

the sum of open CDS contracts alone is now \$25 trillion. If the banks speculated “more prudently,” due to increased capital requirements, this would not change much anyway.

Schiller on the ‘Bread-Fed Scholars’

Friedrich Schiller says of the bread-fed scholar, in his lecture “What Is, and to What End Do We Study Universal History?”:

“He will direct all his diligence to the demands made upon him by the future master of his fate, and he will believe he has achieved everything, once he has gotten over his fear of this authority. Once he has run his course and attained the goal of his desires, he dismisses the sciences that guided him, for why should he bother with them any longer? His greatest concern now is to display the accumulated treasures of his memory, and to take care that their value does not depreciate. Every extension of his bread-science upsets him, because it only portends more work, or makes the past useless; every important innovation frightens him, because it shatters the old curriculum that he worked so hard to master, threatening to obliterate all his preceding life’s work. Who rants more

against reformers than the gaggle of bread-fed scholars? Who holds up the progress of useful revolutions in the domain of knowledge more than they do? Every light radiated by a happy genius, in whichever science it may be lit, makes their poverty apparent; they joust with their opponents using bitterness, treachery, and desperation, because in defending their curriculum, they are also doing battle for their entire existence. . . .”²

Perhaps it is not fair to pick on poor Professor Nonsense, because many of his colleagues have similar problems. But the subject is too serious. If a banking system is not introduced that separates commercial from investment banking, and there are still gigantic amounts of toxic waste to be disposed of, then hyperinflation is inevitable. And our democracy certainly will not survive the general devaluation of pensions, savings, and wages of the average population. Their condition is already bad enough.

What we need in Germany is a public debate about the Glass-Steagall Act. Frau Merkel is on notice.

2. Adapted from the translation in *Friedrich Schiller: Poet of Freedom*, Vol. II (Washington, D.C.: Schiller Institute, 1988).

The Satanist Mandeville: Prof. Un-Sinn’s Idol?

Bernard de Mandeville (1670-1733) was a founder of the Hell Fire Clubs, a satanic cult, that exerted extraordinary influence over a succession of early 18th-Century British governments, and whose outlook continues to inspire the Libertarian movement today—and also, apparently, Prof. Hans-Werner Sinn.

Mandeville’s best-known work is *The Fable of the Bees: Private Vices, Publick Benefits* (1714), in which he argued that man is inherently evil and consumed by uncontrollable passions: greed, lust, rage, violence. Since this is man’s nature, Mandeville argued, the best society is that which is least intrusive, which makes no effort to impose any form of natural law. For Mandeville, the idea that man was created in the living image of God is not only untrue; it is the seed of destruction.

Mandeville wrote:

... Thus every Part was full of Vice,
Yet the whole Mass a Paradise
Flatter’d in Peace, and fear’d in Wars
They were th’ Esteem of Foreigners,
And lavish of the Wealth and Lives
The Ballance of all other Hives.
Such were the Blessings of that State;
Their Crimes conspired to make ’em Great;
And Vertue, who from Politicks
Had learn’d a thousand Cunning Tricks,
Was, by their happy Influence,
Made friends with Vice: And ever since
The Worst of all the Multitude
Did Something for the common Good.

This is the view that was adopted by David Hume, Adam Smith, Jeremy Bentham, and all subsequent charlatan philosophers and economists of the British East India Company. Revolt against this evil was the essential feature of the American Revolution and the nation-state concept embedded in the Declaration of Independence and the U.S. Constitution.—*Jeffrey Steinberg*