
The Voluntaryist

Whole Number 174 “If one takes care of the means, the end will take care of itself.” 3rd Quarter 2017

What Are We Using for Money?

By Carl Watner

Over the course of many years I have penned and re-published many articles on the subject of money. For those not familiar with my writing, some of them are:

- “Hard Money in the Voluntaryist Tradition” Issue 23
 - “Private Money Firsts” Issue 36
 - “Hard Money, Soft Money, and Government Money!” Issue 38
 - “The Master Plan for Tightening the Noose” Issue 48
 - “Trust Not in Princes” Issue 51
 - “Value Me As You Please” Issue 110
 - “Paper: No Substitute for Gold!” Issue 110
 - “Fed Up with the Federal Reserve” Issue 110
 - “A Comparison of Real Money, Counterfeit Notes, & Federal Reserve Notes” Issue 115
 - “Freedom to Choose Your Own Money” Issue 156
 - “A Basic Primer on Using Gold & Silver” Issue 171
- So, why add to the list?

1) To explain that government money is false to the core.

The government refuses to redeem its *money* except for more of its own *money*. We are so habituated to using government accounting units, the dollar, in the form of paper money, electronic bank credits, and debit and credit cards that we forget that government provision of money and central banking are among the basic tenets of communism. (See Plank V of the Communist Manifesto.) Since money is involved in nearly everything we do, it is clear that “communism is embedded in every part of our economy.” [1] The Federal Reserve is nothing less than “the monetary politburo of the United States.” [2]

In the opening chapter of his book, *WHAT ARE WE USING FOR MONEY* (1952), Paul Bakewell wrote that, “We have no real dollars, no real money, and no real monetary system in the United States.” The word “dollar” originally referred to a silver coin of 371.25 grains of pure silver or 416 grains of standard silver. Bakewell then relates the efforts of A. F. Davis, who in late 1947, attempted to obtain ten dollars in real money for a \$10 Federal Reserve Note. Davis presented the \$10 note to the U.S. Treasury Department and received two \$5 notes. Davis then presented one of the \$5 notes for five real dollars and was rebuffed. No real dollars could be obtained for the \$5 note. Bakewell concluded that “Instead of using [real] money, we are using an irredeemable, inconvertible paper currency,” and that this “inconvertible paper currency ... is an obligation of the government. It is part of the evidence of the greatest

debt that has ever existed in history.” [3] Our government money is nothing but a promise to pay nothing. Jack Weatherford put it succinctly in his *HISTORY OF MONEY*:

The dollar is simply fiat currency. The dollar rests on the power of the government and the faith of the people who use it - faith that it will be able to buy something tomorrow, faith that the U. S. government will continue to exist and to accept dollars in payment of taxes and pay them out in expenses, and faith that other people will continue to believe in it. Aside from that faith, nothing backs up the dollar.[4]

2) To point out the harmful consequences of artificially low interest rates.

As Jim Rogers explained in a 2016 interview: “Never in recorded history have interest rates been this low in the United States and in the rest of the world. These low interest rates have destabilized all economic decision-making. People expect these low rates will continue but when the rates return to reality the mal-investments will be exposed.” Years of low interest rates have warped the prices of nearly everything that is bought and sold for money. Artificial interest rates destroy our ability to engage in rational economic calculation and substitute falsehood for truth in the financial world. Market interest rates determine which methods of production are most profitable and advantageous. Government-determined rates not only muddy the waters but set us up for the boom and bust of the business cycle. [5]

3) To demonstrate that negative interest rates are an anomaly if there ever was one.

Central government banks are a coercive monopoly. They shouldn’t exist, nor should they have the power to set interest rates for entire economies. It is the height of presumption, folly, and coercive behavior for a group of men and women on government payrolls to impose their “one-size fits-all solution on millions of other people.” Furthermore, to have them set negative interest rates is to show how out of touch government bureaucrats are with reality. Negative interest rates discourage savings, deter economic growth, and act as a government tax on holding money in the bank.

Negative interest rates violate the universal law of time preference. People always prefer the satisfaction of their wants sooner rather than later. Given a choice between an apple now or a year later, people will always choose the apple today. As Murray Rothbard explained in *THE ESSENTIAL VON MISES*:

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Potpourri from the Editor's Desk

No. 1 "Books Received"

"Paul Rosenberg's new novel, THE BREAKING DAWN, begins with an attack that crashes the investment markets, brings down economic systems and divides the world into two parts. One part is dominated by mass surveillance and massive data systems: clean cities and empty minds ... where everything is assured and everything is ordered. The other part is abandoned, without services, with limited communications, and shoved fifty years behind the times ... but where human minds are left to find their own bearings. And from there it goes to places you've never imagined." \$ 18.95 in paper, \$ 5.95 on Kindle, and available at Amazon:

- <http://www.amazon.com/The-Breaking-Dawn-Paul-Rosenberg-ebook/dp/B01BTHF1ME>. Also recommended is Paul's email newsletter, FREE-MAN'S PERSPECTIVE, www.freemansperspective.com.

No. 2 "What Is a Citizen?"

Being a citizen of today's nation-states has no relation to being a citizen of a Greek city-state, or even the early Roman republic – the places where the concept arose. A citizen today is no more than a tax slave, really. He doesn't in any way control, or even mildly influence, the fate of his country. He is really just a serf who is forced to hand over 50% of whatever he earns to be disposed of by his rulers – or else be punished severely. This is one of the most stupid ways imaginable for people to group themselves, if you ask me. It amounts to defining who you are according to which government issues you an ID.

- "Doug Casey on Phyles," April 13, 2011.

No. 3 "Refuse the Money and Run!"

[T]here can hardly be room to doubt that the nation has undergone a grave decline in its moral standards. ...

Many reasons for the decline can be adduced, not least among them being the intrusiveness into our lives of the corruption that pervades Washington.

Earlier, the Grant and Harding administrations were corrupt, but the scandals had virtually no impact upon society; the federal government had nothing to do, for example, with the way parents raised their children. Now, by contrast, the government pokes its nose into everything, including standards of morality. To cite but one kind of instance, the Catholic church's charities and the Salvation Army, which have been traditional carriers of religion and morality as well as of succor, now refrain from espousing religion and morality, lest they lose their government funding [or tax exemptions].

It is federal money that corrupts: take their money and they own you. Most people probably know this but are willing to take the money anyway. I once heard Frank Sinatra say on a talk show that it was easy enough to get along with the Mafia. "Just don't ever let them do you a favor." The same advice applies to the federal government.

- Forrest McDonald, "Clinton, the Country, and the Political Culture," COMMENTARY Magazine, June 1999, p. 34.

No. 4 "Refuse To Engage in Spiritual Suicide!"

I am not an extraordinary man, and I am quite ordinary. But God chose me for something quite extraordinary.

When I was 23 years old I refused to do something that at the time seemed at the time very small. I refused to say a few words, "I'm with Fidel." ...

If I just said those three words, I would have been released from prison.

My story is proof that a small act of defiance can mean everything for the friends of liberty. They did not keep me in jail for 22 years because my refusal to say three words meant nothing. In reality those three words meant everything.

For me to say those words would [have] constituted a type of spiritual suicide. Even though my body was in prison and being tortured, my soul was free and it flourished. My jailers took everything away from me, but they could not take away my conscience or my faith.

Even when we have nothing, each person and only that person possesses the key to his or her own conscience, his or her own sacred castle. In that respect, each of us, though we may not have an earthly castle or even a house, each of us is richer than a king or queen. ...

I am here to tell you that every little act counts. No man or woman is too small or simple to be called to bear witness to the truth. I'm here to remind you that each of you possesses great wealth in the sacred domain of your conscience. And I'm here to tell you that each of you is called to stay true. I am also here

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A Comparison of Monies¹

By Carl Watner and Dave Scotese

	Real Money	Counterfeit Note ²	Federal Reserve Note	Bitcoin
What is it?	Coins of gold or silver	Piece of paper	Piece of paper	Generated by computer software
What is its essence?	A specific weight and purity of precious metal	Paper with ink	Paper with ink sanctioned by government	A cryptographic credit for protecting transaction data
How is it made?	Made from a metallic element found in nature	Fabricated from a man-made product without government sanction	Fabricated from a man-made product at government-approved printing facilities	Generated by computer algorithms within pre-determined limits
What non-monetary uses does it have?	Industrial and ornamental uses make it valuable to people	Has no use except as paper	Has no use except as paper	None
How do multiples compare to the original unit?	Multiples have proportionally greater weight than originals	Multiples have different numbers printed on the same amount of paper	Multiples have different numbers printed on the same amount of paper	Multiples are generated by the same method as originals
Is acceptance forced or voluntary?	Voluntary: historically a medium of exchange for at least 5,000 years	Functions as a medium of exchange until its false nature is discovered	Functions as a medium of exchange by government edict (legal tender laws)	Voluntary: trading began in 2009 after the creation of the computer software
On what does its exchange value depend?	Exchange value depends on supply - as determined by the amount mined, and demand. Its exchange value has exhibited a remarkable stability over centuries.	Presumed exchange value decreases with amounts created at the whim of the counterfeiter	Presumed exchange value decreases with amounts created by the Federal Reserve	Exchange value is determined by the market participants with reliance on the creation schedule of its finite supply
What special requirements must be met to use or accept it?	Accepted by many millions of people all over the world, generally without hesitation	Accepted until its counterfeit nature is discovered	Accepted until confidence in the issuing government evaporates	Must have appropriate internet connection and computer software or trust someone who does
Is there risk of counterfeit?	Yes, but harder to counterfeit than paper notes. See footnote 2.	100% risk	Cannot be distinguished from a perfect counterfeit	Computer authentication makes it impossible to spend attempted counterfeits

¹An expansion of “A Comparison,” first published in Issue 115 (4 th Quarter 2002), page 8.

²This comparison only includes counterfeit paper notes, not attempted fakes of metallic coins. During the heyday of real money, numerous devices, described as counterfeit or fake money detectors, existed. In the United States the “Gold Prohibition Act of 1934 calling for the confiscation of all gold coins, except those considered ‘rare,’ marked the disappearance of the fake coin detector.” Their modern counterpart is available through Fisch Instruments. See www.thefisch.com and THE FISCH PRECIOUS METAL BUYERS GUIDE, 6th Edition, July 2012, page 5. 

Potpourri

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to tell you that when you make that choice, from that moment forward, even if you are naked, in solitary confinement for 8 years, you are never alone because God is there with you. ...

[S]ometimes your freedom is not taken away at gunpoint but instead it is done one piece of paper at a time, one seemingly meaningless rule at a time, one small silencing at a time. Beware Never compromise. Never allow the government - or anyone else - to tell you what you can or cannot believe or what you can and cannot say or what your conscience tells you to have to do or not do.

- Armando Valladares, Cuban dissident in his Canterbury Medal Acceptance Speech (Transcript from the Spanish), May 12, 2016, and partly reprinted in THE WALL STREET JOURNAL, May 24, 2016, page A9. Also see Carl Watner's article, "Soul Rape," Issue 163 of THE VOLUNTARYIST. 

What Are We Using for Money?

(Continued from page 1)

When a creditor lends a \$100 to a debtor, in exchange for receiving \$106 a year from now, the two men are not exchanging the same things. The creditor is giving the debtor \$100 in a "present good," money that the debtor can use at any time in the present. But the debtor is giving the creditor in exchange, not money, but an IOU, the prospect of receiving money one-year-from-now. In short, the creditor is giving the debtor a "present good," while the debtor is only giving the creditor a "future good," money which the creditor will have to wait a year before he can make use of it. And since the universal fact of time preference makes present goods worth more than future goods, the creditor will have to charge, and the debtor will be willing to pay, a premium for the present good. That premium is the rate of interest. How large that premium will be will depend on the rates of time preference of everyone on the market. [6]

Negative interests rates would not exist except for government intervention. As Ludwig von Mises put it, "He who wants to 'abolish' interest will have to induce people to value an apple available in a hundred years no less than" an apple today. Governments can't abolish time preference, but they can prohibit people from receiving interest payments. [7]

4) To show that the ultimate end of government intervention is a totalitarian society where there is no such thing as cash.

Twenty-five years ago in Issue 48, I quoted from an article by Fred Rowe of the House of Onyx. He described what he saw as the basic elements of the statist master plan. They were: 1) to create a cashless society where all monetary transactions are recorded

electronically; 2) to develop the government's ability to collect and process all of this information on computers; 3) to then take this data and render every citizen and resident of this country a tax return; 4) and then electronically collect that amount by deducting it from the taxpayer's bank account. Forfeitures and legislative penalties for failure to report large cash transactions discourage the use of cash. In a cashless society money is nothing but electronic bits and bytes, subject to hackers and government seizure.

Ultralow interest rates "are toxic for financial stability. They force retired people to curtail spending and discourage the young from saving for retirement. They force people into making risky investments and don't stimulate economic growth. Worse, they gradually undermine personal responsibility and ensure that future generations are more dependent on government programs."

- Paul H. Kupiec, "The High Cost of Ultralow Interest Rates," THE WALL STREET JOURNAL, May 23, 2016, p. A13.

As Tom Paine put it, these are times that try men's souls. For all of the reasons above, plus many more, voluntaryists ought to use alternatives to government money whenever they can. Government cash has little intrinsic value other than the heat it can generate as measured in BTUs when it burns. Voluntaryists are not alone in not wanting to handle government money. At various times throughout history, a few people have exhibited that same attitude. During the American Revolution, Quakers often refused to handle the currency issued by the Second Continental Congress. In their eyes the use of such money was dishonest since it did not approximate the same value when measured against gold and silver. Furthermore, Continental Congress paper money was considered to be a covert means of taxation to finance the prosecution of the war. One Philadelphia Quaker, Samuel Rowland Fisher, once remarked "to a government official: 'Your government, if it can be so called, is exactly of a piece with the paper bills issued to carry on the war, which are the greatest lies, deception and hypocrisy and for these reasons I could not acknowledge their authority.'" "In February 1776, as a result of their outspoken stand against the money, the two Fisher brothers (Samuel Rowland Fisher and his brother) were 'advertised as enemies' of the American cause, and their stores were temporarily closed down by the authorities." [8] After World War I, Kees Boeke, a Dutch anarcho-pacifist, and his wife, Betty, "abstained from using money, so as to avoid contributing to the state - since public funds [we]re also spent on weapons. They would pay neither postage, tolls, nor taxes - and they never used public transport. As a result, they were imprisoned several times, with one of their seven children being born in prison." [9] Also see the accompanying story of "Golden Disobedience" as another example of voluntaryist resistance to unjust and inane monetary laws.

What should voluntaryists be using for money? We know for certain that they shouldn't be forced to use government money for the reasons enumerated above. What ought they be using for money? We can find the answer to that question in my article, "Freedom to Choose Your Own Money" (Issue 156). The voluntaryist may use hard money or private electronic money, but in any case will eschew government legal tender when he can. Voluntaryists want everyone to be able to choose the kind of money they want to accept. The free man controls himself and decides what he shall use for money. He recognizes the right of others to decide how they will live. This includes their freedom to choose what they will use for money.

"Credit expansion does not mean expansion of the real" factors of production; "it merely means expansion of the money supply through credit markets."

- Jorg Guido Hulsmann, MISES (2007), p. 781.

End Notes

[1] Jeff Berwick in THE DOLLAR VIGILANTE NEWSLETTER, March 17, 2016.

[2] David Stockman in "Austerity Is Not Discretionary," CONVERSATIONS WITH CASEY, July 18, 2012.

[3] Paul Bakewell, WHAT ARE WE USING FOR MONEY, New York: D. Van Nostrand Company, Inc., 1952, p. 1, and pp. 217-218.

[4] Jack Weatherford, THE HISTORY OF MONEY, New York: Crown Publishers, Inc., 1997, pp. 179-180.

[5] Jim Rogers in an April 26, 2016 internet video interview with Robert Williams of WALL STREET DAILY. Also see Robert Higgs, TAKING A STAND, Oakland: Independent Institute, 2015, pp. 150-151.

[6] Murray Rothbard, THE ESSENTIAL VON MISES, Lansing: Bramble Minibooks, 1973, pp. 16-17.

[7] Ludwig von Mises, HUMAN ACTION, New Haven: Yale University Press, 1963, p. 532, at the end of Section 2, "Originary Interest," in Chapter XIX, "Interest."

[8] Peter Brock, PACIFISM IN THE UNITED STATES FROM THE COLONIAL ERA TO THE FIRST WORLD WAR, Princeton: Princeton University Press, p. 208.

[9] "Kees Boeke," from Wikipedia, the online free encyclopedia. See paragraph 3 in "Biography." I first found reference to Boeke in Peter Mommsen, HOMAGE TO A BROKEN MAN: THE LIFE OF J. HEINRICH ARNOLD, Rifton: The Plough Publishing House of the Bruderhof Foundation, Inc., 2004, pp. 34 and 37. 

How and Why I Became a Libertarian

By John Roscoe

[Editor's Note: John Roscoe was born in 1929. He has owned and operated grocery stores in the Western United States for fifty years. He started in the Drive-In-Grocery business and coined the idea to call them convenience stores. He is the only living founder of the National Association of Convenience Stores, which bears that name as a result of his efforts. He was the first

to use a remote control system to sell gasoline and was instrumental in its approval and acceptance as a delivery system. In the 1970s he rejected the less-for-more retailing philosophy of convenience stores and built bigger stores called Cheaper! These stores provided the lowest prices in the areas where they operated, as well as dispensing libertarian literature. In the 1990s he developed Cigarettes Cheaper! He and his family operated 850 of these stores in forty states. His grandchildren own Just Good Tobacco, which he and his wife, Marilyn, manage for them. Just Good Tobacco developed and sells the Just Good Tobacco Make Your Own Cigarette System. See www.justgoodtobacco.com. A good share of their time is spent trying to abide by, and circumvent, when possible, government restrictions that have been developed and put into place by special interests. He and his family do not smoke tobacco, but they respect the right of others to do so. What follows is John's story of how and why he became a libertarian.]

As we live, we develop a personal philosophy. Some personal philosophies come from experience. Some emerge in a moment of epiphany. Some are based on false signals and misinformation, but personal philosophies ought to be reality-based. If a philosophy is any good it ought to work to the benefit of the holder. It ought to improve his life and, through him, the lives of those around him.

Our personal philosophies are based on our core beliefs. It may take years to understand these core beliefs and understand why we have them. Core beliefs should be logical and should be tested. It is disturbing when you realize some of your core beliefs are based on false information, are illogical, and are likely to be damaging to you and to others. I have tried hard to identify my core beliefs and to practice them consistently. Some of my core beliefs are:

1. You own your body, and you can do what you want with it so long as you don't harm others.
2. You should treat others as you want to be treated.
3. You should bestir yourself so that you attempt to solve your own problems.

Libertarians often like to discuss how others became libertarians. Libertarians wonder whether people are born libertarians or if they become libertarians as a result of their worldly experiences. My own story begins in Montana during the Great Depression.

My family's experience was all about taking care of themselves and then putting goodwill in the bank by helping others. Life was tough on the prairie and people realized they were on their own. I was raised by people to whom this was obvious. I was raised in a culture of self-sufficiency. I was raised as a libertarian. I didn't know it at the time, and my parents probably never heard the word. However, as a child I learned to take care of myself and to respect the rights of others. I was neither born libertarian nor was I a convert. To put it simply, I was raised as a libertarian.

I was taught the Golden Rule through the examples set by my parents. The Golden Rule is the basis of good

personal relationships. It makes the interests of others the same as our interests. My parents lived the Golden Rule. They knew the importance of working with others, and they realized that helping others was the key to earning the goodwill of their neighbors. They also believed people were responsible for themselves and for their actions, and, of course, shouldn't take actions that would hurt others. They realized that there was no such thing as a free lunch. Somebody, somewhere pays for it.

My father was a Methodist minister, who farmed on the side to earn enough funds to take care of his family. I was the sixth of seven children, and my parents were fully engaged in the Christian ministry and activities that kept the family financially afloat. This gave me the room to decide things for myself and to make my own decisions and the freedom to act on those decisions.

I suppose most children are taught the Golden Rule, but it may take examples for it to stick. My father lived his faith and sometimes went overboard helping others. At one time he had three old cars that he had loaned to parishioners. This required my father to walk instead of drive. While I've never gone this far, his example was important in my development. However, it has taken years for me to realize the importance of the Golden Rule and to realize that people who want libertarianism to work need to go the second mile and have consideration for others. They need to have the same consideration for others that they have for themselves.

The precept that we should treat others as we would like to be treated is common to all of the world's great religions. Each religion states it differently, but it means the same thing. It means: DO UNTO OTHERS AS YOU WOULD HAVE THEM DO UNTO YOU. This is also the foundation of good customary law. In fact, the old English common law was based on these two simple ideas:

1. Do all that you have agreed to do.
2. Do not encroach on other persons or their property.

But even the old customary law and the basic libertarian core beliefs are not enough to make us really good neighbors. When you juxtapose basic libertarianism against the Golden Rule, it seems like pretty weak stuff. I'm familiar with Ayn Rand's essay on the "virtue of selfishness," and the importance of individuality. Rodney King was right when he said "Can't we all just get along?" Getting along involves more than just not damaging the interests of someone else. Really getting along requires a coordination of interests between the parties. Cooperation developed by a mutuality of interests fosters production and progress. As Martin Brower said, "Good ethics is good business." Lemuel Boulware phrased it well when he said we need to "work in the balanced best interests of everyone."

Responsibility is not doing as we are told, that's obedience. Responsibility is doing what is right.
- Simon Sinek, LEADERS EAT LAST (2014), p. 146.

The importance of the Golden Rule is well-stated in Michael Shermer's new book, THE MORAL ARC. In the book he quotes from Peter Singer's 1981 book, THE EXPANDING CIRCLE: "In making ethical decisions I am trying to make decisions that can be defended to others. This requires me to take a perspective from which my own interests count no more, simply because they are my own, than similar interests of others. Any preference for my own interests must be justified in terms of some broader impartial principle."

I developed an understanding and some animosity for government and for conscription when I spent five years in the United State Air Force. I beat the draft by volunteering for military service, expecting to serve just three years. I enlisted, and later went to Officer Candidate School. Arbitrary rank distinctions were an excuse for discrimination. My enlisted experience taught me a lot about inequality and about how rising above rank-discrimination brought favorable results. I was a Club Officer at Lowry Air Force base in Denver, when Eisenhower held the Summer White House there. The Air Force Academy was started during that time and I had involvement in the execution of functions for the new Academy, including the dedication party. These experiences provided valuable insight into human relations. They also provided me with insights on bureaucracy and power.

While I chafed at my years in the service, I had experiences and held responsibilities well-beyond what my age and experience warranted. I read a lot during this time and broadened my view of history and how the world works. Since my parents were Republicans, I had similar inclinations. However in 1964, when Barry Goldwater ran for President, he appeared too zealous for my tastes, and I bolted the Republican Party. Mr. Goldwater seemed not to want to "just get along," but to impose his views on everyone else. It is hard to know how I would feel about his philosophy and his positions today.

While I was in the Air Force, a person with whom I went through Officer Candidate School suggested that we should open Drive-In-Markets in Denver, Colorado when we were released from the Air Force. At that time all the Seven-Eleven-type stores only operated in warmer climates. My friend stated that his grandmother was well-off and would back us in the venture. This turned out to be untrue and we started business with my mustering-out pay and a loan from the credit union where my wife worked. It was an important lesson in self-sufficiency.

My political philosophy continued to evolve. I swore off voting during the 1970s and printed the "Don't Vote, It Only Encourages Them" message on our grocery bags. As a result, I was quoted in TIME Magazine after the 1976 election: "In San Francisco, John Roscoe, 46, a grocery chain president, laughed sardonically: 'I'm a three-time loser. In 1964 I voted for the peace candidate - Johnson - and got war. In '68 I voted for the law- and-

order candidate - Nixon - and got crime. In 1972 I voted for Nixon again, and we got Watergate. I'm not going to vote this time'."

The Don't Vote message was inspired by Robert LeFevre. A friend who operated stores in West Virginia had a friend who had attended Bob's Freedom School. Not knowing what I was getting involved with, I scheduled a week of his Freedom School for our employees. It was an important week in my life. The following comments are from remarks I made at a dinner in Los Angeles in 1980, and from a letter I wrote Bob on the occasion of his 70th birthday in 1981:

I bought a pig in a poke when I got Bob. With just the scantiest of information, I scheduled him for a week long seminar for thirty of our key employees in 1975. We, of course, were surprised, delighted, entertained, enriched, and rewarded.

While Bob doesn't bill himself as a business or time-management consultant, he performed that function for me. He helped simplify my life and my business. His philosophy and his wisdom brought a lot of things together for me. It became apparent that I was worrying about and trying to manage a lot of things over which I had no control. He pointed out that I had a full time job managing myself. It was wonderful to find out that if I only managed myself, a lot of other things would fall into place.

Not that the dragon of interference into the affairs of others is easy to slay. On occasion I still find myself starting to cross other people's boundaries. I then sit back and try to remember Bob's premises and logic from his seminars and can generally let the folly of others pass me by.

Bob's message has been good for me. He has given me a better framework in which to work and live.

Bob gave me reasons why I could heed my mother's dictum, "You don't have to attend every fight which you are invited to."

Before the Internet and before blogs, we wrote bagatorials and published them on our grocery bags. These bagatorials were libertarian messages that appeared on our brown paper shopping bags. We published messages from Carl Watner and Wendy McElroy and others. Eventually, the entire bags were used for editorial copy, including the gussets. These messages also included exposés of waste and inefficiency of government systems. The bags were generally well-received by our customers. When someone objected to our message and philosophy we made the news and got more publicity for our message. Simon and Schuster published some of the bagatorials in a book by that name in 1996. There are still copies of BAGATORIALS, A BOOK FULL OF BAGS (John Roscoe and Ned Roscoe, editors) available for sale on the Internet.

For sentient beings to survive and flourish, we, as libertarians, should heed Albert Jay Nock's advice about preaching to the Remnant. We need to preach the message of the Golden Rule and the commonality of man's interests whenever and wherever we can. As Nock said, "the Remnant will find you." When I first met Bob LeFevre, he said his original goal was to find one person who would agree with his philosophy. I'd like to think I was part of the Remnant. I found Bob and he helped reinforce my already existing libertarian beliefs. I have always been a libertarian because it is good for me and works to the benefit of those around me. This maximizes my freedom and minimizes life's frictions. **V**

"The 5,000-Year Government Debt Bubble"

Politicians play... by their own rules But it should count as news that politicians have lately been rewriting a rule in place since 3,000 B.C.

This rule of history is that savers deserve to be compensated when they loan money. Not anymore. In much of the developed world lenders are the ones paying for the privilege of letting governments borrow their cash. Through the magic of modern central banking, countries in Europe and elsewhere have managed to drive their borrowing rates not just to historic lows but all the way into negative territory. ...

Amazingly, governments have managed this feat even as they have become more indebted and even as slow economic growth undermines their ability to repay. Such conditions normally suggest a less creditworthy borrower and therefore a higher interest rate to compensate investors for the risk. But sovereign debt has become more expensive. Governments have succeeded in making their bonds more expensive in part by printing money and buying the bonds themselves via their central banks. ...

In the new political economy - or alchemy - the more unsustainable a government's finances, the less it pays to borrow. ...

What does history have to say about this? ... [I]n 5,000 years of recorded history [there have never been] negative bond yields [or negative interest rates.] ...

Put another way, government bonds have never been so expensive. Paul Singer, founder of hedge fund Elliott Management, isn't expecting a happy ending. He believes that because of massive entitlement promises plus huge debt, "the entire developed world is insolvent." He says that a negative rate on a government bond is "crazier than zero, and zero was crazy enough." ...

- Excerpted from James Freeman's article in THE WALL STREET JOURNAL, September 1, 2016, p. A11.

Golden Disobedience

By Sandy Sandfort

Back on April 5, 1933, His Majesty, Franklin Delano Roosevelt (FDR), had a pen and a telephone. So he issued Executive Order 6102, which made it a federal crime for Americans to own or trade gold anywhere in the world. There were some minor exceptions for some jewelry, industrial uses, collectors' coins, and dental gold, but the vast majority of the gold had to be turned in.

My father instantly understood what was going on and he didn't like it. "They're going to devalue the dollar!" he predicted.

Roosevelt didn't give much time to comply either. The deadline was May 1. And if Americans did not comply, they faced criminal prosecution under the Trading with the Enemy Act of 1917. Scofflaws were looking at a fine of up to \$10,000 (1933 dollars, about a third of a million dollars today) and up to ten years in prison.

My parents made the conscious decision to become outlaws.

At every possible opportunity for the next three weeks (and substantially longer), my parents followed Gresham's law ("Bad money drives out good."), not federal law. They spent paper and collected gold. My father was a dentist, so he could own some dental gold, but that wasn't enough. He wanted to convert as much paper into gold as possible. So he gave his patients discounts for payment in gold. "Sam," a neighbor who was a banker, also helped collect gold for himself and my parents. They would repay his help later when they periodically 'laundered' gold for him and themselves.

Even after the deadline, gold still kept coming in. Mostly it was from people who didn't have the time or

the inclination to turn in their gold to the government. However, many feared prosecution and were happy to deal with my parents instead of FDR. Plus they got a better deal.

So where did they launder their tidy little nest egg? Why, "South of the Border, Down Mexico Way," of course. Mexico had no Executive Order 6102.

My mother was born in the mountains above Albuquerque, New Mexico, and spoke fluent Spanish. She and my father loved traveling though the backwaters of Mexico. At first, they traveled alone, and later, after my brother and I came along, the whole family (including the dog) would go exploring in the land of mañana. (Somewhere there is a picture of me, age one, sitting on a portable potty, experiencing my first-ever bout with "Montezuma's revenge.")

My parents carried whatever gold they intended to sell, stashed in the car or on their person. The usual routine was to go to the section of town where casas de cambio were found. (Think of it as the "Street of the Money Changers.") My mother – all 5'1" of her – would go down the street and show a gold double eagle to every money changer at every kiosk and storefront. In Spanish, she would ask, "How much will you pay for these?" When she found the best price, she would give my father the high sign. He would join her and they would conclude the deal. Sometimes the gold was theirs, sometimes, Sam's. Sometimes they got pesos and sometimes dollars, depending on what they needed at the time.

So, the 'illicit' gold paid for a fun trip and got converted to 'clean' funds for themselves and Sam. What's the crime in that?

And the Beat Goes On...

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