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BANKNOTES

NELSON NASH MONTHLY NEWSLETTER

The Morals of Human Cooperation

by Bettina Bien Greaves

[The Freeman, 1973] *It was a great privilege to know this man. It was his ECONOMICS IN ONE LESSON that started my passionate study of Austrian Economics in 1957. It was an equal privilege to know this great lady, Bettinna Graves, as well as her husband, Percy. - R. Nelson Nash*

The many contradictions among different philosophical theories have caused much confusion over the years. Unfortunately, too few teachers and textbooks explain the basic principles that could help students discriminate intelligently among them and understand the ethical code which fosters freedom, morality and social cooperation.

Thus, Henry Hazlitt deserves special credit for bringing logic and clarity to the subject.

His book, *The Foundations of Morality*, was first published in 1964. After having been out of print for several years, it is again available thanks to Nash and the Institute for Humane Studies. [The Mises Institute offers an edition published by the Foundation for Economic Education in 2007.]

The author is primarily an economist, a student of human action. As a result, he is a strong advocate of individual freedom and responsibility. He has long been a close personal friend and associate of Professor Ludwig von Mises, the "dean" of free market economics, to whom he acknowledges a great intellectual indebtedness.

With this background, he is well qualified to discuss the ethics of social cooperation. His many years of "apprenticeship" as essayist, book reviewer and columnist (*New York Times*, *Wall Street Journal*, *Newsweek*, *The Freeman*, *National Review* and many others) prepared him well for explaining complex matters simply.

he reader may wish to pause, ponder and reflect from time to time on the ideas and concepts presented, but the author's reasoning is clear, his prose unambiguous and most chapters delightfully short.

Mr. Hazlitt's position is that "the interests of the individual and the interests of society," when "rightly understood" are in harmony, not conflict. His goal in writing this book was "to present a 'unified theory' of law, morals and manners" which could be logically explained and defended in the

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light of modern economics and the principles of jurisprudence.

This reviewer believes most readers will agree that Mr. Hazlitt succeeded. He has marshalled the ideas of many philosophers and analyzed them with careful logic. He has explained many of the contradictions among them, thus disposing of much confusion. He has formulated a consistent moral philosophy based on an understanding of the ethical principles, so frequently ignored in today's "permissive" climate, which promote peaceful social cooperation and free enterprise production.

Mr. Hazlitt points out that our complex market economy requires peaceful and voluntary social cooperation. The preservation of the market is essential for large scale production and thus for the very survival of most of us. Therefore, social cooperation is the very most important means available to individuals for attaining their various personal ends. This means that social cooperation is also at the same time a well worthwhile goal. Let Mr. Hazlitt speak for himself.

For each of us social cooperation is of course not the ultimate end but a means. ... But it is a means so central, so universal, so indispensable to the realization of practically all our other ends, that there is little harm in regarding it as an end in itself, and even in treating it as if it were the goal of ethics. In fact, precisely because none of us knows exactly what would give most satisfaction or happiness to others, the best test of our actions or rules of action is the extent to which they promote a social cooperation that best enables each of us to pursue his own ends.

Without social cooperation modern man could not achieve the barest fraction of the ends and satisfactions that he has achieved with it. The very subsistence of the immense majority of us depends upon it.

The system of philosophy outlined in the book is a form of utilitarianism, "insofar as it holds that actions or rules of action are to be judged by their consequences and their tendency to promote human

happiness."

However, Mr. Hazlitt prefers a shorter term, "utilism," or perhaps "rule utilism" to stress the importance of adhering consistently to general rules. He suggests also two other possible names — "mutualism" or "cooperatism" — which he thinks more adequately reflect the central role of social cooperation in the ethical system described.

The criterion for judging the consistency or inconsistency of a specific rule or action with this ethical system is always whether or not it promotes social cooperation. Mr. Hazlitt reasons from the thesis that social cooperation is of benefit to everyone. Even those who might at times like to lie, cheat, rob or kill for personal short-run gain can usually be persuaded of the longer-run advantages of social cooperation, i.e., of refraining from lying, cheating, robbing or stealing.

Even the most self-centered individual, in fact, needing not only to be protected against the aggression of others, but wanting the active cooperation of others, finds it to his interest to defend and uphold a set of moral (as well as legal) rules that forbid breaking promises, cheating, stealing, assault, and murder, and in addition a set of moral rules that enjoin cooperation, helpfulness, and kindness.

The predominant moral code in a society is compared with language or "common law." Society does not impose a moral code on the individual. It is a set of rules, hammered out bit by bit over many centuries:

[O]ur moral rules are continuously framed and modified. They are not framed by some abstract and disembodied collectivity called "society" and then imposed on an "individual" who is in some way separate from society. We impose them (by praise and censure, approbation and disapprobation, promise and warning, reward and punishment) on each other, and most of us consciously or unconsciously accept them for ourselves.

This moral code grew up spontaneously, like language, religion, manners, and law. It is the product of the experience of immemorial generations, of the interrelations of millions of people and the interplay of millions of minds. The morality of common sense is a sort of common law, with an indefinitely wider jurisdiction than ordinary common law, and based on a practically infinite number of particular cases. ... [T]he traditional moral rules ... crystallize the experience and moral wisdom of the race.

But what about religion, you say? Doesn't a moral code have to rest on a religious basis? The fundamental thesis of this book, as noted, is that reason and logic are sufficient to explain and defend the code of ethics which fosters and preserves social cooperation.

Yet, the author does not ignore religion. He calls attention to similarities among the world's great religions and the contradictions in some of them. Religion and morality reinforce one another very often, he says, although not always and not necessarily. Here is his description of their relationship.

In human history religion and morality are like two streams that sometimes run parallel, sometimes merge, sometimes separate, sometimes seem independent and sometimes interdependent. But morality is older than any living religion and probably older than all religion. [W]hile religious faith is not indispensable [to the moral code] ..., it must be recognized in the present state of civilization as a powerful force in securing the observance that exists.

The most powerful religious belief supporting morality, however, seems to me ... the belief in a God who sees and knows our every action, our every impulse and our every thought, who judges us with exact justice, and who, whether or not He rewards us for our good deeds and punishes us for our evil ones, approves of our good deeds and disapproves of our evil ones.

Yet it is not the function of the moral philosopher,

as such, to proclaim the truth of this religious faith or to try to maintain it. His function is, rather, to insist on the rational basis of all morality, to point out that it does not need any supernatural assumptions, and to show that the rules of morality are or ought to be those rules of conduct that tend most to increase human cooperation, happiness and well-being in this our present life.

Mr. Hazlitt discusses many perplexing ideas and concepts such as natural rights, natural law, justice, selfishness, and altruism; right, wrong, truth, honesty, duty, moral obligation, free will vs. determinism, politeness, and "white lies." Anyone who has speculated on these problems without reaching satisfactory conclusions, as has this reviewer, will no doubt find his analyzes and comments both stimulating and enlightening.

The book contains numerous quotations from the works of early and recent philosophers, which the author always analyzes for their consistency with social cooperation. Except for a few technical philosophical terms — such as tautology (repetition of the same idea in different words), eudaemonism (the doctrine that happiness is the final goal of all human action) and teleotic (an adjective derived from the Greek meaning end, design, purpose or final cause) — readers should not find anything in the book really difficult to understand.

As they follow the author's line of thought, they will discover that reason and logic come to the defense of morality; order and a common sense ethical code evolve from philosophical chaos.

Mr. Hazlitt has long been a noted free market economist — one of the very best. His introductory *Economics In One Lesson* is a long time best seller. *The Failure of the "New Economics,"* a careful critique of Keynes, is a real contribution to economic theory. With the publication of *The Foundations of Morality* in 1964, he added another very important feather to his cap as a moral philosopher. It is good to have it in print again.

To summarize, the author explains again and again, in the course of the book under review, that the rules

of ethics are neither arbitrary nor illogical. They are not mere matters of opinion. They are workable, acceptable, moral rules developed over long periods of time. They must be adhered to consistently and may not be willfully violated without detriment to social cooperation.

In this age of permissiveness, when everyone is encouraged "to do his own thing" and few see any urgency in respecting the rights of others, it is a rare philosopher who recognizes that the consistent adherence to a set of ethical rules promotes social cooperation and benefits everyone in society.

Perhaps a free market economist, whose very field of study encompasses the role of social cooperation, is the most appropriate person to explain the logic of this position. This book should live through the centuries.

What Educators Can Learn from "I, Pencil"

[We fool ourselves if we think our conventional system of education creates learners.](#)

by Kerry McDonald

I am a learner—ordinary and extraordinary. I am ordinary because, along with breathing and eating, learning is a simple and foundational human action. I am extraordinary because throughout history my drive to discover has led to profound inventions that improve our world, from the wheel to the lightbulb, penicillin to the microchip. Learning is what I do.

Sixty years ago, Leonard Read, founder of the Foundation for Economic Education (FEE), the nation's oldest free-market think tank, wrote a simple essay called "I, Pencil." In it, he traces the production of a common pencil, revealing that even for so humble an object, "not a single person on the face of this earth knows how to make me." It is through an elaborate, decentralized, emergent, global process that a pencil is born. Read writes:

"I, Pencil, am a complex combination of miracles: a tree, zinc, copper, graphite, and so on. But to these

miracles which manifest themselves in Nature an even more extraordinary miracle has been added: the configuration of creative human energies—millions of tiny know-hows configuring naturally and spontaneously in response to human necessity and desire and in the absence of any human masterminding!"

If no single person or centralized group of people can produce a lowly pencil, then how could we believe that a single person or group could produce something so magnificent as an educated human? We try. We believe that we can orchestrate others' learning, breaking their natural will to explore by emphasizing conformity and compliance in early childhood and then filling their minds with the content we deem important. We pat ourselves on the back for being masters of others' learning, for extirpating ignorance.

Never mind that much of what people learn in this top-down, coercive way is forgotten soon after it is learned. In a revealing study in the early 2000s of the Lawrenceville School, a top-ranked elite US private school, students who had completed a high school science class the previous spring semester were asked to take a watered-down version of the science final exam when they returned to school three months later. Over just one summer, the average grade on the exam fell from a B+ to an F.¹

We fool ourselves if we think our conventional system of education creates learners. It creates young people who, with varying degrees of success, learn to memorize and regurgitate arbitrary information to the satisfaction of a teacher or a test that is soon forgotten. It creates mimics.

In "I, Pencil," Read concludes his story with a simple message: "Leave all creative energies uninhibited." Don't try to control the production of the pencil. That will most certainly result in an inferior and more costly good—if it could be created at all. Instead of directing the actions of others, let people be free to direct themselves. This leads not only to the human inventions that brighten our world and improve our existence but also to the

actualization of personal fulfillment and agency that can only come with freedom.

For self-directed learners, their creative energies are uninhibited. They are not controlled by a mastermind or a group of omniscient rulers who believe they know what is best for others. Self-directed learners retain their creative spirit, that zest for learning which is so apparent in young children but is often eroded through years of forced education. These unschooled learners freely follow their passions and pursue their curiosities, supported by the resources of their families and communities and with a deep sense of personal responsibility.

In a society as rapidly-changing and technologically-fueled as ours, it is a mistake to think that any one person or group of people can decide what others must know to live a meaningful and productive life. According to the World Economic Forum, many of the most in-demand jobs and skillsets did not even exist a decade ago, and the majority of today's elementary school children will work in jobs that have yet to be invented. We cannot pretend that we know what our children need to know, particularly as our children's main competitors for the jobs of the future will be mechanical. To compete with robots, our children should be free to direct their own learning tied to their emerging interests in a way that retains their essential human qualities of creativity, ingenuity, and experimentation. Self-directed learning is the pathway to a free and flourishing society.

Free learners accomplish both the ordinary and the extraordinary. By unleashing the innate human drive to explore and discover, to build and synthesize—to learn—we ensure a future of both individual fulfillment and collective progress. Like a pencil, a learner is simple and complex, familiar and unknowable. All learners must be free to write their own story.

1) J Wagner, Tony, and Ted Dintersmith. *Most Likely To Succeed: Preparing Our Kids for the Innovation Era*. New York: Scribner, 2016, p. 41.

Richard Cantillon, the Most Important Economist You've Never Heard Of

by Jp Cortez

Richard Cantillon is the most important economist you've never heard of.

Born in Ireland sometime in the mid- to late-1600s, Richard Cantillon's contributions to economics are found in his major work, *Essai sur la Nature du Commerce en General (Essay on the Nature of Commerce in General)*.

In 1734, Cantillon was mysteriously murdered by a disgruntled former employee, and his home was set ablaze. *Essai*, which survived the fire, was published in 1755.

Cantillon's work went on to influence Adam Smith and other well-known economists. *Essai* included his observations on production and consumption, money and interest, international trade and business cycles, and inflation.

We have a basic understanding of inflation and its effects. Put simply, inflation is an increase in the money supply.

An increase in the supply of money that isn't met with an increase in the demand for money necessarily leads to price inflation, *ceteris paribus*. Said another way, prices rise as new money is introduced, all other things being equal.

However, this cursory understanding of inflation only paints half the picture. A less discussed aspect of this process is not only *that* the monetary supply has increased, but *how*. The entry point of new money into the economy has profound implications.

The effects of inflation are not uniform throughout the economy.

Cantillon writes, "I conclude ... that by doubling the quantity of money in a state, the prices of products and merchandise are not always doubled. The river, which runs and winds about in its bed, will not flow

with double the speed when the amount of water is doubled.” Monetary inflation does not affect prices proportionally or simultaneously, to the benefit of some and to the detriment of others.

In a central-bank directed economy, the entry point of money is via large commercial banks. Unelected bureaucrats, bankers, and other members of the deep state are the first to enjoy this “new money.”

In the early stages of the proliferation of new money into the economy, prices have not yet adjusted to the increase in money supply. Those at the top of the monetary monopoly receive and spend this new money at low prices.

And then the other shoe falls.

By the time new money reaches the average consumer, prices have risen to reflect the increase in monetary supply. Those who don't receive new money until later in the process can do little more than watch the purchasing power of their dollars inflate away.

Many politicians today champion “fixing” income inequality and wealth disparity. To fix these problems we should revisit the work of Richard Cantillon and examine the systemic shortcomings of a financial system that serves to benefit the wealthy at the expense of the poor.

Politicians hoping to help the common man should support ending the elites' monetary monopoly and the disastrous effects of their printing of fake money.

Jp Cortez is the assistant director of the Sound Money Defense League, an organization which is working to bring back gold and silver as America's constitutional money.

Did Baby Boomers Ruin America?

by Doug French

Referring to someone as a sociopath is strong language. After all, just between 3 and 5 percent of Americans are really sociopaths, people who initially seem charming, but, due to bad neurological wiring, lack a conscience and are unable to feel

remorse. They are exceptional liars and cheats, and have no capacity to feel guilt.

But according to author and multi-millionaire tech hedge fund manager, Bruce Cannon Gibney, anyone born between 1946 and 1964 (baby boomers) that are still living are sociopaths.

“There is something wrong with the Boomers and there has been for a long time,” writes Gibney in the forward to *A Generation of Sociopaths: How the Baby Boomers Betrayed America* and the author's beatings continue for 400-plus pages.

He doesn't let any of us Boomers off the hook, but really focuses on “generational representatives like Bill Clinton, Newt Gingrich, George W. Bush, Donald Trump, and Dennis Hastert--a stew of philanderers, draft dodgers, tax avoiders, incompetents, hypocrites, holders of high office censured for ethics violations, a sociopathic sundae whose squalid cherry was provided in 2016 by Hastert's admission of child molestation, itself a grotesque metaphor for Boomer policies.”

Gibney's point being us Boomers are molesting younger generations because Social Security and Medicare might remain solvent just long enough for Boomers, but no one else, to collect. And, the author preaches from the environmentalist good book every chance he gets. Any skepticism about climate change is viewed as having “negative feelings about reality and science” because, for Boomers, sacrifices for the environment are, “incompatible with sociopathic desires.”

Boomers didn't have a chance because their moms read Dr. Spock, were too easy on their kids, and parked us in front of the television. “TV's essential characteristics make it the perfect education for sociopaths, facilitating deceit, acquisitiveness, intransigence, and validating a worldview only loosely tethered to reality,” the author opines. The current president's obsession with TV watching is thrown in as a prime example.

Along comes chapter six, “Disco and the Roots of Neoliberalism,” and who is quoted in the chapter's

pre-matter? Ludwig von Mises. "Everybody thinks of economics whether he is aware of it or not. In joining a political party and in casting his ballot, the citizen implicitly takes a stand upon essential economic theories."

Gibney writes that Boomer neoliberalism "is more free market à la carte." Who knew that Boomers had the government doing "a dead minimum, limiting itself to arbitration of disputes, national defense, and the supply of a few public works like the post."

The author would have us believe that Boomer liberalism was put in place coast-to-coast and laissez faire has ruled the day. Gibney writes of the "capitalist utopia...the omega point of the modern neoliberal revolution. This is what the various neoliberal acolytes (the saints Paul: Ryan, Rand, Ron) are excited about, smacked on the head by *Atlas Shrugged* on their roads to Washington." He even contends the Mont Pelerin Society has been influential.

Mention is made of "Austrians" and the "Chicago School" that both believe government should get out of the way and let individuals take care of themselves. The author contends that "neoliberalism depends upon key and problematic assumptions: that individuals are rational, prudent, and informed, and that they therefore can be relied upon to meet their own needs."

However, citing Amos Tversky and Daniel Kahneman, not all humans are rational. Humans are not *homo economicus*, but instead *homo sapiens*, with Boomers being, in his view, *homo sociopathicus*.

However, Gibney's lumping together of the Chicago School and Austrians misses the mark. In Mises's view, economics doesn't deal with *homo economicus* at all, but with *homo agens*: man "as he really is, often weak, stupid, inconsiderate, and badly instructed."

In *Epistemological Problems of Economics*, Ludwig von Mises explains that the *homo economicus* would be the perfect businessman, conducting an enterprise

for maximum profit: "By means of diligence and attention to business he strives to eliminate all sources of error so that the results of his action are not prejudiced by ignorance, neglectfulness, mistakes, and the like."

However, Mises continued, "It did not escape even the classical economists that the economizing individual as a party engaged in trade does not always and cannot always remain true to the principles governing the businessman, that he is not omniscient, that he can err, and that, under certain conditions, he even prefers his comfort to a profit-making business."

Government and its budgets, debt, and intrusiveness have done nothing but grow under Boomer leadership, despite Gibney's chapter musing about free market philosophies.

The author rants that Boomers don't save enough, while aborting, divorcing, and overeating too much. Boomers caused; high inflation, crime, poor educational standards, the setting of corporate tax rates, the hiring of adjunct professors, not replacing the crumbling infrastructure, and avoided doing their wartime duty.

He summarizes, "the whole idea of Boomers as Good People is absurd," and "The Boomers deserve America's displeasure and they ought to repay what they can." What the author most wants is for Boomers to pay higher taxes.

Ironically, in his hedge fund days Gibney worked for Peter Thiel who, just so happens to have more than a passing interest in the work of Hans-Hermann Hoppe. Rather than blame Boomers for all of America's societal ills, Hoppe blames democracy and its increasing of society's time preference in his book *Democracy: The God that Failed*.

Government's taxing with impunity, violating its citizen's property rights, "affect individual time preferences systematically differently and much more profoundly than does crime," Hoppe writes, explaining that future property rights violations become institutionalized.

Instead of a societal falling time preference, government intrusion causes an increased time preference. Instead of savings, capital formation and increasing civilization, the process is “reversed by a tendency toward decivilization: formerly provident providers will be turned into drunks or daydreamers, adults into children, civilized men into barbarians, and producers into criminals.”

Not every government decivilizes equally, Hoppe points out. Democracy, with its constant changing of government, has a president, who doesn't own the capital value of government resources, but “will use up as much of the government resources as quickly as possible, for what he does not consume now, he may never be able to consume,” professor Hoppe writes. “For a president, unlike for a king, moderation offers only disadvantages.”

The illusion of democracy, that the government is us, means “public resistance against government power is systematically weakened.”

So, what has caused America's demise: Dr. Spock, TV and the Boomers, or was it democracy?

I'll take Hoppe's argument over Gibney's. However, I'm just a lowly Boomer.

Douglas French is former president of the Mises Institute, author of *Early Speculative Bubbles & Increases in the Money Supply*, and author of *Walk Away: The Rise and Fall of the Home-Ownership Myth*. He received his master's degree in economics from UNLV, studying under both Professor Murray Rothbard and Professor Hans-Hermann Hoppe.

The Myth of Intelligent (Government) Design

[Why would we think that moving decisions to government will result in more intelligent arrangements?](#)

by Gary M. Galles

A few years back, intelligent design was a red-hot controversy. It has cooled since, but it doesn't take much to stir the embers. When British astronaut

Tim Peak repeated his openness to an intelligently designed universe this year, he was attacked with rejuvenated enthusiasm. One *Guardian* story responded by quoting, among others, evolutionary biologist Matan Shelomi about problems with our eyes: “Who designed these faulty things? The answer can't be a God, because a God so incompetent in designing vision sensors isn't worth worshipping.”

What I find striking about such an “imperfection as proof against believing in something” standard is seldom applied to government, which affects us, and often assails us, every day. That is, why don't we use that criterion in evaluating whether government is intelligently-enough designed to believe it will solve our human problems?

A centerpiece of calumny against intelligent design as science is that it is neither proven nor provable. However, is it proven or provable that government—whose only superior ability is in coercing others—advances Americans' life, liberty, or happiness by its ubiquitous intrusion in our lives? Our founders certainly did not believe so.

The Declaration of Independence and the Constitution imply nothing of the sort. And our experience since has certainly been far from perfection. As a result, is there any reason to believe that government overriding ever more of our choices will give us better results?

Can we conclude that government policies and programs work so well, with each intricate part fitting together so seamlessly, that we should credit their designers with sufficient intelligence to trust still more decisions to them? And if not, why should we believe in demanding that government “do something” about every perceived problem, old or new, real or imaginary?

Why would we think that moving decisions to government will result in more intelligent arrangements? There is no way a government plan can replicate the market system's integration and productive use of the vastly different and overlapping knowledge of each of its participants,

coordinated without government central planners. Consequently, moving decisions to government throws away reams of valuable, detailed information that millions of individuals know, leading to less intelligent results.

This is illustrated by government ineffectiveness at even simple things. The apparently straightforward logic of mandates such as the 55-mile-per-hour speed limit, as well as innumerable safety and other requirements, have been undone by the law of unintended (and more importantly, unanticipated) consequences, often powerful enough to produce effects opposite of those intended.

Government's questionable expertise is reinforced at innumerable regulatory hearings. After thanking regulators for their efforts, those who work in and understand the regulated industry share why regulators' proposals won't work as planned, as a result of omitting multiple crucial considerations.

The minuscule number of demonstrated government "successes" that are really the result of involuntary "contributions" coerced from others (e.g. Social Security taxes) offers no more support to intelligent government design. Through markets, people can make use of the highly varied, dispersed information each has, without needing to precisely understand and communicate "who, what, when, where, why, and how" to government bureaucrats.

All that markets need to perform this task is for people to be free to buy or sell in their varying circumstances. In contrast, for government decision-making, all the knowledge must first be centralized, which unavoidably loses a great deal of valuable intelligence (i.e., sources of wealth creation) in the process. The result is governments telling citizens what to do based on unavoidably inadequate and often incorrect information. And that fatal error is not rectified by the electoral process because voters also know little about the relevant issues, much less the details necessary to implement government improvements.

When you spend your own money, you don't delegate crucial decisions to designers with

extensive records of failure. They are not intelligent enough in the relevant ways to let them decide for you. But saying we need the government to do more—on no better evidence, as so many candidates in the midterm elections did—is no more sensible. Intelligent government design is not established, and the "faulty things" that American public servants create cannot possibly justify our faith in them.

Gary M. Galles is a professor of economics at Pepperdine University. His recent books include *Faulty Premises, Faulty Policies* (2014) and *Apostle of Peace* (2013). He is a member of the FEE Faculty Network.

Why Most Academics Tilt Left

There's no denying that an overwhelming majority of academics in universities across the country are liberal, progressive, socialist, or otherwise Left-wing.

by Brian Balfour

There's little disputing the fact that an overwhelming majority of university professors in America are on the political Left. A common response from leftists circulating to this reality is that "academics are liberal because that is the way intelligent people think."

It's easy to dismiss such a response, as it reflects nothing more than an "all smart people think like me" assumption held by people who insulate themselves in an ideological bubble.

It does, however, make one to ponder why such a disproportionate share of academics are Left-wing. In his 1949 essay "The Intellectuals and Socialism," Friedrich Hayek explored this topic with observations still very much alive today.

The Problem with Intellectuals

Intellectuals, according to Hayek, are drawn to utopian visions. First and foremost among those visions is the creation of a new social order, specifically one designed by "experts." They also have the hubris to anoint themselves as the experts to design this new order. Hayek wrote:

The intellectual, by his whole disposition, is uninterested in technical details or practical difficulties. What appeal to him are broad visions, the spacious comprehension of the social order as a whole which a planned system promises.

Socialist intellectuals often misapply observations from the hard sciences as inspiration for designing a new society. Hayek noted that such intellectuals observed engineering techniques that enabled man to organize the forces of nature (natural resources) and convert them into useful technology. These observations have “contributed a great deal toward the creation of the belief that a similar control of the forces of society would bring comparable improvements in human conditions.”

In short, progressive intellectuals fancy themselves as radicals, desiring to overturn capitalism and traditional Western culture, with themselves at the helm. But what are the best means for them to achieve their goals? For the ambitious among them, an academic career provides a rosy opportunity. For those radicals, “an intellectual career is the most promising path to both influence and the power to contribute to the achievement of his ideals,” Hayek explained.

Power Disguised as Expertise

Like most humans, Leftist intellectuals desire to exert influence and, in turn, feel important. Their desires to re-make society can only realistically be brought about through the existence of a massive government; a government in which these academics will be able to influence, under the guise of academic “expertise.” There is an inherent liberal bias favoring greater social control by the state among academics in part because it’s the only avenue academics have to become the social reformists they desire to be.

Hayek also pointed out that the young are especially receptive to idealist theories aimed at transforming the world. He explained:

(S)ocialist thought owes its appeal to the young largely to its visionary character; the very courage to indulge in utopian thought is in this respect

a source of strength to the socialists which traditional liberalism sadly lacks.

The allure of advancing a utopian vision combined with classrooms full of highly amendable students proves to be a powerful magnet attracting Leftist intellectuals to academic positions. And once a majority of academics are progressives, then confirmation bias connects the dots for some to conclude that is the case because “that is how intelligent people think.”

As Hayek put it, “The socialist will, of course, see in this merely a proof that the more intelligent person is today bound to become a socialist.”

Arrogance and Selfishness

Meanwhile, those wishing to largely preserve traditional systems find other avenues to pursue personal success. Even those who fight for freedom and to roll back government are perceived, as Hayek described, as being merely “those who aim at a piecemeal improvement of the existing order.” Such an approach does not excite the imagination of many young intellectuals.

Finally, there is the role played by naked self-interest. Government subsidies and student financial aid make up a significant share of revenue for universities. Furthermore, government grants dominate funding for academic research. Academics reap financial benefits from government largesse. What a tidy coincidence that most academics favor big government.

There’s no denying that an overwhelming majority of academics in universities across the country are liberal, progressive, socialist, or otherwise Left-wing. To dismiss this fact with the thoughtless trope that “this is the way intelligent people think” displays a lack of genuine intellectual curiosity.

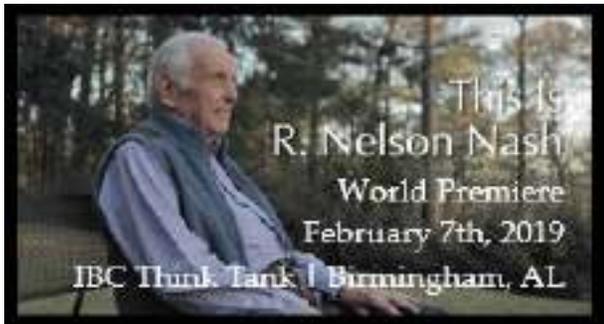
Academic research and intellectuals continue to exert influence on public policy and public opinion. We at least owe it to ourselves to have a serious discussion about why there is such a lack of intellectual diversity on our college campuses.

Brian Balfour is Executive Vice President for

the Civitas Institute, a free-market advocacy organization in Raleigh, NC. He is the author of the high school economics iBook *Economics in Action*, creator of the Austrian Economics educational app, and has served as an adjunct economics instructor at Mount Olive University.

February 6-7, 2019

IBC Think Tank Symposium



The IBC Think Tank returns as the premier event for those individuals that are passionate about Infinite Banking. This is where financial paradigm thinkers come to share, learn and celebrate our movement.

The think tank is scheduled for February 6-7 (Wednesday-Thursday), 2019, and will be held in Birmingham Alabama.

This event is invitation only for **IBC Practitioner members, IBC Practitioner-Students, and invited guests**.

Invited Guests? Yes, the Think Tank is open so that our membership can bring guests. A guest can be a client, an employee, a business associate, or interested financial professional. Caveat, if the guest is a financial professional, they are only allowed to come in a guest status one time.

If you are interested in attending, feel free to contact me.

David Stearns

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Authorized IBC Practitioners

<https://www.infinitebanking.org/finder/>

- Allan Johnson - Prince George, British Columbia
- Steven Holtz - Los Angeles, California
- Richard Canfield - Sherwood Park, Alberta
- W. Henry Mora - Houston & Lubbock, Texas
- Charles Jackson - Hillsboro, Texas
- Russ Morgan - Vestavia Hills, Alabama
- Nicolas Kosko - Louisville, Kentucky

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

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

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

Nelson's Favorite Quotes

"The State, of course, is absolutely indispensable to the preservation of law and order, and the promotion of peace and social cooperation. What is unnecessary and evil, what abridges the liberty and therefore the true welfare of the individual, is the State that has usurped excessive powers and grown beyond its legitimate function."

"True adherents of liberty...[believe] in limited government, in the maximization of liberty for the individual and the minimization of the coercion to the lowest point compatible with law and order...we believe in free trade, free markets, free enterprise, private property." Henry Hazlitt