

Economies and societies based on socialist pillars will collapse

In my small hometown, it is customary at Mardi Gras to drape life-size effigies of witches on windowsills and yard gates. Looking at these gruesome dolls, the observer might be reminded of the witch hunts that raged in Europe for more than three centuries—particularly from the fifteenth to the seventeenth centuries—and claimed many thousands of victims, who were brutally tortured and burned. In the same way that we now look back in disbelief at such mass hysteria and this kind of irrational mania, future generations—provided humankind somehow manages not to self-destruct—will view our time as a century of irrational mass mania. Scholars and all educated people will ask themselves: How was it possible that our ancestors wanted to establish free markets, that is to say arrangements of economic, personal, and political freedom that were explicitly understood to be the antithesis of socialist organizations, but then actually constructed large socioeconomic sectors, namely education, health, and retirement systems as collectivist state apparatuses? Much worse still: Where did the people of that time get the perverse, even self-destructive idea of building their alleged free markets on two socialist foundations: state-monopolistic fiat money and a centrally planned interest rate system? They should have known that sooner or later every economy and society based on socialist pillars will collapse. Why did even the Germans retain this system after it had broken down with such terrible consequences for their own country and the world, and although they had experienced the good example of the preceding period of money backed by gold? How could they—and virtually every other people of the

world—actually succumb to superstition and be persuaded by their political elites that the wealth of the nation could be increased, and its growth accelerated, by printing paper money and creating it at the stroke of a pen, that we could “get rich by consuming more” or “get rich by running up debt”? These are questions of huge significance, which await a solution. I hope this book may provide some important answers.

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