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Becoming An Aviator

by R. Nelson Nash

When I was in the second through fourth grades in grammar school we lived across the road from the airport in Athens, Georgia. I was just a kid who became fascinated with airplanes. Fantasizing what it would be like to be a pilot of one occupied a great deal of my time.

Would you believe it? Just six years later I made my first solo flight on that very airport in a Taylorcraft BC-12D – a two-seater, side-by-side "tail-dragger" light airplane, powered by a 65 horsepower Continental engine. It had a wheel control instead of a "flight stick" control that was most popular in 1946. Most military fighter planes still use the stick control. Radios were non-existent in such light planes in those days. Instruments were minimal, to say the least. Nor was there a battery-powered starters to crank the engine. Someone had to "hand prop" the propeller to get it started. That meant there was no electric generator to recharge a battery.

The frame of such an aircraft was made of welded tubular steel and covered with fabric that had been treated with a number of coats of "dope" – a compound that had been sprayed on to preserve the fabric and to improve aerodynamics to some degree. Bungee cords supported the main landing gear, and of course, the gear did not retract while in flight.

This all sounds inexpensive, doesn't it? Wrong! Anyone who has had experience with anything that involves airplanes (or boats) knows that parts, labor, and everything concerning either activity will cost at least two to three times what such items would cost with an automobile. In other words, when you are dealing with boats or airplanes you must be aware that exceptional cost is a factor that must be faced. An airplane like the Taylorcraft BC-12D cost more than twice the cost of a Chevrolet sedan at that time.

All of this explanation is to help you understand that my parents were not noted for their wealth. You see, when I was four years old (1935) and younger, my father was a tenant-farmer for his father in Madison County, Georgia. I did not experience indoor plumbing in a home until I was 10 years old. I'm not complaining about my childhood days. I consider myself extremely fortunate for everything that has happened.

But, under the above circumstances I made my first solo flight in October 1946 at age 15. (That was before the legal age or 16 to do so. You must understand – there were "a lot of things done after WWII that were not "legal"). How did this all this come to pass?

In 1941 we moved into the town of Athens. Talk of the probability of war was on everyone's mind. WWII started December 7 of that year. The U.S. Navy had started a small primary flight school at the Athens Airport. My dad got a job as an aircraft engine mechanic there. Often, he would take me there to help out with certain menial stuff. There was quite an assortment of types of aircraft in use – Waco UPF 7s dominated. Fairchild PT-17s, Fairchild Cabin Cruisers, Stinson Reliant "Gullwings" and my favorite – the Ryan ST Low wing, metal fuselage, sport plane with an inverted, six-cylinder Menasco engine rounded out the inventory. (Google Ryan ST and you will see what I mean).

The Ryan was a tandem two-seater, open cockpit plane that had very small seat compartments. Big men would have a hard time fitting into one of them. The rudder pedals in the front cockpit were connected to the rudder pedals in the rear compartment by means of "push-pull" aluminum tubes. These tubes could get bent easily – and so that happened from time to time. Getting into position to replace those bent tubes was next to impossible for a grown man. But, an eleven-year old, skinny kid could do it with no trouble. I became "the resident expert" on making these repairs. (That would not be allowed today. It was a "different world" back then).One Sunday afternoon my father got me a ride in a Piper J-3 plane. That did it! I was totally hooked! I got to know a number of the instructor pilots and to "talk airplane stuff" with them.

Sometime later one of the prominent instructor pilots, Lloyd Florence, was making a 20 minute flight in one of the Stinson Reliant "Gullwing" planes to check out its radio function. It is a five place cabin plane with a big radial engine that looks just great! Just google Stinson Reliant on the internet and you see what I mean. They used this one for cross-country flying instruction. Dad got me a ride with Lloyd Florence! Can you imagine how I felt!?

A few months later I learned where Lloyd lived. It was less than a mile from where we went to church. After Sunday evening service, I walked over to Lloyd's house, without an appointment to do so, and expressed my desire to become a pilot someday. That fine man spent two hours with me just talking "airplane stuff." Matthew 7:7 NIV Bible says, "Ask and it will be given to you; seek and you will find; knock and the door will be opened to you." Lloyd demonstrated the truth of this scripture – a fact that I have witnessed all my life. By this time, I'm totally committed to finding some way to become an aviator.

The time is now 1945 and the war is over. Servicemen were making the transition to civilian life. My oldest brother was in the Army Air Corp as a parachute rigger and stationed on the Aleutian island of Amchitka during the war. One of his acquaintances was a fellow soldier named Herbert Woodrow Hoover. (Yes, that was his real name!) Hoover was transferred to a base in South Florida before the war was over. Brother asked him to stop by Athens and let us know that he was OK and free from danger. Hoover did so, and thus became a friend of the family.

For a variety of reasons the U.S. Government established the "GI-Bill" – one benefit was free college tuition plus a stipend to live on. Athens is the home of the University of Georgia. Hoover decided to go to college there. Housing was very scarce in such a time and place. And so, Hoover lived with us.

During the war he had made some money trading cars and other entrepreneurial things. He decided to become an aviator. So, he bought a Piper J-3 Cub. You must understand how Hoover thought. He wasn't about to pay someone else to teach him to fly it! After all, it isn't all that complicated of a thing to do. It is mostly a motor skill. His solution was to let other student pilots who had already soloed fly his Piper Cub – provided that he could ride along with them and watch what they did. That's how he learned to fly his plane. Hoover taught me. Get the picture? During the next twenty months or so, I accumulated a little over 100 hours of flying time.

To shorten the story, I went through the Army Flight Training program at San Marcos, TX and then to Ft. Rucker, AL in 1956 where I really learned how to fly! By the way, I finished "first in my class" in both locations. I spent 28 years flying with the Army National Guard in North Carolina and Alabama.

There was a lot of civilian flying during my career, also. In fact, this portion was more than twice the military experience. Together the number of hours of flight time is a little over 7,500 hours. Over the years, my family owned 5 different aircraft. This influenced our lifestyle a great deal and provided memories that are priceless – so much so that I feel sorry for folks who don't know how to fly an airplane!

Accomplishments in a field that you may have an interest may be expensive, but the most important factor is that of your desire! So, be careful of what you think about -- it is going to happen if the desire is strong enough.

Of course, the example in this story is minuscule in comparison with the countless stories that we have all heard or witnessed down through the years – examples of tremendous achievement in spite of unbelievable handicaps.

Yes, and there are also countless others who complain that "I can't do ________ because of __________ (you fill in the blanks).

You see, It's all about how you think! Your thinking is what leads to formulating your core beliefs.

The Unseen Consequences of Zero-Interest-Rate Policy

AUGUST 8, 2015 — Ronald-Peter Stöferle

In a dynamic economy, an action not only triggers just one effect, but always an entire series of different consequences. While the cause of the first effect is easily recognizable, the other effects often occur only later and no such recognition occurs. Frédéric Bastiat described this phenomenon in 1850 in his ground-breaking essay "What Is Seen and What Is Not Seen":

> In the economic sphere, an act, a habit, an institution, a law produces not only one effect, but a series of effects. Of these effects, the first alone is immediate; it appears simultaneously with its cause; it is seen. The other effects emerge only subsequently; they are not seen; we are fortunate if we foresee them …

There is only one difference between a bad economist and a good one: the bad economist confines himself to the visible effect; the good economist takes into account both the effect that can be seen and those effects that must be foreseen. Yet this difference is tremendous; for it is almost always the case that when the immediate consequence is favorable, the later consequences are disastrous, and vice versa. Hence it follows that the bad economist pursues a small present good that will be followed by a great evil, while the good economist pursues a great good to come, at the risk of a small present evil.

A similar phenomenon can be seen with the consequences of artificially suppressed interest rates and monetary stimulus: in the short term, they appear to have positive effects, the long term effects are, however, disastrous. If one studies these processes closely, it becomes clear that the underlying problems cannot be solved by global zero-interest-rate policy (ZIRP), but that this instead undermines the natural selection process of the market.

With artificial stimulus like ZIRP, we only end up with a situation in which governments, financial institutions, entrepreneurs, and consumers who should actually be declared insolvent all remain on artificial life support.

In line with Bastiat's thoughts, numerous fatal long-term consequences of zero-interest-rate policies can be identified, but are generally ignored:

- Conservative investors by nature come under increasing pressure with respect to their investments and take on excessive risks in light of the prospect that interest rates will remain low in the long term. This leads to capital misallocation and the emergence of bubbles.
- The sweet poison of low interest rates leads to massive asset price inflation (stocks, bonds, works of art, real estate).
- Structurally too low interest rates in industrialized nations due to carry trades lead to the emergence of asset price bubbles and contagion effects in emerging markets.
- Changes in human behavior patterns occur, due to continually declining purchasing power. While thrift is increasingly mutating into a relic of the past, taking on debt comes to be seen as rational.
- As a result of the structurally too low level of interest rates, a "culture of instant gratification" is created, which is among other things characterized by the fact that consumption is financed with credit instead of savings. The formation of wealth becomes steadily more difficult.
- The medium of exchange and unit of account function of money increases in importance, while its role as a store of value declines.

- Incentives for fiscal discipline decline.
- Zombie banks are created: Low interest rates prevent the healthy process of creative destruction. Banks are enabled to roll over potentially non-performing loans practically indefinitely and can thus lower their write-off requirements.
- Newly created money is neither *uniformly* nor *simultaneously* distributed amongst the population. This results in a permanent transfer of wealth from later receivers to earlier receivers of newly created money.

Conventional monetary policy — that is, the promotion of credit creation by lowering interest rates — reaches its limits once the "zero-bound" is reached. In order to continue the spiral of stimulus, "unconventional monetary policy" becomes ever more important. The multitude of "newfangled" monetary policy measures is seemingly only limited by the imagination of central bankers, whereby recent years have shown that central bankers can be extraordinarily creative. That this phenomenon is nothing new, is *inter alia* shown by this observation by Ludwig von Mises in 1922:

But an increase in the quantity of money and fiduciary media will not enrich the world. … Expansion of circulation credit does lead to a boom at first, it is true, but sooner or later this boom is bound to crash and bring about a new depression. Only apparent and temporary relief can be won by tricks of banking and currency. In the long run they must lead to an all the more profound catastrophe.

Note: The views expressed on Mises.org are not necessarily those of the Mises Institute.

Comment by R. Nelson Nash – This article demonstrates the wisdom, and necessity of learning to control the banking function in life at the individual level as taught by the NELSON NASH INSTITUTE.

Economics Is Dead, and It Is Being Killed Again

August 22, 2015 Per Bylund

Economics is dead, and economists killed it.

What we have seen over the course of the last eighty years is a systematic dismantling of the contribution of economics to our understanding of the social world. Whatever the cause, modern economics is now not much more than formal modeling using mathematics dressed up in economics-sounding lingo. In this sense, economics is dead as a science, assuming it was ever alive. Economics in mathematical form cannot fulfill its promises and neither the scientific literature nor advanced education in the subject provide insights that are applicable to or useful in everyday life, business, or policy.

But apparently what is dead can be killed again. This, at least, appears to be the goal of the present tide of leftist critics who demand that economics be restructured from the bottom up. Why? The real reason is unlikely to be anything but the common leftist fear of what the science of economics reveals about the economy and the world. As often claimed by ideologues on the left, the science of economics "is ideology." This is evident, we are supposed to believe, when we consult "scientific Marxism."

The *stated* reason in the contemporary discussion is different, however. We need to restructure (if not do away with) economics because, we are told, it has failed. Why? Because economics could not predict the financial crisis of 2008.

These critics of economics will never let a crisis go to waste, and not only do they believe that the most recent crisis should be used to prove the Marxist dogma about the inherent contradictions in the market, but it can also be used as an ostensible reason to rethink the whole science of economics. Indeed, it is general knowledge that economists didn't foresee the crisis, and their prescriptions to solve it quite obviously haven't worked, either.

You have to applaud the anti-economics left for this rhetorical masterpiece. They have struggled for decades to sink the ship of economics, the generally acclaimed science that has firmly stood in the way of their anti-market and egalitarian policies, hindered the growth of big government, and raised obstacles to enact everything else that is beautiful to the anti-economics left. The financial crisis is exactly the excuse the Left has been waiting for. It is a slam dunk: government grows, Keynesianism is revived, and economics is made the culprit for all our troubles.

We see this now in education, as students demand to be taught (and professors demand permission to teach) a more "relevant" economics. Relevance, apparently, is achieved by diluting economics with a lot of the worst kinds of sociology, post modernism, and carefully structured discourse aimed to liberate us from our neoliberal bias. And, it turns out, we must also teach Keynesian ideas about how government must save the market economy.

We see this same agenda at academic research conferences, where it is now rather common to hear voices (or, as is my own experience, keynote talks) claiming that "it is time" for another paradigm: post-economics. The reason is always that economics "has failed."

If this weren't so serious, it would be amusing that the failure of Keynesian macro-economics (whether it is formally Keynes's theory or post-Keynesian, new Keynesian, neo-Keynesian, monetarist, etc.) is taken as an excuse to do away with sound micro-economic theory *to be replaced with Keynesian and other anti-market ideas.* But it is not amusing. If most of the discussions heard are to be believed, the failures of central planning is a reason for central planning, just like socialism is a reason for socialism. The success of the market, on the other hand, is not a reason for the market.

It should not be a surprise that economics has finally become irrelevant after decades of uncalled-for mathematizing and formal modeling based on outrageous assumptions. This perverse kind of pseudo-economic analysis had it coming, really. One cannot calculate maxima for the social world; it is, as Mises showed almost a century ago, impossible. If mathematical economics is finally dead, then that is above all else an improvement.

But the death of mathematical economics should not mean economics is to be rejected. It should mean a return to proper and sound economic analysis — the state of the science prior to the "contributions" of Keynes, Samuelson, and that bunch. Mathematical economics is a failure, but economics proper is still the queen of the social sciences. And for good reason: she relies on irrefutable axioms about the real world, from which logically stringent and rigorous conclusions are derived. The object of study is the messy and sometimes ambiguous social world, but this does not require that the science is also messy and ambiguous. On the contrary, economics is unparalleled in its ability to provide proper and illuminating understanding of how the economy works. It is neither messy nor ambiguous. It brings clarity to the processes that make out the market.

This is the reason why the Left hates all that is economics. Because it points out that creating a better world through central planning, money-printing, and political manipulation is indeed *impossible*. The market is neither perfect nor efficient, but it is better than any available alternative. In fact, the unhampered market is the only positive-sum means available for human society. The market is indeed the only way of progress; all else is a step backward.

But the market is also uncontrollable and seems, at least to the non-economist, both unpredictable and unintuitive. This is why the Left hates it — and why the Right despises it.

The Left knows full well that they cannot beat proper economics; their ideology will always fail when put up against economic science. But they can beat mathematical economics, since it follows in the tradition of Lange-Lerner market socialism and is fundamentally flawed. They finally have. And they are using this as an excuse to kill economics again. Let's hope for the sake of humanity that they will fail in their undertaking.

Note: The views expressed on Mises.org are not necessarily those of the Mises Institute.

Comment by R. Nelson Nash -- The real problem is the failure to recognize that academia in now a "basket case" and should be abandoned. The free market is the best way to solve education. There are a number of superior organizations that are readily available now. You can find a list of them on our website, www.infinitebanking.org.

The Failed Moral Argument for a "Living Wage"

SEPTEMBER 4, 2015 — Ryan McMaken

With Labor Day upon us, newspapers across the US will be printing op-eds calling for a mandated "living wage" and higher wages in general. In many cases, advocates for a living wage argue for outright mandates on wages; that is, a minimum wage set as an arbitrary level determined by policymakers to be at a level that makes housing, food, and health care "affordable."

Behind this effort is a philosophical claim that employers are *morally* obligated to pay "a living wage" to employees, so they can afford necessities (however ambiguously defined) on a single wage, working forty hours per week. This moral argument singles out employers as the morally responsible party in the living wage equation, even though the variables that determine a living wage go far beyond the wage earned.

For example, as I discussed here, the living wage is a function not simply of the wage, but of the cost of housing, food, health care, transportation, and a myriad of other factors. Where housing costs are low, for example, the living wage will be lower than it would be in a place where housing costs are high.

So, what matters is not the nominal wage paid by the employer, but the *real* wage as determined by the cost of everything that a wage is used to purchase.

Why Is Only the Employer Responsible?

So, if it's the real wage that matters, why is there a fixation on the nominal wage itself? After all, wages, in real terms, could be increased greatly by forcing down food costs and rents. So, why is there not a constant drum beat for grocers to lower their prices to make necessities affordable? Why are activists not picketing outside grocery stores for their high prices? Why are they not outside KB Homes headquarters for KB's apparently inhumane efforts at selling homes at the highest prices that the market will bear? Why are people not picketing used car dealers for not lowering their prices to make transportation affordable for working families? And why are gas stations strangely exempted from protests over the high cost of gasoline? Certainly, all of these merchants are just as instrumental in determining real wages as any employer. Grocers, landlords, home sellers, and the owner of the corner gas station can put a huge dent in the family budget when they allow their "greed" to impel them to charge the highest prices they can get away with in the market place.

And yes, it's true that plenty of activists regularly denounce landlords as "slumlords" or greedy capitalists for charging the highest rents the market will bear. And there are still plenty of activists who argue for price controls on rents and food. But they're in a small minority nowadays. The vast majority of voters and policymakers recognize that government-dictated prices on food and housing lead to shortages. Setting a price ceiling on rents or home prices simply means that fewer housing units will be built, while setting a price ceiling on eggs, or milk or bread will simply mean that fewer of those staples will be brought to market.

Such assertions are barely even debated anymore, as can be seen in the near-extinction of new rent-control efforts in the political sphere. You won't see many op-eds this Labor Day arguing for price controls on fruit, gasoline, and apartments. You won't see any articles denouncing homeowners for selling their homes at the highest price they can get, when they really should be slashing prices to make homeownership more affordable for first-time homebuyers.

So, for whatever reason, homeowners, grocers, and others are exempt from the wrath of the activists for not keeping real wages low. The employers, on the other hand — those who pay the nominal wage — remain well within the sights of the activists since, for some arbitrary reason, the full moral obligation of providing a living wage falls on the employer.

Were food prices to go up by 10 percent in the neighborhood of Employer X, who is responsible? "Why, the employer, of course," the living-wage activists will contend. After all, in their minds, it is only the employer who is morally obligated to bring up real wages to match or exceed an increase in the cost of living.

So while price controls on food, housing, and gasoline are generally recognized as a dead end, price controls on wages remain popular. The problem, of course, as explained here, here, here, and here, is that by setting the wage above the value offered by a low-skill worker, employers will simply elect to not hire low-skill workers.

A Low Wage Is Unacceptable, but a Zero Wage Is Fine

And this leads to the fact that when faced with high wages, employers will seek to replace employers with non-human replacements such as these automated cashiers at McDonalds, or other labor-saving devices.

But this phenomenon is simply ignored by the living-wage advocates. Thus, the argument that employers are morally obligated to not pay low wages becomes strangely silent in the face of workers earning no wage at all.

Indeed, we see few attempts at passing laws mandating that employers hire human beings instead of machines. While it's no doubt true that some neo-Luddites would love to see this happen, virtually no one argues that employers not be allowed to employ labor-saving devices. Certainly, anyone making such an argument is likely to be laughed out of the room since most everyone immediately recognizes that it would be absurd to pass laws mandating that a road builder, for example, hire people with shovels instead of using bulldozers and paving machines.

Meanwhile, successes by "living wage" advocates in other industries, where automation is not as practical, have only been driving up prices for consumer goods. Yes, living wages in food, energy, and housing sectors will squeeze profits and bring higher wages for those who keep their jobs, but the mandates will also tend to raise prices for consumers, meaning that real wages in the overall economy have actually gone down, thanks to a rising cost of living.

All in all, it's quite a bizarre strategy the living wage advocates have settled on. It consists of raising the prices of consumer goods via increasing labor costs. Real wages then go down, and, at the same time, many workers lose their jobs to automation as capital is made relatively less expensive by a rising cost of labor. While the goal of raising the standard of living for workers and their families is laudable, it's apparent that living wage advocates haven't exactly thought things through.

Comment by R. Nelson Nash – I enjoy the skill with which Ryan McMaken combats the demi-god no-thinkers!

The Fallacy of "Buy Land — They're Not Making Any More"

September 16, 2015 by Peter St. Onge

"Buy land — they're not making any more!" is an old investing chestnut, and a common sense one to boot. Economically, it's also completely false.

As counterintuitive as it may seem, we make land all the time. It just doesn't look like land.

Why? Because land's value doesn't come from its ability to cover up the naked earth. Land's value comes from its economic usefulness. From the value of things that can be done using that land (Rothbard's "marginal revenue product" of the land). And that value is, indeed, changing all the time. Economically, from a price perspective, then, we make land all the time.

Step back a moment and ask why land has value anyway. Why do people want land? Well, obviously, because you can put stuff there — including yourself — plus buildings, swimming pools, and factories.

Now, anybody who's visited West Texas knows there is plenty of building space in the world. You could drive for hours and meet nobody. There's lots of space for that factory of yours. But it's not really space itself that makes land valuable. It's location. As in, there's only so much room in Manhattan. Or Central London.

Once again, though, it's not the actual space that matters. It's the access. Put a strip mall on Manhattan surrounded by crocodile-filled moats and snipers and it will have low value. The value is in access. So Manhattan is valuable because it's easy to get to other parts of Manhattan. And it's easy for other people to get to you. Customers, partners, and friends can all easily visit you if your apartment or office is in Manhattan, moatless and sniperless.

So if it's the access that matters, are they making new access? Of course. They're doing it all the time.

New highways, new exits, new streets, mass transit, pedestrian malls are being regularly constructed. These all effectively "make new land" because they offer access to existing space. They turn relatively "dead zones" into "useful zones," or new land.

What are some of the meta-trends on land as investment, then?

First: roads. This was a bigger value-driver a generation ago in the US, as new roads made the suburbs more accessible, helping to drain many cities even as US population grew. Outside the US (Mexico, Thailand, Russia), new roads are still a big deal, and even in the US, new highways can reshape values — draining old neighborhoods and building value in new ones. The decline of cities like Baltimore or Detroit are partly thanks to those beautiful roads that redistribute access to the suburbs.

Second: population. In the US "rust belt" of declining manufacturing, many regions have dropped in price simply because people are leaving. Detroit homes for $100 is emblematic, although of course there are also political reasons some cities are so cheap — in particular, taxes and crime.

And that brings us to politics. Real estate can be cheapened shockingly quickly by taxes and crime, and those traditional drivers have been joined in recent decades by environmental politics.

Environmentalists, by taking land off the market, effectively squeeze the remaining accessible locations. Driving up the price. Regions like Seattle or San Francisco are poster children of this environmental squeeze, with modest homes even in remote suburbs costing upward of a million dollars. On the other extreme, cities like Dallas or Houston have kept prices down despite exploding populations by allowing farmland to be converted to residential, commercial, or industrial use.

Beyond the access and political angles, land is also vulnerable to "network effects." In other words, the neighbors matter. Gentrification or urban decay can be hard to predict. Even in a compact city with rising population like Washington, DC, it can be hard to predict where the middle class or rich want to colonize, and where they want to flee.

There are clues, of course — in large US cities, gays moving into a neighborhood, new coffee shops or art galleries are some leading indicators that property prices might swing up. But gentrification has it's own mind; even in a booming city it might go into some other neighborhood. New York's Harlem or Silicon Valley's East Palo Alto are two very accessible locations with low prices because of perceptions of the neighbors.

So, while they're not "making" land, they are constantly making things that affect land price. Access, regulations, changing neighbors. These are the kinds of factors that make land valuable, not its ability to cover the earth.

And so land comes back to earth, joining boring old commodities like wheat or copper. Just as vulnerable to changing supply and demand factors.

And if you are looking for something they're not "making more of?" Well, gold does come close. Hence, its appeal. They do mine new gold all the time, but the costs are high enough that gold is a very "inelastic" commodity. It comes close to "they're not making more."

Beyond that? Develop your ultimate resource: yourself.

Note: The views expressed on Mises.org are not necessarily those of the Mises Institute.

Comment by R. Nelson Nash -- It is not the land that is valuable -- it is what can be done with it. A tool is not valuable – it is what can be done with it. Peter St.Onge is another of my favorite writers. I had the privilege of spending some time with him last Spring at the Mises Institute.

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 Four

THE SERVICE MOTIVE

> *Think success, and you will automatically create the circumstances and the movements leading to success --MICHAL LOMBARDI*

As Ralph Waldo Emerson wrote, "an institution is but the lengthening shadow of one man." The one man, an outstanding exemplar and practitioner of this thesis, was a Japanese – Konosuke Matsushita. Born with a silver spoon in his mouth? Quite the opposite:

> Yet all he had to start with in life were, 'three disadvantages; he was in dire poverty; he was forced to quit school to work as an errand boy at the age of nine; and he was so frail in health that several times he resigned himself to imminent death.

Did he overcome his disadvantages? He developed the largest and most profitable business in Japan's history! Instead of being born with a silver spoon in his mouth, he was born with an idea in his head. Here it is:

> He began by thinking about abundance and decided that *the mission* of a manufacturer should be to take scarce resources, convert them into products, making them available at decreasing prices that a better life might be had by all!

Reflect on such an unusual – indeed, exceptional – mission by a manufacturer. While Matsushita insisted on profitability as the true measure of management efficiency, he explicitly forbade the pursuit of profit as the motivation of his business. The motivation must be better and better products and at lower and lower prices. He cast his eye on service – serving the consumer – rather than profitability. By so doing, his customers had more for less and a remarkable profitability was the result; the true measure of management efficiency.

Materially, this man began in abject poverty; physically, he was frail; intellectually, he was graced with a wholesome motivation and the good thoughts that made it workable. For him good thoughts were the wellspring of material success and a life of creative activity. Let us hope that good thoughts may direct our lives as well!

Am I suggesting that the great thought – the service motive – was original with Matsushita? *No, but he may have thought it was.* Countless persons have had this thought; it popped into their heads, as we say. Wrote Goethe: "All truly wise thoughts have been thought already thousands of times."

This truly wise thought was phrased in resplendent clarity by Arthur R. Sheldon previous to its adoption and practice by Matsushita:

> The science of business is the *science of service* and he profits most who serves best.

Sheldon's statement was adopted as the motto of Rotary International – members by the hundreds of thousands in this and other countries.

There is no way of telling how many Rotarians are inspired by and heed their adopted motto, or merely give it lip service. Perhaps, as with ever so many others in today's U.S.A., the service motto is practiced with no reference to or awareness of wise admonitions. When men are free to try, countless thousands are motivated by an ever-improving service to consumers. To those with good minds, *casting the eye aright comes naturally!*

The success of service! I have friends who are in business all by themselves whose sole motivation is service. They think success, practice the key to success, and automatically create the circumstances and movements leading to success.

Further, I am acquainted with managements of small and large corporations who not only have service as their motivation but instill this same high objective in their associates. The result is the same as in Matsushita's case; employees work not *for* but *with* these managements. A team-work glorious to behold! When and if service is the root, the flower will profit. He *profits most who serves best!*

All of us should remember and repeat this great truth by Edmund Burke: "Example is the school of mankind; they learn at no other." Many thousands of businessmen – small and large corporations – are lamenting the very low esteem in which business is held by the public. And, mostly, they are resorting to all sorts of schemes to restore respect and confidence in business. Many of these schemes are doing more harm than good. The only remedy? Exemplary conduct! The millions in the school of mankind will learn only by *example.*

Let service be the motive, that Golden Idea in the head of entrepreneurs. Such exemplarity will curb the tendency to defame the producers of goods and services. There'll be a turnabout; the beneficiaries will pay homage to those who serve them best.

If those of us in business will adhere to the service motive, then the right—freedom to act creatively as anyone chooses – will prevail.

Comment by R. Nelson Nash – Leonard Read wrote this book in 1978. BANKNOTES will continue to publish a chapter from it each month.

The Freedom Advisor Live Experience "An Off-Campus NNI School"

The creation of the Nelson Nash Institute as well as the Authorized IBC Practitioner Program were not originally designed to teach how to sell IBC—either to the general public or financial professionals. The purpose of the Nelson Nash Institute and IBC Practitioner Program has always been strictly educational, rather than an explicit marketing program. However, we have always known that a sales job necessarily involves knowledge of "how to sell" and that such an educational component would be forthcoming when the time was right. This is why an association with E3 Marketing was created. E3 Marketing's credentials, experience, and most important, their mindset make them the ideal partners and we are privileged to be moving into this educational association with them. E3 Marketing's staff are IBC Authorized Practitioners.

In order to attract members of the financial services industry into E3's Unique Teamwork Association, E3 Marketing will conduct two educational seminars a year, one in November and the other in May in St. Louis, MO. These educational events will be called the "Freedom Advisor's Live Experience."

NNI will use the "Freedom Advisor's Live Experience" as an "Off-Campus Sales Training School" for all of its Authorized IBC Practitioners as well as a medium for reaching out to other financial professionals who may be interested in joining the IBC Practitioner's Program.

What is The Freedom Advisor Live Experience? It is a four day training event for financial services professionals. The training goes in-depth into a concept called the "High Quality Client Attraction Process." This training will cover topics such as "Determining Your Natural Focus Market," "Creating Value For Clients," and "Using the Help Approach."

Plus the event will feature classes on the "Guidelines To An Expanded Client Conversation" which features several of (Strategic Coach) Dan Sullivan's "R Factor

Questions D.O.S. – Dangers, Opportunities and Strengths."

There will be special classes on teaching clients "How A Tax Return Works," and classes on the important subject of "Discussing The Client's Cash Flow." In addition to these subjects there will be several special thinking exercises and in particular, the "Generational Thinking Exercise," which has been proven to be a generational game changer from a client's perspective.

A special feature during the three-day event will be an "Introduction to *The Infinite Banking Concept—Privatized Banking*," presented by the Co-creators of the *Authorized IBC Practitioner's Program*.

The Nelson Nash Institute is proud to announce an "Off-Campus School"

E3 Marketing's Freedom Advisor Live Experience

designed for financial service industry professionals

Dates: November 10th – 13th 2015

Location:Sheraton Clayton Plaza Hotel 7730 Bonhomme Ave, St. Louis, MO 63105

Cost: $1997, register now pay only $1,297!

Special 10% discount for Nelson Nash Institute BankNotes registrants! Click here.

IBC Practitioner Members – log in to your IBC account to get a 20% discount!

For additional event information, contact Event Support: e3teamlive@gmail.com

To better understand the importance of this exciting live event, link to the following free recorded telecasts *How To Attract High Quality Clients That Chase You Instead of the Other Way Around*. Click here to listen.

How to Uncover Your Clients beliefs and values about money so you can inspire them to become your best clients and raving fans Click here to listen

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

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

- Patrick Eddins - St Louis, MO
- Nick Kosko - Louisville, KY
- Ron Campbell - Glen Burnie, MD
- Todd Skinner - Williamsburg, VA
- Randy Littlejohn - St Louis, MO
- David Cheatham - St Charles, IL
- Kenneth Lester - Smyrna, GA
- Joe Pantozzi - Las Vegas, NV
- Robert Zuniga - Davidson, NC
- Thomas Laune - Franklin, TN
- John Montoya - Dublin, CA
- Rikki Leigh Willoughby - Nacogdoches, TX

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 Newly Added Book Recommendations https://infinitebanking.org/books/

Hirohito and the Making of Modern Japan
by Herbert P. Bix

Nelson's Favorite Quotes

The main thing is to discard the ideology that generates war. Whoever wishes peace among peoples must fight statism. — Mises

There is a significant element of dependency in the act of worship. You will worship that on which you are dependent. – R. Nelson Nash

Nelson's Live Seminars & Events for October & November 2015 http://infinitebanking.org/seminars/

Fort Worth, TX - Live Nelson Nash Seminar
Oct 10, 2015
Contact James C. Neathery and Associates, Inc.
817-790-0405
julee@bankingwithlife.com
http://jamesneathery.com/

Edmonton, AB, Canada - Live Nelson Nash – McGuire Financial Client Event
Oct 17, 2015
This is a McGuire Client Event only. Contact the event sponsor, McGuire Financial for attendance information.
marg.zacher@mcguirefinancial.ca
780-462-1289

Nelson Nash Live Seminar in Framingham, MA
Oct 23, 2015
Contact phone # 817-239-6441; contact person Nancy Jackson
nancy@bcbstexas.com

Nelson Nash Live Seminar in Beaver, PA
Nov 6, 2015
Contact Leah Pisano, 1st Consultants, Inc 724-728-6820
leahpisano@1stconsultantsinc.com