

THIS IS R. NELSON NASH



A person's thoughts over a period ultimately results in a set of core beliefs - a mindset - some call it a worldview - that controls human action and gives life meaning and purpose.

Here are three articles that I want to share with you that will give you a rather complete picture of who I really am and why I conceived the Infinite Banking Concept over 30 years ago.

In order for you to fully understand the importance of the concept I would like to make a special request of you to ensure that this concept flourishes in years to come. It has already changed the lives of thousands of persons in the world and will continue to do so but it depends on you and your commitment to practice it - communicate it - and coach those who are making this transition.

Please read this package of articles at least once per month for the remaining 11 months of 2018.

Perhaps this will become habitual for you and extend indefinitely into the future. You are encouraged to share this message with others within your circle of influence.

This preface serves to introduce the first of the articles.



NELSON'S LIST OF UNDENIABLE TRUTHS

The Bible is the story of man's relation to his maker. It is not about science, world history, climatology, plant, or animal life; geology, or any other study in which mankind indulges.

Genesis 1:26 - Then God said, "Let us make mankind in our image, in our likeness, so that they may rule over the fish in the sea and the birds in the sky, over the livestock and all the wild animals, and over all the creatures that move along the ground."

Psalm 24:1 The earth is the Lord's, and everything in it, the world, and all who live in it.

Psalm 100 - Know that the Lord is God. It is He who made us, and not we ourselves; we are His people, the sheep of His pasture.

There is no way that "we just happened." The Bible is the only reasonable explanation of why we are here.

God made us for fellowship with Him. It is impossible to have fellowship with a puppet. Therefore, He had to give mankind "free will"- the ability to reject Him. Our human nature is to do exactly that - it is our sin nature. When we reject Him we are separated from Him. He did not reject us - we rejected Him.

Mankind has one eternal problem - he wants to be god. To witness the ultimate manifestation of this malady, just watch what he tries to do with government. Sin is anything that we do that separates you and me from God.

Matthew 27:46 - About three in the afternoon Jesus cried out in a loud voice, "Eli, Eli, lema sabachthani?" (which means "My God, my God, why have you forsaken me?"). At that moment He was separated from The Father (God). He became sin for us.

Romans 6:23 - For the wages of sin is death, but the gift of God is eternal life in Christ Jesus our Lord. Sin killed Jesus Christ - not the beatings and extreme physical abuse that is usually depicted or alluded to before His death.

2 Corinthians 5:21 - God made him who had no sin to be sin for us, so that in Him we might become the righteousness of God. Sin has a price, and it must be paid. Jesus ransomed us as believers.

There is a fundamental element of dependency in the act of worship. Man will worship that on which he is dependent. You worship that on which you are dependent.

My personal observation of Christians today is that they say that they worship God. But suggest that we terminate one of their favorite government programs - and they cannot conceive of life without it.

We are here on this earth for such a short period of time. My 86+ years of existence (at this point in time) are just a "blink of the eye" in comparison with eternity.

This earthly experience is nothing more than "a training camp" to fit us for eternal fellowship with our Maker.

Man has glimpses of truth and light from time to time, but he finds it so easy - and attractive - to lapse into the ways of the world.

John 1:10 - He was in the world, and though the world was made through Him, the world did not recognize Him. He "didn't meet their specifications." They were measuring Him by their own understandings.

John 4:24 - God is spirit, and those who worship Him must worship in spirit and truth. Satan is a spirit also - and he is "alive and well" today. And it is my observation that most Christians don't recognize him. What does he look like? What are his behavior characteristics? Satan is a wily creature.

Answer: He always makes his ideas -and actions - "look attractive" initially. Basically, he is convincing people that "we really don't need God. Man can do very well without Him. All we have to do is form a coercive organization (government), put the 'right people' in charge of it and do what they say."

That course of action is nothing more than "man trying to play the part of God." Unfortunately, most folks don't recognize this truth.

Exodus 34:14 - Do not worship any other god, for the Lord, whose name is Jealous, is a jealous God.

This is why all government programs are destined to fail. God won't put up with such nonsense - because they are all manifestations of "Mankind attempting to "play god."

Again, there is a fundamental element of dependency in the act of worship. You will worship that on which you are dependent.

Fish Are the Last to Notice the Water

by Paul Rosenberg

From time to time a person is fortunate to come across a profound message that gives vital insight into what really causes the difficulties in life with which people wrestle daily.

During 2017 I was fortunate to be introduced to this most profound message by Paul Rosenberg. I encourage you to memorize it. It is that important.

I ran into this phrase in a physics lecture, of all places, and knew it would be the title of my next article. And this is generally a true statement. Those who are immersed in something... who have always been immersed in it ... are the last to see what it really is.

By now it should be obvious to the people of the West that they're being held in a primitive bondage. And fortunately, more eyes are opening to this than ever before.

But still, most people are so used to this particular "water" and have so long acclimated themselves to it, that they haven't recognized it. There is nothing inherently wrong with most of these people; they just haven't stepped back far enough to see the obvious. So, let's do that.

The Long View

A single model of human life has dominated the West for thousands of years. I can summarize by saying that this rulership model began to form in about 5400 BC, dominated Mesopotamia by about 4000 BC, took hold in Egypt by 3000 BC, and spread over the rest of the world from there. So, it has dominated for some 5,000 or 6,000 years, depending on which dates you prefer.

This model is so common that it's hard to make out at first. Here are its parts:

1. A small minority of men hold a monopoly on making rules everyone else will live by.
2. This minority enforces these rules on everyone else.
3. The minority extracts regular payments from everyone else. This is said to be necessary for protection and justice.
4. The minority fails to provide justice on a daily basis and very often sends the children of the majority to fight in battles to the death.
5. A minority-aligned intellectual class assures the majority that this is the best that can be had and that it has been sanctified by some higher power (gods, ancestors, tradition, reason, experience, progress, or whatever).
6. No one is permitted to escape this model. Those who try are punished as traitors and heretics.

Moreover, this model has been an abject failure - a demonstrable failure:

- Wars have continued throughout its entire reign.
- Justice has never been achieved and generally came closest in places away from power centers.
- Human happiness has not noticeably increased.
- Even when science has broken out, it has been recaptured and forced to serve the model. (The internet, for example.)

On top of that, this model has to be maintained by force. As noted above, straying from it is harshly punished. If this system were truly superior, force wouldn't be required. After all, we don't have to force people to buy houses or cars.

So, by any number of measurable standards, this model fails, and very, very badly. The best defense one might make for it is that something else could be worse. But since we're not permitted to test that assertion, the word bondage is perfectly fitting.

At a bare minimum, we can say this:

Any system with no major upgrade in 5,000 years must be considered hopelessly obsolete, moribund, and degenerate.

This is where we stand today. And it is crucial that we help our fellows see it.

How Do We Do Make Them See?

First off, we cannot make people see. And truthfully, they generally see it quite well on their own. What they lack is inner strength to acknowledge what they see.

It is not intellectual strength that most people lack; it is emotional strength. And so, you'll have to be slow and gentle if you want success. Rigorous intellectual arguments are not enough, and in many cases, they're counterproductive.

In the end, the way to help your friends and neighbors is downright biblical:

Plant seeds, wait for them to germinate, water them. Show kindness, love them, shine light on their path.

It doesn't matter if this sounds hokey to you or if you'd rather engage in brilliant arguments. This is what works.

So, decide what you really want: for your friends and neighbors to see, or for you to "win."

The fish need faith to imagine a dry shore, and they're not going to get it from intellectual badgering.

God is a Libertarian

by Jesus Huerta de Soto

The author of this next article has a worldview that is practically identical with my own. He even uses stories and expressions that match mine.

He is a Christian. He is an Austrian Economist. His family business is Life Insurance., We share so very much in common in our thought process.

The state is the true Antichrist. That is where humanity's problem lies.

Thank you for being here today [Fundación Rafael del Pino, Madrid, May 17, 2017. Once again, it gives me great satisfaction and joy to be able to address you all, at (what I believe is) the Tenth Spanish Conference on Austrian Economics. Typically, my lectures cover topics related to economic theory or libertarian philosophy. Last year, I made an exception, for which I offered a detailed explanation, and I delivered a brief talk on the subject of the, political landscape at the time. I believe the situation warranted it. This year, I am going to make another exception, and we will digress briefly into the realm of theology.

A few years back, Professor Marfa Blanco, who may be here today, interviewed me for a book on the leading Spanish economists, and I stressed that in the multidisciplinary approach of the Austrian school, it is very important that we not overlook theology. Philosophy and law are quite necessary, but theology is also key, and it is an area we must explore. Today, I am going to do some research, or at least share a series of reflections on the sphere of theology and its relationship to the libertarian movement.

My first words should be of gratitude, of thanks, to Pope Francis, because he has in pried the content of these reflections. Specifically, I am referring to Pope Francis's comments on libertarians in his April 28 message to participants in the plenary session of the Pontifical Academy of Social Sciences. So, I thank Pope Francis for providing the motivation behind what I am going to say today.

I would like to add that I prepared this lecture in the shade of a pine tree, on the banks of the Mediterranean Sea, at my home in Majorca on Saturday, May 13, 2017 -- exactly one hundred years after Our Lady of Fatima first appeared to the three Portuguese shepherd children, Francisco, Jacinta, and Lucia. Incidentally, the main message of Our Lady of Fatima was that a great tragedy was going to strike the world with the Marxist Revolution, the triumph of the Communist Revolution in Russia, and that many prayers should be said for Russia. The prayers seem to have had an effect, and seventy-some years later, the Wall came down, and real socialism disappeared, though it must be said that cultural communism and Marxism are still omnipresent, even in broad areas of the Catholic Church. Therefore, allow me to dedicate my remarks today to Our Lady of Fatima, because a centennial comes around only every one hundred years.

Well, I would like to start from a premise. Our initial premise will be that God exists. Of course, this will come as a shock to many people. Others -- believers -- will find it obvious. Still others will have their doubts. Many will be put off, especially in a group of economists, philosophers, freedom-loving people, and libertarians, like the group I am in today. However, I would ask that, at least for the sake of argument, even those who do not believe in God make an effort to imagine, for the next few minutes, that God does exist. That is the starting premise of my entire talk today.

And what do I mean by "God"? By "God," I mean the supreme, loving Creator of all the things and creatures that have been created. Elsewhere, I have developed at some length the theory that one of the most important creatures to be created is the human being, whom God created in his own image and likeness, and that if there is a point of connection between the image and likeness of God and of man, it lies precisely in creative entrepreneurial ability. The human capacity to discover, to see, and to create new things (in-en-prehendo, prehendi, prehensum) connects God and man. I am not going to elaborate on that theory now, since you are already familiar with it, and it is expounded in several of my papers.

Nevertheless, today I will go a step further and attempt to demonstrate that God is not only the supreme, loving Creator of all things, but also a libertarian. This is the main contention of my remarks today. So, what does it mean to be a "libertarian"? Perhaps it is idle of us to pose this question in the context of this conference.

A "libertarian" is someone who loves human freedom (which is one and indivisible). Libertarians defend free enterprise, the creative capacity of human beings, and the spontaneous market order. Above all, libertarians abhor the organized, systematic coercion of those monopolistic agencies of violence we know as "states." In other writings, for instance in my article, "Classical Liberalism versus Anarcho-capitalism," I have examined the reasons the state is not only unnecessary, but also highly inefficient and, more importantly, immoral, and why we must dismantle it.

So, what does it mean to say that God is a libertarian? (This is the next step.) What meaning should we attribute to this phrase or expression? It means that God, the Lord of all the universe, who has created his laws from nothing, and who therefore has absolute power over the Earth and the rest of the universe, nevertheless does not use force, but always leaves his creatures free. He gives them the freedom even to rebel against him. There are the fallen angels, for instance. These are spiritual beings who rebelled against their Creator. God leaves human beings free even to rebel against him. In this sense, human beings are more fortunate than the fallen angels, because happily, humans have been redeemed. In other words, God forgives human beings again and again, and he allows them to get up and start over.

Forced conversion would be contrary to the inherent freedom which characterizes the supreme, loving Creator of all things.

God in three persons: God the Father, God the Son, and God the Holy Spirit. He always lets people do as they will; he lets things happen; he allows the universe, with the order he has created, to spontaneously evolve by itself. God lets do; he lets pass; the world goes on by itself "Laissez faire, laissez passer, le monde va de lui m me" could be the motto of our libertarian God. And this is true,

even though man tests God again and again and demands that he manifest his supreme power, that he gives us crystal clear, undeniable signs of his power -- and then we will believe in him. But of course) God does not fall for this because a forced conversion, the result of a cataclysm, would be contrary to the inherent freedom which characterizes the supreme, loving Creator of all things.

At the time of Jesus, the Zealots (and the world is still full of zealots today) were crying out for the creation of an all-powerful world state, a kingdom of the Messiah, who would exercise his power and impose his will on the whole world. People asked for other signs as well. When Jesus hung, crucified, on the cross, they mocked him and said, "If you are the Son of God, come down from the cross, and then we will believe in you."

But Jesus, God the Son, a libertarian, did not come down from the cross. And why did he not make fire rain down -- wreak devastation -- and thus manifest the will of the supreme Creator? Like napalm in the Vietnam War, or Donald Trump's "mother of all bombs."

Even apostles as beloved by the Son of God as James and John (no less) fall into this temptation when they ask Jesus for permission to call down fire from heaven and exert God's power. I will read this passage word for word. We find it in St. Luke, chapter 9. It says, "On their way they entered a village of the Samaritans to make ready for him; but they did not receive him, because his face was set toward Jerusalem. When his disciples James and John saw it, they said, 'Lord, do you want us to command fire to come down from heaven and consume them?' But he turned and rebuked them. Then they went on to another village;" Why this reaction? Because God -- in this case, God the Son -- is a libertarian.

And even though he has the power and capacity to establish the best welfare state imaginable, God the Son does not get caught up in any such plan. We have the example of his best-known speech, the Sermon on the Mount, which includes the Beatitudes. There was a crowd of people, and Jesus later took pity on them because they had nothing to eat, and he performed the miracle of the Multiplication of the Loaves. They all ate and were satisfied, and they realized that Jesus was capable of feeding the whole world free of charge. It seemed to them like paradise. And what was the reaction of the people? I am afraid that, rather than internalizing the message of the Beatitudes, they were tempted by the chance to achieve, then and there, a welfare state, and they immediately wanted to appoint Jesus head of state; in short: to make him king.

Let us see how the Gospel of St. John puts it (6, 14-15). It reads, "When Jesus realized that they were about to come and take him by force to make him king, he withdrew again to the mountain by himself." Why? Because God the Son is a libertarian.

And the kingdom of God "is not from this world." Jesus himself says this to a frightened official of the Roman state, who is also in charge of judging him. "My kingdom is not from this world." This may appear to mean that there are two types of kingdoms or states: the kingdoms of this world, which on their own level are legitimate (remember, "give ... to the emperor the things that are the emperor's"), and the kingdom of God, of heaven ("and [give] to God the things that are God's"). That is the standard interpretation, which has prevailed up to now, but I believe it is utterly false from beginning to end.

When Jesus is asked the trick question about paying taxes to the emperor, he gets around it in a very intelligent way. "Show me the coin used for the tax ..., Whose head is this.....?" "The emperors' ". "Give therefore to the emperor the things that are the emperors, and to God the things that are Gods. And he avoids problems for the time being, but at no point does he specify what is the emperors. Maybe nothing. In fact, Jesus never paid any tax himself. The only time he had to pay a tax, he instructed St. Peter, "...Cast a hook, and take the first fish that comes up, and when you open its mouth you will find a shekel; take that and give it to them for me and for yourself" (St. Matthew 17:22-27).

I believe the correct interpretation is that the kingdom of God, which is the exact opposite of the kingdoms of this world, of states, and which never systematically uses violence and coercion, is a kingdom that has already arrived. It has been given to us free, in an act of immense mercy and love (Deus Caritas Est), and it should lead to the dismantling of the kingdoms, or states, of this world, because God is a libertarian, and he made man in his own image and likeness.

But what are the origin and the nature of the states or kingdoms of this world? Without a doubt (and I am going to try to demonstrate this here this afternoon), the state is the embodiment or instrument of evil, of the devil. I will show that this is true. But first, allow me to make a brief digression on the origin of the state -- the origin of the kingdom (or kingdoms) of this world.

Perhaps the clearest explanation is found in the Old Testament, in the book of First Samuel. There we read how the kingdoms of this world of states emerged with a deliberate act of human rebellion against the kingdom of God.

We will read from First Samuel, chapter 8. Up until then, the Israelites had lived in a state of semi- anarchy and had turned to a series of judges or mediators to settle their disagreements. But at a certain point, they approached Samuel and said, "Give us a king to govern us." In other words, "Give us a state." We read in First Samuel that Samuel was very displeased by this, and that he turned to God, or Yahweh, and said, "Listen, these people expect us to give them a state."

And what does God, or Yahweh, answer? He literally says the following: "...They have rejected me from being king over them." That is, the state, the kingdom of this world, arose as the alternative to the kingdom of God. But God is a libertarian, and he lets people do as they will. He lets them do as they will. "You want a state? Go right ahead. But please, Samuel, before they proceed, 'solemnly warn them, and show them the ways of the king who shall reign over them.'"

And Samuel, without wasting any time, called the people together and said, "So, you say you want a state? Well, 'These will be the ways of the king who will reign over you: he will take your sons and appoint them to his chariots and to be his horsemen, and to run before his chariots; and he will appoint for himself commanders of thousands and commanders of fifties, and some to plow his ground and to reap his harvest, and to make his implements of war and the equipment of his chariots. He will take your daughters to be perfumers and cooks and bakers. He [the state] will take the best of your fields and vineyards and olive orchards and give them to his servants. He will take the tenth of your grain and of your vineyards and give it to his officers and to his servants [just like now]. He will take your menservants and maidservants, and the best of your cattle and your asses,

and put them to his work. He will take the tenth of your flocks, and you shall be his slaves." Well, as you can see, the Warning of Yahweh is abundantly clear. (And yet, we have the nerve to complain.)

The state is the true Antichrist. That is where humanity's problem lies.

Anyway, the state is the main instrument of evil. In the state, the evil one wields his power. Who is the evil one? The devil, the fallen angel. What is the goal of the evil one? To destroy the work of God. To destroy the spontaneous order of the universe, which includes the spontaneous order of the market. That is his goal. Who is our enemy? Who is the enemy of libertarians? The devil. We are up against the devil (we have our work cut out for us), and one of his chief manifestations is the state. He is hard but not impossible to overcome, because we have an ally who is much more powerful than the devil.

There is no doubt that the state is the embodiment of the devil. But I am not the one who says it. There would be no merit in that. It would be an argument from authority. "Professor Huerta de Soto says God exists and the state is the embodiment of the devil" An argument from authority. I am not the one who says this. No. St. Luke the Evangelist says it, and the Pope Emeritus Benedict XVI, Joseph Ratzinger, really drives it home in his very remarkable biography titled Jesus de Nazareth. In the first to be published of the three volumes, there is a sublime chapter in which the author comments on each of the temptation and God the Son (that is, Jesus) was subjected to.

And in St. Luke, chapter 4, starting with verse 5, we find a description of the third temptation, the gravest and the strongest. The gospel reads, "And the devil took him up, and showed him all the kingdoms [that is, all the states] of the world in a moment of time, and said to him, "To you I will give all this authority and their glory; [and the following words of the devil, recorded by the evangelist, are key:] for it has been delivered to me, and I give it to whom I will. If you, then, will worship me, it shall all be yours." Thus, according to the devil himself, all of the states on the Earth are under his command and depend on him. So, we can understand why they inflict so much harm. What does Jesus answer? Jesus says, "It is written, 'You shall worship the Lord your God, and him only shall you serve.'" Why is that? Because God is a libertarian.

Ratzinger himself (What a pope! What a brilliant mind!) warns that the main threat of our time lies precisely in the deification of human reason and in the attempt, through pseudo-scientific so-called social engineering and the state, and led by governments, authorities, and experts, to create nirvana, an earthly paradise, here and now in the world. Humanity's great problem is that we have turned the state into a golden calf everyone worships. The state is the true Antichrist. That is where humanity's problem lies.

Let us see how Ratzinger explains it in Jesus of Nazareth, because he does so very precisely. I will read his words. He writes (and I quote), "The tempter is not so crude as to suggest to us directly that we should worship the devil. He merely suggests that we ... choose to give priority to a planned and thoroughly organized world..." He later mentions Soloviev as follows: "Soloviev attributes to the Antichrist a book entitled The Open Way to World Peace and Welfare'.

This book becomes something of a new Bible, whose real message is the worship of well-being and rational planning.

"Benedict XVI returns to this idea in his encyclical *Spe Salvi*, in paragraph 3, where he strongly condemns (quote), "...the hope of creating a perfect world ... thanks to scientific knowledge and to scientifically based politics...". Ratzinger also gave a wonderful speech before the German parliament, in which he said [quoting St. Augustine], Without justice what else is the State but a great band of robbers?" And you and I know that both today and historically, and both quantitatively and qualitatively, the main violators and enemies of justice (and law) have been precisely the state and the government.

To put it another way, the phrase "a state governed by the rule of law" is a contradiction in terms. There is no greater enemy of Law (with a capital L) than the state. We are daily witnesses to this; from the time we get up to the time we go to bed. Well, if the chief enemy of Law is the state, and Ratzinger himself has already made clear that a government or state which is not subject to the rule of law is actually a band of robbers, the conclusion of the syllogism is crystal clear states and governments are bands of robbers.

Incidentally, Ratzinger makes another very important point. He says, "Do you know when the church got off track? It is quite simple: the moment it became the official state church." He says it got off track not as you might think, with the Edict of Thessalonica, which made it the official church of the empire, but before that, with Constantine. The Edict of Milan -- religious freedom, the year three hundred thirteen. But a few years later, in the year three hundred twenty-one, what did Constantine do?

He declared Sunday an official day of rest throughout the empire, in honor of Christians. And several years after that, the Council of Nicaea. "Okay, the bishops can assemble and arrive at consensus and agreements, but these will be valid only if I, Constantine, approve them." After that, the Catholic Church was lost. It became an institution in cahoots with the state. Now we can understand many historical atrocities, including the Crusades and genocidal institutions like the Inquisition, since the church in many instances became an instrument of evil as the official state church. That is why, according to Ratzinger, it is vital to separate the two institutions.

However, from an intellectual standpoint, the greatest harm lies elsewhere. For centuries and centuries, the Church has been the official state church, and as a result, a legion of intellectuals, of theologians, have devoted all their efforts to attempting to justify the unjustifiable; namely, that the state is legitimate. Let us hope that the Church changes direction, and that starting now, it overcomes its Stockholm syndrome and begins to denounce the state, rather than the spontaneous market order.

Still, what most disciplines the wicked is the market.

I believe I have established that out of love, God gives us his kingdom; that God is a creator and a libertarian; and that the main threat to the kingdom of God lies in the deification of human reason, *The Fatal Conceit*, the title of Hayek's last work. And specifically, it lies in the states, or kingdoms, of this world, which embody systematic evil. Then, what should be the guiding theme of our daily actions? That is obvious. We must devote all of our intellectual and physical efforts and energy, all of our being, to the dismantling of states and the advancement of God's spontaneous order based on love and voluntary cooperation. Logically, this involves promoting the market, private property, the entrepreneurial economy, free enterprise, the spontaneous market order.

As a necessary (in any case) but not a sufficient condition, human beings must also have the guidance of ethics and morality. Still, what most disciplines the wicked is the market. For the market obliges us, in a context of voluntary cooperation, to engage in conversation with others, to try to discover their needs and peacefully satisfy them. It obliges us to preserve a reputation if we want people to keep doing business with us in the future. This explains why the great Montesquieu arrived at the conclusion that "wherever there is commerce, there we meet with agreeable manners."

For as Pope Saint John Paul II very clearly stated, in the market, man collaborates "in a progressively expanding chain of solidarity." This chain reaches the remotest corners of human life.

Actually, I have been reviewing the statements John Paul II makes on the church's social doctrine in *Centesimus Annus*, and they really are spectacular. Let us recall a few that John Paul II writes the following (and I quote): "When a firm makes a profit, this means that productive factors have been properly employed and corresponding human needs have been duly satisfied. "Therefore, profit should be sought not out of greed, but as a sign of doing good to others. Pope John Paul II also writes, "...The principal task of the State is to guarantee [private property, among other essentials] ..." Bravo, John Paul! "... to guarantee [individual freedom and private property, among other essentials] so that those who work, and produce can enjoy the fruits of their labors and thus feel encouraged to work efficiently and honestly." He also says, "... Where self-interest is violently suppressed [by the state -- who else?], it is replaced by a burdensome system of bureaucratic control which dries up the wellsprings of initiative and creativity." This happens to us every day in the oppressive environment in which we live.

He specifically criticizes the welfare state. He says that "a community of a higher order should not interfere in the internal life of a community of a lower order, depriving the latter of its functions..." He affirms that "...needs are best understood and satisfied by people who are closest to them and who act as neighbors to those in need." He criticizes the welfare state as follows: "By intervening directly and depriving society of its responsibility, the Social Assistance State leads to a loss of human energies and an inordinate increase of public agencies, which are dominated more by bureaucratic ways of thinking than by concern for serving their clients, and which are accompanied by an enormous increase in spending." And what is the just price? What does John Paul II consider the just price? We often hear that "People must pay the just wage." But what is the just price? The Holy Father responds that it is the one "mutually agreed upon through free bargaining." Those are the very words of Pope Saint John Paul II.

A Catholic must support private-property anarchy.

And what conclusion do I come to? I come to the conclusion that a Catholic must be a libertarian on social issues; I go even further. A Catholic must support private property anarchy. Indeed, we have just heard a defense of private property. True economic science shows that the only way a stateless system could possibly work is through the spontaneous market order and the private provision of all public goods. That is the highest stage of civilization conceivable-the embodiment of the kingdom of God, to the greatest extent humanly possible, here on Earth.

Private-property anarchy; or if you prefer, we can call it "libertarian capitalism," though that term frightens John Paul II here. He reflects on the word "capitalism" and basically says, "Well, since everything negative has, for decades and decades, been described as 'capitalism,' I propose we use another term. Which one? 'Business economy,' 'market economy,' or 'Free economy.'" But let us call things by their names. Libertarian capitalism; private-property anarchy; or the best expression of all: anarcho-capitalism. From a scientific standpoint, this expression is far more accurate than, for instance, "self-government," or other terms which lead to confusion and are truly mellifluous. Let us be proud of being private-property anarchists – anarcho-capitalists. In fact, God is a libertarian, and he is on our side.

Etymologically, according to the Dictionary of the Spanish Royal Academy, "anarchy" means "the absence of all public authority." The expression is perfect. Everything would be private, and there would be no public authority. Archein comes from Greek. It means "rule." Archein - - rule, public authority. "Anarchy": no public authority. Another term that can be used is akrata, from the Greek kratos, which means "absolute power." This reminds me of the famous anecdote of Hayek's declaring himself an enemy of democracy. Demos - kratos. He says "Kratos means 'absolute power,' and I am against all absolute power. Absolute power, even if backed by the people, is not viable." So, Hayek proposes another name -- isonomy or demarchy. You have all studied this already, in the three volumes of Law, Legislation, and Liberty. No absolute power -- akrasia, akrata. Let us be proud to be anarcho-capitalists and akreatas.

I will conclude my remarks today with some verses by a great Spanish libertarian, a great anarchist who was born in Seville -- Melchor Rodriguez. I do not know if you have heard of him. Melchor Rodriguez Garcia. He was briefly the Mayor of Madrid, the last under the Spanish Republic. Together with Colonel Casado and General Cipriano Mera, two anarchist comrades, he staged a coup d'état against the communist forces and those of President Negrin (who was Stalin's puppet) to end the civil war, and they were the ones who handed Madrid over to the forces of General Franco.

Melchor Rodriguez is also known as the "Red Angel."

And why is he known as the "Red Angel"? Because he saved over twelve thousand, five hundred prisoners (in the jails of Madrid) from being murdered or lynched. The illegal removal of prisoners in Madrid, which ended in the Paracuellos executions, and for which the communist Santiago Carrillo was directly responsible (by act or omission), was immediately halted the moment Melchor Rodriguez was appointed General Inspector of Prisons by the Minister of Justice, Garda Oliver, a fellow anarchist. Immediately. Rodriguez Garcia arrived, took up his post, and said, "It is prohibited for anyone to leave between seven in the evening and seven in the morning without my direct authorization by telephone." The executions stopped.

It goes without saying that there followed a huge smear campaign against Melchor Rodriguez, who was a leading figure in the anarcho-syndicalist movement in Spain. He was accused of being a traitor to the republic, but he responded, "You are the traitors; you have stained with blood the noble doctrine of anarchy." And he added, "One may die for an ideal, but never kill for one." Perhaps the most sublime example of dying for an ideal is provided by God the Son - - Jesus.

He died for the ideal of redeeming all mankind. There is no doubt that he was a victim of reasons of state and of a political plot. A victim of state violence... Melchor Rodriguez was asked, "Why have you done this? Why do you defend the fifth columnists we have in jail? Are you perhaps a Catholic sympathizer?" Melchor Rodriguez responded, "I did it not because I am Catholic, but because I am a libertarian," unaware that Catholic and libertarian may have been two sides of the same coin. In addition, Melchor Rodriguez Garda, though he belonged to the Iberian Anarchist Federation, also belonged to a group called "Los Libertos," who defended these pacifist and freedom-based views.

Four months later, he was dismissed from his post and appointed (note what a tough job) General Inspector of Cemeteries in Madrid. With his team, he occupied the palace of the Marquis de Viana, here in Madrid. He began by making an inventory of all the contents of the palace. And notice how respectful of private property this anarcho-syndicalist was. When the owner recovered the palace after the war, he expressly told authorities that not one single silver teaspoon was missing. The Red Angel, Melchor Rodriguez, did not have the chance to get an education. He was born into an extremely poor family, and he made a living as a bullfighter, but that career was cut short. He devoted himself body and soul to promoting the anarchist ideal, but from this freedom perspective I am talking about.

When the war was over, he was tried and condemned to death by Franco, but fortunately, and thanks to two thousand, five hundred signatures of people who were saved through his good offices, including General Muñoz Grandes, he was pardoned. He spent a few years in jail and returned to civilian life. And he lived out the rest of his days, until the year 1972, in which he died, practicing the noble profession of insurance agent for the company Adriatica, which makes him doubly likable to me. And I have no doubt that if Melchor Rodriguez had had the opportunity to receive an education, and he were here with us today, the Red Angel would be an anarcho-capitalist.

And I conclude with the verses he wrote. I quote:

"Anarchy means: Beauty, love, poetry, Equality, fraternity Feeling, Freedom Culture, art, harmony, Reason, the supreme guide, Science, the exalted truth.
Life, nobility, goodness Satisfaction, & Joy.
All of this is anarchy and anarchy, humanity."
And anarchy, humanity."

[I] All Bible quotations are taken from the New Revised Standard Version Catholic Edition.

Here is a small portion of a review on amazon.com of de Soto's book Money, Bank Credit, and Economic Cycles. (Second Edition) Published by The Ludwig von Mises Institute in 2009

"Can the market folly manage the money and banking sector? Jesus Huerta de Soto, professor of economics at the Universidad Rey Juan Carlos, Madrid, has made history with this mammoth and exciting treatise that it has and can again, without inflation, without business cycles, and without the economic instability that has characterized the age of government control. Such a book as this comes along only once every several generations: a complete comprehensive treatise on economic theory. It is sweeping, revolutionary, and devastating -- not only the most extended elucidation of Austrian business cycle theory to ever appear in print but also a decisive vindication of the Misesian-Rothbardian perspective on money, banking, and the law. "

I ordered a copy of it immediately, but according to my bookmark, I only finished reading 20 of its 885 pages! As I remember I was extremely busy with speaking engagements and other obligations that occupied my time.

Maybe another factor was that de Soto's book was 885 pages long and that I had recently finished several other lengthy books. Perhaps I was not in the mood to get into another one.

Since I have learned so much in the last couple of months about this exceptional man and his work, I am compelled to finish reading it.

Here are some items that are extracted from an interview with him at the Mises Institute in 1991.

The Spanish Roots of the Austrian School: An Interview with Jesus Huerta de Soto Volume 17, Number 2 (Summer 1997)

Jesus Huerta de Soto, professor of economics at the Complutense University of Madrid, is Spain's leading Austrian economist. As an author, translator, publisher, and teacher, he also ranks among the world's most active ambassadors for classical liberalism. He is the author of a Spanish work on economic calculation and the Austrian method, a treatise on money and banking, the introduction to the new Spanish edition of *Human Action*, and articles in monetary and history of thought journals in four languages, including *The Review of Austrian Economics*. He was interviewed following his keynote address at the 1997 Austrian Scholars Conference at Auburn University.

de Soto: My family business is life insurance, which is the only trait I have in common with John Maynard Keynes who in the 1930s chaired the National Mutual Life Assurance Society of London. This is a very traditional business, having evolved for 200 years without any state intervention.

AEN: Keynes apparently did not draw the same lessons about human action from working in the insurance business.

de SOTO: It turns out that Keynes not only corrupted economics. He also corrupted the practices of life insurance. He broke with the traditional policies of his company by valuing assets at market value instead of historical value. In the short term, it gave him: an enormous competitive advantage. Keynes was able to distribute dividends to his clients against unrealized capital gains.

When the stock market was going up, it was wonderful. But when the Great Depression arrived, his company nearly went bankrupt. Both the British and the American insurance industries are suffering from his disastrous departure from tradition. On the continent it is still the practice to value assets at historical cost and only pay dividends against realized capital gains.

de SOTO: This problem of guaranteed old-age pensions is significant in all western countries. In every case, the liabilities are enormous, but demographics have made them essentially unpayable except through intolerably high taxes. Before we can know what to do about these systems, we have to understand their inherent contradictions.

First, these systems purport to be about saving money, but in fact they discourage savings. The taxes they require take the place of what would otherwise be private savings.

Practically no one knows this fact.

This appears to me to be the forerunner of the idea of Variable Life. It did not work then, and it won't work today.

And they encourage people to believe they will be taken care of in the future and therefore they don't need to save. Empirically, then, the rise of social security has paradoxically coincided with huge declines in savings. This fall in savings then drives up interest rates and reduces overall investment in ways we cannot account for.

Second, no matter what the law says about how employees and employers share the burden of contributing to the system, from an economic point of view, the worker pays the whole tax. Mises first developed this insight in Socialism, where he said social insurance contributions always come at the expense of wages.

Third, the system cannot work as both insurance and welfare, because these are incompatible concepts. Private insurance is based on the principle that benefits are linked with contributions. Welfare is based on need. With ever-declining returns, the "insurance" element of the system is aborting the "welfare" element, and vice versa.

And why do we have these systems? Supposedly because some people would not be able to provide for themselves. But this is like saying that because a small number of people can't get food, everyone in the whole population should be forced to eat in government canteens.

AEN: Do you think economists should take religion more seriously than they have?

de SOTO: Certainly. Religion plays an important role in the life of an economy. It transmits from generation-to-generation certain patterns of behavior and moral traditions that are essential for the rule of law, which makes economic exchange possible. For example, if contracts are not kept, society can fall apart. Religion, not the state, is the primary means for imparting to us a sense of our obligations to keep our promises and to respect the property of others.

Where do these fallacious ideas come from? Socialism, Communism, Welfare state, Paternalism, name whatever "-ism" you like and they all are nothing more than examples of "Man trying to play the role of God" as I pointed out in NELSON'S LIST OF UNDENIABLE TRUTHS at the start of this article.

As Paul Rosenberg describes so perfectly in FISH ARE THE LAST TO NOTICE THE WATER. – this phenomenon has been the dominant problem with mankind since the beginning of time -and that it won't work! The hubris of man is really unbelievable!

Comment by RNN - So now you know why I came to write BECOMING YOUR OWN BANKER in the year 2000. The truth contained in these three articles led me, during my life insurance sales career, to see that "the world has never been right about anything."

In one of Shakespeare's plays are the words " all the world's a stage, and all the men and women merely players."

Taking a hint from him I developed this observation -When we consider this thing, we call life; most people don't know what "the play" is all about. Worse than that, they get the characters in "the play" mixed up.

What I saw was that money and the concept of banking is a necessary function in our lives. But the banking function is in the hands of the wrong people. Central banking can't work! Paul Rosenberg's article proves the point conclusively.

The warehouse of our medium of exchange (money) should be in a contractual relationship with other like-minded people (life insurance). de Soto explains this beautifully in his last paragraph above. The banking function should be totally held at the individual level - a place where it is impossible to inflate the money supply.

I saw that your need for finance during your lifetime greatly exceeds your need for death benefit as it was conventionally understood.

I saw that if one solved for this need for finance by the means of using dividend-paying whole life insurance that one would automatically solve for the need for death benefit to those who survived the insured.

And so, I began teaching this concept over 25 years ago. This led me to writing BECOMING YOUR OWN BANKER in 2000 - a book that has changed the lives of thousands of people all over the world. Read the book. Adopt its message in your own life. Teach it to others. Now you know who R. Nelson Nash really is.

A portrait of Nelson Nash, an older man with white hair, wearing a dark suit and a light blue shirt. He is looking slightly to the right of the camera with a neutral expression.

The Father of The Infinite Banking Concept®

Nelson Nash