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Why Democracy Rewards Bad People

by Hans-Hermann Hoppe

One of the most widely accepted propositions among political economists is the following: Every monopoly is bad from the viewpoint of consumers. Monopoly is understood in its classical sense to be an exclusive privilege granted to a single producer of a commodity or service, i.e., as the absence of free entry into a particular line of production. In other words, only one agency, A, may produce a given good, x. Any such monopolist is bad for consumers because, shielded from potential new entrants into his area of production, the price of the monopolist's product x will be higher and the quality of x lower than otherwise.

This elementary truth has frequently been invoked as an argument in favor of democratic government as opposed to classical, monarchical or princely government. This is because under democracy entry into the governmental apparatus is free — anyone can become prime minister or president — whereas under monarchy it is restricted to the king and his heir.

However, this argument in favor of democracy is fatally flawed. Free entry is not always good. Free entry and competition in the production of goods is good, but free competition in the production of bads is not. Free entry into the business of torturing and killing innocents, or free competition in counterfeiting or swindling, for instance, is not good; it is worse than bad. So what sort of "business" is government? Answer: it is not a customary producer of goods sold to voluntary consumers. Rather, it is a "business" engaged in theft and expropriation — by means of taxes and counterfeiting — and the fencing of stolen goods. Hence, free entry into government does not

improve something good. Indeed, it makes matters worse than bad, i.e., it improves evil.

Since man is as man is, in every society people who covet others' property exist. Some people are more afflicted by this sentiment than others, but individuals usually learn not to act on such feelings or even feel ashamed for entertaining them. Generally only a few individuals are unable to successfully suppress their desire for others' property, and they are treated as criminals by their fellow men and repressed by the threat of physical punishment. Under princely government, only one single person — the prince — can legally act on the desire for another man's property, and it is this which makes him a potential danger and a "bad."

However, a prince is restricted in his redistributive desires because all members of society have learned to regard the taking and redistributing of another man's property as shameful and immoral. Accordingly, they watch a prince's every action with utmost suspicion. In distinct contrast, by opening entry into government, anyone is permitted to freely express his desire for others' property. What formerly was regarded as immoral and accordingly was suppressed is now considered a legitimate sentiment. Everyone may openly covet everyone else's property in the name of democracy; and everyone may act on this desire for another's property, provided that he finds entrance into government. Hence, under democracy everyone becomes a threat.

Consequently, under democratic conditions the popular though immoral and anti-social desire for another man's property is systematically strengthened. Every demand is legitimate if it is proclaimed publicly under the special protection of "freedom of speech." Everything can be said and claimed, and everything

is up for grabs. Not even the seemingly most secure private property right is exempt from redistributive demands. Worse, subject to mass elections, those members of society with little or no inhibitions against taking another man's property, that is, habitual a-moralists who are most talented in assembling majorities from a multitude of morally uninhibited and mutually incompatible popular demands (efficient demagogues) will tend to gain entrance in and rise to the top of government. Hence, a bad situation becomes even worse.

Historically, the selection of a prince was through the accident of his noble birth, and his only personal qualification was typically his upbringing as a future prince and preserver of the dynasty, its status, and its possessions. This did not assure that a prince would not be bad and dangerous, of course. However, it is worth remembering that any prince who failed in his primary duty of preserving the dynasty — who ruined the country, caused civil unrest, turmoil and strife, or otherwise endangered the position of the dynasty — faced the immediate risk either of being neutralized or assassinated by another member of his own family. In any case, however, even if the accident of birth and his upbringing did not preclude that a prince might be bad and dangerous, at the same time the accident of a noble birth and a princely education also did not preclude that he might be a harmless dilettante or even a good and moral person.

In contrast, the selection of government rulers by means of popular elections makes it nearly impossible that a good or harmless person could ever rise to the top. Prime ministers and presidents are selected for their proven efficiency as morally uninhibited demagogues. Thus, democracy virtually assures that only bad and dangerous men will ever rise to the top of government. Indeed, as a result of free political competition and selection, those who rise will become increasingly bad and dangerous individuals, yet as temporary and interchangeable caretakers they will only rarely be assassinated.

One can do no better than quote H.L. Mencken in this connection. "Politicians," he notes with his characteristic wit, "seldom if ever get [into public

office] by merit alone, at least in democratic states. Sometimes, to be sure, it happens, but only by a kind of miracle. They are chosen normally for quite different reasons, the chief of which is simply their power to impress and enchant the intellectually underprivileged....Will any of them venture to tell the plain truth, the whole truth and nothing but the truth about the situation of the country, foreign or domestic? Will any of them refrain from promises that he knows he can't fulfill — that no human being could fulfill? Will any of them utter a word, however obvious, that will alarm or alienate any of the huge pack of morons who cluster at the public trough, wallowing in the pap that grows thinner and thinner, hoping against hope? Answer: may be for a few weeks at the start.... But not after the issue is fairly joined, and the struggle is on in earnest.... They will all promise every man, woman and child in the country whatever he, she or it wants. They'll all be roving the land looking for chances to make the rich poor, to remedy the irremediable, to succor the unsuccorable, to unscramble the unscrambleable, to dephlogisticate the undephlogisticable. They will all be curing warts by saying words over them, and paying off the national debt with money no one will have to earn. When one of them demonstrates that twice two is five, another will prove that it is six, six and a half, ten, twenty, n. In brief, they will divest themselves from their character as sensible, candid and truthful men, and simply become candidates for office, bent only on collaring votes. They will all know by then, even supposing that some of them don't know it now, that votes are collared under democracy, not by talking sense but by talking nonsense, and they will apply themselves to the job with a hearty yo-heave-ho. Most of them, before the uproar is over, will actually convince themselves. The winner will be whoever promises the most with the least probability of delivering anything."

[Originally published as Why Bad Men Rule, November 2004] Hans-Hermann Hoppe is an Austrian school economist and libertarian/anarcho-capitalist philosopher. He is the founder and president of The Property and Freedom Society.

Resisting the Dictatorship Mindset

by Andrew Zalucky

Politics isn't everything. Though everything has a political dimension, it is never the only dimension. The state, with its monopoly on coercion through physical violence, is the everyday arbiter of politics. Therefore, when people in power convince a population that every problem requires a political solution, that population is primed for authoritarianism. In other words, the population has adopted "The Dictatorship Mindset." While political engagement is crucial to a functioning civil society, the politicization of every facet of life will eventually crush that society.

For example, Americans have a nasty habit of overstating the importance of the President. Important as the President is to signing/vetoing legislation and commanding the armed forces, he or she does not represent "who we are as a people" in any romantic sense. The media's pathetic narrative of the President embodying our "hopes and dreams" is the modern equivalent of "Hail Caesar!" dressed up in insipid PR-speak. This is dangerous for two reasons.

Giving Undue Credit

First, whenever we say "The President should do more of X," we are ceding the ground that could be covered by Congress or, even more appropriately, by ourselves. Nothing is more absurd than when people praise or scold the President for the price of gasoline, something which he has almost no control over (and should not have control over). One could go on for days with other examples. President Reagan didn't "cut taxes," Congress wrote a bill which they then sent to him to sign. President Clinton didn't "create jobs," private citizens created, bought, and sold goods and services which generated the need for labor and thus the need to hire people. President Obama didn't bring marriage equality, the Supreme Court ruled in favor of it. By crediting Presidents with these things, we not only act as if we live in an absolute monarchy, we act like it's a good thing!

All Power to the President

Second, building up the President encourages servile thinking. It's a way of buying into the cult of personality while pretending to reject the sales pitch. When we panic about a certain candidate winning the White House and all the awful things he or she plans to do, we're admitting that we as a nation would simply go along with it, that no acts of congressional or private disobedience would stem the tide of executive power. Coming from a nation whose founding was based on separating from a monarchy, this realization is especially sad. It should serve as a sobering reminder that a part of every person desires a personal dictator to do the things he or she personally agrees with – without the pesky "obstructions" of argument and opposition.

When we panic about a certain candidate winning the White House and all the awful things they plan to do, we're admitting that we would simply go along with it. Through the right education, parental instruction, and contact with people who disagree with us, we are able to see that some form of political pluralism, back-and-forth, and limits on executive power have real benefits. But if education, media, and individual opinions all aggrandize the role of the President, there's little left to combat the dictatorship mindset.

Politicians are fallible human beings. By foisting your hopes and dreams onto them, you make yourself a prisoner of their shortcomings. More importantly, by relying on the President to solve all questions of economics, foreign affairs, and private life, the entire country is at the mercy of his or her imperfections.

Whenever someone responds to a problem that could be solved privately with "we need a new law to fix this," he or she is helping to prop up the unspoken ideology of the state. Every law is backed up by the threat of force (through the use of the police, the military, various agencies). Therefore, if you think every issue needs a corresponding law, you're basically saying that you're willing to use violence to get everything you want and shape society in your imperfect image. This goes for both the public-facing functions of the state and for private life.

"The Government Should"

Dictatorships specialize in crushing the societies they govern precisely because of how they subordinate everything to politics: art, music, sports, friendships, even the family. History is awash with examples of this, the most salient being: Volksgemeinschaft in the Third Reich, socialist realism in Stalin's Russia and Mao's Cultural Revolution. This is to say nothing of these regimes' laughably awful economic policies. Looking beyond the visible brutality of each of these regimes (e.g. man-made famines, executions, show-trials), one can see the boring, bureaucratic side as well and how it enabled the terrors and justified them in the mind of the public. Every Himmler requires a Goebbels. The laws that require every artist to join a government-sponsored professional body. Standards, codes and statutes for what is and is not acceptable to paint, draw, film and record – all according to a set political ideology. Why would anyone want to live like this?

Remember, every time you say, "The government should do something about X," you draw closer and closer to this reality. The Dictatorship Mindset emerges when we become willing to crush what Bruno Waterfield describes in an article for Spiked's Review of Books (writing about George Orwell):

...life, autonomous, free, even if circumscribed, with self-defining loyalties and bonds between people who value their private relationships, is the highest law. 'The liberty to have a home of your own, to do what you like in your spare time, to choose your own amusements instead of having them chosen for you from above', is part of our nature. To try to stamp it out is to stamp on a human face

How do we preserve this free and autonomous life? As Max Borders and Jeffrey Tucker point out in "Is Politics Obsolete?", we must recognize that "progress occurs despite politics and politicians, not because of them." We have our own resources, creativity, and the ability to think for ourselves. We have the ability to create parallel, voluntary, non-violent institutions that can reduce our dependency on state intervention. If we want to "get our country back on track," our own

independent initiatives must go together with trying to pick a suitable head of state. Finally, we must never allow ourselves a romantic fixation on the presidency. Sorry Jackie O., there never was a "Camelot," and there never should be.

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Why Universities Are Failing

by Preston Cooper

"For some families, sending a child to a private university now is like buying a BMW every year—and driving it off a cliff." So writes Charles Sykes, a senior fellow at the Wisconsin Policy Research Institute, in the introductory chapter to his new book, Fail U.: The False Promise of Higher Education. The BMW in his example not only serves as a useful metaphor for the cost of putting a student through a year of college, but for the collective sanity of American higher education. Indeed, the antics of the ivory tower denizens detailed in Sykes' book often seem about as sensible as driving one's newly-purchased luxury vehicle over a cliff.

Just 44% of faculty spend nine hours or more per week teaching, down from 63% twenty years ago.

Academia has become a bubble ready to burst, as Sykes' thesis goes. Populating its ranks are professors who teach fewer students and publish more unread research, administrators who undertake expensive vanity projects, and students who obsess endlessly over trigger warnings, microaggressions, and other unwieldy portmanteaus. All of it is subsidized by the taxpayer with little regard for value or cost.

Less Teaching, More Administrative Costs

Particularly alarming are the chapters on college professors' flight from teaching. Not only do professors

frequently contrive to lower their teaching loads, but administrators and academic departments encourage them. Just 44% of faculty spend nine hours or more per week teaching, down from 63% twenty years ago. Teaching assistants or poorly-paid adjuncts replace the absentees in the classroom; the professors themselves have cranked up the volume of their research output. However, up to half of published articles are never read by anyone (save editors, and sometimes not even then), and up to 90% never receive a single citation.

Compensating for the lack of teachers in the classroom, at least, is the ever-increasing amount of resources devoted to nonacademic expenses. Shiny new dorms, state-of-the-art gyms, and expensive athletic programs have popped up on campuses nationwide.

One student in a level 3 Swahili course was not able to say the word “hello” in Swahili.

Sykes brings attention to what he terms the “law of more,” which is referred to by economists as the “revenue theory of costs.” Essentially, institutions of higher education are economically unique in that they have no good way to measure unit costs, and can theoretically spend limitless amounts of money in the name of providing an education. Give a college access to more money, and it will find a way to spend it. Governments that subsidize higher education have not yet caught on to the if-you-give-a-mouse-a-cookie economics of college campuses, and so the bloat continues.

Scandals and Political Correctness

Guaranteed to make your blood boil is the chapter concerning the University of North Carolina-Chapel Hill “fake classes” scandal. The school’s African-American Studies department allowed students to enroll in “classes” which they were not in fact required to attend. One student in a level 3 Swahili course was not able to say the word “hello” in Swahili. Yet students were virtually guaranteed As and Bs regardless. Lest UNC-Chapel Hill be considered an isolated incident, Sykes cites evidence of comparable (albeit less extreme) scenarios occurring at Duke, Stanford, and beyond.

Low-cost, easily-accessible MOOCs have the potential to give the college establishment a run for its money.

Readers will alternately laugh and cry between Sykes’ descriptions of the politically correct “trigger warning” culture on many college campuses and the startling zeal with which administrators and federal regulators enforce the new normal. One anecdote describes a tenured professor at Marquette who was threatened with termination for defending a student’s right to oppose same-sex marriage in the classroom. A professor at Northwestern faced a Title IX inquisition for...writing a column critiquing Title IX.

Competition From MOOCs

Sykes places his hope for the future of higher education in Massive Open Online Courses (MOOCs), or, as he calls them, “Netflix U.” “Almost no institution in the modern world has proven to be more impervious to reform than the modern university,” he writes, but low-cost, easily-accessible MOOCs have the potential to give the college establishment a run for its money.

These concluding chapters are where Sykes could have laid out a more detailed roadmap for higher education in the future. MOOCs will certainly have their place, but I doubt they will ever replace all or even most of the current college system. Other innovations will—and should—complement the MOOC. Sykes alludes to ideas such as a three-year bachelor’s degree, but misses some opportunities to lay out a positive agenda for change in higher education.

Fail U. is a startling rebuke to the higher education status quo. While many will not agree with all his conclusions, the evidence Sykes lays out should make every college administrator, professor, student, and trustee stop and think about what they can do to improve their schools. Higher education cannot ignore its problems forever—similar to the rest of the economy, it too must innovate, or fail.

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California's Climate Change Hypocrisy

by Eric Englund

On September 19, 2016, California's governor, Jerry Brown, signed into law America's toughest restrictions on "super pollutants" including black carbon, fluorinated gases and methane. Per the press release from Governor Brown's office, if such legislation is followed worldwide "...these acts would help cut the projected rate of global warming in half by 2050." In reading through this legislation (SB 1383) I found this head-slapper:

Enteric emissions reductions shall be achieved only through incentive-based mechanisms until the state board, in consultation with the department, determines that a cost-effective, considering the impact on animal productivity, and scientifically proven method of reducing enteric emissions is available and that adoption of the enteric emissions reduction method would not damage animal health, public health, or consumer acceptance. Voluntary enteric emissions reductions may be used toward satisfying the goals of this chapter.

This aspect of the law, poorly written as it is, was aimed specifically at dairy and livestock operations; in which the State of California desires to reduce the methane emitted by cattle via belching and flatulence. Governor Brown, clearly, is so concerned about global warming that he is willing to sign legislation in which a section is targeted at regulating the bodily functions of cattle. However, if enteric fermentation is such a concern, in California, then why isn't alcoholic fermentation even more so? Of course, the answer is simple in that environmentalists, such as Governor Brown, are hypocrites.

In 2015, California shipped 275.7 million cases of wine within the U.S. and abroad. California is, by far and away, the largest wine producing state in the U.S.; which is great for the California economy considering the estimated retail value of California wine shipped within the U.S. alone, in 2015, was \$31.9 billion.

On the flipside, does this not also mean that

California's wine producers are emitting significant amounts of pollution? Carbon dioxide, after all, is a by-product of alcoholic fermentation; and the EPA has designated carbon dioxide to be a pollutant and a dangerous greenhouse gas driving climate change. Having toured wineries in Napa Valley, I can assure you the ones I visited had no equipment capturing their carbon dioxide emissions. If Governor Brown is willing to sign legislation that literally drills down to the concept of reducing enteric emissions from cattle, then why not pass legislation requiring every California winery (and brewery for that matter) to capture carbon dioxide emissions before being released into the environment? Sounds expensive and controversial; but isn't the future of the planet at stake here?

Let's give some additional context to the alleged dangers of carbon dioxide. Here's what is stated, regarding carbon dioxide, on the U.S. Environmental Protection Agency's website:

In 2009, EPA determined that greenhouse gas pollution threatens Americans' health and welfare by leading to long lasting changes in our climate that can have a range of negative effects on human health and the environment. Carbon dioxide (CO₂) is the primary greenhouse gas pollutant, accounting for nearly three-quarters of global greenhouse gas emissions and 84% of U.S. greenhouse gas emissions.

Well Governor Brown, in light of the EPA's alarming description of carbon dioxide, and your recent signing SB 1383 into law, how can you continue to allow California's wineries (and breweries) to spew carbon dioxide into the atmosphere unabated? Are you putting wineries above human health and the environment? If enteric emissions from dairies and stockyards can be tackled, legislatively, then why not CO₂ emissions from wineries? If you've got the guts, Governor Brown, there is some low-hanging legislative fruit for you to pick here.

Governor Brown, to be sure, will never whisper a word about wineries being greenhouse-gas polluters. Green limousine liberals, after all, love their California Cabernets and Viogniers; so don't mess with

California's wine producers. Moreover, vineyards are beautiful, serene and represent a genteel and eco-friendly lifestyle. This is why, undoubtedly, Napa Valley had 3.3 million visitors in 2014; who spent \$1.63 billion in the valley that year. With the pastoral images that come to mind when drinking a lovely Napa Valley wine, even environmentalists, especially Governor Brown, aren't foolish enough to equate wineries to smokestack industries. Doing so, after all, may focus people's minds on questioning climate change "science" wherein they would discover it is nothing but politicized junk.

Ultimately, it is easy to look like a green hero by signing into law America's toughest super-pollutant legislation which deems enteric fermentation to be a contributing factor to climate change; and must be regulated accordingly. But when it comes to alcoholic fermentation, the silence from Governor Brown is deafening. If climate change truly is a threat to mankind's well-being, which is what the EPA claims, then all breweries, distilleries, and wineries would be legitimate targets for legislation mandating reductions in their CO2 emissions. With only junk science in his hip pocket, Governor Brown will never ever take on California's wine industry. It would be political suicide. The hypocrisy here is almost as delicious as a Chimney Rock cabernet sauvignon.

Eric Englund, who has an MBA from Boise State University, lives in the state of Oregon. He is the publisher of The Hyperinflation Survival Guide by Dr. Gerald Swanson. He is also a member of The National Society, Sons of the American Revolution. You are invited to visit his website <http://www.hyperinflation.net/>

Central Banking's Disgraceful Legacy

by Desmond Lachman

History will judge the world's major central banks harshly. It will do so not only for their responsibility in setting the stage for the next global economic and financial crisis. Those central banks will also be indicted for their role in making politics in the world's

major economies as divisive as they are today.

Since the Great Global Economic Recession in 2008-2009, highly unorthodox monetary policies have been pursued by the world's major central banks in an effort to promote economic recovery. Clearly the most important of these policies has been massive quantitative easing, or effective money printing, by the Federal Reserve, the Bank of Japan, the Bank of England, and the European Central Bank.

Unprecedented Balances

As an indication of the unprecedented path on which the world's major central banks have embarked, it is instructive to reflect on how rapidly those central banks' balance sheets have expanded. The world's central banks promoted short-term economic growth through unorthodox monetary policies. As an example, one may consider that whereas it took the Federal Reserve almost 100 years from its founding in 1913 to increase the size of its balance sheet to \$800 billion, it took only six years to expand that balance sheet from \$800 billion to its present size of around \$4.5 trillion. Similarly, one may consider that whereas in 2006 the combined size of the world's six major central banks' balance sheets was \$5 trillion, by end- 2015 those balance sheets had swollen to around \$17 trillion.

The basic reason why the world's major central banks resorted to quantitative easing is that once interest rates had been reduced to zero, those banks ran out of room to reduce interest rates further. At that point it was thought that by buying long-dated bonds, the central bank could stimulate economic growth by driving long-term interest rates down and by encouraging economic actors to take on more risk.

When economic history of the last eight years is written, it will be found that the world's central banks were moderately successful in promoting short-term economic growth through their unorthodox monetary policies. This would be reflected in the slowest global economic recovery in the post-war period. However, it is also bound to be found that in pursuing a short-term economic growth objective, the world's central banks set up the stage for the next major global economic and financial crisis. They will be found to have done

so by having created asset price bubbles, especially in the global bond market, and by have encouraged the gross mispricing of risk in the world's financial markets.

The Looming Bond Market Disaster

As an indication of the size of the global bond market bubble that the world's central banks have created, all one need do is to consider that as much as \$12 trillion of the world bond market now trades at negative interest rates. Assuming that the world's central banks achieve their generally subscribed to 2 percent inflation target, the negative yields on these bonds would imply that, if held to maturity, the holders of these bonds would suffer very large losses in real terms.

For an indication of the serious mispricing of risk in global financial markets, one need look no further than the \$2.5 trillion Italian government bond market, which is the world's third largest sovereign bond market. Today the Italian government can raise long-term money at lower rates than can the US government and it can even place a 50-year bond at attractive interest rates. It can do so despite the fact that Italy has major problems in its banking sector, a dysfunctional political system, the second highest public debt to GDP ratio in the Eurozone, and a highly sclerotic economy that has barely grown over the past two decades.

Beyond Monetary Policy

Beyond blaming the world's central banks for setting the stage for the next global financial crisis, history will also assign responsibility to those banks for the role they played in causing political polarization in so many countries. At the root of that political polarization has been the sense that the gains from economic recovery have not been fairly shared. The bulk of those gains will be seen to have gone to asset price holders who have benefited from the world's central banks' largesse at the same time that savers in bank deposits have been penalized.

A basic question that future economic historians are bound to ask is whether the short-term gains from aggressive quantitative easing were worth the serious

long-run economic and political costs associated with such policies. They might frame this question by asking whether we might not have been better off had an alternate policy, such as gradually higher rates, or even helicopter money, been pursued. After all, other policies might have avoided global financial market bubbles and the political perception that the world's central banks favor the 1 percent rather than the 99 percent of the population.

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VISION

By Leonard E. Read

Note - Frequent readers of BANKNOTES are aware of my relationship with Leonard E. Read and my admiration for his works during his lifetime. In the following issues I will be sharing his book, VISION, one chapter per month. It was written in 1978. What a privilege it was for me to know this great man! - R. Nelson Nash

Chapter 17

ON GOING TO EXTREMES

The reverse of error is not truth, but error still.

-RICHARD CECIL

In the physical world there are extremes of heat and cold, of aridity and moisture, north and south, and so on. Then there are perpendicular extremes-up and down; high up into the stratosphere and deep down into the molten rock at the earth's core, extremely deep below the surface.

My aim here is to examine "extremism" in the world of ideas as related to politico-economic behaviors. To use popular terms, ideas range from "left" to

"right," that is, from communism, socialism and the like, to the free market, private ownership, limited government way of life. And, as in the physical world, ideas have their highs and lows-up all the way to heavenly and down all the way to hellish. We live in a world of intellectual as well as physical extremes. An assessment of behavioral extremes is important.

The English divine, Richard Cecil (1748-1777), quoted above, says that "the reverse of error is not truth, but error still." This is to say that one might go either forward or backward in error-and two wrongs do not make a right. As related to the politico-economic realm, Cecil's observation is assuredly valid.

At the "left" is socialism which today and throughout history has numerous labels: serfdom, feudalism, mercantilism, Nazism, communism, fascism, the planned economy, the welfare state, the command society-all-out government. To appreciate Cecil's point, note the numerous opponents of socialism whose tactic is the advocacy of socialism's opposite-no government at all. Anarchy!

As Ludwig von Mises observed: .. Socialism is planned chaos; anarchy is unplanned chaos." Obviously, socialism is erroneous and so is its reverse. Anarchy is not truth, but error still!

If both socialism and anarchy be error, then the notions that spawn them are detrimental to a harmonious society.

First, is socialism a planned, political contrivance? Indeed, yes! The citizens are not permitted to live their lives creatively as they please. Instead, their lives are planned by dictocrats, and the planning is coercively enforced.

Second, does this contrivance result in chaos? Yes! Here are several ways of phrasing the origins of social chaos:

The coercers and the coerced.

The rulers and the ruled.

The human stamping machines and the duplicates.

The be-like-me's and the crude approximations thereof.

The know-nothings with a passion for commanding and those commandeered.

Each infringement upon anyone person frustrates the creative self and is chaotic. By definition this is disorder-a disordering of society, naturally harmonious when free.

Was Mises correct in asserting that anarchy is unplanned chaos?

First, is it unplanned? Yes, no political government whatsoever-no social agency-and thus no plan to invoke a common justice or to keep the peace.

True, the anarchists acknowledge their belief in the protection of life and property. However, their "system" is to buy such protection as we buy insurance. It follows that they would have individuals and groups hire their own armed guards. Each residence or business would have its own policeman or corps of cops.

But "protection" is a concept of many colors and much that is done in the cause of "protectionism" involves a governmental or government-like use of coercion to achieve some gain or special privilege for oneself or one's own group. And does anyone believe that merely eliminating government would get rid of powerful labor unions resorting to force to extract wages or conditions of work other than the free market might afford? Or trade associations demanding tariff protection? Or teachers or farmers or candlestick makers or all sorts of business and professional groups

demanding their "due"? Or groups of welfare recipients protecting their "rights"? Who is to define or set the limits of unplanned "protection"?

Demonstrations of how anarchy "works" aren't necessary. A bit of diagnostic thinking should suffice. What would be the code of justice? There would be in the U.S.A. 200 million "codes," ranging from that of thieves to the countless millions who seek special privileges, each individual and group using armed force to gain their contradictory ends. Our land would be a battleground, chaos reigning, harmony out of the question. So anarchy is indeed "unplanned chaos."

Socialism is error. Anarchy, its reverse, is error still. It is impossible for these two wrongs to make a right because each is the archenemy of liberty and of man's emergence, evolution, growth.

The term "golden mean" is everywhere defined as the prudent or safe way between two extremes. The ideal-private ownership, free market, limited government procedure with its moral and spiritual antecedents-is definitely not half way between socialism and anarchy. It steps into a different dimension altogether. So, let's call this ideal the golden mean, implying the golden way of life which releases individual potential.

The first step in grasping the ideal way of life is to realize that each of us is at once a social and an individualistic being. Discover what aspect is social and all the rest is individualistic.

In what respect are all of us-no exceptions-social beings? We are interdependent! Even our forebears who raised most of their own food, built their own shanties, cut their own trees for fuel, did their own weaving and so on were dependent on others for hammers, saws, stoves, kettles, tea and numerous other items. My great-great-grandfather, who came here prior to the American Revolution, would have perished had self-subsistence been his lot. He, and others of his time, were social beings, each dependent on others-interrelated!

The more specialized we become, the more is our interdependence apparent. For instance, we are now so specialized that I know not how to build my home or raise my food or make my car or my clothes or countless other economic blessings. Talk about a social being! I am so far removed from self-sufficiency that I am absolutely dependent upon the free, uninhibited exchange of the little I do-write and lecture-for all the goods and services produced by other millions of social beings. This dependency on one another applies to everyone. If in doubt, reflect upon how well you would prosper were you to live only on that which you now do or know how to do.

Were we to regard this phase of life as individualistic rather than social, that is, attempt the self-sufficient rather than the interdependent way, all of us would be

starving to death on the periphery of specialization.

It should be self-evident that social beings cannot live life to the fullest unless they are free to exchange their millions of specializations. Primitive barter is obviously unworkable as a means of exchange. For example, we never observe people exchanging a goose for a gallon of gas or office desks for seats on airplanes. Ridiculous!

What then? An economic circulatory system, that is, the medium of exchange-money! And it works automatically with little heed paid to its wondrous performance-so long as it is honest! However, as socialism grows and incurs costs far beyond what can be collected by direct tax levies, government resorts to inflation. This dilutes the monetary unit and the dollar-our medium of exchange-is worth less and less, heading toward worthlessness.

Broadly speaking, the above are components that circumscribe the citizenry as social beings. All else is individualistic. In the latter we speak and act for ourselves. But no individual should ever be permitted to speak and act for society; that would be socialism.

In an ideal society, its agency would act on behalf of one and all alike. Ideally, this would be limited government, nearly the opposite of what we now have. The agency would be strictly limited as it was following the Declaration of Independence, the Constitution and the Bill of Rights. The type of social agency that once did and can again grace the lives of Americans is limited to:

Invoking a common justice-no special privilege for anyone.

Keeping the peace, foreign and domestic-let anyone do anything that's peaceful.

Defending against all fraud, violence, predation, misrepresentation-the coercive taking from some and giving to others forbidden.

Freedom to choose, be it occupation, hours of work, goods and services produced, at what prices and to whom sold or exchanged-laissez-faire, that is, a fair field and no favoritism.

In the ideal society, government cannot extend welfare or prosperity to this or that group of special-privilege seekers. Why? It is so limited that it has nothing on hand to dispense nor the power to take from some and give to others.

The result? A self-reliant, self-responsible, self-governing citizenry. It was this and this alone which accounted for the unprecedented outburst of creative human energy, the greatest in the world's history, before or since-the American Miracle!

The belief that unseated government as sovereign and placed the Creator there? It was the highest wisdom ever written into a political document:

... that all men are ... endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the Pursuit of Happiness.

Let us be done with the extreme of socialism-all-out government-and that too often suggested remedy, the opposite extreme-anarchy. Socialism is error, and anarchy is error still.

Replace these extremes with the Golden Mean, meaning the golden way of life! How go about this?

Merely bear in mind that America's fate does not rest on your or my shoulders-only our heads are there. Our founding fathers used their heads, resulting in a superb nation. May we make it better by carrying our heads proudly high, eyes cast upward, extremely high!

A Rare and Insightful Interview with Leonard Read

Tibor R. Machan

This lengthy and insightful interview with Leonard Read was published in the April 1975 issue of *Reason Magazine*. It was conducted by Tibor Machan.

One of the most respected organizations advocating the philosophy of laissez-faire is the Foundation for Economic Education (FEE) in Irvington-on-Hudson, New York. For many years FEE has spread the "freedom philosophy" by means of seminars, books, pamphlets, and a monthly magazine, *The Freeman*, founded in 1956. FEE's stated purpose is to champion

the ideas of private property, the free market, the profit and loss system, and limited government. Its rationale is that the tide of collectivism can be rolled back only if sufficient people understand and support the principles of freedom. It therefore focuses its efforts on educational ventures, and is incorporated as a nonpolitical, nonprofit foundation.

The founder, president, and guiding influence of FEE and its philosophy of education in freedom is Leonard E. Read. In the summer of 1974, Senior Editor Tibor Machan went to Irvington-on-Hudson to interview Mr. Read. At 11 a.m. Mr. Read was sitting in his spacious office in the FEE mansion, located near the Hudson River on Broadway in midtown Irvington. He is almost always working in this office, as many who have visited FEE would know. (And many people do visit FEE not only to meet the staff, who are virtual household names in libertarian circles, but to browse in FEE's famous library.)

Leonard Read is now in his late 70's but that could only be known from independent sources, not from the looks of him. He is one of the most vigorous people anyone will encounter and is reputed to run up the stairs to his office even these days. His articles, newsletters and his many books have permeated the country. *The Freeman*, FEE's monthly journal, edited by Paul Poirot, is the oldest and most widely distributed periodical with free market orientation (yet considerable diversity of views on matters other than economic). Rand, Branden, Rothbard, Friedman, Mises, Hazlitt, Brozen, Sennholz, Hayek, Poole, Machan, and Armentano are some of the well known libertarians who have contributed to *The Freeman* at one time or another.

The journal FEE publishes gives one a clear enough flavor of the approach Leonard Read takes to his mission in life. *The Freeman* publishes essays of detailed scholarship as well as folksy anecdotes—just as long as all of these contribute to a better understanding and appreciation of the philosophy of human liberty. In the present interview Mr. Read does not give us many of the details of his thinking—his views are on record, so the interview dealt with issues not elsewhere available. But it should be pointed out

that Mr. Read's defense of liberty rests on somewhat different grounds from many of the others who appear in REASON's pages. The following passages from the September issue of Notes from FEE should provide an introduction to his orientation:

[W]hat is man's earthly purpose?...our answer is reasoned from a basic premise...founded on three assumptions:

- Man did not create himself, for it is easily demonstrable that man knows very little about himself. Therefore, my first assumption is the primacy and supremacy of an Infinite Consciousness.
- My second assumption is also demonstrable. While difficult, it is possible for the individual to expand his own awareness, perception, consciousness.
- My third assumption is a profound belief that the intellect—one's mind—is independent; that is to say, it is not subordinate to the organic matter of which one's body is composed. An inference from this belief is a conviction of the immortality of the human spirit or consciousness, this earthly moment not being all there is to it. It is consciousness that is immortalized, not the body or wealth or fame or any such thing. In a word, consciousness is the reality!

Many of our readers may disagree with this orientation, nonetheless, it serves to illustrate the multifaceted support, enjoyed by the political idea of a free society. Our aim here, as with all of our interviews, is to bring to our readers the individuals providing this kind of support in the context of a candid, unrehearsed conversation with REASON's representatives. Hopefully our interview feature will continue to serve one of REASON's vital functions. So without further ado, we offer our conversation with Mr. Leonard Read.

REASON: Mr. Read, please tell us of your initiation into libertarianism.

READ: My initiation goes back to the year 1933 when I was the Western Manager for the United States Chamber of Commerce. I was so naive that I thought that anything that came out as United States Chamber policy was straight from the horse's mouth. And the

United States Chamber in those days was in support of the NIRA—the National Industrial Recovery Act. I got word that a very brilliant businessman, in Los Angeles, was making disparaging references about the U.S. Chamber policy, so I thought it incumbent upon me to call upon him and straighten him out. I called on one W.C. Mullendore, then executive vice president of Southern California Edison Company. I didn't know it at the time but he was one of the most brilliant advocates of our philosophy of any businessman I have ever known. He received me very courteously and let me talk, which I did for half an hour, dwelling upon the virtues of U.S. Chamber policies. When I ran out of breath, Mr. Mullendore took over. Today I would give \$1,000 for a recording of what he said to me in that one hour. When he was through, I said, "Mr. Mullendore I have never thought of any of these things this way before. I believe you are right." That was my initiation and from that time on it has been an obsession.

REASON: You have said to me privately that you are somewhat dismayed with the word "libertarian" these days. Please tell us why.

READ: Yes. The word "liberal" was once a good term and was used by the classical economists; it meant liberalization of the individual from the tyranny of the state. But the other side took it over, expropriated it, and so I thought we ought to have a new word. And I'm the one who brought out and popularized the word "libertarian," and it's gone all over the world. But there are numerous reasons why I have quit the use of it. Number one, just like the word "liberal," it has been taken over by all sorts of persons, like any good word always is. People all the way from anarchists to out-and-out socialists, have taken it over. So if someone says to me, "What are you, Read?" and I say a libertarian, they will identify me with one of those and it will not be correct. So I have dropped the term and today if someone asks me what I am I reply Leonard Read. And then, if asked, "What do you have in mind in the way of ideology?" my answer is "An ideal." Perhaps a dialogue will begin and I may learn more from him than he will learn from me.

REASON: *The Freeman* is well known and is the

oldest publication that has published authors who favor the free society. How did the magazine come into being?

READ: Here is the history. *The Freeman* was a name given to a journal put out in the 1920's by Albert J. Nock; later a journal by the same name was published by the Georgists. In 1939, when I was General Manager of the Los Angeles Chamber of Commerce I set up an ad hoc outfit known as Pamphleteers, Inc. We labeled our booklets, *The Freeman*. Still later, this name was given to a journal of opinion, published in New York. Henry Hazlitt was one of the editors, and later John Chamberlain. Following its failure, we took it over at FEE with Frank Chodorov as editor. We lost a lot of money and gave it up. In 1956 we began the publication of our present monthly magazine—not a journal of opinion but, rather, a journal presenting what we call the free market, private ownership, limited government philosophy with its moral and spiritual antecedents. That's how the present *Freeman* came about.

REASON: You have quite a reputation for being able to gain support for *The Freeman* and your foundation. Is this something that you find an outgrowth of your own philosophy?

READ: We have what really is a novel idea here—it's been mine ever since we started. I made up my mind that I was never going to pass a tin cup. We have never asked anybody for one cent, any more than I have asked you for support. Anyone goes on our mailing list for the asking and I've discovered that about 25 percent of them will become contributors on their initiative, not on our request, and we may be doing better financially than any other organization on our side of the fence. This is a discipline. You see we have to continue to do good work or the support quits and we're out of business and that's what should happen.

REASON: There *is* a little notice that one gets, though, which announces something to the effect that this is the place that one might be able to contribute to the kind of work that you've been doing.

READ: Yes. What we really say is if you desire to do it, here's a form you may fill out. And that's as far as

we go. That's all.

REASON: Let me get to a more substantive issue. Would you elaborate some of the key points of your general position, your methodology.

READ: Well, with reference to methodology, it's my thesis (and that of all of us here at FEE) that the advancement of the free market—or the freedom philosophy, as I sometimes call it—is a *learning* rather than a *selling* problem. You see there are so many persons who consider they are on our side of the fence simply because they are against the welfare state and the planned economy that's so rapidly taking over. But that does not qualify them. It might be the first step to be against that. But what you have to do is to be *for* something. There has to be something positive. You have to be able, not only to present what's *wrong*, but you have to be able to present what's *right*. It's a learning problem. I am convinced that there's not one of us past or present who has more than scratched the surface in making the case for the free market, private ownership, limited government philosophy.

REASON: What sort of things would have to be added to the case for this philosophy to make it a little more on the winning side?

READ: Where we fall down is this: there is a wisdom in the market which, if I were to say is a trillion times greater than exists in any discreet individual, it would be an understatement. Now that sounds kind of astounding. But how many persons are there—to my knowledge, not one—who is able to explain the wisdom in the market that doesn't exist in a discreet individual? Logically, persuasively, attractively so that other persons who can understand will understand? I tried myself, I do this lecture on the freedom of the market—I did it yesterday morning—and am doing a little bit better each time, but it is far from where it ought to be. What I'm trying to do is to encourage other persons to explain it better than I can.

REASON: But you're saying that the wisdom is so much greater than is possible for anyone to explain.

READ: It isn't *impossible*. It is a point in excellence which no one of us yet has reached.

REASON: I don't mean to be systematically controversial, but I think these differences are worth bringing out: You would not say that anyone like Ludwig von Mises or F.A. Hayek or Ayn Rand or Milton Friedman has succeeded in explaining, to the best of our human knowledge up to date, what is the wisdom of the market?

READ: Quite. Consider Hayek for example. He's the one who really set me off on this line of thinking back in 1961. We published a piece in *The Freeman* entitled "The Uses of Knowledge in Society" and that inspired me to write my first piece on the miracle of the market. Edmund Burke referred to it as an immemorial heritage. And I like to refer to it as the overall luminosity—that enormous wisdom. Mises or Rand or Read or whoever has not done the adequate job yet in making it clear enough so that other people can understand it. In other words I'm aware of how little *I* know.

REASON: That's an interesting point. Now we have interviewed a number of people in the profreedom camp and amongst them, almost all turn out to be of the skeptical bent. Their position is that we know so little of what goes on that perhaps that is our best argument against coercion. But there are others, however, who find this skeptical approach to the defense of liberty self-negating. If there's so little *we* know and then a John Kenneth Galbraith comes forth and says "But *I* know it all," then oughtn't he be given the opportunity to make his way our way as opposed to we who admit that we know very little?

READ: You see there are very few people on earth who are aware of how little they know. It was Socrates who said "That man thinks he knows everything, whereas he knows nothing. I on the other hand, know nothing, but I know I know nothing." And it is not until a person empties himself of know-it-allness that he can possibly rise in wisdom and understanding and excellence. And in that respect I resemble Socrates.

REASON: Let me raise a more detailed point. Some advocates of the free society consider government an unnecessary evil and incompatible with the freedom philosophy. What would you respond to that?

READ: Let me first consider the idea that government is said to be a necessary evil. This saying appears to be without merit, for can anything be at once necessary and evil? True, all governments have had a history of evil doing, more or less. However it does not follow from this experience that their good is indistinguishable from their evil. Governments, assuming a proper limitation of their activities, are necessary and not evil. Their evil begins when they step out of bounds. The only necessity is that their evil actions be discontinued. Such an achievement is unlikely until the principles prescribing the boundary lines are searched for and found.

REASON: There are those, however, arguing that government is not a necessary but an *unnecessary* evil. They are mitigated anarchists who would not even admit that there's any need for the government, but that the marketplace would take care of the need governments supposedly fulfill.

READ: Well, obviously I do not agree with that point. I wrote a book in 1954 entitled *Government, An Ideal Concept*. And in that I brought out the point that Man is at once a social and an individualistic being. I tried to identify those aspects of Man which are social—the balance being individualistic. That's my belief. Socialism is planned chaos and anarchy is unplanned chaos. So far as I am concerned I couldn't care for either.

REASON: At some point or another you endorsed the idea of a certain form of taxation that would be permissible under the system of limited government that you would favor. Could you elaborate on this for us?

READ: In my book in 1954, I said that the tax to support a principled government—a government limited to where it should be limited—that tax is appropriate. But when there's a tax for the unprincipled activities of the government—that's robbery. But there is a way to draw that line and I do it in the book.

REASON: You know this is a very touchy point with most libertarians, because they would say, I think, that the moment you allow any kind of payment to be extracted by way of coercion the government is put

outside of the realm of its proper function.

READ: Yes, I know. I hear that all the time. And you see—you use the word coercion. Really there are two types of physical force. One is defensive and the other is aggressive. And I can illustrate what I mean by the aggressive. Let's assume that I'm government and I stand here with a gun in front of your home and I keep away the marauders and the thieves. That is a defensive use of force. If on the other hand with that gun I go into your home and take your possessions and keep them for myself or give them to others, that is the aggressive use of force and I don't buy that at all. That's a clarifying point for me in my thinking.

REASON: Suppose no one has invited you to that door to keep away the people who are threatening or aggressing upon it—but you still protect that house and then, once you have succeeded, you go in and start to collect for your services. Suppose the people living there say "I'm sorry, we didn't invite you here to work for us, so please go away." Would you say that they are acting justly or not?

READ: I would say not. And that's too long a point for me to develop in this interview but I said earlier that every person is at once a social as well as an individualistic being. You are not outside of society or anyone else.

REASON: I'd like to ask you about another person who is respected by many of our readers and whom you know—Ayn Rand. It's fair to state you disagree with her in at least one respect, and that is the issue of the primacy of human reason as a means by which to approach the problems of politics, ethics, and life in general. You appear to see an inherent mystery in reality.

READ: As a matter of fact, everything in life, from a blade of grass to the blink of an eye to a galaxy, is mystery. And I happen to think that there is something over Leonard Read's mind. I don't know what it is. I believe with Ralph Waldo Emerson that there is something—I don't know what it is, but there's something—over and beyond me. And all I have to do is to know that it is, and it's all mystery. Sometimes I'm called a mystic or neomystic by reason of believing

that there's something over and beyond my mind. But I do and I acknowledge it and I'm glad of it. The world would be in one hell of a mess if there weren't.

REASON: Apropos Ayn Rand—you were influential in bringing Ayn Rand's novel *Anthem* to publication in the United States. How did that come about?

READ: Bill Mullendore and I were at her home for dinner one night. Mullendore made the statement, along toward midnight, "Someday I'm going to write a book assuming a condition of 100 percent communism and then argue the case for freedom from that vantage point," and Miss Rand spoke up and said she had already written that book. And I said "Ayn, I thought I had read everything you had ever written, and I've never heard of it. What's the title?" She said "*Anthem*." "Where's it published?" "They wouldn't publish it in the United States—It's published in England." "May I see a copy?" She said, "I have only one copy and I will not release it to anyone." Well, anyway I pleaded with her and she loaned it to me. I said, "I'm flying to New York in the morning. I will return it tomorrow afternoon." And I read it on the plane. Then I gave it to my secretary and said, "Return this to Miss Rand," and just before quitting that night I asked "Did you return it?" and she said "Yes, but I took it to lunch with me and I read it. Isn't it too bad that other people cannot read that book!"

Well I mentioned before that I had this ad hoc outfit in Los Angeles, Pamphleteers, Inc., and under that imprint I published *Anthem* and wrote the foreword myself. It is a perfectly remarkable book. And I might add that Miss Rand is one of the most brilliant women I have ever met in my life.

REASON: Let me ask you a question that I think is on the minds of a number of people. What do you think about the current state of affairs in American politics and culture? Are we on a disaster path?

READ: Based upon the historical record, it's evolution/devolution, evolution/devolution, on and on. It's a wave sequence sort of a thing and in my judgment we are in one of those. Now these devolutionary things—the things that are happening in the United States—are happening in every country on the face

of this earth. It's a world-wide phenomenon. But in my judgment it has its purpose. I wrote in one of my books one time that everything seemingly bad has some good in it if you can find it. What can be good about this? What's good about it is that it's causing a lot of people like you and thousands of others of us to do some thinking that we have never done before. In other words, in order to emerge, to evolve, to gain in awareness, perception, consciousness, it's absolutely necessary that we have obstacles to overcome. We emerge by stepping over and above the problems. Well, we have a very fine problem on our hands here but there are tens of thousands of people today who are waking up and who are using something above the shoulders that they would not have used had we been in a state of prosperity.

REASON: That is one account of the growth of philosophy in the later periods of ancient Greece. That paints a rather dismal picture for the prospects of a free society. It implies that if we do achieve the prosperous free society, intellectual lethargy must accompany it.

READ: Usually that's what happened, but here we have to have—and this is necessary—an "intellectual rising" above that. People have got to come to understand the meaning of prosperity. Now what is the purpose of wealth? Is the purpose of wealth to get out of life? To vegetate, that sort of thing? No! It is to free the individual from that slavery which poverty imposes, that one may get ever, ever deeper into life pursuing his own uniqueness. That is the purpose of it. Now that is a very deep problem but as things go on in this universe more and more has to be expected of Man. Not less and less. Not vegetation.

REASON: You mentioned the evolution/devolution concept regarding your notion of history. There is a problem with that idea. It is that it confines Man to an *inevitable* sequence. He as an individual can do nothing. What is to prevent him from just throwing up his hands and saying, "Let it happen"?

READ: Yes. That's what many are doing, but that's not my philosophy. This is a challenge which can be intellectually met. Will it? I don't know, because I

do not have a crystal ball and if I had one I wouldn't know how to read it nor does anybody else.

REASON: When I came into your office I noticed that you were autographing some copies of your newest book. How well do your own books sell and how well do the books of the Foundation in general sell?

READ: Well, we have about 115 volumes in what we call our Freedom Library—three of these, *Economics in One Lesson*, *The Mainspring of Human Progress* and *The Law*, have now sold well over one-half million volumes each. Now when it comes to my books they sell about as fast as Mises' books. My books will sell something between 5 and 12 thousand volumes—something like that. Not big sellers and they never will be big sellers. I don't expect them to be.

REASON: Do you advertise primarily through *The Freeman* or do you have independent advertising?

READ: We do announcements any time we bring out a book. All I do is devise a flyer and send it to the mailing list and if they want it they order it. That's all.

REASON: How is the Foundation itself doing financially these days? What are the plans for the future?

READ: Financially the Foundation is doing well—perhaps better than any other organization of our general faith. So far as our seminars are concerned, we're getting better at explaining the freedom philosophy and the participants are far more eager beaver—wanting to know—than they were a few years ago. It's fantastically encouraging.

REASON: There has been criticism of *The Freeman* at times—I don't mean any kind of hostile criticisms, but observations to the effect that *The Freeman* is a mixed journal. It mixes scholarly papers with anecdotal pieces. How do you evaluate this mixture?

READ: I think it's a pretty good idea to mix them up. There are people who read the little anecdotal things who will not read the scholarly ones and vice versa. And the main thing is this: I cannot insinuate one of my ideas into your consciousness—the only thing that I can do or *The Freeman* can do or any of us can do is to bring an idea to the brink of another's mind. And

until that individual absorbs it into his own tissue, so to speak, nothing happens. In other words, what each person has to do is to start learning for himself and the main thing is that we can help each other. When I take a look at my own situation, if I acknowledged the help that I've been given by other persons over the centuries, past and present, it may account for everything I do.

REASON: You wouldn't want, however, to deny the enormous significance of the individual in integrating these ideas and making something out of them however many people have contributed to the development of the ideas and the theories and the projects and plans? It's still an individual that has to put them into effect.

READ: Of course. That is right.

REASON: Let me ask some more questions about your substantive basic view. Do you have a theory of evil, just as you have a theory of good? What would you consider the fundamental wrong thing for people to do in their lives, that which gives rise to all the other humanly caused ills that we experience in life?

READ: I wrote a book one time entitled *Deeper Than You Think*, and stated that if you asked me "What is the cause of this inflation?" I could answer. Then if you asked what is the cause of that, I could tell you. And so forth. Then pretty soon you get to the question, what causes human beings to behave the way they do? And I do not know the answer to that. I do have my own way of identifying evil, those things I consider to be wrong. Let me put it this way. Perhaps the most important thing in my philosophy is what I refer to as integrity. Integrity is that which my highest conscience dictates as right. That may not in fact be right, but that is as close to righteousness as Read can get. Now that's morality and any deviation from that—for instance, for me to say to you in this interview something that I do not believe to be true in order to gain favor, that would be a lie—would be evil. And it's the basic evil.

REASON: Do you think that Christian ethics constitutes the best foundation of the whole system of free society?

READ: Well, if you ask me what are my foundations, or my moral foundations, it would be the Golden Rule and the Ten Commandments. You know this puts me on the side of the writers of the Declaration of Independence. They said that all Men are endowed by their Creator with certain unalienable rights. That among these are life, liberty and the pursuit of happiness. By proclaiming the Creator as the endower of Men's rights, they proclaim the Creator, not government, as sovereign—denying government that ancient and medieval role.

REASON: Of course the idea of Creator is very complicated. There are a number of studies on the Founding Fathers concluding that they were mostly *deists*. Deism is the view that God may have initially created the universe, but has since then stood aside, not worrying about it any more, leaving it up to us to do the best we can with it. In that way, it is left to us to identify the principles of correct conduct. There are arguments to the effect that the concept "Creator" is in the Declaration because it avoids the problem of clearly committing oneself to any form of theism. The Creator could very well be just Nature itself, not some conscious being. In any case, the doctrine of human rights may not be tied as closely to theism as your answer indicates. But you yourself, however, prefer that way of arguing for the free society?

READ: Yes. A lot of people use different terms for something over and beyond the mind. They use the term "God." I use the terms "infinite consciousness" or "infinite intelligence." Spinoza and Goethe for example used the word "nature." It was Goethe who said "Nature understands no jesting. She is always true, always serious, always severe. She is always right and the errors and faults are always those of man. The man incapable of appreciating her she despises and only to apt, the pure and the true does she resign herself and reveal her secrets." I'm using that term as synonymous with something over and above Read's mind, as they did; they used nature instead of God or Jehovah, didn't they?

REASON: I understand. You've stated it quite clearly. Let me now get to a couple of real political issues.

You are familiar with the record of the Nixon administration. One of its highlights was Nixon's attempt to repair some of the problems that existed between Communist China and the United States. One of the consequences of that diplomatic feat of Richard Nixon's may be expansion or increase of trade between Red China and the United States. Do you believe that trade with Red China is something that can be regarded as a matter of exercising one's human rights in a free society? Some argue that it would be an act of treason.

READ: I've just written a piece on it. The true ambassadors of goodwill are men free to produce, free to exchange, free to travel. But things get all mixed up when the ambassadors are politicians. I don't like that. I would let you trade with anybody that you pleased.

REASON: The problem here is that some people would want to characterize trading with that government somewhat on the order of trading with a thief who's peddling stolen goods. And that puts the matter in a rather different perspective.

READ: Of course it does. And it's not easy to resolve, but if you wanted to trade with another government, go ahead and do it and take your chances.

REASON: You would not agree that the United States should insure you with taxpayers' money!

REASON: You have been advocating the freedom philosophy for several decades now. How do you assess your contributions—your efforts to achieve liberty in our time?

READ: There is really no way to make such an assessment that has any meaning. I don't know. I just received a letter this morning from a friend in Australia who said, "Do you not get distraught because people do not let you know how much they're benefiting from what you and the Foundation do?" And my answer is, "I do not." The only way I would get distraught would be if I were not doing the best possible for me in realizing my own capabilities.

REASON: You do consider yourself a successful person?

READ: Well it's according to how you want to

measure success.

REASON: Measuring it by your own standards! How else am I going to ask the question right now? But you would say that your goals, your mission is being served with the best of your ability?

READ: I will say that I am working day and night to the best of my ability. I don't want to say more than that.

REASON: You know, you're a person in your late 70's and you are in excellent shape, very lucid and have a full day. To what do you attribute this enormous success, at least in that respect?

READ: Well, so far as the Foundation is concerned, I have a good number of people here who work with and not for me. We work together, which permits me to do all these things, all this travelling, all this writing, everything else. And I don't find myself in want of time at all.

REASON: You don't have some secret formula that you would divulge on how to keep fit in old age?

READ: Not exactly. But I would suggest that you control yourself against fretting, worry, anger, all the forms of stress. That's the main thing in life—keep away from stress—because it kills you. Keep happy; have fun!

REASON: Do you have any opinions of efforts that are being made on other fronts to advance liberty?

READ: I stick to my own path as you know; it's possible that what we're doing here is not absolutely right, and so I'm in favor of everybody doing what they think is right, and from all of us, will come, I think, some approach to truth.

REASON: Maybe you would like to convey to our readers some final thoughts.

READ: Most people are today distressed with the disagreements among those of us who in a general way favor this free market, private ownership, limited government philosophy. I, however, am not distraught by this at all. You see, and I admit it, all of us are at sixes and sevens. No two of us have precisely the same ideas of what ought and ought not to be.

Indeed yours and mine are in a constant flux. No one excepting a mummy ever stays put. My answer to these disagreements is simply this: dialogue. Free and open discussion. You airing your thoughts and I mine. This is a way to emerge in awareness, to gain enlightenment, to discover truth. Now and then a glimmer from you or perhaps from me. It is this freedom in discourse that assures ascendancy.

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**Nelson's Live Seminars & Events
for November 2016**
<http://infinitebanking.org/seminars/>

Nelson Nash Live at the Freedom Advisor Live Experience, St Louis, MO

November 15-17, 2016

This event is for FINANCIAL PROFESSIONALS. It is hosted by e3 Marketing, an NNI affiliate. For more information, please review the Freedom Advisors Live Event landing page [HERE](#). Online registration link is located [HERE](#)

Nelson Nash Live Seminar in Bismarck, ND

November 19, 2016

Contract Mindy Backsen or Mary Jo Irmen (701) 751-3917 or email mindy@fiscalbridge.com or maryjo@fiscalbridge.com

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

Heaven and Earth: Global Warming, the Missing Science by Ian Plimer

Welcome the newest IBC Practitioners
<https://www.infinitebanking.org/finder/>

The following financial professionals joined or renewed their membership to our *Authorized Infinite Banking Concepts Practitioners* team this month:

- Justin Craft - Birmingham, Alabama
- David Lukas - North Little Rock, Arkansas
- Kim Butler - Mount Enterprise, Texas
- Bruce Wehner - St. Louis, Missouri
- Diane Burga - Sherwood Park, Alberta
- Nick Kosko - Louisville, Kentucky
- Glen Akin Jr. - Lubbock, Texas
- Kenneth Shapero - Coral Springs, Florida
- Steven Holtz - Los Angeles, California
- Taylor White - Tyler, Texas
- Sonda Frattini - Charlotte, North Carolina
- Julius Botelho - Redlands, California

You can view the entire practitioner listing on our website using the Practitioner Finder.

IBC Practitioner's have completed the *IBC Practitioner's Program* and have passed the program exam to ensure that they possess a solid foundation in the theory and implementation of IBC, as well as an understanding of Austrian economics and its unique insights into our monetary and banking institutions. The *IBC Practitioner* has a broad base of knowledge to ensure a minimal level of competency in all of the areas a financial professional needs, in order to adequately discuss IBC with his or her clients.

Nelson's Favorite Quotes

The ultimate result of shielding men from the effects of folly is to fill the world with fools.

-- Herbert Spencer

Tell me and I forget. Teach me and I remember. Involve me and I learn. -- L.M. Montgomery