BankNotes

June 2010

NELSON NASH'S MONTHLY NEWSLETTER

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

"Cause and effect, means and ends, seed and fruit, cannot be severed; for the effect already blooms in the cause, the end preexists in the means, the fruit in the seed."
- Ralph Waldo Emerson

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

Scarcity Not Abundance

by: L. Carlos Lara | Thursday, April 29, 2010

(This Article is a modified excerpt from Chapter 2 of How Privatized Banking Really Works by L. Carlos Lara and Robert P. Murphy, PhD.)

Mankind lives in a world of scarcity not abundance. Resources, in all places and in all times, are scarce. This is a fact of human existence here on planet earth. It is the primary reason why we must all learn to be frugal and economize. In essence we must save -- put something back from what we have produced to contend with the uncertainty of the future.

Scarcity, however, can be a confusing concept for people to understand in this day and time, especially here in the United States. After all, look around—do we not see abundance everywhere? This obvious fact is pointed out to us on any given day by simply walking through any local supermarket. Everywhere we look, the shelves in any aisle are filled to the brim with food products of every type and description. There are also fruits and vegetables piled high on all the counters and shopping bins. Meats, dairy products, breads, the list goes on and on. Abundance everywhere!

The same is true in shopping malls. There are retail shops and department stores filled with apparel, footwear and all types of accessories for men, women and children. Hundreds, sometimes thousands, of different designers and manufacturers have produced these goods. Most of them are manufactured in different parts of the world and imported here especially for our consumption.

We also see cars everywhere; in parking lots and on the roads. When we travel in our own cars, going in any direction, we can drive by apartment houses, condos and manicured neighborhoods with beautiful homes. The high rises, office buildings and even skyscrapers make clear what we see. It is not scarcity, but rather the opposite...abundance!

What we are seeing, however, is the perception of abundance—an illusion of a sort. Yes, the items are there and do exist, but we must go behind these products to see the undeniable economic principle of scarcity of which we speak; for if we were to stop producing for any length of time, all of this abundance would quickly disappear. What we find behind all of these products, and the services associated with them, is the production that goes into making them and replacing them when they are consumed. Under closer inspection we discover what ancient thinkers and economists have always pointed out---that human wants are endless and man sets out to acquire his wants, yet the means for acquiring them are themselves scarce.

> *"All human life must take place in time. A man's time is always scarce. He is not immortal; his time on earth is limited. Each day of his life has only twenty-four*

hours in which he can attain his ends. Time is a means...all means are scarce" (1.)

Murray N. Rothbard

The Means of Production

The means of production are land, labor and capital. Land, if nothing more than a place to stand, is scarce. The resources in the land, from the top soil used to grow food products to the oil or gold we can extract from it, are also scarce. We do not need to be environmentalists to recognize this fact. But, surprisingly, so is labor. The scarcity of labor can be even more difficult to fathom than consumer goods, especially in an economic environment where so many seem to be out of work and we are being bombarded with unemployment statistics everyday.

To see that labor is scarce we need to look behind the statistics and study ourselves as individuals. What we find is that we all have a great many more things that need doing or those we want to get done, but we have neither the time, energy, nor initiative to do them. Some of these tasks obviously require materials, but all of them require labor. If one merely extrapolates this fact in one's mind to extend beyond his own small world of activities, to the activities of his city, his state, his nation, his world, one quickly begins to see that the potential demand for labor is indeed endless. In the end, this is precisely why labor is scarce. Unemployment is actually voluntary!

Finally, there is no great argument needed to realize that capital is scarce. This is especially true if we are thinking of capital in terms of money and credit. But actually, capital is the equipment or tools we use in production. Capital goods are what allow us to produce even more consumer goods and the primary requirement for obtaining capital is savings. When we restrict our consumption, we save. When we transfer our labor and our land to the formation of capital goods, we are investing in production for the future. Savings, therefore, is an essential part of a thriving economy, even if it is the economy of one person.

"In order to illuminate clearly the nature of capital formation and the position of capital in production, let us start with the hypothetical example of Robinson Crusoe stranded on a desert island. Robinson, on landing, we assume finds himself without the aid of capital goods of any kind. All that is available is his own labor and the elements of production given him by nature" (2.)

Murray N. Rothbard

Private Property

"Property is a necessary consequence of the nature of man" (3.) wrote the French economist Frederic Bastiat, in the middle of the 19th century. This is like saying that ownership of ourselves and our faculties is primal, but then so are all of the scarce natural resources we find all around us.

Economist Murray Rothbard, in his great thesis Man, Economy and State, makes clear that *"...the origin of all property is ultimately traceable to the appropriation of an unused nature-given factor by a man and his 'mixing' his labor with this natural factor to produce a capital good or a consumers' good. For when we trace back through gifts and through exchanges, we must reach a man and an unowned natural resource. In a free society, any piece of nature that has never been used is unowned and is subject to a man's ownership through his first use or mixing of his labor with this resource." (4.)*

Furthermore, deductive reasoning tells us that without ownership of our own private property we would not be able to exercise the frugal use of scarce resources to achieve as many ends as possible. Even the ability to exchange our property in a market place would be impossible, for we must first own it outright. Ultimately, without property ownership there would be no such thing as a market or even an economy. Therefore, if we are to have an economy at all, ownership or control over property by the individual is imperative.

These very important economic principles are classical and carefully reasoned deductions made by great thinkers of the past as they observed man and the world about him. There is, however, a growing assault on these established premises and especially on property, not only in this country, but throughout the world. This intrusion began in the 19th century and has continued to increase during our time. The idea of communal ownership as promoted under social reforms threatens our most fundamental human rights of private property and is putting our civilization in great danger. The need to turn back to these traditional standards is greater now than it has ever been in the history of the world. But how does one do this? This, and other questions like this, can best be answered by the study of Austrian Economics. Not only is the Austrian school of economic thought able to explain the why and how we have gotten to this point, it shows us a way out. By studying Austrian economics we can end our frustration and cease our scattered ranting and raving. Instead, we can be exact and precise with regards to the problems and their solutions. And, when there are enough of us thinking like this, we can actually get something done before it is too late!

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.

Message of Hope

Each one of us must do our part, yet it all seems too big to fix. Here we must remind ourselves the starting point for change is in our individual education. A great place to begin this education is at our annual "Night of Clarity" event coming up this July 16th & 17th in Nashville, Tennessee. Here, all of your unanswerable economic questions can be answered. You will not want to miss this exciting event with nationally known speakers and Austrian economists. This event is open to the general public and student discounts are available. Hope to see you this summer!

Notes

1. Murray N. Rothbard, Man, Economy and State, pages 3 and 4, Published by Ludwig Von Mises Institute 518 West magnolia Avenue, Auburn, Alabama, 36832, www.mises.org

2. Murray N. Rothbard, Man, Economy and State, pages 40 and 41

3. Frederic Bastiat, The Law, published by Foundation for Economic Education, Irvington, New York, 10533, www.fee.org

4. Murray N. Rothbard, Man, Economy and State, page 147

NULLIFYING TYRANNY

by Thomas J. DiLorenzo

In their new book, Nullifying Tyranny: Creating Moral Communities in an Immoral Society, James and Walter Kennedy address the case for nullifying unconstitutional federal legislation to "fellow Christians who . . . understand that the government . . . has been slowly taken over. . . by an anti-Christian secular humanist element . . ." It is, in essence, an attempt to wake Christians up to the fact that the "god" of democracy results in a situation where immoral people can force everyone to comply with their edicts. "Government, even when sanctified by a majority vote, cannot turn an otherwise immoral act into a moral act." Amen.

Government under democracy is nothing more than legalized theft on a massive scale, the Kennedy brothers say in their Rothbardian analysis of the state. Whether it is monarchy or democracy, government steals private property (through taxation, mostly) "in order to pay for the loyalty of . . . supporters those close to the source of power who have a natural interest in maintaining the status quo." Moreover, "A loyal court, a loyal police and military, and a loyal religious establishment" all "lead parasitic lives. The cost is paid by the productive who must labor to earn enough for the king" (or the state in general, under democracy).

Many Christians misread Jesus's command, "Render to Caesar the things that are Caesar's, and to God the things that are Gods," they write. What Jesus said was NOT to obey ALL of Caesar's commands, but only to "render unto Caesar things that belong to the realm of government, obey [only] legitimate laws enacted by government . . ." For "the larger the government the greater harm it will eventually do to society's morals . . . . the only way to maintain a moral community is to keep the corrosive power of government at a minimum."

The Kennedys embrace the Rothbardian principle of self-ownership as "the first principle of human liberty." Liberty "is based on the principle of self-ownership and personal accountability. Human liberty is indispensable for the promotion, development, and maintenance of a prosperous, peaceful and moral society." The problem with democracy is that human liberty is anathema to it, for "politicians, the ruling elite who control government, do not want people to become self-reliant." They want us all to be reliant on them. They want us to be their tax slaves, cannon fodder, and experimental laboratory rats. "[C]ommunities composed of strong and self-reliant families pose a significant barrier to the envy and greed of politicians and those closely connected to the political ruling elite. Politicians know that people who rely upon themselves and their local community have very little need for a powerful political leader, government bureaucrats, and legions of regulators . . ."

Nullifying Tyranny lays out the classic case for limited constitutional government: "The primary function of government indeed the only legitimate function for government is to protect citizens' property rights." The authors note that in the 1840s, John C. Calhoun identified the tipping point of where, in a democracy, the "tax consumers" come to outnumber the taxpayers. At that point, "government becomes the instrument for legalized looting of the dwindling, law-abiding, moral, productive element." We become ACORN Nation, in other words. Moreover, government is inherently a criminal enterprise, for "government agents have the ability to do things to citizens that, were the agents not part of the government, they would be seized by the local law enforcement service and thrown into jail."

Unlike almost all conservatives and libertarians who make the case for limited constitutional government, the Kennedy brothers are not so naïve as to believe that the document could ever be self-enforcing. "Time has demonstrated the folly of this argument," they write. They are Jeffersonians, and believe as Jefferson did that the only way such a document could ever conceivably be enforced is through political communities organized at the state and local level. Like past generations of Jeffersonians, they understand the absurdity of believing that the federal government could ever be trusted, through its "supreme" court, to faithfully enforce the constitutional limitations on its own powers. Nullification and secession or the threat of secession are the only possible means of enforcing a written constitution.

Addressing the Lincoln Cult and other champions of centralized federal power, the authors write that "Slavery and racial segregation are no longer enforceable by law . . . . Anyone today who attempts to deride States' Rights due to its historical association with slavery or racial segregation should be dismissed as one seeking Federal supremacy in order to force his will upon 'we the people' of the sovereign community . . ." (emphasis added).

The Kennedy brothers echo F.A. Hayek's dictum from *The Road to Serfdom* that, under socialism, "the worst rise to the top." This is also true in democracies in general, they say. In a democracy, "Successful leaders . . . tend to be those who are not hindered by strong moral principles." That is because in a democracy, successful political candidates must do three immoral things: "promise to take money away from those who honestly earned it . . . and give it to those who have no legal right to it"; "make promises that most likely will not be kept"; and grant financial favors to individuals and groups who merely provide the financing for the winning campaign. "Only an unprincipled person can successfully piece together majority votes in a legislature made up of numerous conflicting special interest groups."

The final chapter of Nullifying Tyranny makes a case for local citizen activism that can resurrect states' rights as a means of implementing nullification. Most importantly, the chapter answers six major objections to their proposal to amend the Constitution to resurrect state sovereignty. (In nutshell form, these are: "We'll never get three fourths of the states to agree"; "Can't we just rely on good, honest people to get elected?"; "the special interests are too powerful"; "Christians should not mix politics and religion"; "Can't we just elect 'good conservatives' to Congress?"; and "Your proposal would weaken the federal government; who then would protect us?"

The book ends with four addendums, including a commentary on "Boom-Bust Economics" that is based on Murray Rothbard's What Has Government Done to Our Money? And Tom Woods' Meltdown: A Free-Market Look at Why the Stock Market Collapsed, the Economy Tanked, and Government Bailouts Will Make Things Worse. Christians who believe that all that needs to be done is to elect good, Bible-believing Republicans are deluding themselves, say the Kennedy brothers, for "the Republican Party is just as wedded to the status quo as the Democratic Party" and "both parties can be counted on to do whatever it takes to maintain the ruling elite's control and parasitic use of Federal power."

May 25, 2010

Thomas J. DiLorenzo is professor of economics at Loyola College in Maryland and the author of *The Real Lincoln*; *Lincoln Unmasked: What You're Not Supposed To Know about Dishonest Abe and How Capitalism Saved America*. His latest book is *Hamilton's Curse: How Jefferson's Archenemy Betrayed the American Revolution – And What It Means for America Today*.

Jump Back From the Debt Crevasse

by Floy Lilley

Anyone reading news feeds on the global financial crisis is painfully aware that the world as we know it is rapidly destabilizing. Bottomless debt is gaping open in unfamiliar terrain like crevasses in Ruth Glacier near the end of June.

Europe debt woes have pummeled the euro and Asian shares. Eurozone taxpayers are now extremely exposed to high credit risk, leading to a panic in the world markets, as foreign holders of Greek and Portuguese debt have seized on emergency intervention by the European Central Bank to scamper out of their positions. The chief executive of Deutsche Bank said it would require "incredible efforts" by Greece for its debt to ever be repaid in full. Fears are growing that austerity measures facing the troubled eurozone countries will derail recovery and continue to spark social unrest as that which flared in Athens recently. Portugal, Italy, Greece and Spain are lumped as PIGS, heavily weighing the EU down as their sovereign debts balloon past doable deficits. The euro has slid to a four-year low against the dollar, as if the dollar were something to write home about.

Britain, too, is at a crossroads. Its political leaders cannot bear the thought of not spending, so they have stopped thinking about it. They are falsely convinced that any cuts in public spending would destroy the country's basic public services and stop any economic recovery from ever beginning. Their economists have this backwards. The British population can look forward to ever-increasing taxation under the thumb of a coercive and costly bureaucracy whose monetary policies serve the state, but do not serve people.

America has not dodged this bullet either. The finances of Greece, Portugal, Italy, Spain, and Britain are not unique. Can Americans cast stones at Europe's glass bubbles when our own national debt has already reached 86% of GDP, nearly on par with that of Spain? The Congressional Budget Office has a gloomy prediction about future years. It calculates that deficits will not fall below four percent of the economy under Obama's policies and will begin to grow rapidly after 2015. The White House proposed budget would add more than $9.7 trillion to the national debt over the next decade; the CBO says the debt will be higher than that.

Can we avoid such bottomless debt pits?

Can any nation jump back from the edge?

Politicians demand that we spend. Mainstream economists warn that saving would ruin us. Are they right? Has any nation tried not spending? One has. One nation has a well-documented story to tell us. It is just possible that we could listen to her story and learn how to jump away before our tragic tumble.

Each of us crippled by debt has a thing or two hundred to learn from the small country down under that did the impossible – New Zealand trimmed the size of its coercive, regulating, and taxing government and, not only lived to tell about it, but flourished. While we have been fattening into the most engorged leviathan state on the planet, New Zealand slimmed down on a healthy diet of fiscal restraint in the mid-1980s. In short order, New Zealand threw out the parasites and opened the wide door of opportunity for producers and entrepreneurs to create wealth and raise the standard of living for all.

New Zealand actually received hope and change when they demanded it. Leading the rollback was Maurice P. McTigue, former New Zealand cabinet minister. McTigue's educational lecture is liberally reprinted in parts by permission from Imprimus, the national speech digest of Hillsdale College. This how-to primer is Rolling Back Government: Lessons from New Zealand.

New Zealand's reform government asked each agency just two vital questions: What are you doing? and What Should You Be Doing? Then it told each agency to eliminate what it should not be doing. Is this too sensible for Americans? Isn't this precisely what Ron Paulians would do?

Then New Zealand's reform government told each agency simply to eliminate what it should not be doing. How clear is that? Stop digging the hole you are digging for yourself. Stop spending. Such straightforward focus reduced the number of government employees with the NZ Department of Transportation from 5,600 to 53. The US Department of Transportation had 59,189 public workers on payroll in Fiscal Year 2003 requiring $53.2 Million from taxpayers. The number of parasitic employees with the NZ Forest Service was slashed to 17 from 17,000. The US Forest Service had 28,330 in FY08 spending $5.806 billion.

McTigue himself was the Minister of Works. He ended up being the only employee left when the process was applied to its 28,000 employees. As McTigue says, most of what the Department did was construction and engineering, and there were plenty of people who could do that without government involvement.

Did all those jobs die? No. What died was government's taxation of productive citizens. The need for those jobs still existed. Private companies happily employed that skilled labor force. As private workers, each employee earned three times as much and was sixty percent more productive.

Reform freed up the things government was doing that had no reason being done by government. New Zealand's jump away from debt disaster resulted in one huge going-out-of-public-business sale. Telecommunications, airlines, irrigation schemes, computing services, government printing offices, insurance companies, banks, securities, mortgages, railways, bus services, hotels, shipping lines, agricultural advisory services, and more were sold off. Productivity rose; costs dropped.

The government roll-back determined that other agencies should be run as profit-making and tax-paying enterprises by government. Reforms made the air traffic control system into a stand-alone company, gave it instructions that it had to make an acceptable rate of return and pay taxes, and told it that it could not get any investment capital from its owner (the government). The accountability reformers did the same thing with about 35 agencies – agencies which had cost producers about one billion dollars per year, now, instead, produced about one billion dollars per year in revenue and taxes.

The institution of high levels of transparency was promised and was actually delivered in New Zealand. Significant consequences for bad management decisions, instead of bailouts, resulted in the following: the size of government was reduced by 66 percent measured by the number of employees; the government's share of GDP dropped to 27 percent from 44 percent; surpluses were produced; the surpluses were used to pay off debt; the debt dropped to 17 from 63 percent of GDP (recall that ours stands today at 86%); the remainder of the surplus each year was used for tax relief; the income tax was reduced by half and incidental taxes were eliminated.

McTigue writes:

"We need to recognize that the main problem with subsidies is that they make people dependent; and when you make people dependent, they lose their innovation and their creativity, and become even more dependent. Reform took all government support away from the New Zealand sheep farmers. The process changed the farmers' position from a receipt of about 44 percent of its income from government, to zero subsidies. In 1984, lambs' market was $12.50 per carcass. By 1989, producing a different product, processing it in a different way, and selling it in different markets delivered $30. By 1991, the product was worth $42; by 1994, it was worth $74; and by 1999, it was worth $115. Rolling back government let the New Zealand sheep industry go to the marketplace to find people who would pay higher prices for its product. Such reform delivered a loss of only three-quarters of one percent of the farming enterprises – and those were people who should not have been in farming. Instead of a turn to corporate farming, family farming expanded. Freedom demonstrated that if you give people no choice but to be creative and innovative, they will find solutions."

Thinking differently about government, New Zealand eliminated all the Boards of Education in New Zealand. Every single school came under the control of a board of trustees elected by parents of the children at that school, and by nobody else. The new accountability gave the schools a block of money based on the number of students that went to them, with no strings attached. All schools were converted to this system on the same day. Privately-owned schools were funded the same way. All of a sudden, teachers realized that if they lost their students, they would lose their funding; and if they lost their funding, they would lose their jobs. New Zealand moved from being 15 percent below its international peers to 15 percent above.

New Zealand's reform government decided that providing social services and changing behaviors do not have any place in a rational system of tax collection. So they selected only two methods for gathering revenue – a lowered tax on income, and a flat tax on consumption. All other forms of taxation were eliminated, period.

Deregulators rewrote the statutes on which all regulations were based. All environmental laws, tax codes, farm acts, occupational safety and health acts – the whole lot, every single one. Laws that were 25 inches thick were reduced to mere hundreds of pages. New statutes repealed all of the old. The goal was only the best possible environment for industry to thrive.

And, thrive it has, or it seems to have. McTigue has not responded to my request for updates on the status of this remarkable transformation, but, I see aggressive ads for New Zealand in many places. "New Zealand is now an entrepreneurial power house" is part of one such invitation for people to invest and live there. Claims that the country is "in a better position to face the global storm," is "ranked first as the least corrupt," is "5th freest economy in the world," and, is "first in the world for protecting investors" all strike a great and jubilant cry of markets and people who have pulled themselves back from the brink.

New Zealand said no to death by debt; couldn't we?

May 20, 2010

Floy Lilley is an adjunct faculty member at the Mises Institute. She was formerly with the University of Texas at Austin's Chair of Free Enterprise, and an attorney-at-law in Texas and Florida.

Becoming Your Own Banker Monthly Lesson

Starting this month, we will begin a series of Nelson's lessons, right out of Becoming Your Own Banker. Based on reader response, we will continue until we have gone through the entire book.

PART I LESSON 1: *BECOMING YOUR OWN BANKER*

Content: Page 11, *Becoming Your Own Banker – The Infinite Banking Concept*™, Fifth Edition, Third Printing.

Perhaps it was that eminent author, "Anonymous," that made the observation, *"If you take all the money in the world and divide it equally among all the people in the world, within ten years time 97% of the money will be in the control of 3% of the people."* There is no way to measure the validity of this, but do you suspect that there is a lot of truth to it?

Even if you change the proportions to 75% v. 25%, it still is an appalling situation. Have you ever wondered why this is happening? I think one strong possibility is that the common man knows next to nothing about the most important business in the world -- banking! Without banking we are all back in the caves and dealing with each other by means of barter. Our standard of living would be vastly degraded.

When you go to buy something, money must flow from you to that other party in a relatively short period of time or, otherwise, those narrow-minded folks won't do business with you. They have no sense of humor at all! Similarly, when you sell something, money must flow from that other party to you. The flow of money is absolutely necessary. It is the method of keeping score with one another. Where the money comes from is the subject of this course. It must come from a reservoir -- a pool of money -- a bank! And it must be adequate to complete the transaction plus all the contingencies of life that we all face. The money in your pocket is all part of the banking system.

Consider this analogy. Look at a globe and it is rather obvious that about 80% of the earth's surface is water. The sun heats it up and causes some of it to evaporate into the atmosphere. That causes wind currents that carry the moisture around the earth and it will precipitate out as rain, sleet, snow, and hail. And, somewhere along the way some of it will flow through you and me -- eight glasses per day. After all, we need to acknowledge that most of you is water and that proportion must remain fairly constant. Have we all not heard the phrase, "Don't get dehydrated?" Does it dawn that you are a pool of water? When it flows through us, pray tell, where does it end up? Back in the oceans, of course! It is a system!

There is only one pool of money in the world. The fact that various banks, insurance companies, corporations, and individuals are managing it in various countries and currency denominations is incidental. To argue otherwise would be the equivalent of a person looking at the globe and saying, "Oh, look! There is South America -- and look, there is the Amazon River flowing into the South Atlantic Ocean. But, that has nothing to do with the Indian Ocean on the other side of the world!" Nonsense! That is ridiculous! There is only one pool of water on the earth. It is all part of a system -- and they are all connected in one way or another through the various forms of water -- solid, liquid, or water vapor.

Another analogy – would you agree that everyone needs a heart? Its function is to pump blood to wherever it is needed within your body -- so you need one, personally, and it must be functioning to make your blood flow. But, have you ever considered that you can live without one? I did, back in January 1988! The doctors had mine outside the chest cavity and were re-plumbing it in four places. They can't do that without shutting it down for the duration of the surgery. My heart did not work for about two and a half hours! But, here I am talking to you today! What made all this possible?

There is this wonderful machine called a heart-lung machine that performs the functions of the heart. But, as I look back on this event, there is no way that I could classify those 2 ½ hours as "living." That was "existing!" I don't remember any of that time -- thank God! The other thing I noticed is that the procedure was very expensive -- but worth it! I would gladly have paid three times what it cost without objection.

Now, translate these analogies over into terms of money and banking and pay close attention to what is happening in the world of the common man. You will see that he is doing the equivalent of living on a heart-lung machine 35% of the time! Absurd! He should not be living on it at all!

This course is all about building a banking system so that you control 100% of your needs for money at all times. You can recapture that "financial energy" that is now flowing away from you (you will never see it again) and it will accumulate on an income tax-free basis for your benefit.

We live in an age of instant gratification, sound bites, and a pill for every known or imagined malady. This is the "now generation" -- looking for immediate gratification for every action. Put on a garment and wear it for a while until something else comes along that looks more attractive -- or worse, that is more "in style." Becoming Your Own Banker is not of that nature -- it is a major paradigm shift. This is a concept that needs thorough examination so that one can make a life-long decision. It can't be done overnight. It will take a long time and will require patience and complete understanding – but if you absorb its meaning and adopt it as your "new paradigm" it will be worth all the effort!

Exercise: *Try to figure out how much interest you pay per month.*

www.infinitebanking.org news

"Night of Clarity" and the Privatized Banking Workshop

Announcement: *Nelson and I have decided to postpone our IBC SUMMER THINK TANK SYMPOSIUM because we think that the "Night of Clarity" and Privatized Banking Workshop are critically important for our membership, and believe that all should make an effort to attend this event. We had originally scheduled the next Think Tank Symposium for the week of 9 August, 2010, but, because of the closeness of this event with the "Night of Clarity," we have decided to postpone the think tank until the regularly scheduled WINTER meeting in the January - February time-frame.*

Please join us in Nashville, Music City, U.S.A., July 16 and 17 for this exceptional event.

David Stearns
Infinite Banking Concepts

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. Read below for more information about each.

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

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

-----------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

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

Infinite Banking Concepts Agent Training Course Schedule for 3rd & 4th Quarters 2010

3rd & 4th Quarter schedule; All classes to be held in Lawrence, KS, except the August dates, which will be held in Birmingham, AL*.

Level 1 - July 12-13 (Noon-4pm)

Level 2 - July 14-15 (9am-4pm)

Level 1 - Aug 10 (9am-7pm)*

Level 2 - Aug 11-12 (9am-4pm)*

Level 1 - Sept 13-14 (Noon-4am, 9am-4am)

Level 2 - Sept 15-16 (9am-4pm)

Level 3 - Sept 22-24 (9am-4pm, 9am-4pm, 9am-noon)

Level 1 - Oct 11-12 (Noon-4pm, 9am-4pm)

Level 2 - Oct 13-14 (9am-4pm, 9am-4pm)

Level 1 - Nov 8-9 (Noon-4pm, 9pm-4pm)

Level 2 - Nov 10-11 (9pm-4pm, 9am-4pm)

Level 3 - Nov 15-17 (9am-4pm, 9am-4pm, 9am-noon)

Level 1 - Dec 7 (9am-7pm)

Level 2 - Dec 8-9 (9am-4pm, 9am-4pm)

The *Alpha & Omega Financial Services* Infinite Banking Concept training 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, that they *are capable of teaching IBC* to their clients.

Alpha & Omega's standardized IBC training syllabus 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.

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.

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*.

Rocky. All training will take place at Alpha & Omega classrooms in Lawrence, KS, unless otherwise noted. For more information, and tuition costs please contact Rocky Nystrom, Course Trainer, Alpha & Omega Financial Service. (785) 842-8333, or e-mail Rocky at rocky@alphaomega-fs.com.

The February 2010 Infinite Banking Concepts Think Tank Symposium

Symposium was a huge success. Thanks to all the presenters that made it the best yet. The Symposium DVD set is now available on our website for $179.95 plus $6 shipping. The featured speakers and their topics presented on the DVDs are:

Dwayne Burnell, MBA - *"Guiding Your Clients on A Path to Financial Peace of Mind"*

Scott Bretl - *"Intro to Personal Finance Companies"*

Joe Kane - *"Why Banking is Better than the Alternative"*

Neil Denman, CPA - *"Follow Some Basics to Stay Out of Trouble - A CPA's Perspective"*

Rocky Nystrom - *"A Comprehensive IBC Training Program for Agents"*

Mark Creighton - *"IBC-related strengths of MTL products"*

George Kozol - *"A Perfect Personal Liquidity Product"*

Robert Murphy - *"Using Austrian Economics and IBC to Achieve Sound Money"*

Dr. Kevin Lasko - *"IBC Client Testimonial"*

Todd Langford - *"Whole Life Insurance - Measuring Its True Value"*

Charles Griffin - "*Client Interview Process and Tools"*

Joe Pantozzi - *"Qualified Plans: Disastrous to Your Health?"*

Ray Poteet - *"Regular Car Financing vs. IBC Financing"*

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

Wednesday-Thursday, 9-10 June, Miami, FL, Erin.Hetrick@CambridgeFP.com 714-361-7413

Friday, 11 June, Orlando, FL, Bryan Repple, bryan@garepple.com, 407-339-9090

Tuesday-Wednesday, 15-16 June, Dallas, TX Joe Kane, jkanesat@aol.com 512-659-5658

Thursday-Friday, 17-18 June, Austin, TX, Tom Eckols, tom_eckols@glic.com 512-343-7947

Tuesday-Wednesday, 29-30 June, Lawrence, KS, Crystal Eisman, ceisman@alphaomega-fs.com, 785-842-8333

Tuesday-Wednesday, July 13-14, Ft Worth, TX, James Neathery, jcneat@gmail.com 817-790-0405

Friday, 16 July, Nashville, TN, "Night of Clarity", Carlos Lara, 615-665-2433 or usatrust@comcast.net

Saturday, 17 July, Nashville, TN "How Privatized Banking Really Works - Integrating Austrian Economics with the Infinite Banking Concept" An Austrian Theory Work Shop, Carlos Lara, 615-665-2433 or usatrust@comcast.net

Nelson's newly added Book Recommendations

The Great Departure by Daniel M. Smith

Frederic Bastiat: Ideas and Influence by Dean Russell

Sound & Fury – The Science of Politics and Global Warming by Patrick J. Michaels