willing to pay a lot more in rent if their apartment had gold-coated countertops. So why would this be a foolish move for our entrepreneur?

The answer, of course, is that even though revenues might be much higher, the use of gold would drive the monetary costs of the project higher still. The decision to start using large amounts of gold would transform the previously profitable operation into a loser.

Ultimately, value is subjective, so maybe the entrepreneur would go forward with his plan. Perhaps it's a publicity stunt, or perhaps he wants to use some of his personal wealth to take a public stand for sound money. Nonetheless, his accountant would inform him of the *monetary* implications of his plan. To the extent that the builder is in construction in order to "make money," the market prices will guide him to abandon the foolish idea of coating apartments with gold.

Now here's the important element: notice that although the high market price of gold keeps it from being wasted in over-the-top apartment decoration, there are lines of production that can profitably use gold. For example, jewelers who sell necklaces can do a similar calculation and decide, "The extra amount my customers would be willing to pay for a gold necklace rather than, say, a silver necklace justifies the extra expense of putting gold into necklaces rather than silver."

Indeed, it *has* to be the case that *some* entrepreneur can ultimately afford to use a given resource, because

otherwise its owners couldn't make money from it. To paraphrase Yogi Berra, it wouldn't make sense to say of a resource, *Nobody uses that input anymore — it's too expensive.*

Perils of Cost-Plus Pricing

The great thing about Mises's view of profits is that his conception shines when we enter the world of dynamic uncertainty. The mathematical neoclassical models of "general equilibrium" are elegant, but they really only work well to describe a situation *once everything settles down.* Mises recognized the importance of profits in adjusting plans to reality.

In particular, if an investor makes an "above normal" rate of profit, it means that she anticipated future conditions better than others did. She recognized that in the original configuration, the market process was not correctly identifying the scarcity of certain inputs; they were too cheap. So this farsighted entrepreneur spotted the discrepancy and swooped in to reap the bargain. In the process, she bid up the prices of the too-cheap inputs and (by supplying more output down the road) pushed down the price of the too-expensive output.

In contrast, a static conception leads to absurdities such as recommending that local governments monopolize utilities like retail electricity providers and then allow their investors to earn a "fair" rate of return through cost-plus pricing.

The fundamental problem with this approach (from an economic perspective) is that it views "costs of production" as given. If a company knows that it can charge its "cost" plus a margin for profit, then there is no incentive to figure out ways of delivering megawatt-hours more cheaply.

Gaming the System

Here's another twist, which I just recently learned from an expert on energy markets: if the officially allowed profit margin is higher than the going rate of interest, then the owners of a publicly regulated utility can borrow to become leveraged, thus magnifying the actual rate of return their shareholders enjoy.

For example, suppose the government oversight board

allows the utility to earn 5 percent on its operation. But suppose the owners vote to have the utility issue bonds at 3 percent, and they raise as much outside debt as they themselves put into the company with their original investment. So if the utility is funded with, say, \$50 million from initial investors and \$50 million in bonds, then the regulators might think it satisfies the rule to let them earn a total of \$5 million in accounting profit. (That's a 5 percent return on the \$100 million put into the company.)

But after paying 3 percent to the bondholders on their loans of \$50 million (which is \$1.5 million), the owners of the utility are left with \$3.5 million of earnings, to be distributed on the basis of their out-of-pocket \$50 million investment. That's a 7 percent return, not the 5 percent return the public utility board *thought* it was bestowing.

The market process uses the tool of profit-and-loss accounting to steer entrepreneurs into economical decisions. Attempts to substitute another system for genuine capitalism will lead to unintended consequences.

Robert P. Murphy

Robert P. Murphy is author of *Choice: Cooperation, Enterprise, and Human Action* (Independent Institute, 2015).

Comment by R. Nelson Nash – This article first appeared in a publication by The Foundation for Economic Education.

No More "Free Trade" Treaties: It's Time for Genuine Free Trade

OCTOBER 7, 2015 — Ferghane Azihari & Louis Rouanet

It is erroneous to believe that free traders have been historically in favor of free trade agreements between governments. Paradoxically, the opposite is true. Curiously, many *laissez-faire* advocates fall into the government-made trap by supporting "free-trade" treaties. However, as Vilfredo Pareto stated in the article "Traité de commerce of the Nouveau

Dictionnaire d'Economie Politique" (1901):

If we accept free trade, treaties of commerce have no reason to exist as a goal. There is no need to have them since what they are meant to fix does not exist anymore, each nation letting come and go freely any commodity at its borders. This was the doctrine of J.B. Say and of all the French economic school until Michel Chevalier. It is the exact model Léon Say recently adopted. It was also the doctrine of the English economic school until Cobden. Cobden, by taking the responsibility of the 1860 treaty between France and England, moved closer to the revival of the odious policy of the treaties of reciprocity, and came close to forgetting the doctrine of political economy for which he had been, in the first part of his life, the intransigent advocate.

In 1859, the French liberal economist Michel Chevalier went to see Richard Cobden to propose a free trade treaty between France and England. For sure, this treaty, enacted in 1860, was a temporary success for free traders. What is less known however, is that at first, Cobden, in accordance with the free trade doctrine, refused to negotiate or sign any "free trade" treaty. His argument was that free trade should be unilateral, that it consists not in treaties but in complete freedom in international trade, regardless of where products come from.

Chevalier eventually succeeded in obtaining Cobden's support. But Cobden was puzzled by the complete secrecy surrounding the negotiations and, in a letter to Lord Palmerston, he attributed this secrecy to the "lack of courage" of the French government. Similarly, today, the lack of transparency concerning free trade negotiations is problematic and it is often hard to know what the content of a treaty will be.

Today, while some of these treaties are currently being negotiated, there are already examples of similar agreements enforced. One could refer to the General Agreement on Tariffs and Trade (GATT), the General Agreement on Trade in Services (GATS), the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) or more regional agreements like the North American Free Trade Agreement

(NAFTA) or the European Economic Area (EEA).

But why would protectionist governments who spend their time hampering markets by giving monopolies and other kinds of privileges at national level, open markets at the international level? The very fact that governments are negotiating in the name of free trade should be suspicious for any libertarian or true advocate of free trade.

Intergovernmental Agreements Enhance Government Power

Murray Rothbard opposed NAFTA and showed that what the Orwellians were calling a "free trade" agreement was in reality a means to cartelize and increase government control over the economy. Several clues lead us to the conclusion that protectionist policies often hide behind free trade agreements, for as Rothbard said, "genuine free trade doesn't require a treaty."

The first clue is the intergovernmental and top down approach. Intergovernmentalism is nothing more than a process governments use to mutualize their respective sovereignties in order to complete tasks they are not able to accomplish alone. Nation-states are entities which rarely give up power. When they finalize agreements, it is to *strengthen* their power, not to weaken it. On the contrary, free trade requires a decline of governments' regulatory power.

Also, free trade does not require interstate cooperation. On the contrary, free trade can be and has to be done unilaterally. As freedom of speech does not need international cooperation, freedom to trade with foreigners does not need governments and treaties. Similarly, our government should not rob their population with corporatist and protectionist policies just because others do. Anyone who believes in free trade does not fear unilateralism. The simple fact that bureaucrats and politicians do not conceive of the international economy outside of a legal frame settled by intergovernmental agreements is sufficient to show the mistrust they express toward individual freedom. This reinforces the conviction that these agreements are driven by mercantilist preoccupations rather than genuine free trade goals.

Extending Regulatory Control Beyond Your Own Borders

The second clue concerns the intense conflicts between governments on these agreements characterized by a high degree of technicality. History shows that multilateralism leads toward deadlock. The failure of the Doha Round is the cause of the proliferation of bilateral and regional initiatives. The contentious relations between governments come from the will of some states to dictate their norms to other countries' producers through an international harmonization process. But this is the exact opposite of free trade. As economic theory shows us, exchange and the division of labor is not based on equality and harmonization but rather on differences and inequality. Furthermore, the technicality and secrecy surrounding free-trade agreements favor mercantilism and protectionism to the extent that technical regulations are used to favor producers who are politically well connected.

The Trans Pacific Partnership (TPP) is a good illustration of this balance of power. It was at first an agreement between four countries (Brunei, New-Zealand, Singapore, and Chile.) which tried to resist some neighbors' commercial influence, especially China. Then the United States came and convinced more countries (Australia, Malaysia, Peru, Vietnam, Canada, Mexico, and Japan) to join the negotiations. Let's also notice that most of the countries invited are already bound by regional or bilateral agreements with the United States. China remains excluded from the process. This governmental drive toward regulatory hegemony is obviously the complete opposite of free trade. Indeed, free trade supposes letting consumers peacefully choose what products they want to promote rather than determining what is available through bureaucratic coercion.

Consolidation of Monopolies

The third clue concerns the vigor with which governments have tried over several decades to impose at the international level a more constraining legal framework for so-called "intellectual property." The first initiatives appear in 1883 and 1886 with the Paris Convention for the Protection of Industrial

Property and the Bern Convention for the Protection of Literary and Artistic Works. Amended several times during the twentieth century, the initiatives embrace, respectively, 176 and 168 states. These conventions are placed under the auspices of the World Intellectual Property Organization (WIPO), an international bureaucracy which joined the United Nations system in 1974. A turning point came in 1994 with the signature of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) administrated by the World Trade Organization (WTO). It is now incorporated as an essential part of the administration of international commerce and benefits from the WTO's sanction mechanisms.

In 2012 we endured a fresh attempt by our governments to reduce our freedom to create and share intellectual works with the Anti-Counterfeiting Trade Agreement (ACTA). And, if we look at the negotiations mandates of these trade agreements, we can see they all include a chapter on the reinforcement of "intellectual property" rights. Intellectual property has become a key concept of the international economy. But this must not hide its illegitimacy.

As Vilfredo Pareto remarked, "From the point of view of the protectionist, treaties of commerce are ... what is most important for a country's economic future." Each time a new "free trade" treaty is enacted, what is seen is the attenuation of tariff barriers, but what is not seen is the sneaky proliferation and harmonization of non-tariff barriers impeding free enterprise and creating monopolies at an international scale at the expense of the consumer. It's time for genuine free trade.

Comment by R. Nelson Nash – This article first appeared in a publication by The Mises Institute.

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 Six

SOLVING THE ENERGY CRISIS IS SIMPLE

The Delphic oracle said I was the wisest of all the Greeks. It is because that I alone of all the Greeks, know that I know nothing.—SOCRATES

The U.S.A. is faced with an energy crisis – no doubt about it. Countless thousands of bureaucrats, involved businessmen, “economists,” and others are advancing so-called solutions they “think” are right – no doubt about that! Except that nearly everyone overlooks the simple and only solution, otherwise, they all differ – no two alike.

Why are we in an energy crisis? It is because the “solutions” are founded on a false assumption, namely, “I know the answer.” For the truth, hear Thomas Alva Edison: “No one knows more than a millionth of one per cent of anything.” It’s these egotistical assumption that brought on the crisis and it’s these very same assumptions that will worsen rather than better the mess we’re in unless the simple remedy gains understanding.

The simple remedy? Both Socrates and Edison gave us the answer which, if followed, would read like this: “It is because I, among millions of Americans, am one who knows nothing and knows it.” It is necessary, however, that neither you nor I should be *alone* in the wise confession. Let there be a reasonable number of us and then, lo and behold, the miracle – the rescue – by that fantastic wisdom which exists *alone* in the free and unfettered market.

With the above as an introduction, let’s have a glance at the enormity of energy. No more than a glance is

possible for no one ever has or ever will assess it in totality. For instance, the energy we earthlings enjoy is generally assumed to have its origin in our star. According to my dictionary the sun is:

...the incandescent body of gases about which the earth and other planets revolve and which furnishes light, heat and energy for the solar system.

Here is another assumption which, until now, I had not questioned;

Although less than half of the earth’s sunlight entering the earth’s atmosphere reaches its surface, just 4 minutes of that solar input equals all the energy mankind consumes in an entire year.

Three questions pop into mind:

1. Isn’t it possible that there is something in Creation that precedes the sun as source? We don’t know one millionth of one per cent of anything, let alone this.
2. Are there not untold forms of energy beyond the range of solar energy?
3. Why has there not been a greater use of solar energy in the light present energy sources?

As a sampling of the thousand and one kinds of energy, reflect on electrical energy. There is not a person who is even aware of its many uses. They range from tiny services like electric toothbrushes and electric razors to such enormous outpourings of kilowatt-hours as in metal melting – steel, aluminum and the like.

Until 1864 the human voice could be transmitted the distance a shouter could be heard – about the length of a football field – at the speed that sound could travel. Now? Around the world in that time fraction of a second – at the speed of light. The phenomenon of electrical energy!

To repeat, electrical energy has a thousand and one uses and not a living person understands a single one of them. Why this bald assertion? *No one knows what electricity is!* Thus, where is the person who can solve our increasing electrical shortages? Wiseacres galore, but not one remotely wise enough! That should be self-evident.

The above is no more than a glance at the energy problem. Suppose someone were to write a book on all the forms he could bring to mind: Energy stored in such known fuels as gas, oil, coal, wood; magnetic energy, solar energy, gravitational forces, wind, waterpower, heat light, sound, electrical and chemical energy; nuclear energy, tension, motion, friction, animal power, human energy. Still, no more than a glance!

Countless kinds of energy supplement human energy, And note how variable the latter – from all sorts of physical exertions to such mental efforts as thinking and writing. No two persons are identical in this respect; indeed, each of us varies from day to day.

The only point I am attempting to emphasize is that no one has the slightest idea how, by himself, to solve the energy crisis, egotistical pretensions to the contrary notwithstanding ! Am I contending that the problem has no solution? No, the solution is so simple that nearly everyone ignores it.

Here are several thoughts that pave the way to the simple answer. Even though no one knows what electricity is, countless individuals with their tiny bits of expertise – when freely flowing – have discovered how to harness it. Likewise, no one really knows what solar energy is but the means of harnessing it have been discovered in a few minor instances. Why not on a larger scale? Because the government has intervened to the point that private effort is discouraged, leaving the wisdom of the market dormant.

To illustrate: Some years ago we had a water shortage along the Hudson River. Car washing, lawn sprinkling and the like were forbidden. Restaurants, short of special requests, were not allowed to serve a glass of water. Why that economic crisis? Government preempted – socialism – instead of the free market where the wisdom is.

Even more striking was an experience some months ago on the Monterrey Peninsula. In every bathroom were printed instructions: flush toilets only when absolutely necessary, confine showers to one minute, and so on. There we were on the shore of the world's largest body; the Pacific Ocean. A water shortage!

And for precisely the same reason as our water shortage on the Hudson.

The art of desalination has been known for several decades. However, the process lies largely dormant due to a preponderance of those who say, "I know the answer." They have convinced themselves and the masses that no other solutions than their won would be worth trying – blind leaders of the blind.

I am confident that if the market were trusted to operate, water would be abundantly available, not only along the Pacific Coast but miles inland as well, at a surprising low price. The wisdom on the market is far and more productive than can be mustered through planned coercion.

How explain the simple solution to the energy crisis: It's as simple as two times two is four.

In 1958 I wrote an article entitled, "I, Pencil." This explained that no person knows how to make such a simple thing as an ordinary wooden lead pencil. The article has since been distributed and read throughout the United States and other countries, without a single contradiction in all these years. In 1958 there were produced in our country 1,600,000,000 wooden lead pencils, despite the fact that not a person on earth had the combination of knowledge and skill to make one!

It may be true that no one knows more than one millionth of one per cent of anything. But a pencil consists of many millions of *some things* – tiny bits of expertise – flowing and configuring. The free and unfettered market has indeed a wisdom trillions of times greater than the wisdom of one who claims, "I know the answer."

The making of a pencil is a simple operation compared to the desalination of water or to any of the major phases of our so-called energy problems. So, leave the solution to the market where the wisdom is.

Socrates' secret was the knowledge that he didn't know everything. Therefore, let us recognize with him the vital possibility that everyone knows a fraction of this or that. However tiny one's portion may be, let it be freely productive, for in freedom do we best serve ourselves and others.

Thanksgiving Is a Celebration of Free Enterprise

November 26, 2015 Judy Thommesen

[Every year at Thanksgiving-time I resurrect a column written by a fellow teacher, Kent Dillon, about the real reason we celebrate this holiday. It is a story no longer told in the textbooks because it is thoroughly unPC, and undermines the idea that government is the solver of all problems. We were teachers, as well as part of the crew, at The Flint School, a private, academic boarding school aboard two large sailing ships, and we used the world as a campus. Kent wrote this for the students' parents 45 years ago, so they would know what their children were learning and experiencing.]

Thanksgiving Day was a special day aboard the ships and we actively celebrated it as the birth of private property and the demise of collectivism. Our celebration wasn't one of sleeping in or playing games with each other. We celebrated by working a specific task until completed, and then, when tired and hungry, we sat down to a huge feast of fresh cooked turkey, dressing, pumpkin pie, and shared camaraderie.

Even now in 2015, I can tell you that those Thanksgiving Day dinners of turkey, pies, and all the trimmings, after a day of meaningful labor, are still the tastiest I have ever eaten.]

Thanksgiving Celebrated as the Birthday of Free Enterprise

By Kent Dillon

The celebration of Thanksgiving is a celebration of plenty and appreciation of the abundance that has characterized the free enterprise, individualistic, capitalistic systems of the US. This why America grew into the most productive, highest standard of living area in the world. The Pilgrims had arrived in what is now Provincetown, Mass., on November 11, 1620, but it was late in December before they finally settled in Plymouth. In the words of Gov. Bradford,

that which was most sad and lamentable was, that in 2 or 3 months time half of their company died,

especially in January and February, being the depth of winter, and wanting houses and other comforts; being infected with the scurvy and other diseases, so as there died sometimes 2 or 3 of a day, in the aforesaid time; that of 100 and odd persons, scarce 50 remained.

They spent their first winter building houses so that they could move off the *Mayflower* and by March all settlers had left the ship.

Scurvy and fever had taken their toll, as by then 15 of 18 wives had died as well as 19 of 29 hired men and servants and half of the 30 sailors. When the *Mayflower* departed she left 23 children and 27 adults behind, but not one Pilgrim returned to England.

The Pilgrims had placed all their food and provisions in what they called the "common store" which was set up on the socialist principle of "From each according to his ability, to each according to his need."

As spring came they began to farm and by October took in their first harvest which went to the common store. It was a time to be thankful for their very survival. They had spent 67 days on the Atlantic with 132 people aboard a ship that was 128 ft. long, and survived to establish themselves and reap a harvest.

In November of 1621 the ship *Fortune* arrived with more than 30 new settlers, mostly young men. They apparently brought "not so much as a bisket-cake" with them, thus providing another drain on the common store for the coming winter. The future looked bleak as food supplies ran out and the "planned socialist" community began to starve again. The common store was practiced for a second year. The harvest was poor in spite of the added manpower and the colonists starved in the ensuing winter dramatically demonstrating once again that collective ownership in a socialist economy was unworkable and could not keep them alive.

Richard Grant in *The Incredible Bread Machine* writes,

The experience of the first Plymouth colony provides eloquent testimony to the unworkability of collective ownership of property. In his history of the Plymouth colony Governor Bradford described how the Pilgrims

farmed the land in common, with the produce going into a common storehouse. For two years the Pilgrims faithfully practiced communal ownership of the means of production. And for two years nearly starved to death, rationed at times to "but a quarter of a pound of bread a day to each person." Governor Bradford wrote that "famine must still ensue the next year also if not some way prevented." He described how the colonists finally decided to introduce the institution of private property:

"[The colonists] began to think how they might raise as much corn as they could, and obtain a better crop than they had done, that they might not still thus languish in misery. [In 1623] after much debate of things, the Gov. (with the advice of the chiefest amongst them) gave way that they should set down every man for his own ... and to trust themselves ... so assigned to every family a parcel of land. This had very good success; for it made all hands very industrious, so as much more corn was planted than otherwise would have been by any means the Gov. or any other could use, ... and gave far better content. The women now went willingly into the field, and took their little-ones with them to set corn, which before would allege weakness, and inability; whom to have compelled would have been thought great tyranny and oppression."

Reflecting on the experience of the previous two years, Bradford goes on to describe the folly of communal ownership:

"The experience that was had in this common course and condition, tried sundry years, and that amongst godly and sober men, may well evince the vanity of that conceit of Platos and other ancients, applauded by some of later times; — that the taking away of property, and bringing in community into a common wealth would make them happy and flourishing; as if they were wiser than God. For this community (so far as it was) was found to breed much confusion and discontent, and retard much employment that would have been to their benefit and comfort. For the youngmen that were most able and fit for labor and service did repine that they should spend their time and strength to work for other men's wives and children, without any recompense. The strong, or man of parts,

had no more in division of victuals and cloths, than he that was weak and not able to do a quarter the other could; this was thought injustice..."

The Colonists learned about "the wave of the future" the hard way. However, once having discovered the principle of private property, the results were dramatic. Bradford continues:

"By this time harvest was come, and instead of famine, now God gave them plenty, and the face of things was changed, to the rejoicing of the hearts of many, for which they blessed God. And in the effect of their particular [private] planting was well seen, for all had, one way and other, pretty well to bring the year about, and some of the abler sort and more industrious had to spare, and sell to others."

The Jamestown colony in Virginia had similar experiences as they started under the same rules:

1. They were to own nothing.
2. They were to receive only as much food and clothing as they needed.
3. Everything that the men secured from trade or produced from the land had to go into the common storehouse.

Of the 104 men that started the Jamestown colony in 1607 only 38 survived the first year and even those had to be marched to the fields "to the beat of a drum" simply to grow food to keep them alive in the next year. Captain John Smith writes after the common store concept was abandoned:

When our people were fed out of the common store, and labored jointly together, glad was he could slip from his labor, or slumber over his task he cared not how, nay, the most honest among them would hardly take so much true pains in a week, as now for themselves they will do in a day. ... We reaped not so much corn from the labors of thirty, as now three or four do provide for themselves.

The Thanksgiving we celebrate is for the success of the Pilgrims after establishing property rights and free enterprise as that event laid the foundation for the growth of America.

Were our Pilgrim and Jamestown colony forefathers to wake up from the dead and look at the graduated taxation (from each according to his ability) and welfare programs (to each according to his need) we have today they might offer us a lesson in history by simply quoting Goethe, "Those who do not learn from the lessons of history are doomed to relive them."

No longer do the textbooks mention the effects of the common store and the continued starvation until the system of free enterprise and private property was established. Don't you wonder why the idea of the Great American Experiment is a forgotten concept? And why the writings of de Tocqueville are a "forgotten analysis" in today's education? As Americana moves into the "planned socialist economy," those who have moved our country in that direction have made sure that the early lessons of the "police state" force needed to maintain Jamestown's social plan (Captain John Smith's guns) and of the starvation and death that resulted from the lack of motivation inspired by the "common storehouse" have been eliminated from our children's instruction.

Thanksgiving isn't just a break from work, a time to stuff ourselves with turkey, dressing, and pumpkin pie, it is a time to remember the *true* significance of the holiday, and pass on the lessons from our forefathers to our children who won't learn these lessons in school, and thus must learn them elsewhere.

Comment by R. Nelson Nash – This story can't be told enough. Make a copy and share it with your family and friends every year. It is the only way to preserve the truth.

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

Thomas Jefferson and the Tripoli Pirates: The Forgotten War That Changed American History
by Brian Kilmeade and Don Yaeger

The Wisdom of Henry Hazlitt (LvMI)
by Henry Hazlitt and Hans Sennholz

Nelson's Favorite Quotes

"It is better to take refuge in the Lord than to trust in man." Psalm 118:8

"The great missionary, like the great artist, is able to convince some people of the truth of ideas they already half hold, but have been impeded by propaganda or restraints from adopting. Thus he liberated them to become what they have partly wanted to be all along, and so they move in the new direction not only without regrets but with joy."
--- John U. Nef.

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:

- [Matt Zimmer - Olathe, KS](#)
- [William Mora - Houston, TX](#)
- [Miguel Chinae - Bayamon, PR](#)
- [Will Moran - Edmonton, AB](#)

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.

Announcing Three Upcoming IBC Training Opportunities ***10-11-12-13 February, Birmingham, AL***

1. *The Whole Truth About Money Seminar* ***Examining the Pros & Cons of Common Financial Vehicles***

February, 10th, Birmingham, AL

This seminar is open to everyone, so space will be limited!

Listen to Todd Langford the developer of *Truth Concepts* software, with Kim Butler, for a daylong seminar looking in depth at *The Whole Truth About Money – Examining the Pros & Cons of Common Financial Vehicles*. This seminar is aimed at the financial professional.

[Click Here to connect with the *Whole Truth About Money* seminar landing page for more details.](#)

2. *The IBC Work Shop*

February, 13th, Birmingham, AL

The Work Shop is a four-hour IBC introductory seminar for the public.

[Click Here to connect with the *IBC Work Shop* landing page for more details.](#)

Listen to R. Nelson Nash, the creator of the *Infinite Banking Concept*, and best-selling author of the classic *Becoming Your Own Banker* live in Birmingham!

Nelson will be joined on stage by Robert P. Murphy, Ph.D economist, and L. Carlos Lara, authors of the book *How Privatized Banking Really Works*.

Do you have the feeling that there is something wrong with today's financial environment?

Do you feel that you are not in control of your money, and wonder who is?

If you could do something about it, then would you?

If you answered "yes" to these important questions, then you are not going to want to miss the IBC Work Shop!

[Click Here to connect with the *IBC Work Shop* landing page for more details.](#)

3. The IBC Practitioners Think Tank Symposium

February 11th and 12th, Birmingham AL

The *IBC Practitioner Think Tank Symposium* is an invitation only event for Member IBC Practitioners.

Because Nelson has publicly announced that he will no longer lead his ground-breaking *Becoming Your Own Banker* Seminar after November, 2016, I encourage all IBC Practitioners to make every effort to attend this year's Think Tank and spend some quality time with Nelson.

This year we are encouraging IBC Practitioner *Students* to attend as long as they also register for, and take the course final exam prior to the start of the event *or* take the exam *at* the Think Tank event venue during one of two exam sessions offered either on the afternoon of the 10th or the morning of the 11th. Once the exam is completed and graded (passing score is 80%), annual membership applications will be taken, then new members will attend the Think Tank. Any IBC Practitioner Student that decides to take advantage of this opportunity will have to register and pay for the Think Tank and register for the final exam session before arriving in Birmingham.

IBC Practitioners and Students, please use your restricted website dashboard page to access the Think Tank landing page which contains the agenda, registration pages and discount coupons.

NOTE: We are offering discounts to IBC Practitioners and students for *The Whole Truth About Money* seminar that enable them to attend the seminar for \$200 single, or \$250 couples. The regular cost for the seminar is \$499 for single attendance or \$599 for couples. The discount coupons are on the IBC Practitioner or Student restricted dashboard website page; sign in the www.infinitebanking.org then go to your student or practitioner dashboard and look for *The Whole Truth About Money* discount coupons. If you are planning on attending the Think Tank and would like to take advantage of this opportunity to learn from Todd and Kim, I encourage you to register for the seminar quickly.

NOTE: We encourage IBC Practitioners to stay over in Birmingham on Saturday, the 13th to join Nelson, Dr Robert Murphy and Carlos Lara at the *IBC Work Shop* at no additional cost. We are also offering our Practitioners discount coupons for the *Work Shop* that can be used for clients or prospects. The discount coupon is on your restricted dashboard website page; sign in the www.infinitebanking.org then go to your student or practitioner dashboard and look for *Practitioner IBC Work Shop Discount Coupons*.