

BANKNOTES

FEBRUARY 2010

NELSON NASH'S MONTHLY NEWSLETTER

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*Nelson Nash's live BYOB - IBC
seminars for the next two months*

Tuesday-Wednesday, 2-3 February, Ft Worth, TX,
James Neathery, 817-790-0405 jcneat@gmail.com

Friday-Saturday, 5-6 February, Austin, TX, Teresa
Kuhn, 512-301-7702, tbkuhn@safeharborboy.com

Thursday-Friday, 11-12 February, Austin, TX, Paul
McDonald, 512-459-5966, paul@econwbs.com or
Ben Waggoner, 512-965-0391, ben@econwbs.com

*Monday-Tuesday, 15-16 February, Birmingham,
AL, Seminar, 17-18 February Infinite Banking
Symposium, David Stearns, 205-276-2977, david.stearns@charter.net*

Friday-Saturday, 19-20 February, Chicago, IL, Josh
Bretl, 630-993-8222, jbretl@covenantls.com

Thursday-Friday, 25-26 February, Little Rock, AR,
Becky Rice, 501-221-7400, ricerw@rebeccarice.net

Wednesday-Thursday, 3-4 Mar, Waco, TX, Chad
Castle, 254-776-8400, chad@coachcastle.com

Friday-Saturday, 5-6 Mar, Boerne, TX, Janet Sims,
830-331-9805, janet_sims@financialprocessgroup.com

*Thursday-Friday, 11-12 Mar, Salt Lake
City, UT,* Scott Johnson, 801-735-6898,
scottjohnsonfinancial@gmail.com

Thursday-Friday, 18-19 Mar, Birmingham, AL,
Russ Morgan, 205-871-9993 x251, russmorgan@nowlinandassociates.com

Tuesday-Wednesday, 23-24 Mar, Nacogdoches, TX,
Ricky Heard, 936-564-1735, rickyh@cbhins.com

Friday-Saturday, 26-27 Mar, Pittsburgh, PA, Leah
Pisano, 724-728-6820, leahpisano@comcast.net,
or Donn George, 724-452-0481, donn@georgefinancial.net

Nelson's Favorite Quotes of the Month

You must learn from the mistakes of others. You can't possibly live long enough to make them all yourself.

- Sam Levenson

Political language . . . is designed to make lies sound truthful and murder respectable, and to give an appearance of solidity to pure wind.

- George Orwell

AN EPIPHANY by Neil Denman, CPA

I was just talking about the state of the American financial system and government spending. This gentleman is about 67 years old and just retired and is worried about not having enough money.

Then it hit me.

The idea of retirement in America is less than 100 years old and will likely only ever truly effect two generations of citizens. The group that is just ahead of you and the baby boomers. The average person under the age of 45 will have to work up until the end to keep up with inflation and pay for the previous generations social programs. I think when the younger generations truly see what has happened, they will hopefully say "enough"!

*Nelson's newly added Book
Recommendations*

BROKE by John B. Mumford

ROOTS OF AMERICAN ORDER by Russell Kirk

THE STATE AGAINST BLACKS by Walter E.
Williams

*Nelson's favorite articles from the last
month's reading*

Global Warming Is a Religion

By Walter Williams

Manmade global warming, for many, is an Earth-worshipping religion. The essential feature of any religion is that its pronouncements are to be accepted on the basis of faith as opposed to hard evidence. Questioning those pronouncements makes one a sinner. No one denies that the Earth's temperature changes. Millions of years ago, much of our planet was covered by ice, at some places up to a mile thick, a period some scientists call "Snowball Earth." Today, the Earth is not covered by a mile of ice; a safe conclusion is that there must have been a bit of global warming. I don't know the cause of that warming, but I'd wager everything I own that it was not caused by coal-fired electric generation plants, incandescent light bulbs and SUVs tooling up and down the highways.

The very idea that mankind can make significant parametric changes to the Earth has to be the height of arrogance. How about a few questions because temperature is just one characteristic of the Earth. The Earth's orbit is another. If all 6.5 billion of us, all at once, started jumping up and down for a little while, do you think we'd change the Earth's orbit or rotation? Do you think mankind could change the direction and timing of the ocean's tides? Is there anything that mankind can do to stop or start a tsunami or hurricane? You say, "Williams, it's stupid to suggest that mankind could change the Earth's orbit or rotation, ocean tides or cause or stop

a tsunami or hurricane!" You're right and it's also stupid to think that mankind's activities can make globalized changes in the Earth's temperature.

Nonetheless, there is much at stake in getting people to subscribe to the global warming religion. There is so much at stake that some scientists, using government grants, are fraudulently manipulating climate data and engaging in criminal activity, as revealed in what has been called "Climate gate." One of the most dangerous features of the global warming religion is its level of intimidation of heretics or would-be heretics.

A few years back, Dr. Heidi Cullen, the Weather Channel's climatologist, advocated that the American Meteorological Society (AMS) strip their seal of approval from any TV weatherman expressing skepticism about the predictions of manmade global warming. Scott Pelley, CBS News "60 Minutes" correspondent, compared skeptics of global warming to "Holocaust deniers." Former Vice President Al Gore called skeptics "global warming deniers." But it gets worse. On one of her shows, Dr. Cullen featured columnist Dave Roberts, who, in his Sept. 19, 2006, online publication, said, "When we've finally gotten serious about global warming, when the impacts are really hitting us and we're in a full worldwide scramble to minimize the damage, we should have war crimes trials for these bastards — some sort of climate Nuremberg."

As a result, many climatologists have been intimidated into silence. That means the public is not informed about counter-alarmists facts such as: Over long periods of time, there is absolutely no close relationship between CO2 levels and temperature. Humans contribute approximately 3.4 percent of annual CO2 levels compared to 96.6 percent by nature. There was an explosion of life forms 550 million years ago (Cambrian Period) when CO2 levels were 18 times higher than today. During the Jurassic Period, when dinosaurs roamed the Earth, CO2 levels were as much as nine times higher than today. Contrary to what educators are brainwashing our children with, polar bear numbers increased dramatically from around 5,000 in 1950 to as many

as 25,000 today, higher than any time in the 20th century.

Political commentator Henry Louis Mencken (1880-1956) warned that “The whole aim of practical politics is to keep the populace alarmed — and hence clamorous to be led to safety — by menacing it with an endless series of hobgoblins, all of them imaginary.” That’s the political goal of the global warmers.

The Precarious State of Our Union

by Peter Schiff

In this week’s much anticipated State of the Union address, President Obama again demonstrated his poor understanding of the fundamental problems that confront our nation. By following the advice of the same people who helped guide our economy to the precipice of total collapse, Obama now threatens to push it over the edge.

Notwithstanding his well crafted lip service regarding future spending restraint, the essence of his current program is for more government spending and larger deficits. For all his talk about job creation, his policies will further burden those who might otherwise create those jobs with higher taxes and more regulation. While he did call for tax cuts for the middle class and offered what amounts to bailouts for those struggling to repay student loans, such cuts do nothing to promote growth in the near term and will add to the deficits in the long term.

The President spoke optimistically about the future, but in reality there is little evidence to support such an upbeat outlook. He began his speech by assuring us that the worst of the storm had passed. General Custer may have said something similar when the first wave of Indian attacks ebbed at Little Big Horn.

While Obama did have some harsh words for Wall Street (not exactly a courageous political stance), he leveled no criticism at the Federal Reserve or other government agencies that had financed and guaranteed all the ridiculous real estate speculation that precipitated the crash. And while he at least conceded that the prosperity of the last decade was

based on illusions, he continued to endorse the very policies that produced the mirage in the first place.

To lead us back to brighter days, he articulated a vision of a centrally planned recovery, where clean energy and a Soviet style five-year plan to double our exports would make our economy preeminent once more. He fails to understand that the only reason our economy rose to the top in the first place is that the government left it alone.

In the words of the Spanish philosopher George Santayana, “Those who cannot learn from history are doomed to repeat it.” Since our President cannot even learn from the mistakes of his immediate predecessor, to say nothing of those he made himself while in the Senate or during his first year as president, we are surely doomed to repeat them, perhaps more quickly than Santayana could have imagined.

Rather than tightening the reins on the reckless monetary policy that undermined our savings, diminished our industrial output, inflated asset bubbles, and led to reckless speculation on Wall Street and excess consumption on Main Street, we are loosing them further. Rather than repealing regulations that distort markets and create moral hazards, we are adding new ones that do more of the same. Rather than cutting government spending to reduce the burden it places on our economy, we are increasing both the amount of the spending and the size of the burden. Rather than making government smaller so that the private sector can grow, we are making government bigger and forcing the private sector to shrink. Rather than paying off our debts we are taking on even more. Rather than encouraging people to save we are enticing them to spend. Rather than creating jobs, we are merely creating unemployment benefits.

As a result, instead of seeding the soil for a real recovery we are setting the stage for a prolonged depression.

January 30, 2010

Peter Schiff is president of Euro Pacific Capital and

author of *The Little Book of Bull Moves in Bear Markets* and *Crash Proof: How to Profit from the Coming Economic Collapse*.

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OUT OF EGYPT -- AND ON TO BABYLON – From Slavery Back to Slavery

Part III

(If you missed Part II, check the January, 2010 BankNotes available on InfiniteBanking.org)

By R. Nelson Nash

FORTY YEARS OF EDUCATION

And so, they wandered in this wilderness for forty years, learning how to be dependent on God for sustenance. Their clothing did not wear out -- their sandals did not wear out -- He fed them, but, on occasion He tested them with a water problem. In Numbers 20: 2 – 5. Now there was no water for the community, and the people gathered in opposition to Moses and Aaron. They quarreled with Moses and said, “If only we had died when our brothers fell dead before the Lord! Why did you bring the Lord’s community into this desert, that we and our livestock should die here? Why did you bring us up out of Egypt to this terrible place? It has no grain or figs, grapevines or pomegranates. And there is no water to drink.”

In response, (Numbers 20: 6 – 11), Moses and Aaron went from the assembly to the entrance to the Tent of Meeting and fell face-down, and the glory of the Lord appeared to them. The Lord said to Moses, “Take the staff, and you and your brother Aaron gather the assembly together. Speak to that rock before their eyes and it will pour out its water. You will bring water out of the rock for the community so they and their livestock can drink.” So Moses took the staff from the Lord’s presence, just as he commanded him, but Moses was pretty “ticked off” at them. He and Aaron gathered the assembly together in front of the rock and Moses said to them, “Listen, you rebels, must we bring you water out of

this rock?” Then Moses raised his arm and struck the rock twice with his staff. Water gushed out, and community and their livestock drank.

This action on the part of Moses gives them the appearance that it was Moses’ power and the use of force that solved their need for water – not the word of God. That was a big mistake on the part of Moses. As a result, he was not allowed to go into the promised land. He was allowed to view it from a distance, but that was all.

(Numbers 20:12) But the Lord said to Moses and Aaron, “Because you did not trust in me enough to honor me as holy in the sight of the Israelites, you will not bring this community into the land I give them.”

After wandering in the wilderness for some forty years, they finally came to the promised land. Moses is speaking in (Deuteronomy 1:20) Then I said to you, “You have reached the hill country of the Amorites, which the Lord our God is giving us. See, the Lord your God has given you the land. Go up and take possession of it as the Lord, the God of your fathers, told you. Do not be afraid; do not be discouraged.”

Whereupon -- of all things -- they had a committee meeting!! In verse 22, then all of you came to me and said, “let us send men ahead to spy out the land for us and bring back a report about the route we are to take and the towns we will come to.” The idea seemed good to me; so I selected twelve of you, one man from each tribe. They left and went up into the hill country, and came to the Valley of Eshcol and explored it. Taking with them some of the fruit of the land, they brought it down to us and reported, “It is a good land that the Lord our God is giving us.”

But, you were unwilling to go up; you rebelled against the command of the Lord your God. They say, “The people are stronger and taller than we are; the cities are large, with walls up to the sky. We even saw the Anakites there.” Caleb & Joshua were among the 12 spies and said, “We should go up and take possession of the land, for we can certainly do

it.” But, they got out-voted, ten to two, by the other spies who told all the people, “The land we explored devours those living in it. All the people we saw there are of great size. We seemed like grasshoppers in our own eyes, and we looked the same to them.”

THE GRADUATE COURSE – BACK TO THE WILDERNESS!

As a result of this rebellion God gave them “the graduate course” in learning to be dependent on Him -- they are back to more years of wandering in the wilderness! Except for Joshua and Caleb, all the adults who came out of Egypt perished during this time. Only their children finally made it to the Promised Land.

Before going in, God gave them a large number of briefings on what they were expected to do and reassurances that he would be with them -- as long as they kept their end of the covenant.

So, after the forty years had passed they finally are ready to go into the land that God had promised them. Moses is speaking. Then I said to you, “Do not be terrified; do not be afraid of them. The Lord your God, who is going before you, will fight for you, as he did for you in Egypt, before your very eyes, and in the desert. There you saw how the Lord your God carried you, as a father carries his son, all the way you went until you reached this place.” (Deuteronomy 1: 29 - 31)

(Numbers 33: 50 – 53). On the plains of Moab by the Jordan across from Jericho the Lord said to Moses: Speak to the Israelites and say to them; ‘When you cross the Jordan into Canaan, drive out all the inhabitants of the land before you. Destroy all their carved images and their cast idols, and demolish all their high places. Take possession of the land and settle in it, for I have given you the land to possess. (v.55 - 56) “But if you do not drive out the inhabitants of the land, those you allow to remain will become barbs in your eyes and thorns in your sides. They will give you trouble in the land where you will live and then I will do to you what I plan to do to them.”

Moses gives further instructions to them in Deuteronomy 7 -- “and when the Lord your God has delivered them over to you and you have defeated them, then you must destroy them totally. Make no treaty with them, and show them no mercy. Do not intermarry with them. Do not give your daughters to their sons or take their daughters for your sons, for they will turn your sons away from following me to serve other gods, and the Lord’s anger will burn against you and will quickly destroy you. This is what you are to do to them: Break down their altars, smash their sacred stones, cut down their Asherah poles and burn their idols in the fire.”

REMEMBER THE SOURCE OF BLESSINGS

(Deut. 8) Moses continues. “When you have eaten and are satisfied, praise the Lord our God for the good land he has given you. Be careful that you do not forget Him, failing to observe his commands, his laws, and his decrees that I am giving you this day. Otherwise, when you eat and are satisfied, when you build fine houses and settle down, and when your herds and flocks grow large and your silver and gold increase and all you have is multiplied, then your heart will become proud and you will forget the Lord your God, who brought you out of Egypt, out of the land of slavery. (v. 17) You may say to yourself, “My power and the strength of my hands have produced this wealth, and so confirms his covenant, which he swore to your forefathers, as it is today. If you ever forget the Lord your God and follow other gods and worship and bow down to them, I testify against you today that you will surely be destroyed.”

This is a classical example of “the arrival syndrome.” I can’t think of anything more detrimental to people than this!

Moses further explains to them in Deut. 9: 4 – 6: After the Lord your God has driven them out before you, do not say to yourself, “The Lord has brought me here to take possession of this land because of my righteousness.” It is not because of your righteousness or your integrity that you are going in to take possession of their land; but on account of the wickedness of these nations, the Lord your God will

drive them out before you, to accomplish what we swore to your fathers, to Abraham, Isaac and Jacob. Understand, then, that it is not because of your righteousness that the Lord your God is giving you this good land to possess, for you are a stiff-necked people.

Did they carry out God's instructions? Absolutely not! (Judges 1:27 – 33) But Manasseh did not drive out the people of Beth Shan or Taanach or Dor or Ibleam or Megiddo and their surrounding settlements, for the Canaanites were determined to live in that land. When Israel became strong, they pressed the Canaanites into forced labor but never drove them out completely. Nor did Ephraim drive out the Canaanites living in Gezer, but the Canaanites continued to live there among them. Neither did Zebulun drive out the Canaanites living in Kitron or Nahalol, who remained among them; but they did subject them to forced labor. Nor did Asher drive out those living in Acco or Sidon or Ahlab or Aczib or Helbah or Aphek or Rehob, and because of this the people of Asher lived among the Canaanite inhabitants of the land. Neither did Naphtali drive out those living in Beth Shemesh or Beth Anath; but the Naphtalites too lived among the Canaanite inhabitants of the land, and those living in Beth Shemesh and Beth Anath became forced laborers for them.

There are more examples cited, but you get the picture. Instead of driving them out, they made slaves of them. Since they were slaves in Egypt, did they think "this is the way to live?" All the adults who left Egypt perished in the wilderness wandering. Maybe this is just the nature of man -- enslave others to benefit my own desires.

JUDGES – BUT, NO GOVERNMENT

And so, for a lengthy period they lived under a system of Judges -- there was no government! Under such freedom a nation cannot help but prosper! And, when you prosper, you can count on it -- others will do their best to steal from you.

(1 Samuel 8: 5.) They said to Samuel, "You are old, and our sons do not walk in your ways; now appoint

a king to lead us, such as all the other nations have." But, when they said, "Give us a king to lead us," this displeased Samuel; so he prayed to the Lord. And the Lord told him. "Listen to all that the people are saying to you; it is not you they have rejected, but they have rejected me as their king. As they have done from the day I brought them up out of Egypt until this day, forsaking me and serving other gods, so they are doing to you. Now listen to them; but warn them solemnly and let them know what the king who will reign over them will do."

(1 Samuel 8: 10 – 18). Samuel told all the words of the Lord to the people who were asking for a king. He said, "This is what the king who will reign over you will do: He will take your sons and make them serve with his chariots and horses, and they will run in front of his chariots. Some he will assign to be commanders of thousands and commanders of fifties, and others to plow his ground and reap his harvest, and still others to make weapons of war and equipment for his chariots. He will take your daughters to be perfumers and cooks and bakers. He will take the best of your fields and vineyards and olive groves and give them to his attendants. He will take a tenth of your grain and of your vintage and give it to his officials and attendants. Your menservants and maidservants and the best of your cattle and donkeys he will take for his own use. He will take a tenth of your flocks, and you yourselves will become his slaves. When that day comes, you will cry out for relief from the king you have chosen, and the Lord will not answer you in that day."

And so, Samuel told them in no uncertain terms what a king would do to them.

(1 Samuel 8: 19) But the people refused to listen to Samuel. "No!" they said, "We want a king over us. Then we will be like all the other nations, with a king to lead us and to go out before us and fight our battles."

(1 Samuel 8: 21-22). When Samuel heard all that the people said, he repeated it before the Lord. The Lord answered, "Listen to them and give them a king." (*Look for PART IV next month*)

www.infinitebanking.org updates

Infinite Banking Concepts Symposium is just two weeks away!

17-18 February, 2010 in Birmingham, AL.

FYI: Nelson will conduct his seminar immediately preceding the Symposium starting at 6 PM the evening of 15 February for two hours; resuming at 8AM on 16 February.

Agenda, speakers; on-line registration and payment links, and hotel registration link are on InfiniteBanking.org.

David Stearns

Announcing an important new book only available on InfiniteBanking.org, FinancialBallGame.com and Amazon.com.

A Path to Financial Peace of Mind

by Dwayne Burnell

In *A Path to Financial Peace of Mind*, financial educator and personal financial coach, Dwayne Burnell, MBA challenges the status quo by questioning the common financial messages we hear everyday. He shares a tried and true financial strategy for managing and building long lasting wealth that's been widely overlooked by conventional media.

The book presents case studies with carefully crafted examples to help you understand the effects of time, interest, and risk on your money. You will not only learn how to shield your savings from stock market losses, but also how to achieve healthy, predictable growth while maintaining liquid access to your cash.

Dwayne makes this powerful tool easy to understand and implement as part of a lifetime financial strategy for individuals, couples and families of any age and income level.

"Over the last ten years, many people have reported back to me how my book, *Becoming Your Own Banker – The Infinite Banking Concept*, has changed

their lives. But none seem to have grasped the depth of what I'm teaching better than Dwayne Burnell. He does an excellent job of describing why participating whole life insurance is a phenomenal financial tool in which to build and store wealth today and for the future.

My initial Bachelors Degree is in Forestry and that background helped me to learn the value of thinking "long range." I tend to think about what will be happening 70 years from now. I'm not going to be here – and maybe neither will you – but there is certainly no harm in thinking that way. With that in mind, Dwayne quotes a line from my book, "*Plan as if you are going to live forever and live as if you are going to die today.*"

Businesses come and go. Technology changes the way we live and behave. But the concept of using participating whole life as part of a financial strategy has been around for a long, long time. Over the years, people have abandoned their financial responsibility and accountability to themselves and have turned it over to the "experts." As of the date of this book you can clearly see the tragedy of relying on the "experts."

Dwayne Burnell has created the strongest case study illustrating *The Infinite Banking Concept™* view point I have seen to date. In his book, *A Path to Financial Peace of Mind*, Dwayne effectively describes how to use life insurance and specifically why participating whole life is so powerful for everyday living.

Dwayne has done a fantastic job of stimulating the imagination of readers and showing them a way out of the financial prison in which most folks live."

R. Nelson Nash, *Becoming Your Own Banker – The Infinite Banking Concept*

A Path to Financial Peace of Mind will only be available on InfiniteBanking.org, FinancialBallGame.com, and amazon.com.

Look for it in our store page.