

# LMR

***BUILDING THE 10%***

M A R C H • 2 0 1 9

## **PULSE ON THE MARKET**

China "Glut" gone  
Buy-Backers Beware  
Regulating the Regulators  
Yield Curve Inverts

## **A DIAMOND IS FOREVER**

*by L. Carlos Lara*

## **THOUGHTS ON NELSON NASH**

*by Robert P. Murphy*

## **THE TRUTH ABOUT SOCIALISM**

*Interview with Ben Powell*

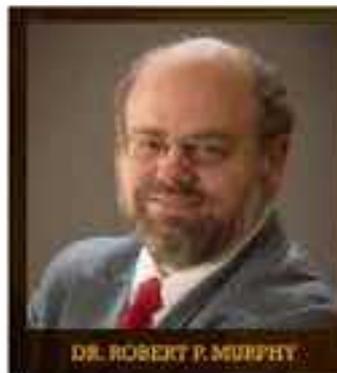
# YOUR BUSINESS CASHFLOW AND THE COMING CRASH

**THE NELSON NASH INSTITUTE PRESENTS  
A SEMINAR IN MUSIC CITY...**

With the yield curve inverting for the first time since 2007, more and more analysts are warning of recession. Come hear author and economist Robert P. Murphy explain where the U.S. is in accordance with Austrian business cycle theory. Murphy gives actionable details on timing, asset class performance, and possible scenarios of Federal Reserve reactions. Carlos Lara, a 40-year veteran in corporate financial restructures and work-outs, explains in detail how real-world business owners used IBC to secure their cashflows amid choppy waters. The 8-hour seminar includes never-before-seen materials not available in their books and podcast. Registration is limited to 25 slots to ensure plenty of time to answer your specific questions and tailor the instruction to your business needs.

**THE IBC SEMINAR FOR THE BUSINESS OWNER  
MAY 10, 2019 ★ NASHVILLE, TN**

More Details and Registration at: [www.InfiniteBanking.org/BizOwner](http://www.InfiniteBanking.org/BizOwner)



DR. ROBERT P. MURPHY

Come learn from two experts on Austrian economics and Nelson Nash's Infinite Banking Concept (IBC). One is a PhD economist with experience in both academia and the financial sector, who warned of the 2008 crash in real-time. The other is a business financial consultant with decades of experience helping cash-strapped owners stay out of bankruptcy and free themselves from the grip of the "government, Wall Street, and commercial bank nexus."



L. CARLOS LARA

## THIS MONTH'S FEATURES



### THOUGHTS ON NELSON NASH

BY ROBERT P. MURPHY

Murphy offers his thoughts on the passing of the great R. Nelson Nash.



### A DIAMOND IS FOREVER

BY L. CARLOS LARA

Lara discusses the legacy of Nelson Nash.



### THE TRUTH ABOUT SOCIALISM

INTERVIEW

Economist Ben Powell talks about his recent tour of socialist countries. Spoiler: They're not nice places.

### AUSTRIAN ECONOMICS + WHOLE LIFE = IBC

NELSON NASH INTERVIEW

Reprinted from December 2011.

### THE IMPORTANCE OF SOUND THINKING

NELSON NASH INTERVIEW

Reprinted from February 2016.

## IN EVERY ISSUE



DEAR READERS

### LARA-MURPHY REPORT

Socialism vs. capitalism is still the defining political issue of our day.



ECONOMIC DEEP END

### PULSE ON THE MARKET

China "Glut" gone  
Buy-Backers Beware  
Regulating the Regulators  
Yield Curve Inverts



ONE MORE THING

### EVENTS AND ENGAGEMENTS

Learn more in person from Lara, Murphy, and other Austrian economists, at these upcoming appearances.



## ABOUT LARA & MURPHY

L. CARLOS LARA is CEO of United Services and Trust Corporation, a consulting firm specializing in business advisory services with a primary focus on working with companies in financial crisis. His background in capital formation and business rehabilitation makes him a regular speaker at credit and business conferences.

In 2010 he co-authored the highly acclaimed book, *How Privatized Banking Really Works* with economist Robert P. Murphy.

He is a co-creator of the IBC Practitioner Program for financial professionals and sits on the board of the Nelson Nash Institute.

ROBERT P. MURPHY is Research Assistant Professor with the Free Market Institute at Texas Tech University. He is co-author of *How Privatized Banking Really Works*. He is the author of *Choice: Cooperation, Enterprise, and Human Action* (Independent Institute 2015) and co-host with Tom Woods of the popular podcast *Contra Krugman*.

Murphy has a Ph.D. in economics from New York University. After spending three years teaching at Hillsdale College, he went into the financial sector working for Laffer Associates. With Nelson Nash, Carlos Lara, and David Stearns, Murphy is co-developer of the IBC Practitioner Program.

**LMR Editor in Chief: L. Carlos Lara**  
**LMR Executive Director: Dr. Robert P. Murphy**

**Managing Editor: Anne B. Lara**  
**Design Director: Stephanie Long**

For Information About Advertising and Other Questions,  
 Contact: [rpm@ConsultingByRPM.com](mailto:rpm@ConsultingByRPM.com)

### READERS

**STATUS:** LMR staff and its contributors warrant and represent that they are not “brokers” or to be deemed as “broker-dealers,” as such terms are defined in the Securities act of 1933, as amended, or an “insurance company,” or “bank.”

**LEGAL, TAX, ACCOUNTING OR INVESTMENT ADVICE:** LMR staff and its contributors are not rendering legal, tax, accounting, or investment advice. All exhibits in this book are solely for illustration purposes, but under no circumstances shall the reader construe these as rendering legal, tax, accounting or investment advice.

**DISCLAIMER & LIMITATION OF LIABILITY:** The views expressed in LMR concerning finance, banking, insurance, financial advice and any other area are that of the editors, writers, interviewee subjects and other associated persons as indicated. LMR staff, contributors and anyone who materially contributes information hereby disclaim any and all warranties, express, or implied, including merchantability or fitness for a particular purpose and make no representation or warranty of the certainty that any particular result will be achieved. In no event will the contributors, editors, their employees or associated persons, or agents be liable to the reader, or it's Agents for any causes of action of any kind whether or not the reader has been advised of the possibility of such damage.

**LICENSING & REPRINTS:** LMR is produced and distributed primarily through the internet with limited numbers of printings. It is illegal to redistribute for sale or for free electronically or otherwise any of the content without the expressed written consent of the principle parties at United Services & Trust Corporation. The only legal audience is the subscriber. Printing LMR content for offline reading for personal use by subscribers to said content is the only permissible printing without express written consent. Photo's are from various public domain sources unless otherwise noted.

“But one thing is certain. A man who publicly talks or writes about the opposition between capitalism and socialism without having fully familiarized himself with all that economics has to say about these issues is an irresponsible babblers.”

— Ludwig von Mises

As we were working on the March issue of the *LMR*, we learned that our friend, co-author, and hero Nelson Nash died. He had been in poor health but we were shocked by the suddenness with which he left us. We decided to devote our respective articles this issue to the legacy of Nelson, and we also have reprinted our past *LMR* interviews of him.

However, Nelson would have wanted us to forge ahead and continue with the battle of ideas. “Life goes on,” as he would remind us whenever we began to fret too heavily about the fate of the U.S. dollar or the loss of financial privacy. We hope this special issue of the *LMR* offers the proper blend of respect for Nelson while continuing our mission of Building the 10%.

\* \* \*

Mises, an unwavering advocate and defender of *capitalism*, was not shy in proclaiming that socialists were merely individuals that were blinded by envy and ignorance because of their refusal to study economics and how an unhampered market economy really worked.

Rather than taking the time to study the undeniable facts of why the common man’s standard of living is incomparably higher in capitalistic nations than it is in socialist countries, socialists instead simply take for granted the fundamental socialist idea that the economic interests of the masses will always be hurt by the operations of capitalism and helped by the operations of socialism.

Simplifying this obvious fact even further, socialists *believe* that socialism will improve their conditions, and *believe* capitalism will harm them. That's precisely why they are socialists. This misguided belief, fueled by opportunistic politicians, has been in our world a long time and was certainly a part of the thinking fabric of the masses during Mises' day as his comment indicates.

*"Governments, political parties, teachers and writers, militant antitheist as well as Christian theologians are almost unanimous in passionately rejecting the market economy and praising the alleged benefits of state omnipotence. The rising generation is brought up in an environment that is engrossed in socialist ideas."*

Today we have the likes of a *Bernie Sanders*, *Elizabeth Warren*, and *Alexandria Ocasio-Cortez* to lead the cheering throngs of the "new" socialists, but the goal of these "new" charismatic leaders remains the same, which is to accomplish their mission no matter what means and actions have to be used. After all, he (or she) is above all economic laws and moral principles. What he (or she) does is always right, all those that disagree are always wrong.

This is why teaching individuals to be "*self-reliant*," instead of being dependent on government, is a vital part of our building the ten percent movement. By integrating *Austrian* economics with the *Infinite Banking Concept (IBC)* in our teaching we help defeat the anti-capitalistic mentality one person at a time. As always, we thank you for your continued loyal support!

Yours truly,

Carlos and Bob



## PULSE ON THE MARKET

### CHINA “GLUT” GONE

The March 16th issue of *The Economist* magazine has an article explaining that China’s current account surplus has been fast eroding, and—according to prominent organizations—may well plunge into (modest) deficit territory in the coming years. Specifically, China’s current account surplus was some 10% of its GDP back in 2007, while in 2018 it was a mere 0.4%. The main driver of this turnaround is the surge in Chinese tourists spending their money abroad, starting around 2011 and growing rapidly since. (In terms of trade accounting, when Chinese tourists spend their money in Disneyworld, that counts as China importing services from the United States.)

*The Economist* article viewed the increased Chinese imports a good thing, helping to ensure “balanced” international trade, in contrast to the ostensible “savings glut” that China allegedly foisted on the global economy in the early 2000s. Our take is just about the opposite: Although people should be free to strike whatever balance they wish between saving and consumption—and to be sure, the people of China are hardly basking in a laissez-faire system—the drop in Chinese savings rates means that Americans will feel the pinch from their own profligacy that much sooner. Without the Chinese absorbing ever growing amounts of Treasury debt, Uncle Sam’s budget deficits in the coming decades will wreak their havoc more quickly than would otherwise have been the case.

---

### BUY-BACKERS BEWARE

The same issue of *The Economist* also features an article explaining the growth in U.S. corporate debt: “According to the Federal Reserve, the ratio of non-financial business debt to GDP has grown by eight percentage points in the past seven years...It is now at a record high.” Yet the author is not alarmed, because, “Through a combination of buy-backs and takeovers non-financial corporations have retired a net \$2.9trn of equity since 2012—roughly the same amount as they have raised in new debt.”

Although it’s true that in general, there’s no reason to second-guess any particular corporation’s decisions to issue debt and/or buy back shares of its own stock, when it happens *on such a grand scale* and in the midst of *artificially low interest rates*, we become quite concerned. When companies



## PULSE ON THE MARKET

systematically issue more debt in order to buy back stock, the stock price moves up in order to concentrate ownership in the firms into the hands of those who are relatively optimistic. The most pessimistic of the original owners—the ones who sell off the shares that are being extinguished—relinquish their equity claims, and (in the aggregate) provide the funding for the new debt issuance.

All of this is occurring in the context of an unsustainable boom, due to the Fed's monetary inflation and artificially low interest rates. As the Fed continues to “normalize” policy, corporate profits will fall and the cost of debt service will rise. In our view, the pessimists will ultimately be vindicated—they were right to dump their shares when their co-owners (i.e. the other stockholders) effectively borrowed money from them in order to buy them out.

If all of this stock speculation were limited to rich investors playing with money they could lose, it wouldn't matter much in the grand scheme: those with better foresight would skim wealth away from those who made bad judgments. However, when share prices are driven up through massive bond issues and buy-backs, institutional investors (such as “safe” and diversified mutual funds) go along for the ride. It's a truism of basic finance that a leveraged company is taking on more risk, and so it's unsettling to realize that U.S. corporations are now carrying record debt loads as the Fed continues to tighten.



### REGULATING THE REGULATORS

The tragic crash of Ethiopian Airline's Boeing 737 Max aircraft has centered on the model's anti-stall software. In the immediate aftermath of the disaster, correspondents on NPR and other news outlets were surprised to learn the extent to which the FAA relies on industry to police itself.

The controversy underscores the paradox of government oversight. Whether it's the FAA regulating airlines, the FDA regulating pharmaceutical companies, or the Fed and SEC regulating banks, the simple reality is that you need industry experts involved to at least weed out patent absurdities coming down from the State. (For example, the ratcheting-up schedule of ethanol mandates passed under the Bush Administration did not anticipate the drop in vehicle-miles traveled that occurred after the financial crisis struck. If bureaucrats had not relented in light of industry complaints, the



## PULSE ON THE MARKET

government would have been fining refiners for not producing ethanol/gasoline mixes that would have actually damaged engines—a transgression that would *also* have received fines. Interested readers can learn more about the ethanol “blend wall” at: <https://www.api.org/news-policy-and-issues/blog/2016/03/25/hitting-the-wall-on-the-rfs.>)

Of course, the problem is that the regulatory authorities can become “captured” by the industries they ostensibly regulate. The most obvious example of this is the Fed’s bailout of commercial and investment banks. Far from hurting the big banks in order to help the little guy, the Fed was clearly rescuing (some) of the major banks from their poor decisions while ignoring the millions of homeowners struggling with their mortgage payments.

The only real solution here is to privatize these regulatory functions. For example, insurance companies could underwrite airlines, so that part of your ticket price would be a promise that your estate would receive (say) \$300,000 in the event of a fatal crash. The insurance company on the hook for this promise would then have the incentive to do spot checks on the planes, to give surprise drug tests to the pilots, and so forth.

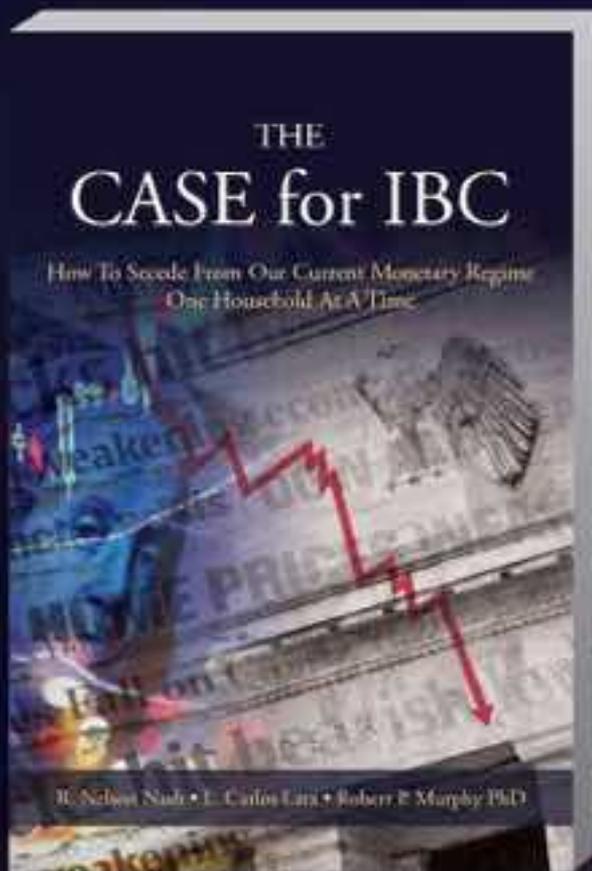
To be sure, no system is perfect. Regardless of the institutional structure, some drugs will kill people, some planes will crash, and some banks will fail. The key question is: which system will *minimize* those errors by punishing failure and rewarding success? The way it is right now, the FAA, FDA, and SEC get *more* funding when they screw up.

---

### YIELD CURVE INVERTS

In mid-March, the yield on 3-month Treasuries was higher than that of 10-year Treasuries. The last time this happened was in 2007. Such a yield curve “inversion” is a huge deal because it typically signals an impending recession. We cover this phenomenon in depth in our Ep. 69 of the Lara-Murphy Show, available at: [www.Lara-Murphy.com/69](http://www.Lara-Murphy.com/69)

# Something is FUNDAMENTALLY WRONG with our financial system.



R. Nelson Nash's Infinite Banking Concept (IBC) is a revolutionary method to take the banking function away from the "experts" and return it to the individual household and business owner.

In *The Case for IBC*, Nash is joined by business consultant L. Carlos Lara and economist Robert P. Murphy to provide the most succinct explanation to date of why IBC works.

Order The Case for IBC Now



Thoughts on  
**Nelson Nash**

by Robert P. Murphy

*“Far above the millions that come and pass away tower the pioneers, the men whose deeds and ideas cut out new paths for mankind. For the pioneering genius to create is the essence of life. To live means for him to create.”*

—Ludwig von Mises

I LIKE TO BE PRECISE WITH MY TERMINOLOGY, and so for example I draw a distinction between being *smart* (knowing a lot of facts) versus *intelligent* (having a powerful mind). In the same vein, I do not throw around the term *genius* lightly. Someone could be very smart and very intelligent, but to be a *genius* you have to be a creative inventor. You have to produce new ideas and frameworks, which others will then argue over and refine.



I labeled Nelson’s foes in academia and Wall Street as the “Pharisees of Finance.”

The recently deceased R. Nelson Nash was smart and intelligent, but he was also a creative genius. He looked at dividend-paying whole life policies, and in particular their standard feature of policy loans, and realized, “That’s not merely an asset that provides a death benefit. It’s also a cashflow-management device that allows you to free yourself from bondage to commercial bankers.” Where others saw merely protection, Nelson saw a way to *become your own banker*.

### What Would Jesus Do?

In my short piece for the April 2019 issue of BankNotes,<sup>1</sup> I labeled Nelson’s foes in academia and Wall Street as the “Pharisees of Finance.” These were the people giving horrible advice to regular people, while posturing as the smartest guys in the room and hiding behind fancy jargon and intimidating financial instruments. These were the people who would scoff at something so “simplistic” as life insurance, which they would confidently tell people was “the worst place to put your money.”

In contrast to the Pharisees of Finance, I explained, Nelson spoke directly to the common person, often using metaphors and personal anecdotes. (In this way, of course, he mimicked Jesus’ use of parables.) Although his book, *Becoming Your Own Banker*, contained numerical illustrations, that’s all that they were: *illustrations*. The underlying principles were of paramount importance. You didn’t need to calculate an “internal rate of

return” to know that it was a good idea to wean yourself off of reliance on commercial bankers to buy your next car or to run your business.

(Indeed, over the years people would often ask Nelson to update his book with illustrations that reflected the drop in interest rates, but these requests would frustrate him: the case for IBC didn’t rest on what bonds happened to be yielding. It was about taking control of the banking function and returning it to the you-and-me level.)

### Wisdom Comes From Experience

Besides being a smart, intelligent, creative genius, Nelson was also *wise*. (In contrast, John Maynard Keynes was a smart, intelligent, creative genius who was a *fool*.) By this I mean that Nelson understood the true value of things. He knew what was a critical principle to be upheld at all costs, and he knew what was a trivial issue that could safely be ignored.

When I first got to know Nelson and the IBC world, I thought he was making a tactical mistake by focusing on the “big picture” rather than battling people over the details. For example, when Nelson often declared, “This isn’t about rates of return,” I thought he was foolishly conceding that investors could do better by ignoring IBC.

However, as time went on, I realized the long-term wisdom of Nelson’s approach. People have limited attention spans, and



**Nelson was a true man of learning.**

they are reading a lot more than just *your* stuff. That’s why you have to boil down your message into memorable, “idiot-proof” principles. Nelson would often chastise people for “majoring in the minors,” i.e. he was telling them they were agonizing over details while missing the big picture.

For those who didn’t know him well, let me assure you, what you see is what you got. Nelson wasn’t putting on a show for the public when he would give a talk; he was the same guy on a video conference call with Carlos and me (and David Stearns) as he was, when giving a lecture to a room of newcomers. Nel-



Nobody would want to watch 10 hours of Richard Pryor or Frank Sinatra. So to watch a guy teaching about *life insurance*?!

son would not hesitate to remind us about the basic principles of IBC. Sometimes this seemed redundant, but now in hindsight I understand better why he did it.

### Battling the Arrival Syndrome

Nelson was a true man of learning. During our weekly video conferences (as the board of the Nelson Nash Institute) he would quite often hold up a new book that he was reading, and tell us all about it. My own reaction was often along the lines of, “Ah yes, Nelson, I’ve heard of that. I haven’t had time to read it, I wish I could.” Well, up until the very end, Nelson always made time to read new books. That was an important part of his routine.

It’s also the case that Nelson’s quiver of quips would be adjusted over time. For example, although Nelson had been a student of the Austrian School for decades, I believe it was only after seeing Carlos’ PowerPoint presentation on fractional reserve banking that Nelson began using that particular argument in his case against commercial bankers (and *for* the life insurance sector). So even though Nelson’s presentation style came off as if he were merely repeating “folk wisdom” handed down from his grandfather, in fact Nelson was always refining his position in light of new things he’d read or heard.

### Commanding an Audience

Whenever I watch a public speaker or entertainer, I try to divorce myself from the content in order to note the techniques the person uses to command attention from the audience. For example, Judge Andrew Napolitano will walk out into the crowd and stick the microphone in students’ faces, asking them questions about the Constitution. I promise you, *nobody* is dozing off when that happens, because they’re all terrified he will walk up to them next and demand to hear a summary of the 6th Amendment.

Nelson actually held a *10-hour seminar* (over the course of two days) on IBC. Not only did he get people to attend, but it was often *the same people* who would attend multiple times, in order to absorb every detail. How could he possibly do this? Nobody would want to watch 10 hours of Richard

Pryor or Frank Sinatra. So to watch a guy teaching about *life insurance*?!

Part of the answer, of course, is that Nelson wasn't there to entertain, but to educate and above all to *equip* the attendees to "become their own bankers." If you thought someone could teach you how to fly like Superman, you'd certainly be willing to sit there for 10 hours. So by the same token, Nelson was showing people how to wrest control of their financial lives away from the "snakes and dragons." This was crucial, life-changing material.

Yet even so, Nelson had to intersperse personal anecdotes and outright jokes, in order to keep people from nodding off. He would also actively engage the audience by asking them questions, by name. ("Now Mary love, tell me, where in the Constitution does it mention that?") Rather than posing as a guru dispensing mysteries, instead Nelson acted more as a safari guide, leading the group on an exhilarating adventure through beautiful yet dangerous terrain.

### Nelson the Evangelist

Finally, I must mention Nelson's strong Christian faith. Here as elsewhere, Nelson wasn't posing. Behind closed doors, among his friends and relatives, Nelson would talk about the Bible just as much as he did in public.

This is probably the area where Nelson influenced me the most. As a believer myself, I

nonetheless had originally thought I should "stick to secular matters" when talking about financial topics. This wasn't because I was embarrassed or fearful of rejection, but (for whatever reason) I thought it would be inappropriate to mention the Bible if I knew some of the people in the audience weren't Christian.

Needless to say, this was *not* Nelson's approach. Not only did he sprinkle Bible verses throughout his books, but in a very memorable segment of his public talks, Nelson would explain how he knew his older brother was in heaven (because he, the older brother, was a strong Christian). Nelson would then tell the crowd something like, "And if you aren't



This is probably the area where Nelson influenced me the most. As a believer myself, I nonetheless had originally thought I should "stick to secular matters" when talking about financial topics.



sure where *you're* going to end up, then you and I need to talk, because that's far more important than life insurance.”

For people who never heard Nelson speak in public, the above might sound “divisive” and off-putting, but if you saw him do it, his delivery was perfectly authentic and in-offensive. Even committed atheists would know that he was trying to help, and would (in their minds) safely put that religious talk aside, to focus on the financial wisdom.

In any event, it was primarily because of Nelson's example that I personally became more relaxed about sharing my own faith. When Carlos and I, for example, would give talks to the public warning of the con-

sequences of the Federal Reserve's actions, I would mention that I was ultimately at peace with it all, because I knew God was in control and everything on this earth is fleeting. After all, that is the real answer, when people are full of anxiety about the economy.

## Conclusion

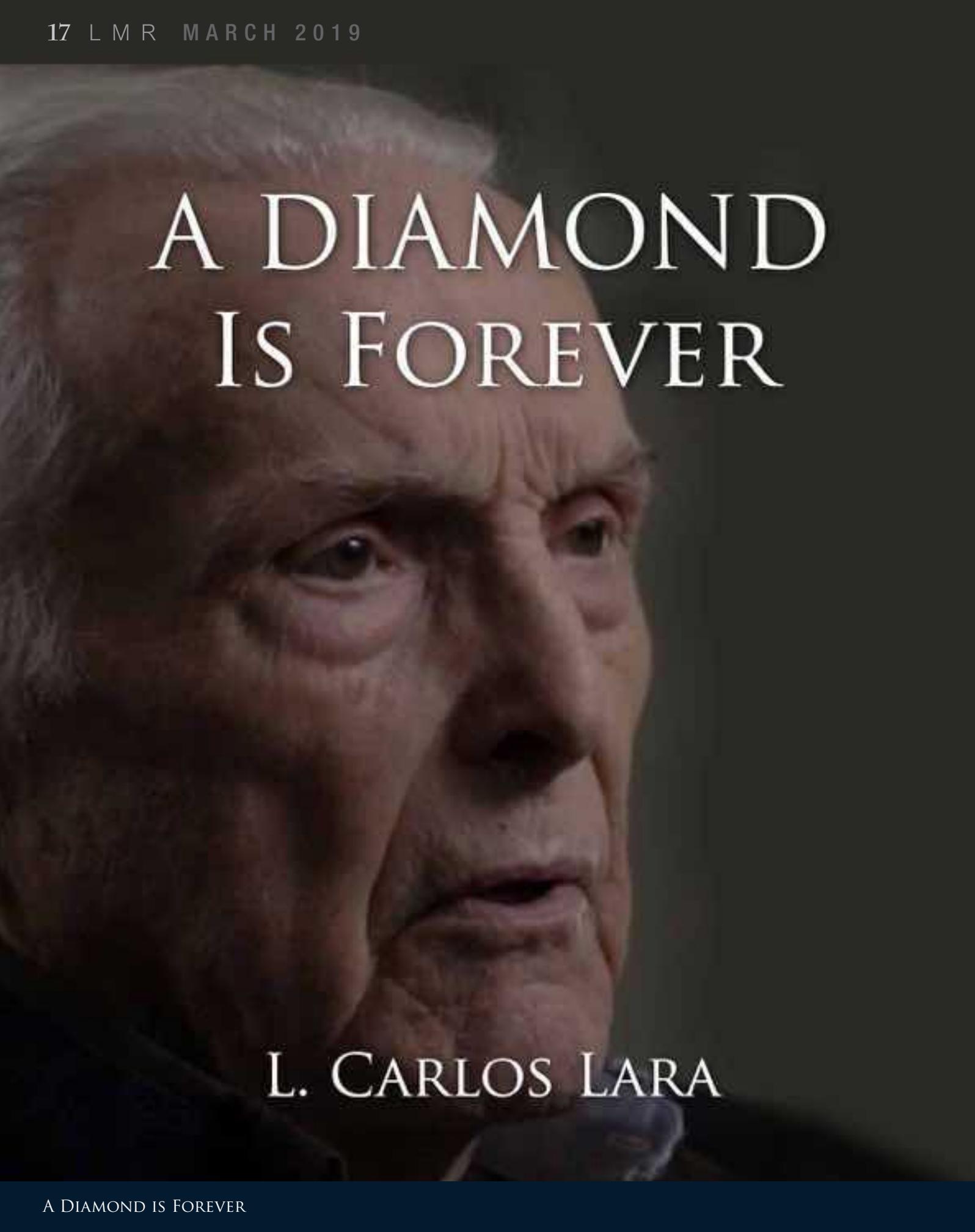
Nelson Nash was a great man, a creative genius whose mission was to free people from financial bondage. Through his books, seminars, speeches, and personal example, Nelson showed the difference that one man could make.




---

## References

1. My piece, as well as touching remarks from David Stearns and Carlos Lara, are available at: <https://s3.amazonaws.com/IBC-BankNotes/BankNotes+Apr+2019.pdf>.



# A DIAMOND IS FOREVER

L. CARLOS LARA

**R. NELSON NASH, FOUNDER AND CREATOR** of the Infinite Banking Concept (IBC), departed to his eternal home on March 27, 2019.

The first time I met Nelson Nash was in 2001. That seems so long ago, but I remember that day as though it was yesterday. What I didn't know then was how important that initial meeting would turn out to be. Two months prior I happened to be in the office of a business acquaintance and caught sight of Nelson's now very famous book, *Becoming Your Own Banker*, atop his credenza and inquired about it. My friend said that he had no idea what the book was about because he had not read it and suggested I take it home with me. Well, I did that and the rest, as they say, is history. Nelson and his book changed me forever in the same way he has changed the lives of untold thousands.

But I am getting ahead of myself. Nelson's book had only been in print about one year and it's not as though I suddenly understood the meaning of his book. What actually happened was that the desire to break its secret code did become a relentless passion. I had already read S.S. Huebner's 1927 classic, *The Economics of Life Insurance*, but Nelson Nash was writing about something altogether different and taking life insurance much farther than Huebner's idea of "*human life value*." So I made an appointment to

visit with Nelson in Birmingham, Alabama to learn all about his brand of life insurance first hand.

Nelson suggested we meet at an Olive Garden restaurant because, as he pointed out, "*you can get all the bread sticks and salad you want there.*" I don't know why, but at the time his reasoning for wanting to have



**Nelson and his book changed me forever in the same way he has changed the lives of untold thousands.**

lunch at this particular eating establishment struck me as odd and amusing. Years later I would come to understand that this was my first glimpse of the Nelson Nash personality that I would eventually come to appreciate. The man was oddly humorous. Throughout the years that I knew him Nelson made me laugh a lot and I truly enjoyed that. The truth

is, I connected with *him*—the man, not necessarily his book or idea, right away.

Anyway, as I was saying, I was very eager to meet with him and so I drove the 200 miles from Nashville to Birmingham to make the lunch appointment, but due to heavy road traffic I arrived twenty-five minutes late. Thinking that he may have already left the



**The truth is, I connected with *him*—the man, not necessarily his book or idea, right away.**

restaurant I inquired with the hostess if a Mr. Nash had already been seated at a table and she said no. I quickly began surveying the other people waiting to be seated, but my next problem was that I didn't know what Nelson Nash looked like. His first edition of his book did not contain a picture of him so I was at a disadvantage and texting was still a thing of the future.

There was this one individual patiently sitting there that I thought might be him except that I noticed he was wearing *Hush-Puppy* shoes and I hadn't seen anyone wearing that kind of footwear since the 1960s. But guess what? It *was* him.

By now I was a bit off balance. As we shook hands we introduced ourselves to each other and after we exchanged a bit of polite conversation I offered up my apologies for being late. Then, of all things, he threw me a real curve ball of a question that I had not expected. He asked me very pointedly if I was a Christian. Can you imagine that? My initial surprise caused me to momentarily pause, but then I confidently answered him with a yes. On hearing my response he promptly said, "*Good! Now we can talk.*" I'll never forget that qualification and I remember thinking at that very moment, "*Wow—now this guy is really different.*"

### **Nelson's 10-Hour Seminar**

I don't know how anyone in his or her right mind could possibly sit through a ten-hour lecture, but I did, and not just once—several times. So did thousands of others. Nelson Nash was just that entertaining. Ironically, it was the same seminar and it never changed, but we all came back to hear it again and

again. Even though I already knew all the punch lines to all the jokes he would tell by memory, I would still laugh at them out loud. That's so odd. Yet everyone who repeatedly attended his seminar behaved exactly the same way. He was a master storyteller, but his stories always had powerful lessons in them you never forgot. There was something sweet in being able to hear them just once more.



**He would even call all the invited guests the day of the seminar and again they would all confirm their attendance, but then no one would show up.**

I heard him tell how in the beginning he could not get a single soul to attend his seminar. He would send out invitations and get RSVPs from people confirming that they would be there at the appointed time. He would even call all the invited guests the day

of the seminar and again they would all confirm their attendance, but then no one would show up. How humiliating is that? Could you take that kind of rejection? Maybe once we could endure something like that, but Nelson said it happened repeatedly. I asked him what in the world he would do after such devastating results? He just smiled and said that he would go home and have supper.

Years later in 2014 when Nelson, Bob and I started presenting the IBC Seminar together David Stearns, co-creator of the Nelson Nash Institute, had helped us streamline the seminar down to five hours, but audiences still got the best Nelson had to offer. Among other reasons for the time adjustment to the seminar was to complement Nelson's energy level, which was rapidly declining. There toward the end he was often taken on and off an airliner by wheelchair. On arriving at our destination I would ask Nelson how the trip had gone and in Nelson's classic style he would say, *"You know Carlos, this wheelchair thing is pretty neat and if you drool a bit out your mouth you won't believe the kind of extra attention you receive from the stewardesses."*

That was Nelson, as I remember him, and I enjoyed those experiences with him very much. In 2018 the five-hour seminar became our newest book, *The Case for IBC*, which we were privileged to co-author with

Nelson. The book not only teaches IBC, but is also a living memory of those special speaking occasions we had with him.

### **Brutal Simplicity of Thought**

One thing is certain Nelson was a deep thinker. He could bottom line just about any of the tough issues of modern life, which he believed were primarily caused by money problems and faulty thinking. In fact, he believed the greatest problem in America was that most people didn't bother to think at all because it required too much effort on their part. What little thinking people actually did needed to drastically change. For Nelson it all came down to how one thought during the course of any given day, because thinking is what guides and makes a person what he or she is. Or more accurately stated, a person was nothing more than the sum total of all the thoughts he or she had day by day. In every respect the thinking had to be of the right kind and by that he meant that it needed to be deliberate and contemplative.

If you asked how Nelson channeled his own thinking in order to create who he was, I would guess that it was because he spent a great deal of time reading books—lots of books. But not just ordinary books, he read

history books and he was just as well read in economics, especially Austrian economics. He also read and studied the Bible. His massive amount of reading backed up his strong sentiments on weighty matters. Point being, he was a true scholar.

When describing the economic, social, and political state of the world he would just re-



**When describing the economic, social, and political state of the world he would just reduce it down to saying, “*Lies, Lies, Lies.*”**

duce it down to saying, “*Lies, Lies, Lies.*” Now as overly simplistic and radical as this may sound, surprisingly most everyone hearing him seemed to agree with his analysis. I certainly did. I think it was because we all had a sense that something was not fundamentally right about our world and here was this man confirming our inner feelings and giving

voice to them. He was courageous in telling it like it really was and we loved him for it.

### Secessionist By Choice

Nelson's devastating financial experience in the 1980s and his eventual escape of the grip of outside bankers (by becoming his own banker using the living benefits of his dividend-paying Whole Life insurance policies) is the cornerstone story of IBC. He demonstrated how IBC actually worked in his own life making him a living testament of his own discovery. He had the proof to show that it really worked and better yet, he demonstrated how anybody could do what he did.

Now of course, those of us who worked closely with him all came to know this story. However, on certain occasions Nelson would remind us about how he at one time tried to suppress speaking about his idea for fear that he would not be believed. He would usually tell us these things whenever he sensed that we might be getting discouraged for not receiving the proper recognition from the higher echelons of the financial services industry. That's generally when he would begin to recount for us all over again his own experience of trying to convince the life insurance home offices of the financing benefits of IBC and how they

flatly rejected it.

It was for this one reason Nelson turned away from what he called the "*Harvard MBA types*" and took IBC directly to the general public who actually needed this solution the most. The result was that as the public began to embrace IBC, because it began working in their lives, the financial institutions nat-



**Nelson Nash often taught the supremacy of thinking long range and now I see why.**

usually followed. The lesson taught here was that "*top-down thinking*" never works. He reminded us of this so often that we finally got it.

During the last part of the eighteen years that I knew him it became increasingly clearer to Nelson that our enemy was much

more powerful than he first realized and very entrenched in our way of life. At the core our enemy in Nelson's estimation was the State. It was an evil idea that had the entire world in its grip by having gained control of people's thoughts and by confiscating their primary means for making a living. Our money, he would often say, was now in the hands



of the wrong people. The only remedy was secession from the corrupt monetary regime using IBC as the primary method and the widespread expansion of this benevolent idea.

### Conclusion—The Best A Man Can Be

They say that diamonds are forever and in this brief article, written in memory of Nelson Nash, I have attempted to describe just

a few examples of the life of a true jewel of a man. I could have easily gone on and written an entire book about him for much can be said about this simple peculiar man with such an irresistible strategy. Even now, only a few days after his passing, there is a strong sense in me that Nelson Nash will live forever in the hearts and minds of so many people long after many of us have passed away. Nelson Nash often taught the supremacy of thinking long range and now I see why.

My great grandchildren will know him and so will many of yours. We are all immensely indebted to him for the wisdom that he was able to share with us in his own particular way, "down at the you and me level," where important economic lessons should be taught and learned.

Nash was not a prolific writer, nor was he even a good writer, but that particular book that he did write, *Becoming Your Own Banker*, was enough to equal the brilliance of the best of authors in financial history. It's the brilliance of the idea it contains within it that sets it completely apart from all other financial books, and the fact that it truly helps people in their financial plight is the blessed genius of it all. Nelson Nash, this shiny diamond of a man, has earned his seat at the honorable roundtable of all the great Austrian thinkers we all admire and respect, including Hazlitt, Rothbard, Hayek, and Mises. In the end what more is there to say about Nelson Nash except, "Well done dear friend!" We will surely miss you, and never forget you.





# THE TRUTH ABOUT SOCIALISM

Interview with Ben Powell

Benjamin Powell is the Director of the Free Market Institute at Texas Tech University and a Professor in the Rawls College of Business. He is the North American Editor of the *Review of Austrian Economics*, past President of the Association of Private Enterprise Education, and a senior fellow with the Independent Institute. He earned his B.S. in economics and finance from the University of Massachusetts at Lowell, and his M.A. and Ph.D. in economics from George Mason University.

Professor Powell is the author of *Out of Poverty: Sweatshops in the Global Economy* (Cambridge University Press: 2014), Co-Author of *Socialism Sucks: Two Economists Drink Their Way Through the Unfree World* (Regnery: 2019), and editor or co-editor of five other books. He is author of more than 75 scholarly articles and policy studies. Dr. Powell's research findings have been reported in hundreds of popular press outlets including the *Wall Street Journal* and the *New York Times*. He also writes frequently for the popular press. His popular writing has appeared in the *Investor's Business Daily*, the *Financial Times* (London), the *Christian Science Monitor*, and many regional outlets.



**Editors' Note:** Powell was first interviewed in the LMR on December 2014. We have reproduced his answer to our first question below, but his other answers are new to this issue.

---

**LARA-MURPHY REPORT:** How did you discover Austrian economics?

**BEN POWELL:** Kind of by accident. I was an undergraduate attending a conference where I was given a copy of Milton Friedman's *Capitalism and Freedom*. I thought it was pretty good and I found out Hayek had been his colleague and had similar views so I read *Road to Serfdom*. Then I found out that Mises was Hayek's teacher so I started reading some Mises and then Rothbard. I did not have any undergraduate professor who was interested in Austrian economics, so the discovery was initially all through reading. Then I found out about the Mises Institute and attended a summer seminar and that's where I first encountered professors working in the Austrian tradition. By the time the week was over I knew I wanted to become a professor and work with Austrian ideas. I've never looked back. (Side note, I think I met Murphy at my second summer conference!)

**LMR:** One of your primary research areas is the economics of immigration. There are different arguments for placing limits on foreigners wanting to

enter the U.S., but let's focus specifically on the idea that "they'll take our jobs" or "they'll push down wages for American citizens." What does the research say?

**BP:** Many economists disagree on what they think the best type of immigration policy is. But their disagreements are based on reasons that are much different from those found in public discourse on the topic. They "steal" our jobs is probably the most widely held popular belief about immigrants that is completely at odds with economic research on the topic. It's a classic case of Bastiat's seen and unseen. It is very easy to see when an immigrant displaces a native-born worker. But what goes largely unseen is how that American labor gets reemployed and how immigrants' demands for goods and services also create jobs.



**“Many economists disagree on what they think the best type of immigration policy is. But their disagreements are based on reasons that are much different from those found in public discourse on the topic.”**

The U.S. economy has roughly tripled the size of its civilian labor force since the 1950s and it has also roughly tripled the number of jobs. We have a near limitless desire for goods and services and when we add more workers we create more jobs. That's true when Baby Boomers entered the labor market and it's true when immigrants do the same.

There is a more vigorous debate among economists on how immigrants impact the wages of the native born but this debate too is at odds with popular beliefs. Economists don't find any overall reduction in the wages of U.S. workers caused by increased immigration. One reason is because immigrants, including and perhaps especially, low-skilled immigrants, tend to have different skill sets and opportunity costs than the native born. That means, for most of us, immigrants complement our labor and make us

more productive rather than substitute for us and push our wages down.

When economists look at native-born workers without a high school diploma, and how their wages are impacted by low skilled immigrants, *that's* where economists have a debate. Economists debate whether there is no effect on these low-skilled native-born workers or up to about a negative 8 percent effect on their wages, and how temporary the effect is before their wages recover. This is a far cry from beliefs held by the public. In my mind, regardless of whose estimates are correct on this particular point, it does little to nothing to impact my views on what a desirable immigration policy would look like.



**“Scandinavian countries are NOT socialist. They do have big welfare states but they are otherwise mostly capitalist.”**

**LMR:** You and co-author Bob Lawson have a new book coming out on socialism. What are some of the key takeaways?

**BP:** Well, a main one that won't be a surprise to your readers is right in the title: *Socialism Sucks!* But unfortunately, that lesson needs more elaboration because of the large number of people who are positively identifying with socialism today. So, another lesson is that Scandinavian countries are NOT socialist. They do have big welfare states but they are otherwise mostly capitalist. And that's why they're nice places. We traveled there and also to the *actually* socialist countries left on this planet and some former socialist countries that are transitioning to capitalism. And we mostly had

a good time doing it. Hence, the subtitle, “Two Economists Drink Their Way Through the Unfree World” though even with beers, being relatively wealthy, and only visiting for a little while, some of these places still suck even to visit. The publisher describes the book as “The bastard step-child of Milton Friedman and Anthony Bourdain, *Socialism Sucks* is a bar-crawl through former, current, and wannabe socialist countries around the world.” We cover the economics and history of these places but in a fun and off-color style.

I’ll mention two other things. We end the book “Back in the USSA” by attending the largest socialist conference in America. We tried to figure out, given the history of socialism and what we had seen in our travels, how in the world young people were favorably identifying with socialism today.



**“Yet others *did* intend to abolish private property, but wanted their socialism to be ‘democratic’ or ‘socialism from below.’”**

We found that many just identified with a wide range of leftist political causes and mistakenly believed that socialism was the solution without fully meaning to abolish private property in the means of production.

Yet others *did* intend to abolish private property, but wanted their socialism to be “democratic” or “socialism from below.” Many then claim that no actual socialist country is “their version” of socialism. But there is a reason “socialism from below” doesn’t happen. When markets in the means of production are abolished, a central plan is needed to coordinate economic activity. That centralized power, confronted by the necessary economic stag-

nation and failure, leads to totalitarian oppression. Remember, not too long ago Venezuela was “democratic socialism.” Now it is merely authoritarian socialism. Hayek spelled out the necessary link between socialism and totalitarianism more than a half century ago in the *Road To Serfdom*. Today’s socialist would benefit from reading it. Speaking of benefiting from reading.... Did I mention that *Socialism Sucks!* is available for pre-sale now and will be released soon: <https://www.regnery.com/books/socialism-sucks/>

**LMR:** When we last interviewed you, you were still relatively new in your role at Texas Tech as Director of the Free Market Institute. Now that three years have passed, what can you tell us about the FMI’s development?

**BP:** FMI has grown into one of the largest free market-oriented institutes at a major research university in the United States. We have roughly twenty faculty, staff, and Ph.D. students working with us. We’re graduating Ph.D. students who are becoming professors, publishing books and scores of research articles, and educating the general public on the benefits of free markets. It’s been great to have you (Murphy) here these last few years too! People can find out more about FMI at [www.fmi.ttu.edu](http://www.fmi.ttu.edu)



**“FMI has grown into one of the largest free market-oriented institutes at a major research university in the United States.”**




---

*Note: The economists and financial professionals interviewed in the LMR are given the freedom to express their views, without necessarily implying endorsement from the editors.*

# THE IMPORTANCE OF SOUND THINKING



INTERVIEW WITH NELSON NASH

R. Nelson Nash was born in Greensboro, GA in 1931, and married Mary Edwards Williams in 1952. Nash received a BS Degree in Forestry from the University of Georgia in 1952, and spent 30 years with the Army National Guard, where he earned Master Aviator Wings.

In addition to being a Consulting Forester for 9 years in eastern North Carolina, Nash was a life insurance agent with Equitable of New York for 23 years (Hall of Fame member), and The Guardian Life for 12 years.

Nash describes himself as the “discoverer and developer” of The Infinite Banking Concept (IBC). He explains his revelation and how IBC works in his classic book, *Becoming Your Own Banker*, of which more than 300,000 copies have sold.

Nash is also the publisher of BANK NOTES, a quarterly newsletter. He lectures all over the United States and Canada teaching his book in ten-hour seminars, averaging 30 seminars per year.

Nash is a passionate student of Austrian Economics, having started this pursuit 59 years ago.



**LARA-MURPHY REPORT:** We have already interviewed you (in the December 2011 issue of the LMR) but for the benefit of our new readers, can you explain how you discovered Austrian economics?

**NELSON NASH:** It was back in the mid-50s. Upon graduation from college I had to go on active duty with the Air Force in 1952. When those two years were up, I moved to Eastern North Carolina to begin my forestry consulting career. By the way, I did not work for the government – “Smokey Bear” and I don’t see things exactly the same. We think differently. I worked for private landowners by contract.

I knew nothing about socialism, but, inherently I knew something was wrong about

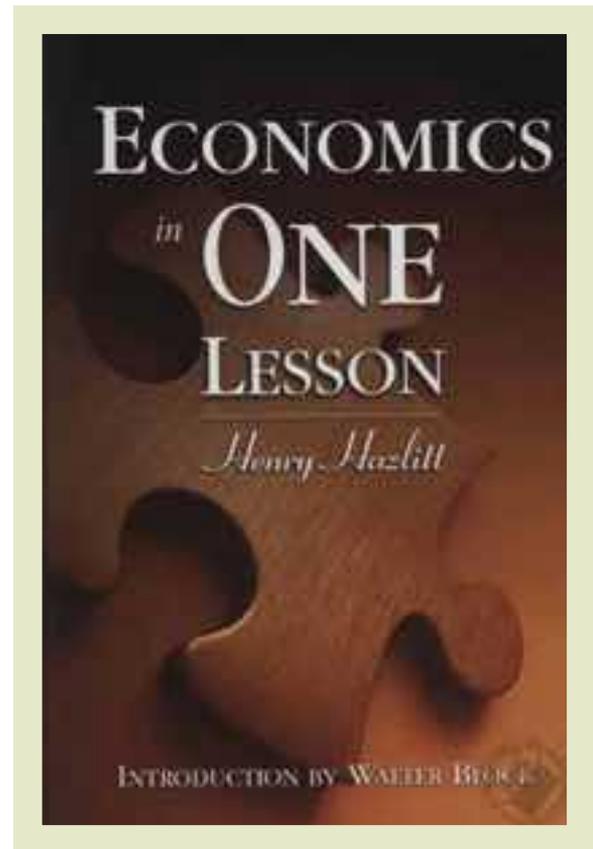
“I knew nothing about socialism, but, inherently I knew something was wrong about it.”



“He went back to his library and brought me a copy of Henry Hazlitt’s *Economics in One Lesson*.”

it. I also didn’t realize how much the ideas of socialism permeated the thought process of folks involved in forestry, so I came face-to-face with the mental paralysis that the monster creates in the human mind. I could not believe what I was witnessing! Why would anyone behave that way?

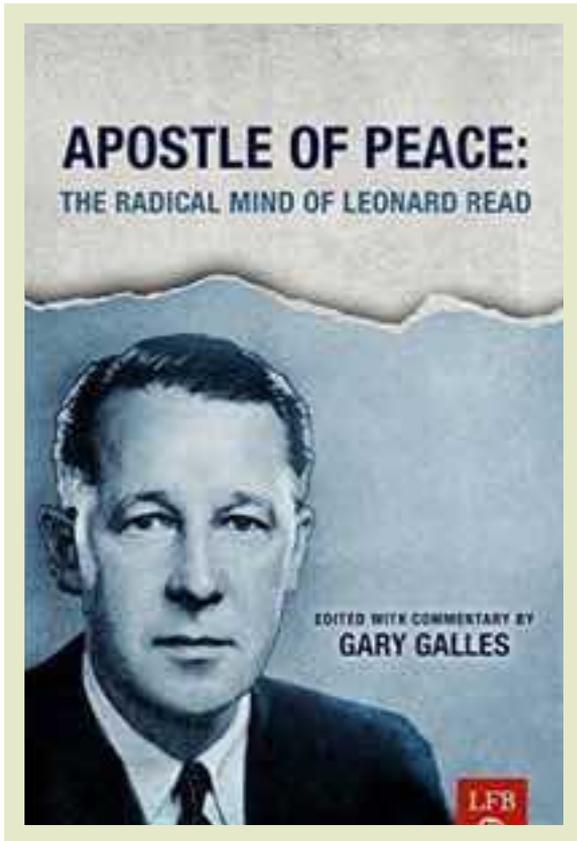
In due course I was “mouthing off” at a social gathering at the home of a radiologist about what I had experienced. I could not understand why people behaved as they did. It made no sense to me at all. He went back to his library and brought me a copy of Henry Hazlitt’s *Economics in One Lesson*. “Try reading this,” he said. A couple of weeks



later I had finished it. I took it back to him and asked two questions, “Where have you folks been hiding this stuff?” and, “Why did you hide it from me?”

He replied, “If you liked it, get on the mailing list of this monthly journal called ‘The Freeman’ a monthly journal published by an organization called The Foundation for Economic Education (FEE). All you have to do is ask for it. They will never ask you for money yet they are entirely supported by donations. If you have not sent them

“I was particularly attracted to the writings of Leonard E. Read and Dr. Clarence B. Carson.”



*“Leonard started to respond, but quickly perceived that it would be a waste of time and effort to rebut such naivete and just smiled at the Dean with no intent to argue. Argument was not his style.”*

some money in a year, they will simply take you off the mailing list.”

The more I read, the better it got. I was particularly attracted to the writings of Leonard E. Read and Dr. Clarence B. Carson. Within the next ten years I had become good friends with Leonard and he became my mentor. I had Leonard down to Birmingham to lecture to groups every year for many years. Around 1977 my wife and I met Dr. Carson at a gathering that we sponsored

for Foundation for Economic Education conducted by Leonard Read. Soon after I was invited to work with Dr. Carson on the board of directors of his organization. From these two sources the study of Austrian Economics and history became my passion and remains so to this day.

**LARA-MURPHY REPORT:** Since you knew him so well, do you have any anecdotes you can share about Leonard Read? Most of today’s libertarians probably only really know his famous, “I, Pencil” essay, and that he founded FEE. Can you shed more light on his lecturing style and his vision of the world?

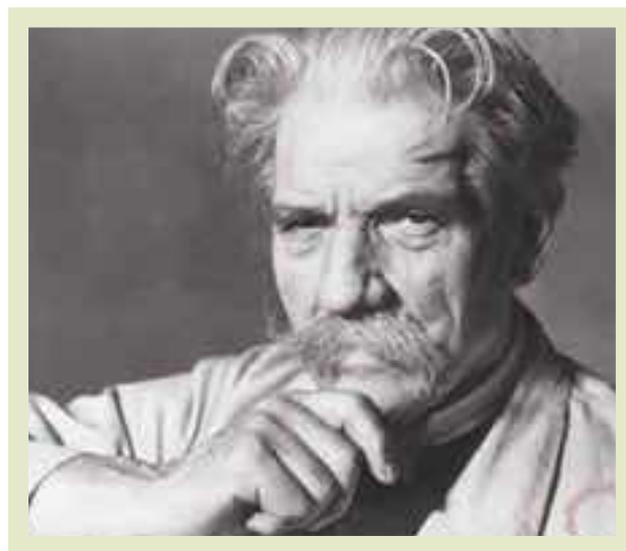
**NN:** There were so many that it is difficult to make a choice. Whenever he came to speak the format was a two-day event that started on a Friday evening with a meal and a couple of hours of lecture. The following day consisted of lectures all day long. On many occasions he brought a couple of other members of FEE such as Ed Opitz and Ben Rogge. It was on one of these that I met Clarence Carson for the first time. I had been reading articles written by these gentlemen for years. What a joy it was in getting to know these folks and learn from them! Their presentations were so easy to listen to.

I always arranged for Leonard to spend the Friday night in the home of one of the attendees of his lectures. On a couple of occasions Leonard spent the night in our

home. Leonard and I had long conversations with each other that were so meaningful to me. On one particular night he learned that I was an airplane pilot and had recently completed training for instrument flying. I told him about my instructor saying, “During a flight under these conditions you are naturally going to get off course from time to time. My job is to get you to understand that fact and develop the habit of ‘constantly correcting’ to stay on course.” We talked on about this and, to my surprise, in his next book Leonard wrote a chapter reflecting the message of our conversation. It is entitled *Am I Constantly Correcting*.

On another occasion I arranged for Leonard to give a short presentation to the Senior Class of students in the School of Business at Samford University. Leonard pointed out that government is only capable of restricting behavior or punishing action of citizens. In essence it is a “fist.” He made a fist to demonstrate his point. The Dean of the school – a borderline communist – interrupted, “Oh, no. I think of it as a helping hand” while stretching out his open palm. Leonard started to respond, but quickly perceived that it would be a waste of time and effort to rebut such naivete and just smiled at the Dean with no intent to argue. Argument was not his style.

**LMR:** You’re currently working on a book entitled, *It’s All About How You Think*. Can you explain what you mean?



“The late, great Albert Schweitzer was once asked, ‘Doctor, what’s wrong with men today?’ He pondered the question briefly and said, ‘Men simply don’t think!’”

**NN:** The late, great Albert Schweitzer was once asked, “Doctor, what’s wrong with men today?” He pondered the question briefly and said, “Men simply don’t think!” Taking a hint from him I believe this book will need a sub-title – *And All About How You Don’t Think*. All human behavior is predicated by thought. Creativity begins with thought. In the seminars that I conduct I teach the message of my two books, *Becoming Your Own Banker* and the follow-up book *Building Your Warehouse of Wealth*. Early in each seminar I point out that *The Infinite Banking Concept* is an exercise in imagination, reason, logic and prophecy. Each of these words involves prior exercise of thought.

In creating your own banking system I

demonstrate that it can be best done through use of a contract relationship with like-minded people in order to solve a problem that everyone has in today's world. It is known as dividend-paying whole life insurance with a mutual company (one that is owned by the policy owners) – an idea that has been in existence for over 250 years. Policy owners pay premium dollars to an insurance company. The company must put these dollars to work in various and sundried places to be able to pay the promised death claim. One of the places that the company can lend money is to the policy owner.



*“Albert J. Nock says, ‘If a regime of complete economic freedom can be established, social and political freedom will follow automatically; and until it is established neither social nor political freedom can exist.’”*

Because of my Austrian studies and background I clearly saw that everyone's need for finance, during lifetime, is greater than the need for death benefit. Solving the need for finance in a place that cannot inflate the money supply seemed logical to me. I remind you, this type of life insurance has been around for over 250 years. Why didn't the life insurance company people see this obvious fact? Simply because they didn't think this way!

Don't condemn them. The concept of the wheel has been around for 6,000 years but we put a man on the moon before the luggage industry discovered wheels!

**LMR:** You often stress that one can't be a good economist without knowing history. Can you elaborate?

**NN:** I owe this thought to the historian Dr. Clarence Carson. Most all of his writings were from an economic point of reference. His book, written in the early 1970s, *The World In the Grip of an Idea* made a profound effect in my life. That idea is socialism or maybe it is better classified as statism. An idea that can't possibly work yet people can't seem to recognize its empty promises. The book *This Time Is Different: Eight Centuries of Financial Folly* by Carmen M. Reinhart and Kenneth Rogoff dramatically proves this point.



**LMR:** Finally, you often allude to the fact that you are getting ready to “graduate” from this world. From your perspective, what should people concerned about liberty be doing? Has your view on the proper approach to this question changed over the course of your life?

**NN:** In his book *Memoirs of a Superfluous Man*, Albert J. Nock says, “If a regime of complete economic freedom can be established, social and political freedom will follow automatically; and until it is established neither social nor political freedom can exist. Here one comes in sight of the reason why

the State will never tolerate the establishment of economic freedom.”

The Nelson Nash Institute is demonstrating – and teaching – that one can attain economic freedom on an individual basis while living under such a Statist regime. It will require a fundamental change of thought from that which prevails in our world.

Yes, I, too, was caught up in “the ways of the financial and economic world” before the thoughts revealed in this interview began to synthesize. Hence, I got to see the folly of all their ideas and “changed my evil ways!”

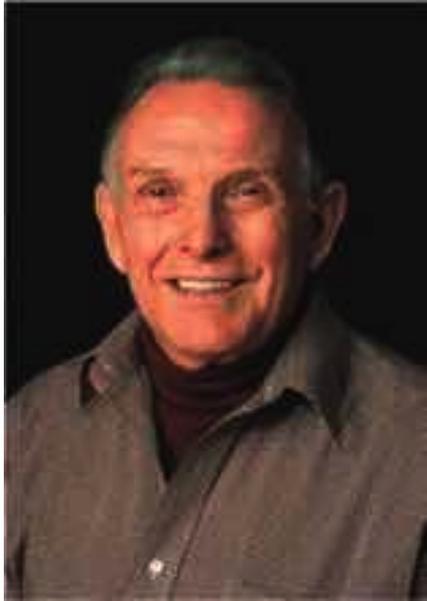


**AUSTRIAN ECONOMICS  
+ WHOLE LIFE**

---

**INFINITE  
BANKING  
CONCEPT**

---



*R. Nelson Nash was born in Greensboro, GA in 1931, and married Mary Edwards Williams in 1952. Nash received a BS Degree in Forestry from the University of Georgia in 1952, and spent 30 years with the Army National Guard, where he earned Master Aviator Wings.*

*In addition to being a Consulting Forester for 9 years in eastern North Carolina, Nash was a life insurance agent with Equitable of New York for 23 years (Hall of Fame member), and The Guardian Life for 12 years.*

*Nash describes himself as the “discoverer and developer” of The Infinite Banking Concept (IBC). He explains his revelation and how IBC works in his classic book, *Becoming Your Own Banker*, of which more than 200,000 copies have sold.*

*Nash is also the publisher of BANK NOTES, a quarterly newsletter. He lectures all over the United States, teaching his book in ten-hour seminars, averaging 50 seminars per year.*

*Nash is a passionate student of Austrian Economics, having started this pursuit over 54 years ago.*

**Lara-Murphy Report:** For the benefit of our readers who’ve never heard one of your seminars, can you explain how you discovered Austrian economics?

**Nelson Nash:** It was back in the mid-50s. I had to go on active duty with the Air Force upon graduation from college. When those two years were up, I moved to Eastern North Carolina to begin my forestry career. By the way, I did not work for the government – Smoky Bear and I don’t see things exactly the same. I worked for private landowners by contract.

I knew nothing about socialism, but, inherently I knew something was wrong about it. I also didn’t realize how much the ideas of socialism permeated the thought process of folks involved

in forestry, so I came face-to-face with the mental paralysis that the monster creates in the human mind. I could not believe what I was witnessing! Why would anyone behave that way?

So, here I am “mouthing off” at a social gathering at the home of a radiologist about what I had

experienced. He went back to his library and brought me a copy of Henry Hazlitt’s *Economics in One Lesson*. “Try reading this,” he said. A couple of weeks later I had finished it. I took it back to him and asked two questions, “Where have you folks been hiding this stuff?” and, “Why did you hide it from me?”

The study of Austrian Economics and history became my passion and remains so to this day.

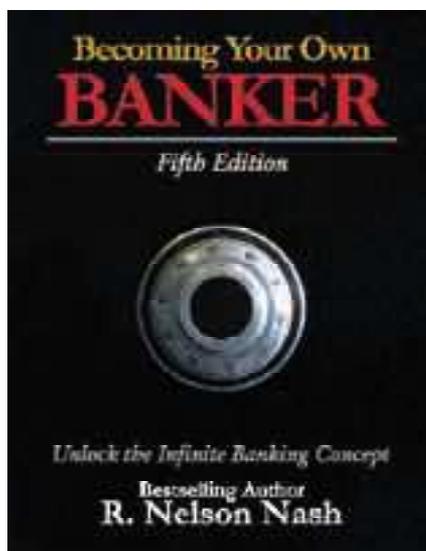
He replied, “If you liked it, get on the mailing list of this monthly journal called ‘The Freeman’ that is published by an organization called The Foundation For Economic Education (FEE). All you have to do is ask for it – and they will never ask you for money. But, they are entirely supported by donations. If you have not sent them some money in a year, they will simply take you off the mailing list.”

The more I read, the better it got. I was particularly attracted to the writings of Leonard E. Read and Dr. Clarence B. Carson. Within the next ten years I had become good friends with Leonard and he became my mentor. We had Leonard down to Birmingham every year for many years. Another ten years pass and my wife and I met Dr. Carson at a gathering that we sponsored for Foundation for Economic Education conducted by Leonard Read. Soon after we began to work with Dr. Carson on the board of directors of his organization. The study of Austrian Economics and history became my passion and remains so to this day.

**LMR:** Let’s suppose a reader is fully on-board with the basic Austrian message, but he doesn’t know much about life insurance. What would you say to this person, to encourage him to research the area further? Why is it worth his time, if he already understands the dangers of fiat money, central banking,

and so forth? What is it that your perspective offers to him, that he’s currently lacking?

**NN:** That’s the reason I wrote the book, *BECOMING YOUR OWN BANKER - Unlock the Infinite Banking Concept* back in October 2000. There is no way to give a simplistic explanation to one who is not acquainted with the concept. It takes time to develop a rationale that is totally different from what most folks think. So, life insurance agents



who use my book to educate prospects/clients might say, “Mr. Prospect, I found this very interesting book – at least it is interesting to me – because it has changed the lives of thousands of people all over the country. I’d like your opinion of it. Would you read it and let me know what you think? Give me \$25.00 — that’s the retail price plus shipping costs. When you have finished it – if you don’t like it – I’ll buy it back.”

Or, one might say, “How would you like to make the interest that the banking industry is making off of you on the major purchases that you make during your lifetime, like automobiles, houses, business equipment, etc. – and do it on a tax-deferred basis? Read this book and learn how to do it.”

As to your other questions, practically no one realizes that the primary source of inflation in our economy is done through local commercial banks. They lend money that

doesn’t exist! That is fraud! When one makes a loan from a life insurance company and uses the cash value of his policy as collateral, there is no inflation of the supply of money. It is from savings by all the participants when they buy dividend-paying whole life insurance from a mutual company – that is, an insurance company that is owned by the policy owners. Very few people understand this fact.

**LMR:** Now let’s turn it around. Let’s say the reader has been a huge fan of your philosophy for years, and indeed she quit her previous job to become a very successful insurance agent, showing her clients how to solve their household’s financial problems with the disciplined use of properly designed dividend-paying, whole life policies. She knows that you happen to be a fan of Austrian economics, but views this as an incidental hobby you have, akin to you liking John Wayne movies. What would you

say to such a hypothetical fan, to encourage her to learn more about the Austrian worldview? Why does she need to bother with all of that “boring econ stuff,” if she is doing quite well in her current business?

**NN:** When one understands the teachings of Austrian Economics, and also understands how dividend-paying whole life Insurance works, it is easy to “connect the dots.” I have had a number of e-mails from people who have read my book and said, “This is Austrian Economics in action.”

**LMR:** Our roster of previous interviewees have attested to the immense growth in the popularity and influence of the Austrian school. Can you give us your perspective on the fortunes of the Infinite Banking Concept, perhaps telling us about your book sales and the acceptance of your views among insurance professionals?

**NN:** At this time, my book

has sold over 200,000 copies. We know thousands of people who will never see a bank again in their lives – except for the convenience of a checking account. My wife and I have not used bank loans of any kind for over seventeen years – again, except for checking convenience. It is a very peaceful way of life in addition to being very profitable. By using life insurance policy loans to make the major purchases that occur in life, we are – in effect – making off of us, tax-free. Do this over a number of years and the results are astounding!

Every month I am on a conference call with a large number of life insurance agents who are practicing this concept personally and with all of their clients. Just today, one of the agents was happy to report, “Thanks to what you have taught me, my family and I are now totally free of bank financing of any kind.”

Additionally, there are many

home office people in the life insurance business who had no real appreciation of the power of this concept – and now they are own significant amounts of the product. They were standing in the middle of a fantastic solution to financial problems – and they never saw it because of the way they were taught. Infinite Banking Concepts is an educational organization that is dedicated to rectify this misunderstanding.

**LMR:** One of our favorite lines from a talk you gave at our Night of Clarity conference in Nashville was something like, “In the decades that I have spent studying the Bible, I do not recall it saying, ‘And then Moses retired.’” Can you share with us your views on the typical American view, that you work at a job you hate for 45 years, so you can stack up a bunch of money and then start living once you retire?

**NN:** Retirement has got to be the most stupid idea that

...FDR got age 65 for American males for our Social Security in 1937 when life expectancy was around 61. Now life expectancy is 78. There is no way that the scheme can work.

## “This is Austrian Economics in action.”

has ever come along. I have read the Bible through and through during my lifetime and I can't find anywhere that it says, “And, so Moses retired and lived happily ever after...” The word “retirement” doesn't appear in the vocabulary of human beings until about 1890. Bismarck, in Germany, came up with that

idea. They were the ones who gave the world the idea of Social Security. He set age 70 as retirement age for German males – and life expectancy for those folks was probably around 50. The odds were that no one would ever live to receive income from the scheme. Along comes World War I and he reduced it to age

65. That's where FDR got age 65 for American males for our Social Security in 1937 when life expectancy was around 61. Now life expectancy is 78. There is no way that the scheme can work. It will fail in due course – but our politicians say they are going to “fix it.”

Photo from Flickr by: chipgriffin



There is no way that they can “fix” something that is inherently defective. Americans have been sold a bill of goods with this crazy idea. I'm working on writing a new book right now, entitled, *Building Your Warehouse of Wealth: Think About It*. The book will include an extensive chapter dealing with the subject of retirement. For further reading I suggest *The Pension Idea* by Paul Poirot, a small booklet that he wrote back in 1950. It is available on our website, [www.Infinitebanking.org](http://www.Infinitebanking.org). Mankind needs purpose in life. In March 2012 I will be 81 years old. There is no way to convince me to retire! This life is too much fun to miss out!





## EVENTS & ENGAGEMENTS

NOTE: MANY OF THESE EVENTS ARE OPEN TO THE PUBLIC. CONTACT US FOR FURTHER DETAILS.

**APRIL 12, 2019**  
DALLAS, TX

Murphy presents on health care at the Free Market Medical Association.

**APRIL 26, 2019**  
NEW LONDON, CT

Murphy presents on climate change economics at Connecticut College.

**APRIL 29, 2019**  
LOCK HAVEN, PA

Murphy presents on free market health care at Lock Haven University.

**MAY 10, 2019**  
NASHVILLE, TN

Nelson Nash Institute presents seminar on IBC and the business owner. Details at:  
[www.InfiniteBanking.org/BizOwner](http://www.InfiniteBanking.org/BizOwner)

SOME EVENTS MAY BE CLOSED TO GENERAL PUBLIC.  
FOR MORE INFORMATION ON EVENTS CONTACT: [RPM@CONSULTINGBYRPM.COM](mailto:RPM@CONSULTINGBYRPM.COM)



## The Lara-Murphy Show

Episode 12: Carlos and Bob Read the New Report on Russia "Hacking"

November 1, 2017

[Listen to the Podcast](#)

Why would Russia be interested in the U.S. just ahead of the 2018 mid-term elections? And how would they go about it? Carlos and Bob discuss the implications of the new report on Russia "hacking" the U.S. government and the potential for a "hack and dump" strategy.

Download the Podcast

[Download the Podcast](#)



Go to  
[lara-murphy.com/podcast](http://lara-murphy.com/podcast)  
or just click on the  
Podcast link



## The Lara-Murphy Show

[CLICK HERE TO LISTEN TO OUR PODCAST](#)



Lara-Murphy  
**Reporting**

# *The* **IBC PRACTITIONER'S PROGRAM<sup>®</sup>**

**A brand new educational program designed exclusively  
for the financial professional**

**Includes brand-new video lectures from NELSON NASH**

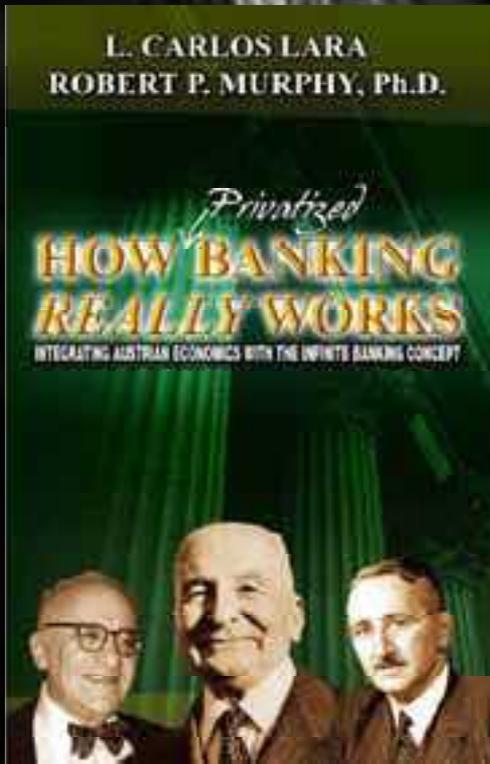
**Learn the economics of life insurance that you won't get  
anywhere else!**

**For full details see [www.infinitebanking.org](http://www.infinitebanking.org)**

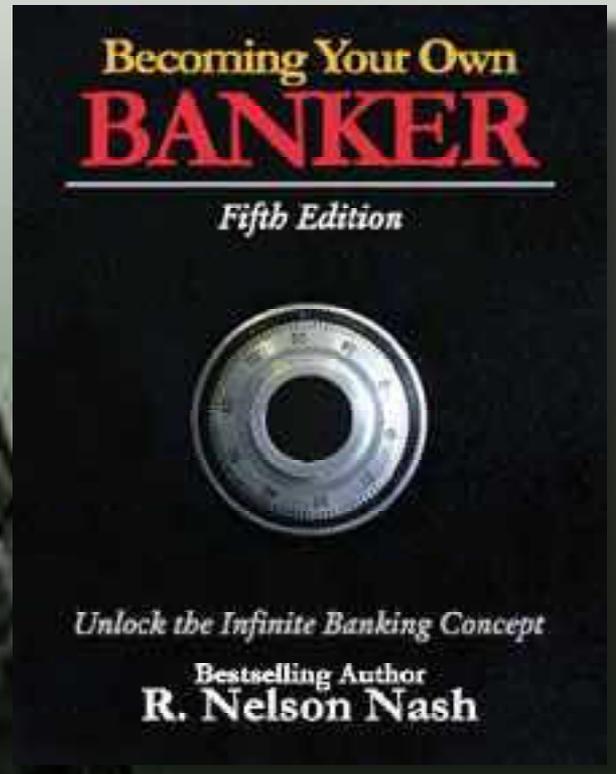


**NELSON NASH INSTITUTE**

Infinite Banking Concepts LLC • 2957 Old Rocky Ridge Road • Birmingham, AL 35243  
[www.infinitebanking.org](http://www.infinitebanking.org)



+



# FUND YOUR OWN BAILOUT

If you don't like giving large sums of money to banks and mortgage companies to finance your cars, homes, boats, capital expenditures for business needs or any thing else you need to finance, then you are going to really like this alternative. The rebirth of **PRIVATIZED BANKING** is underway. You can take advantage of the years of experience that these three authors in these two books are offering you.

Go to [LARA-MURPHY.COM](http://LARA-MURPHY.COM) to find these and other fine books.