

BANKNOTES

APRIL 2010

NELSON NASH'S MONTHLY NEWSLETTER

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

Nelson Nash, Founder
nelson31@charter.net
2957 Old Rocky Ridge Rd, Birmingham, AL 35243

David Stearns, Editor
205-276-2977
david.stearns@charter.net
1233 Branchwater Ln, Birmingham, AL 35216

Nelson's Favorite Quotes of the Month

"When the student is ready, the teachers will appear."

"Your success is only determined by the size of your thinking."

"How you think determines how you act, and how you act determines how other people react to you."

"How you look determines how you think and feel, and peoples' first impressions last."

"All lasting change starts inside and works its way out."

"See things as things can be, not as they are, especially yourself."

"Anything the mind of a person can conceive of, and believe in, it can achieve."

"If you don't know why the how doesn't matter."

"Happiness is not pleasure, it is victory."

"All things are possible to them that believe."

The Seen vs Unseen Power of IBC

by Neil Denman

From talking around, I am not sure people really realize the power of the unseen portion of IBC. Nelson clearly talks about it in the story of the National Guard pilot and the timberland in Fayette County Alabama. People do not realize the power of the ready access to cash and what kind of deals that enables you to find.

When I arrived back in my office after the think tank [IBC Think Tank Symposium], I received a call from a client that is usually bogged down with tax problems. He owns the store where we take our dog to get bathed and boarded when we travel. I assumed, Becky (my wife) had taken the dog to get a bath and that he was ready to be picked-up that afternoon. I was mistaken in my assumption. He asked if I knew anyone who would like to buy his business because he had to sell it ASAP. He quoted a very low price and said he was just going to give it to whomever could cover the back sales taxes. He had spent the tax money paying personal bills and the State of Arkansas was going to close his business for good next week. The buyer had to have an all cash offer in order to keep the state away. I know what the store generates in cash-flow and that the existing managers can run it with no significant involvement from me. Because I have ready access to the cash, I am getting the business (been around for almost 20 years and is somewhat of an icon) for about 35 to 40 cents on the dollar.

In the process I will have:

- 1) Repaid a policy loan in 5 years
- 2) Increased my personal cash flow by almost 15% per month
- 3) Saved 4 full-time jobs and 3 part-time jobs - (as I figure it, that is 7 more than Obama saved today.)

4) Provided the State of Arkansas with approximately \$1,500 in monthly sales tax revenue

The kicker of it is the current owner was a life insurance agent for almost 30 years. He had no concept of the power of whole life insurance. I have invited him to come see Nelson in Little Rock next week [at an IBC Seminar] and to meet with Becky Rice about learning IBC and becoming an agent. This all happened before you all were done in Birmingham yesterday. How is that for a testimony!

Thank you,

Neil Denman, CPA

Denman & Associates, CPA, PA

Millennium Payroll Solutions, LLC

www.DenmanCPA.com

www.millenniumpayrollsolutions.com

Sound Money

L. Carlos Lara, February 5, 2010

My thoughts on the subject of sound money, of course, are not original. They have been guided here by my own private study of writers of a unique school of economic thought. These great thinkers, to whom I refer, can be traced to Salamanca, Spain as early as the 15th century. Later they were found in Austria, but now are centrally located here in the United States. These economic theorists have at their core of thinking the principles of scarcity and choice. More importantly, they believe that economic value is subjective to the individual. These concepts, when used in the thinking process, provide the ability to see the world and especially the market economy in a uniquely different way from all other schools of thought. What becomes apparent by utilizing this way of thinking is that an idea has crept into our world that is destructive. Ludwig von Mises, one of the greatest of these economists, believed that this idea was evil and that no one should give in to it. He felt, as most Austrian economists do now, that fighting against this idea was a responsibility each one of us had to society because the stakes are extremely high. They are nothing less than the future of human freedom. (1.)

Young or old, our own education is where our fight must originate. However, learning how the world works according to this manner of thinking is a different type of education not earned in the classroom. In fact, this type of education is an individual endeavor and each of us must decide when we really want to take it up in earnest. What most disappoints us is that even after we decide to take up this intellectual battle sometimes our understanding comes slowly. Painful experiences, for example, can be some of our greatest teachers, however, it is not until these experiences are combined with a sound body of knowledge and historical evidence that an epiphany occurs. As for me, I am *"too soon old, too late smart."* (2.) Nevertheless, it is never too late to begin.

To understand what is meant by sound money, we need to examine a bit of history. There are a few unique characteristics about money that I suggest we revisit in order to obtain a full perspective on this matter especially in light of our current economic environment.

The Genesis of Money

First of all, money did not come into being by some sort of agreement, or social contract. Money comes into being freely in the market place by trial and error. This happens as individuals begin to facilitate the process of exchanging goods with one another.

In the days of bartering (what economists refer to as "direct exchange"), problems arose when people attempted to exchange two different commodities. For example, if you had butter to exchange for beef, but no one wanted your butter, then you obviously had a problem without a solution. This exchange problem, because it came up quite frequently, forced society to search for a commodity to serve as a temporary exchange, or what economists refer to as an "indirect exchange." Obviously, the commodity society ultimately selected for the indirect exchange had to be highly marketable. It may have been eggs, milk or bread, but, whatever it was, society eventually employed it as money.

Over the course of time the one medium of exchange that won over all other forms of money has been

gold. Why gold? Because it has features no other commodity has. For example, it is divisible. Imagine trying to divide butter to pay for something. Gold, on the other hand, can be cut up into tiny pieces while retaining its prorata value so that money calculations can be made. By making gold in either bullion bars or coins, it becomes very portable and very convenient to use.

There is also the fact that from time immemorial gold has been valuable as jewelry principally because of its decorative beauty. In addition to this, we must not forget that gold is limited in its supply. It is mined from the ground at great expense in order to get more of it. But that is not all; gold is extremely durable and non-perishable. It can last for centuries. And finally, gold is homogeneous. It can be made to look exactly like another of its kind, as in gold coins. For these reasons it is not surprising why historically gold has been the money of choice. No doubt, gold is sound money.

This brings up two extremely relevant questions.

What is the right quantity of money? How much should it grow?

These questions have been asked by economists for centuries. The struggle continues. As we well know, there has been an astronomical increase of the money supply by the Federal Reserve Bank during the last four decades and especially last year. The general public, I believe, innately knows that all this new money creation is not a good thing for society. I also am also convinced that only one man in a million knows how it is done and why. To help understand this and know for certain what the right answers to these two questions are, we need to try asking ourselves this question: What should the optimum amount of canned peas be in society? Or, what is the optimum amount of fresh turkeys, or watermelons, or cattle, or whatever commodity comes to mind. The point is that the more consumable goods we have in society the better it is for everyone. In fact, more goods in the market help bring down prices and our standard of living goes up. However, this is not the case with more money. An increase of money provides no social

benefit whatsoever.

Why no benefit? Because money cannot be eaten or consumed. Money, remember, is used for exchange purposes only. Once a commodity is in sufficient supply as money, no further increases are needed. Any quantity of money is optimal. The more mining of gold for uses other than money, such as jewelry, is perfectly fine, but more gold as money is not needed. An increase in money only dilutes its value. And, it is this last point--dilution--that represents the sum total of our money problems today.

Legalized Counterfeiting

To put my points into perspective, imagine a free market economy where gold is the money. In such a society one can acquire the gold in one of three ways-- mining, selling, or as a gift. In each one of these methods of acquiring gold, the principle of private property is strictly honored. However, let's suppose an individual decides to take advantage of gold's homogenous feature and creates an enormous amount of counterfeit gold coins for himself. This act will create a permanent destructive rippling effect throughout society. In addition to its fraudulent method of acquiring the gold and undermining the foundations of morality and private property, the counterfeiter will also increase the money supply substantially when he spends the money in the marketplace. With more money in supply, its value will necessarily decrease and drive up prices on all goods. This, of course, is price inflation. It is very destructive because it impoverishes the whole of society, while the counterfeiting continues. The counterfeiter obviously benefits immediately by getting the money first, as opposed to the later recipients of the money, or those who never get the money at all...usually the average hard working citizen. These good people wind up paying dearly because they are left to deal only with the increased prices on all the goods in the market place. For them the cost of living simply rises year after year, and no one can provide an explanation as to why it happens. For this reason, Austrian Economists have always said that the inflation process (the increase of the money supply), is a form of indirect or invisible tax on society. This entire counterfeiting

scheme is cleverly hidden.

We are fortunate that private counterfeiting has really never been much of a problem in modern times. The shaving of the edges of gold coins, the customary method of counterfeiting, ceased when milling was developed. However, when counterfeiting is mandated by government, when it is legalized, we have a serious economic and moral problem for all of society. Historically, there have been two major kinds of government mandated counterfeiting—(a) Government paper money and (b) Fractional Reserve Banking. This is precisely what we have today in our United States, but not just here—now it is all over the world.

“There is in all of us a strong disposition to believe that anything lawful is legitimate. Thus, in order to make plunder appear just and sacred to many consciences, it is only necessary for the law to decree and sanction it.” (3.)

Frederic Bastiat
1801-1850

The American public, in just this past year, has become increasingly more informed in the absurd concept of printing dollars on a printing press, and then spending them as a solution to stimulating the economy. They realize that a flood of dollars into the market only devalues the currency. However, a much more insidious and camouflaged feature of our banking system is Fractional Reserve Banking. If you have the time, you can learn how that works by watching this educational video [“The Mystery of Banking.”](#) In the meantime, the most important thing to comprehend and remember is that so long as government paper money is redeemable in gold, it is as “good as gold” and can be said to be sound money. Our paper money, however, has not been linked to gold since President Roosevelt made that linkage illegal in 1933. Since that time, the continuous expansion of the money supply, mandated by government through its Federal Reserve Bank, has devalued our money by 97%. There seems to be no end in sight.

Message of Hope

Obviously, we must re-link our dollar back to gold. By doing so, we would all own, by assignment, property rights to a unit weight of gold. If our dollars are redeemable in gold, all banks would automatically be 100% reserve banks. More importantly, inflation would stop because gold cannot be inflated.

Next, we must privatize all banking, thereby abolishing government’s monopoly over our money. If step one and two can be accomplished, then there would be no need for the Federal Reserve. Step three would be to close it down. If that happened, the size and expense of government would decrease immensely; our taxes would go way down, our savings—which fuel investment—would go up.

Think this is too big to accomplish? You would be amazed at the literally hundreds of thousands who support this solution. This support has been fueled in large part by the Mises Institute, the Foundation for Economic Education and other such private institutes, funded with no connection to powerful elites. These centers of education have become the places for learning the economic principles that our children and grandchildren need to be taught. They continue to fan the flame of liberty by publishing articles, scholarly journals, books, by holding conferences, and teaching students. Because of their efforts spanning more than 60 years here in America, there is faith, hope and expectancy at these independent scholarly institutions that a dramatic change in the political and social landscape is right around the corner, a belief that a great change can take place overnight when the ideological conditions are right. These institutions continue to provide the educational fuel to keep the fire burning. Every conscientious citizen should join and become a member of one.

Remember, we do not need to convince the entirety of the United States. With only 10% of the population supporting this solution, public policy can actually change. In the end, all economic policies are ultimately dependent on the views of the general public and our choice is final! America was founded on the principle that the masses, the people, determine the course of our history, but this movement for change must start with the individual--that means you and me.

L.Carlos Lara is President of United Services and Trust Corporation, a Management Consulting Firm specializing in Business Consulting, Corporate Trust Services, Corporate and Private Seminars including Speaking Engagements.

1. Special credit to Ludwig von Mises, Austrian Economist born 1881 Lemberg, Austria-Hungary, died 1973 New York City, NY. Noted for Praxeology. The Science of Human Action. Also, special credit given to Murray N. Rothbard, Austrian Economist, 1926-1995, student of Mises, for all information in this article.

2. From the title of the national best selling book *Too Soon Old, Too Late Smart, Thirty True Things You Need To Know*, by Gordon Livingston, M.D. Copyright 2004 by Gordon Livingston published by Da Capo Press

3. Frederic Bastiat 1801-1850, *The Law-the classic blueprint for a just society*. Republished by the Foundation for Economic Education, Irvington-on-Hudson, New York

God, Socialism, and the Free Market Paul Kengor interviews Shawn Ritenour

by Shawn Ritenour

The “V&V Q&A” is an e-publication from The Center for Vision & Values at Grove City College. This latest edition of “V&V Q&A” is an intriguing look at the biblical basis for the free-market economy, dispelling the popular notion among many “social justice” Christians that Scripture supports a socialistic, collectivist, redistributive economic system. Dr. Shawn Ritenour, economics professor at Grove City College, offers an insightful biblical defense of free markets. Ritenour has just released a compelling new book, *Foundations of Economics: A Christian View*. Here, Ritenour responds to questions from Dr. Paul Kengor, executive director of the Center. This topic will be discussed at length by several speakers at our coming April 15–16 conference on “The Progressives.” Click here for more information.

Dr. Paul Kengor: Dr. Shawn Ritenour, before we get into more detailed questions, give us a synopsis of your book and your motivation for writing it.

Dr. Shawn Ritenour: *Foundations of Economics* is an introduction to economic principles, showing there is no conflict between Christian doctrine and sound economics. The book demonstrates that the foundation of economic laws are derived from a

Christian understanding of nature and humanity; explains basic economic principles of the market economy and applies them to various economic problems; and shows that Christian ethics regarding property implies a free economy.

I wrote the book because I had not found any other book that satisfactorily integrated systematic economics rooted in human action with the Christian doctrines of man and creation as well as the Christian ethic of property. Professors at Christian colleges and universities are mostly left to supplement one of the standard works with articles from an explicitly Christian perspective. Many of these materials do not advocate biblical principles in the area of the state and economic policy but merely offer interventionism dressed-up in Christian language.

Kengor: That’s indeed a major problem, which is why I’m so excited about this book. Correct me if I’m wrong, but it seems that the very foundation of economics, not to mention the American republic in some respects, is the right to private property. Do you agree? If so, is that Scriptural?

Ritenour: The foundation of economic activity and policy is private property. All action requires the use of property and all economic policy is about how people can legally use their property. To benefit from the division of labor, we must be able to exchange our products, which requires private property. Private property is definitely Scriptural. The Bible explicitly prohibits theft, fraud, moving property barriers, debasing money, violating labor contracts, as well as coveting. These prohibitions apply to both citizens and rulers. In my text, I apply this conclusion to issues such as confiscatory taxation, government subsidies, business regulation, and monetary inflation.

Kengor: I find it very telling that Karl Marx was first and foremost against private property, not to mention against God as well. In the Communist Manifesto, he wrote plainly: “the theory of the Communists may be summed up in a single sentence: Abolition of private property.” And yet, there are some religious left Christians who claim that the Bible, especially in certain Old Testament passages, preaches a form of

socialism and even communism. A student of mine had a teacher at a private Christian school in Ohio who instructed the class that as Christians they should be communists. Can you address this argument?

Ritenour: Communism can be condemned strictly on the basis of the Christian ethic of property (among other reasons). Nothing in Scripture either commands or implies that the means of production should be controlled by the state. There are passages in the early chapters of Acts that are often cited as promoting “Christian communism,” but, in fact, actually illustrate Christian sharing. The various Christians still owned their property, but were generous in sharing whenever they saw a need. When Peter rebukes Ananias in Acts 5, he explicitly says that both the property that Ananias and Sapphira sold and the monetary proceeds from selling it were theirs to do with what they wanted. That is not the gospel according to Marx.

Kengor: I like the way you turn the religious left’s thinking on private property on its head. You note that “God prohibits our coveting the property of others.” With that being the case, isn’t it wrong for the government to use the mighty arm of the state to forcibly remove property from one person to give it to another?

Ritenour: I see no other way around that conclusion, especially when we realize that, in our day of mass democracy, the state usually accomplishes policies of wealth redistribution by inciting envy and covetousness among the populace.

Kengor: What about profits? Reconcile the profit motive with the God of Scripture. We have people in this society who portray profits as greedy or unjust.

Ritenour: Profit is the reward entrepreneurs receive for more successfully producing what people want. This is no easy thing to do. Entrepreneurs must invest in present production of goods they sell in the future. Neither entrepreneurs nor government bureaucrats know exactly what future demand will be. Therefore, production necessitates bearing risk. If the entrepreneur forecasts future demand incorrectly, he will waste resources and reap losses. If he forecasts the future correctly, he serves his fellow man by

producing goods people want. It seems only right that such producers are rewarded with profit. In a free market, the only way entrepreneurs earn profits is to serve customers better than anyone else.

Kengor: What about the redistribution of goods? Surely, God wants us to share, to help our fellow man. “Love thy neighbor” might mean more than simply giving him a hug.

Ritenour: Certainly the Scriptures are clear that when we see our neighbor in real need, we are called to do more than merely wish him well. We are called to share our material possessions whether that is food, clothing, and shelter, or money he can use to pay for such goods. However, the Bible never calls upon the state to force people to do so. All of the charity we see provided by Christians in the New Testament was exactly that: charity. It was voluntary sharing by caring Christians. That is how we truly love our neighbor.

Kengor: Indeed, that’s the parable of the Good Samaritan in a nutshell. On a separate point, near the end of your book, you make a statement that’s especially appropriate right now, given the prevailing view by President Obama and the Democratic Congress. You write, “We simply cannot grow the economy into prosperity by resorting to government spending. It cannot be done.” Are you arguing from a strictly economic standpoint or also biblically?

Ritenour: Both. Forcibly taking money from someone to give to another in an attempt to “grow the economy” is a violation of Christian ethics. It also fails to achieve the explicit goal of its advocates. Government spending must be financed by taxes, borrowing, inflation, or some combination of the three. Economics teaches us that all three ways hamper the market economy and result in capital consumption, which causes relative impoverishment, not prosperity. As recent economic events teach us, trying to achieve permanent prosperity by ignoring the economic laws that God has created is a fool’s game. Violating the morality of private property has disastrous consequences.

Kengor: Shawn Ritenour, this book is much needed.

It's a blessing that students who come to Grove City College can learn this perspective. It's my hope that students at other colleges, and especially Christian colleges, can read this book as well. Where do you recommend that readers go to buy a copy of your book?

Ritenour: The book is for sale at the usual places online like Amazon.com. If readers want to learn more about the book, they can look at the book's website.

Kengor: Thanks for talking to "V&V Q&A."

Ritenour: Thank you. It has been a pleasure.

March 22, 2010

Dr. Shawn Ritenour [send him mail] is an associate professor of economics at Grove City College, contributor to the Center for Vision & Values, and adjunct professor at the Mises Institute in Auburn, AL.

Out Of Egypt And On To Babylon – From Slavery Back To Slavery, Part IV

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

By R. Nelson Nash

AT LAST, THEY HAVE A KING! (*GOVERNMENT*)

(1 Samuel 10:20b) Finally, Saul, son of Kish was chosen.

(v. 23-24) Then they ran and brought him out, and as he stood among the people he was a head taller than any of the others. Samuel said to all the people, "Do you see the man the Lord has chosen? There is no one like him among all the people!" Then the people shouted, "Long live the king!"

Saul was a very successful soldier - big, strong, handsome - all the leadership qualities to be a king. And, he was a good man - very humble and surprised that he was to become king. To be anointed king was the ultimate experience one could have.

However, when one is placed in such a position, it is pretty easy to get off track. He began to think he was in charge. Samuel had warned of this probability, but no one listened. Saul was visible, and God was not.

Saul overstepped his authority and thus sealed his fate. Man has one eternal problem – he wants to be God. To see the ultimate manifestation of this malady, watch what man tries to do with government. Power corrupts - and absolute power corrupts absolutely.

Soon it became evident to the Israelites that they had made a big mistake!

(1 Samuel 12:19) The people all said to Samuel, "Pray to the Lord your God for your servants so that we will not die, for we have added to all our other sins the evil of asking for a king."

(1 Samuel 15:10) Then the word of the Lord came to Samuel: "I am grieved that I have made Saul King, because he has turned away from me and has not carried out my instructions."

His successor was David, a man after God's own heart. Down through the ages, he was recognized as the greatest king of all time. But, David goofed up in a big way - his involvement with Bathsheba. David tried to "worm his way out of the situation" but Nathan the prophet brought him face to face with the error of his ways. Do you realize what a brave man Nathan was? He could easily have had his head cut off for his action. (Sometimes I wonder - where is Nathan today? We need Nathan badly!) Unlike Saul, though, David repented.

But, no matter how "good" a person may be, he will still reap the consequences of that kind of action. It can manifest itself in any number of ways. In this case, one of the results was a totally dysfunctional family.

First, his son Amnon, raped his half-sister, Tamar. Her brother by the same mother was Absalom. A couple of years later, Absalom found a way to kill Amnon because of what he had done to Tamar. Then he fled to another kingdom and stayed there three years. Finally King David was persuaded to let Absalom return to Jerusalem.

(2 Samuel 14:24) But the king said, "He must go to his own house; he must not see

my face.”

(2 Samuel 14:25) In all Israel there was not a man so highly praised for his handsome appearance as Absalom. From the top of his head to the sole of his foot there was no blemish in him.

(v.28) Absalom lived two years in Jerusalem without seeing the king's face.

Finally the two were reconciled and they met.

(2 Samuel 15:1-6) In the course of time Absalom provided himself with a chariot and horses and with fifty men to run ahead of him. He would get up early and stand by the side of the road leading to the city gate. Whenever anyone came with a complaint to be placed before the king for a decision, Absalom would call out to him, "What town are you from?" He would answer, "Your servant is from one of the tribes of Israel." Then Absalom would say to him, "Look your claims are valid and proper, but there is no representative of the king to hear you." And Absalom would add, "If only I were appointed judge in the land! Then everyone who has a complaint or case could come to me and I would see that he gets justice."

Also, whenever anyone approached him to bow down before him, Absalom would reach out his hand, take hold of him and kiss him. Absalom behaved in this way toward all the Israelites who came to the king asking for justice, and so he stole the hearts of the men of Israel.

So, you see, politicians have had a superior model to sway the hearts of men since ancient days. If Absalom were alive in America today, he would be elected President in a heartbeat! Continuing this kind of action for several years, Absalom decided that he was to become king in place of his father, David, and set out to kill him. Nice guy, huh? This all ended in tragedy and the death of Absalom. King David was devastated in the loss of his errant son.

Continuing the saga, in 1 Kings 1:5:

Now, Adonijah, whose mother was Haggith, put himself forward and said, "I will be king." So he got chariots and horses ready, with fifty men to run ahead of him. (His father had never interfered with him by asking, "Why do you behave as you do?" He was also very handsome and was born next after Absalom.)

Adonijah proceeded to have parties and surrounded himself with dignitaries of his own choosing.

SOLOMON – WISEST MAN OF ALL TIME

This was not to be, however, and David's choice for his successor was Solomon, the son of David and Bathsheeba. Needless to say, Adonijah ended up losing his life in this intrigue. In fact, there was a lot of killing that took place during all this scene of David's household.

Solomon started his reign with the best of intentions. In 1 Kings 3:7-10 he says:

"Now O Lord my God, you have made your servant king in place of my father David. But I am only a little child and do not know how to carry out my duties. Your servant is here among the people you have chosen, a great people, too numerous to count or number. So give your servant a discerning heart to govern your people and to distinguish between right and wrong. For who is able to govern this great people of yours?"

(v. 11&12) So God said to him, "Since you have asked for this and not for long life or wealth for yourself, nor have asked for the death of your enemies but for justice, I will do what you have asked. I will give you a wise and discerning heart, so that there will never have been anyone like you, nor will there ever be."

Solomon was the wisest man of all time. But, if the wisest man of all time could mess up as badly as he did, what hope do you and I have without God? How could Solomon be stupid enough to have 700 wives

and 300 concubines? Just think of how many mothers-in-law goes with a situation like that! Also, many of those marriages were the result of alliances with other nations. History clearly shows the tragic results of such a course of action. At the very beginning of his reign Solomon made an alliance with Pharaoh King of Egypt and married his daughter.

As a side note, remember in the early years of our own country, George Washington, in his farewell address, warned against any entangling alliances with foreign nations. So did Jefferson and Madison. We seem to have forgotten their warnings and we are reaping the consequences now.

Then Solomon proceeds to build this huge temple. *"The temple that King Solomon built for the Lord was sixty cubits long, twenty wide and thirty high."* (1 Kings 6:2). According to my Bible, that would be 90 feet long, 30 feet wide and 45 feet high. (1 Kings 6:37 b) - Solomon spent seven years building the temple.

For a complete account of what went into the Temple and Solomon's palace I urge you to read 1 Kings chapter 6 and 7.

Next, he builds his own palace.

(1 Kings 7:1) *"It took Solomon thirteen years however to complete the construction of his palace." It was a hundred cubits long, fifty wide and thirty high...* (150 feet long, 75 feet wide and 45 feet high). Note the comparison of the relative size and time that it took to build the two structures. Can you imagine the taxation required to build all this? I wonder why his palace was so much larger.

Additionally, it was all done with slave labor. In 1 Kings 9:15 we read:

Here is the account of the forced labor King Solomon conscripted to build the Lord's Temple, his own palace, the supporting terraces, the wall of Jerusalem, and Hazor; Megiddo, and Gezer." In verse 20-23, "All the people left from the Amorites, Hittites, Perizzites, Hivites and Jebusites (these peoples were not Israelites), that is, their descendants remaining in the land, whom

the Israelites could not exterminate - these Solomon conscripted for his slave labor force, as it is to this day. But, Solomon did not make slaves of any of the Israelites; they were his fighting men, his government officials, his officers, his captains, and the commanders of his chariots and charioteers. They were also the chief officials in charge of Solomon's projects - 550 officials supervising the men who did the work.

Bureaucracy never changes either, does it?

In addition to all this extravagance I suggest that you read 1 Kings 11 for a more complete description of the wealth he accumulated.

(1 Kings 9:1-9) When Solomon had finished building the temple of the Lord and the royal palace, and had achieved all he had to do, the Lord appeared to him a second time, as he had appeared to him at Gibeon. The Lord said to him: "I have heard the prayer and plea you have made before me; I have consecrated this temple, which you have built, by putting my Name there forever. My eyes and my heart will always be there.

"As for you, if you walk before me in integrity of heart and uprightness, as David your father did, and do all I command and observe my decrees and laws, I will establish your royal throne over Israel forever, as I promised David your father when I said, 'You shall never fail to have a man on the throne of Israel.'

But if you or your sons turn away from me and do not observe the commands and decrees I have given you and go off to serve other gods and worship them, then I will cut off Israel from the land I have given them and will reject this temple I have consecrated for my Name. Israel will then become a byword and an object of ridicule among all peoples. And though this temple is now imposing, all who pass by will scoff

and say, 'Why has the Lord done such a thing to this land and to this temple?'

People will answer, 'Because they have forsaken the Lord their God, who brought their fathers out of Egypt, and have embraced other gods, worshiping and serving them - this is why the Lord brought all this disaster on them.'

But, in 1 Kings 11:1-6 we read:

King Solomon, however, loved many foreign women besides Pharaoh's daughter - Moabites, Ammonites, Edomites, Sidonians and Hittites. They were from nations about which the Lord had told the Israelites, "You must not intermarry with them, because they will surely turn your hearts after their gods." Nevertheless, Solomon held fast to them in love. He had seven hundred wives of royal birth and three hundred concubines, and his wives led him astray. As Solomon grew old, his wives turned his heart after other gods and his heart was not fully devoted to the Lord his God, as the heart of David his father had been. He followed Ashtoreth the goddess of the Sidonians, and Molech the detestable god of the Ammonites. So Solomon did evil in the eyes of the Lord: he did not follow the Lord completely, as David his father had done.

And in v. 9-13:

The Lord became angry with Solomon because his heart had turned away from the Lord, the God of Israel, who had appeared to him twice. Although he had forbidden Solomon to follow other gods, Solomon did not keep the Lord's command. So the Lord said to Solomon, "Since this is your attitude and you have not kept my covenant and my decrees, which I commanded you, I will most certainly tear the kingdom away from you and give it to one of your subordinates. Nevertheless, for the sake of David your

father, I will not do it during your lifetime. I will tear it out of the hand of your son. Yet I will not tear the whole kingdom from him, but will give him one tribe for the sake of David my servant and for the sake of Jerusalem, which I have chosen."

And so, Solomon sealed his fate. After his death his son, Rehoboam, became king.

In 1 Kings 12:3-11.

...and the whole assembly of Israel went to Rehoboam and said to him: "Your father put a heavy yoke (taxes) on us, but now lighten the harsh labor and the heavy yoke he put on us, and we will serve you." Rehoboam answered, "Go away for three days and then come back to me." So the people went away. Then King Rehoboam consulted the elders who had served his father Solomon during his lifetime. "How would you advise me to answer these people?" he asked. They replied, "If today you will be a servant to these people and serve them and give them a favorable answer, they will always be your servants."

But Rehoboam rejected the advice the elders gave him and consulted the young men who had grown up with him and were serving him. He asked them, "What is your advice? How should we answer these people who say to me 'Lighten the yoke [reduce taxes] your father put on us'?"

(The last chapter, PART V is next month)

www.infinitebanking.org/news

"Night of Clarity" and the Privatized Banking Workshop

Join us in Nashville, Music City, U.S.A., July 16 and 17 for this exceptional event. You may register for the Night of Clarity, the Follow-Up Cocktail

Reception and Dinner and the Privatized Banking Workshop or just the segments you wish to attend. Your advance registration prior to April 9 will calculate a 10% discount. Read below for more information about each.

Questions? Call Carlos Lara at 615-665-2433 or e-mail usatrust@comcast.net

Featured Speakers

- Thomas E. Woods, PhD, resident scholar at the Mises Institute and the author of nine books. His most popular book to date was the 2004 New York Times best seller, *The Politically Incorrect Guide to American History*. He is also the author of the 2009 New York Times best seller, *Meltdown*.
- Robert Wenzel, a Washington DC based economist well known for his forecasting record. Often quoted in the New York Times, the BBC, the Huffinton Post and other economic journals, he is the editor and publisher of the *EconomicPolicyJournal.com*, a financial blog followed by investors the world over.
- Paul A. Cleveland, PhD, adjunct scholar at the Mises Institute, Professor of Economics at Birmingham Southern College and author of several books including *Understanding the Modern Culture Wars* and the newly released *Unmasking the Sacred Lies*.
- Robert P. Murphy, PhD, economist and adjunct scholar at the Mises Institute, he is the author of several books including *The Politically Incorrect Guide to Capitalism*, *The Politically Incorrect Guide to the Great Depression and The New Deal*, study guides to Ludwig von Mises' *Human Action* and Murray Rothbard's *Man, Economy and State*, and co-author of the soon to be released *How Privatized Banking Really Works*.
- R. Nelson Nash, consultant and bestselling author of *Becoming Your Own Banker-The Infinite Banking Concept*, one of the most creative financial strategies of this century.
- L. Carlos Lara manages a consulting firm specializing in trust services, business consulting and

debtor-creditor relations. The firm's primary service is working with companies in financial crisis. Lara is the co-author of *How Privatized Banking Really Works*.

Friday, July 16, 2010 - "A Night of Clarity"

Absolute power always resides with those who control the money. In our American experience, our federal government has seized and centralized this power. Once it was made possible to tap directly into our pocket books with the passing of the 16th Amendment in 1913 and the establishment of the Federal Reserve System in the very same year, the problems of making a living and accumulating wealth changed forever for all citizens of the United States. Now we find ourselves on the verge of losing the most precious thing in the world...our freedom!

We cannot hope to think clearly about money, or what to do about it, until we realize that our current Federal Reserve policy of money inflation extracts wealth without recourse to taxation, leads to gutting savings, punishes investments, launches economic cycles and causes soaring prices along with bank failures. Only when this is fully exposed and understood can real change can take place. Today it is only the Austrian School of Economics that has been able to explain with complete accuracy the boom-bust cycle of the markets, their cause and effects. Ignoring the Austrians got us in this mess, heeding what they say can lead us out of it.

The long-term Austrian solution is to return money and banking to the competitive private sector, out of the grasp of politicians and bailed-out big bankers. In the meantime, Nelson Nash's revolutionary "Infinite Banking Concept" provides a way for the individual to protect his household during the coming storm.

The hosts and invited speakers of "A Night of Clarity" are devoted to exploring these economic relationships and providing the path toward Liberty.

Admission is \$65, Students \$35

1:00 p.m. Bookstore Opens and Registration Begins

2:00 p.m. Welcome

2:30 p.m. Paul A. Cleveland, Ph.D.: *"An Economist Slowly Learns Nelson Nash's Infinite Banking Concept"*

3:15 p.m. Robert Wenzel: *"Austrian Business Cycle Theory, the '87 Crash, and Other Adventures"*

4:00 p.m. Robert P. Murphy, Ph.D.: *"How Austrian Theory Predicted the Housing Bust"*

4:30 p.m. Discussion and Refreshments

4:45 p.m. Nelson Nash: *"The Feds Are Coming for Your 401(k)"*

5:30 p.m. Thomas Woods, Ph.D.: *"How I Taught Austrian Theory to the Country"*

6:00 p.m. Book Signing, Discussion and Refreshments

6:30 p.m. (Optional) Cocktail Reception, Dinner and Q&A with all Invited Speakers. **Admission is an additional \$85.**

9:30 p.m. - Midnight (Optional, Free) Late Night Murphy VIP Reception at Lonnie's Western Room Karaoke Bar

Saturday, July 17, 2010 - "How Privatized Banking Really Works - Integrating Austrian Economics with the Infinite Banking Concept" An Austrian Theory Work Shop

This Work Shop is an in-depth explanation of the new book by L. Carlos Lara and Robert P. Murphy.

This 3 hour presentation is devoted to explaining why our social, political and economic problem is so serious. It explains clearly how Fractional Reserve Banking works. How government, using this system, expands and contracts money and credit through the machinations of the Federal Reserve Bank and the Commercial Banking System setting off Boom and Bust Business Cycles. The thorough explanation of the Mises-Hayek Business Cycle Theory allows entrepreneurs to foresee these unsustainable bubbles developing in the market and helps guard against them. Then, in clear and easy to understand steps, this workshop will present the one and only solution that can possibly see us through these difficulties.

In what appears as an impossible and hopeless economic situation, there is Nelson Nash's Infinite Banking Concept. The solution is bold, refreshing and extraordinary, but more importantly, it works!

Work Shop Admission is \$395.00 and includes Lunch

8:30 a.m. Book Store Opens and Registration Begins

9:30 a.m. Welcome

10:00 a.m. L. Carlos Lara: *"The Machinations of Fractional Reserve Banking, Its Origins, How It Works, and How It Destroys"*

11:00 a.m. Robert P. Murphy: *"Learn the Warning Signs of a Coming Crash: The Mises-Hayek Business Cycle Theory"*

12:00 p.m. Lunch

1:00 p.m. R. Nelson Nash: *"How the Infinite Banking Concept Can Protect Your Wealth and Neutralize the Fed"*

2:00 p.m. Closing Remarks: L. Carlos Lara
Questions? Call Carlos Lara at 615-665-2433 or e-mail usatrust@comcast.net

Announcing The Infinite Banking Concepts Agent Training Program

We have exciting news! *ALPHA & OMEGA FINANCIAL SERVICES*, arguably, the premier leader in implementing the Infinite Banking Concept, is now offering exclusive training for life-insurance agents.

At this time, this is the *only* widely offered life insurance agent-oriented IBC training that Nelson and I recommend. We believe that Ray Poteet and Rocky Nystrom have put together a comprehensive training program designed to ensure that attendees fully understand the nuances of IBC, and more importantly, *are capable of teaching IBC* to their clients.

Due to the overwhelming demand to know how to “do what we do”, Alpha & Omega is offering a standardized IBC training syllabus. This training features three levels of Infinite Banking Concept training tailored specifically for life agents:

Level 1 - The Essentials

Level 2 - The Professional

Level 3 - The Masters

The goal of these courses is to help agents successfully design IBC-related policies and provide the best follow-on support for their clients available.

Level 1 - The Essentials is a 1½ day class where agents will learn the why, what, fundamentals, and how-to's of the Infinite Banking Concept. The cost is \$995 per agent. The course dates are: April 12-13, May 10-11 & June 14-15.

Level 2 - The Professional is a 2 day class where agents will learn how to make presentations, design an IBC-customized solution and follow through with clients. The course includes presentation materials and spread-sheet templates. The cost is \$1,995 per agent. The course dates are: April 15-16, May 13-14 & June 17-18.

Level 3 - The Masters is a 2½ day class where agents will learn advanced Infinite Banking topics. *The Masters* is for participants who have completed *The Essentials* and *The Professional* levels. The cost is \$3,595 per agent. Course dates are: June 21-23.

Tuition discounts are available. Additional course dates will be added as necessary. Currently all training will take place at Alpha & Omega classrooms in Lawrence, KS.

For more information, please contact Rocky Nystrom, Course Trainer, Alpha & Omega Financial Service. (785) 842-8333, or e-mail Rocky at rocky@alphaomega-fs.com, www.ibctraining.com.

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

Tuesday-Wednesday, 6-7 Apr; Austin, TX, Brandi Jo Newman, 214.455.8419
brandijonewman@gmail.com

Thursday-Friday, 8-9 Apr; Amarillo, TX, T Financial Concepts, LLC 806-352-3480
admin@thompsonthurman.com

Friday-Saturday, 16-17 Apr; Salem, OR, Michele McFie, 503-363-LIFE (5433)
Michele@Life-Benefits.com

Tuesday-Wednesday, 20-21 Apr; Wilkes-Barre, PA, Tim Yurek, 570-826-1801 tyurek@jacobicapital.com

Friday-Saturday, 23-24 Apr; Spokane, WA, Bonita Bell-Andersen, 509-993-1816 bkbell@earthlink.net

Thursday-Friday, 6-7 May; Bismarck, ND, John Dwyer, 701-516-3963 john@dwyerlinquist.com

Thursday-Friday, 13-14 May; Boerne, TX, Janet Sims, 830-331-9805
janet_sims@financialprocessgroup.com

Friday-Saturday, 21-22 May; Austin, TX, Teresa Kuhn, 512-301-7702 tbkuhn@safeharborboy.com

Thursday-Friday, 27-28 May; Lancaster County, PA, Charles Griffin, 717-626-4072
insurance@cwgriffin.org

Nelson's newly added Book Recommendations

Financial Reckoning Day Fallout by Addison Wiggin and William Bonner

Lies The Government Told You by Judge Andrew P. Napolitano