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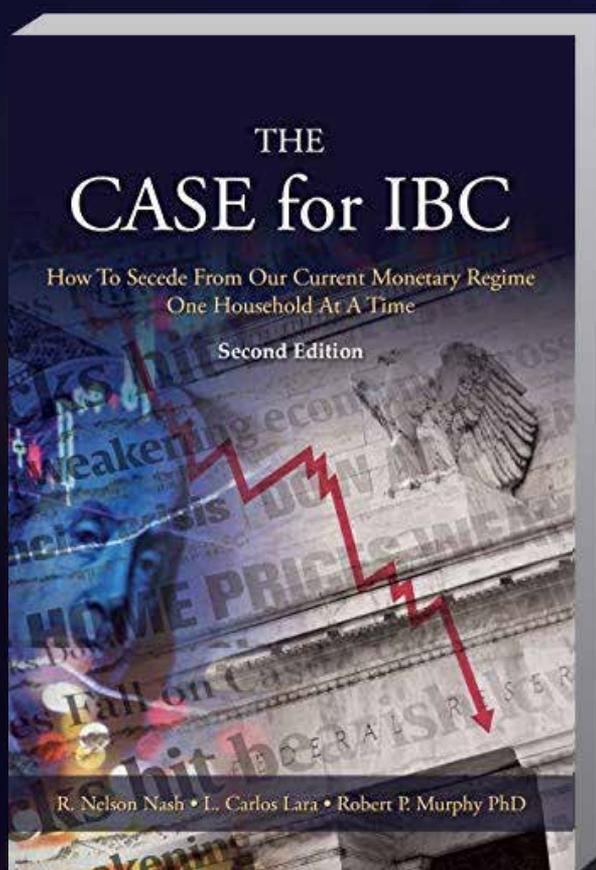
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INTERVIEW WITH GILAD ALPER

Gilad Alper is a financial analyst and an Israeli libertarian activist. Gilad graduated with honors from the Department of Economics in Tel Aviv University and holds a master's degree from the Norwegian School of

Economics. He worked at Commerzbank in London, Merrill Lynch in New York, and was among the founders of the Norwegian start-up CUPP Computing AS. Gilad ran in the Israeli 2019 elections as part of the Zehut party (a right-wing libertarian party) and also in the 2020 elections in the Otzma party (a centrist libertarian party). Gilad regularly publishes Facebook posts, writes articles, and shoots YouTube videos explaining libertarian and capitalistic principles. Gilad is an avid tennis player and a sci-fi enthusiast.

LARA-MURPHY REPORT: How did you discover Austrian economics?

GILAD ALPER: I always had a general affinity for libertarian principals (in Israel we use the term “liberal,” which mostly kept its original meaning) but my views took a more explicit form following the 2008 financial crisis. I was introduced to Austrian economics by Peter Schiff through his old Wall St. “Unspun” podcast. Since then I read Mises, Rothbard, Hayek, Murphy (I even published *The Politically Incorrect Guide to Capitalism* in Hebrew), Callahan, as well as non-Austrian free market economists such as Bryan Caplan, David Friedman, Milton Friedman (whose 1978 lectures on YouTube are a must-see in my view) and others. I find Austrian economics appealing because of the business cycle theory that seems to put



“I find Austrian economics appealing because of the business cycle theory that seems to put the blame on the true culprits.”

the blame on the true culprits—and surely what has transpired since 2008 should give credence to the notion that modern central banks are destroying free market capitalism. I also like Austrian economics because of its suspicion toward excessive empiricism and because of its suspicion toward politicians, bureaucracies, and the state, a suspicion that I think is almost self-evident in 2020. (I guess I’m mixing descriptive and normative but the intention is clear I hope.)

LMR: Does your knowledge of Austrian economics affect decisions you make in your “day job”?

GA: Yes, to a degree. Wherever you look, you see the impact of cheap money, moral hazard (the bailouts of airlines during the Covid-19 crisis is a good example), and deepening state intervention on companies. This has

implications for investors. The most recent example is the ability to forecast that the reaction of central banks to the epidemic will trigger a rise in the price of gold. I'm happy/sad to say that such insights are not commonplace in an industry that follows CNBC and mainstream media drivel. So my interest in Austrian economics and my interest in more academic-leaning financial commentary do confer a competitive advantage and allow me to give to my clients advice that they most likely don't get from anyone else.

LMR: What is the political climate like in Israel? Due to the military conflict over Palestine, there is a tendency in the West to regard Israeli governments and culture as “right wing” but that’s actually not correct in terms of standard political orthodoxy, is it?



“The most recent example is the ability to forecast that the reaction of central banks to the epidemic will trigger a rise in the price of gold.”

GA: I should start by noting that the US is surrounded by Canada in the north, Mexico in the south, and oceans on both sides. In addition, it is vastly larger in population and richer than its neighbors, and as far as I know none of its neighbors has expressed a wish to obliterate the country—at least not recently. Israel is in a different situation: vastly smaller in area and population than its neighbors, and has been threatened both in terms of actual military/terroristic actions and verbal smearing for decades. You can argue on whose fault it was initially but that doesn't change the facts today. My point is that this situation has made the population concerned with its physical safety and so geopolitics tends to dominate the political discourse. There are also religious sentiments that come into play but that's beyond

the scope of this interview.

From an economic perspective, the regime is quite statist; the country was founded by socialists and that is still the DNA of the place. Israel suffers from a heavy burden of regulations, taxes, state intervention, and cronyism. The real estate market is essentially run by the state and the education system is horrible, no school choice or vouchers. Fortunately, the culture is also entrepreneurial and risk-taking and so the tech industry is flourishing. The tech industry is mostly unregulated and enjoys many tax breaks – the one good thing our politicians haven't destroyed yet.

Socially, the regime is leaning to authoritarianism – cannabis and even CBD are illegal, professional poker games are illegal, gambling is illegal and very recently, the parliament passed laws against prostitution.



“The regime is quite statist; the country was founded by socialists and that is still the DNA of the place.”

LMR: We understand you've formed a “shadow government” on Facebook—somewhat tongue-in-cheek of course. Can you explain the context?

GA: The UK has a shadow government with ministers that counter and scrutinize the actions of the corresponding official government ministers. While this tradition doesn't exist in Israel, I thought it could be a useful gimmick to have a “Facebook Shadow Government” with likeminded libertarians. I'm the finance minister of this “government”, we also have a public security minister, a commerce, industry and labor minister etc. The economy is doing so badly these days, that there's no shortage of things to talk about for the shadow ministers.

LMR: Finally, what do you think the US government should do vis-à-vis the Middle East? We know plenty of American libertarians and American conservatives who voice opinions on this question, but it's interesting to ask an Israeli libertarian his view.

GA: This is a difficult one. If I were an American, I'd probably be a Ron Paul-type isolationist. But as an Israeli I'd be worried of such a development because Israel needs a powerful ally. What saddens me is that especially among US libertarians there's a strong anti-Israeli sentiment. So strong it borders on nasty. Apparently, Israel is considered as the poster-boy of US involvement in foreign countries. But Israel doesn't deserve to be on



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this dubious pedestal. Unlike Japan, South Korea or Germany, there're very few [American soldiers stationed in Israel](#). Yes, Israel is a major recipient of military aid—to the tune of \$3 - \$4 billion a year—but most of this money is spent in the US. It's more a feature of US corporate welfare than Israel taking advantage of America. It's also costing the Israeli weapons industry dearly as it limits commercial relationships with countries the US is not fond of or wants to keep for itself. I can expand on this but I'd simply refer readers to an article I wrote a few years ago: <https://tinyurl.com/galus2020>



Note: The economists and financial professionals interviewed in the LMR are given the freedom to express their views, without necessarily implying endorsement from the editors.



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