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**THE NEW
SOCIALISM
IS A PUBLIC-
PRIVATE
PARTNERSHIP**

by Guido Hülsmann

**WHAT THE
CENTRAL BANK
CARTEL HAS
PLANNED
FOR YOU**

by Thorsten Polleit



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From the Editor



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RYAN
McMAKEN

Today's Alliance between the State and the Private Sector

In the seventeenth century, the capitalist bourgeois classes were becoming an increasingly important part of the European economy.

The rising middle class was becoming too wealthy, too independent, and too influential. So, governments devised a response to the capitalist class: governments would create monopoly corporations that did what the private sector did, but could be controlled by the regime. Companies like the British East Indian Company and the Dutch East India Company were born, and they existed to strengthen the state and help make regime allies rich. This was mercantilism, which Murray Rothbard describes as the economic philosophy of absolutism.

The rise of the free-market “classical” liberals in the eighteenth and nineteenth centuries came with explicit opposition to these government cartels and monopolies. The liberals wanted a true private sector with true private property. They didn't want “public-private partnerships” or ersatz “private” corporations that were just extensions of the regime.

Mass movements like the American Revolution had some success in destroying these mercantilist arrangements. Anti-mercantilist sentiment was one reason the Boston Tea Party targeted tea owned by the East India Company. The Patriots understood how the mercantilist machine worked. Liberals throughout Europe in the nineteenth century fought to create a truly free economy that could compete against or displace the state monopolies.

The liberals won some key victories, but the mercantilist impulse never really went away. Today, we find countless ways that regimes join up with ostensibly private enterprises to help both groups perpetuate their own power and influence.

At the center of it all is the financial sector, and the financial sector has long been specially targeted by mercantilists of every age. It's why the US's central bank, the Federal Reserve, began as a cartel of bankers who came together to limit competition and draw closer to federal power.

In recent decades, however, a new type of mercantilist enterprise has grown and become

key in many federal programs. These are the non-profit foundations that help create government pilot programs, fund pro-regime media projects, and work closely with regimes to accomplish a variety of ideological projects hatched by the ruling class. These are organizations like The National Endowment for Democracy, the Ford Foundation, the Gates Foundation, and others.

These are not private or independent organizations in the true sense of these words. They are something very different, and it is not a coincidence that we so often find these organizations' fingerprints all over regime plans to centrally plan the economy, force vaccines on ordinary people, or limit access to so-called fossil fuels.

For these reasons, the Mises Institute has never been blindly “pro-business” or in favor of “privatization” when the goal is mere mercantilist monopolization. Rather, we seek a private sector that is truly independent of the regime.

In this issue of *The Austrian*, to expose the dangers of these public-private alliances, Senior Fellow Guido Hülsmann examines how “private” organizations have been at the forefront of what he sees as a renaissance of socialism in recent years. It seems private foundations have helped create the modern state-dominated economy by funding education and policy efforts every step of the way. Hülsmann notes that what private foundations want today is what many regimes will want in the future.

We also include a Q and A with economist Thorsten Polleit, who discusses his new book *The Global Currency Plot: How the Deep State Will Betray Your Freedom, and How to Prevent It*. Polleit takes a look at the role of the world's central banks—and how they want a global currency designed to end economic freedom. The answer lies in private money and a truly private banking sector.

In this issue, readers will also find new book reviews from David Gordon, news about our students and scholars, and information on upcoming events and past successes. There is much more to come in the fall of 2023. ■



THE NEW **SOCIALISM**

IS A **PUBLIC-PRIVATE
PARTNERSHIP**



Jörg Guido Hülsmann

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In 1990, socialism seemed to be done once and for all, but the times have changed. In the last twenty years, socialism has again become fashionable beyond the academic fringes. The covid-19 crisis demonstrated how quickly and thoroughly the traditionally free societies of the West may be transformed by small groups of determined and well-coordinated decision-makers. Top-down central planning of all aspects of human life is today not merely a theoretical possibility. It seems to be right around the corner.

Now, the renaissance of central planning is an intellectual and practical dead end, for the reasons that Ludwig von Mises explained one hundred years ago. But if Mises was right, then how can we explain the renaissance of socialism as a political ideal? To some extent, this might be explained by the fact that new generations are likely to forget the lessons that were learned, often the hard way, by their ancestors. However, there are also other issues at stake. In what follows, I shall highlight two institutional factors that have played a major role: state apparatuses and ownerless private foundations.

1. State Apparatuses

An important driving force of the socialist renaissance has been the constant growth of state organizations. This includes all organizations that are largely financed by the state or thanks to state violence. For example, the so-called public service media are state organizations in this sense. In contrast, the so-called social media networks are mixed forms.

The oligarchs of a republican state cannot assert property rights. The state does not belong to them—they just control it.





It is true that they have received significant state support (for their establishment and for the expansion of the internet infrastructure). But they are also financed through advertising.

Socialism is growing out of the already existing state organizations. The crucial importance of this connection has been emphasized again and again by liberal and conservative theorists. A ministry, an authority, or a state-subsidized television station do not fully belong to the competitive life of ordinary society. Special rules apply. They are funded by taxes and other compulsory contributions. They are literally living at the expense of others. This has two important consequences for the renaissance of socialism.

On the one hand, state organizations are constantly forced to justify their privileged existence and therefore have a special need for intellectual services. Good cobblers and good bakers do not need to convince their customers with verbose theories. Their services speak for themselves. But creating and maintaining a government monetary system or a government pension system requires a constant torrent of words to pacify taxpayers, retirees, and the whole gamut of money users.

On the other hand, these intellectual suppliers typically have a personal agenda. State organizations are irresistibly attractive to ideological do-gooders of all stripes. This becomes clear as soon as we realize what doing good things really means.

Every day private companies and private nonprofit organizations create new products and new services—thousands of attempts at improvements. But their achievements fit into the existing social network. They are contributions that take into account the objectives and individual sensitivities of all other people. Private organizations thrive in competition. By contrast, the ideological do-gooder does not want to care about the sensitivities of other people. But that is only possible if his own income does not depend on those others, and if his plans can also be carried out against the will of the others. And that is exactly what the state, especially the republican state, enables him to do.

From the classical liberal point of view, the republican state should not pursue its own agenda. It should not be private, but public, should only provide the framework for free social interaction. But this theory hurts itself with the horror vacui it provokes. Ownerless goods will sooner or later be homesteaded by someone. Even an abandoned “public” state will sooner or later be taken into possession. History over the past two hundred years has shown that this privatization of the public state does not necessarily have to occur by coup or conquest. It can also grow out of the bosom of the state itself. The domestic staff, the servants of the state, can make themselves its masters.

Abandoned goods hold a magical attraction for people. An abandoned state magically attracts

ideological do-gooders into the civil service. They are trying to privatize public space, to transform it into an instrument for their agenda. At first there may not be a consensus among them, but at some point the best-organized and best-connected groups gain the upper hand. The sociologist Robert Michels called this process the iron law of oligarchy.

The bureaucratic oligarchy can influence personnel decisions in terms of its ideology. Their ministry becomes “their” ministry (or their school, their university, their broadcasting service, etc.). It becomes an ideological state apparatus as defined by the French Marxist philosopher Louis Althusser. Through commands and prohibitions, an ideological state apparatus can convey its ideology to the outside world.

Notice that the bureaucratic oligarchy is only a small minority. This explains why the oligarchic ideology is typically a socialist ideology. Only where there is private property is it possible for a minority to undertake anything that might displease other people. But the oligarchs of a republican state cannot assert property rights. The state does not belong to them—they just control it. In order to be able to direct it inexpensively, they must avoid inciting the majority to resist them. The easiest way to do this is through a socialist ideology. Slogans like “We govern ourselves” cover up the real power relations.

A classic case is the French ministry of education, which was appropriated by a coalition of Communists and Christian democrats after the Second World War. In those years, Professors Paul Langevin and Henri Wallon (both members of the French Communist Party) pursued a strategy of centralizing and homogenizing all secondary schools, along with a dumbing down of the entry requirements. With the help of their allies, Langevin and Wallon slowly but steadily filled all the key positions of the ministry with their people while greatly expanding it. Thus, they made “their” ministry resistant to reform. No bourgeois minister has ever dared to make it a “public” institution again. So it has remained in the Communist inheritance to this day. The supposed servants of the commonwealth have become the real rulers, against whom the elected representatives can only grind their teeth.

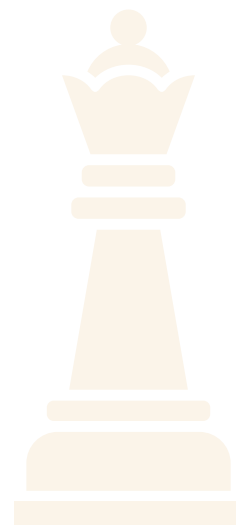
This tendency toward privatization is at work in all public institutions in all countries. President Donald Trump had not understood this before his 2016 election. He is probably wiser now, but the problem remains.

A state apparatus is often the first place where socialist reforms are implemented. In the past, state organizations have served as laboratories for expensive socialist labor-law reforms (quotas for civil servants, vacation regulations, etc.), for the typically socialist control of language (political correctness), and for harmonizing thought and action.

Over the past thirty years, international bureaucracies have played a growing role in making the world a better place for socialism. Intergovernmental organizations such as the European Union, the United Nations, the World Health Organization, and the International Monetary Fund have always served as reservoirs for intelligent radicals who found no place in national politics.



By proceeding as uniformly as possible, states aim to prevent the population from realizing that there are political alternatives and perhaps even better alternatives.





But the influence of these people has grown considerably in recent years as they have played a key role in covering up interventionist failures.

This can be explained as follows: The state, which rules over the media and education, can gloss over and explain away its failures. But talk does not help when people see with their own eyes how things are abroad. The competition of political alternatives is ruthless, and the comparisons show time and time again that socialism and interventionism do not work. Hence the urge of all socialists to rule out alternatives as much as possible from the outset. So-called international cooperation and the abolition of the nation-state in favor of international organizations serve the same purpose. By proceeding as uniformly as possible, states aim to prevent the population from

realizing that there are political alternatives and perhaps even better alternatives.

Another weapon in the socialists' arsenal is the use of secret services to further their aims. The importance of these services cannot be overstated. This cloak of secrecy, often funded by substantial off-the-books resources, is particularly favorable for socialist agitation as long as the socialists are in a minority. Secrecy is a weapon often used successfully upon the unwitting citizenry.

It should never be overlooked that the socialists will use any and all areas of society and control of the state to further their aims and agenda.

2. Ownerless Foundations

The same iron law of oligarchy also applies to the large private law foundations (the Rockefeller Foundation, the Ford Foundation, the Bertelsmann



Foundation, the Bill and Melinda Gates Foundation, etc.). Although these organizations are usually not themselves financed by taxpayers' money, they—and the US foundations in particular—have made decisive contributions to the renaissance of socialism, for three main reasons.

First, the executives of such institutions are in constant search of self-affirmation and self-justification, and are therefore prone to activism.

Self-justification is particularly necessary if the organization does not provide a clear statement of purpose. The large US foundations serve general goals such as “progress” or “humanity.” Words of this kind must of course be backed by concrete content, and this is where the ideological suppliers come into play, just as in the case of the state bureaucracies.

Ideological do-gooders find an ideal playground in the large private foundations, especially when the founders let the supposed “experts” run free and entrust them with the management of the organization’s assets without any strings attached. The executives of such ownerless foundations are then subject to even fewer restrictions than their colleagues in government offices. While the high bureaucratic officials are still responsible to the elected political leadership (even if this responsibility is small for the reasons mentioned above), the directors and supervisory boards of the private foundations are among themselves. Nobody gets in their way—nobody they have not themselves accepted into their illustrious circle. Ownerless private foundations will therefore sooner or later serve those ideologies that are highly valued by the leading experts. As in state institutions, there may be temporary rivalries among the leading forces. In the end, however, the best-organized and best-connected groups prevail with regularity. From then on, their ideas determine the foundation’s direction.

These ideas are often diametrically opposed to those of the founders, as Niall Ferguson explains in “I’m Helping to Start a New College Because Higher Ed Is Broken.” In my opinion, the most important reason for this contrast is to be seen in the fact that the founders no longer have to prove themselves and also reject excessive activism on the part of their foundation for other reasons. They know the importance of free competition. They know that excessive donations from foundation money can seduce the recipients into laziness and frivolity. They want to help others. But above all they want these others to know how to help themselves.

Things are completely different in the case of the supposed experts who run the foundations. In contrast to the donors, many of them have not yet been able to show that they can achieve great things themselves. The decision-making power over the foundation gives them the opportunity to put their stamp on the world. This temptation is just too great for most. Those who have large resources at their disposal can make it their business to improve the world according to their taste.

The history of the US foundation system provides numerous cases of this tendency, well documented by Waldemar Nielsen. The largest American foundations of the twentieth century (Ford and Rockefeller) in particular committed themselves to changing American society in the

1950s and 1960s. Such activism is more or less inevitable if ideological do-gooders have free rein and well-filled treasure chests.

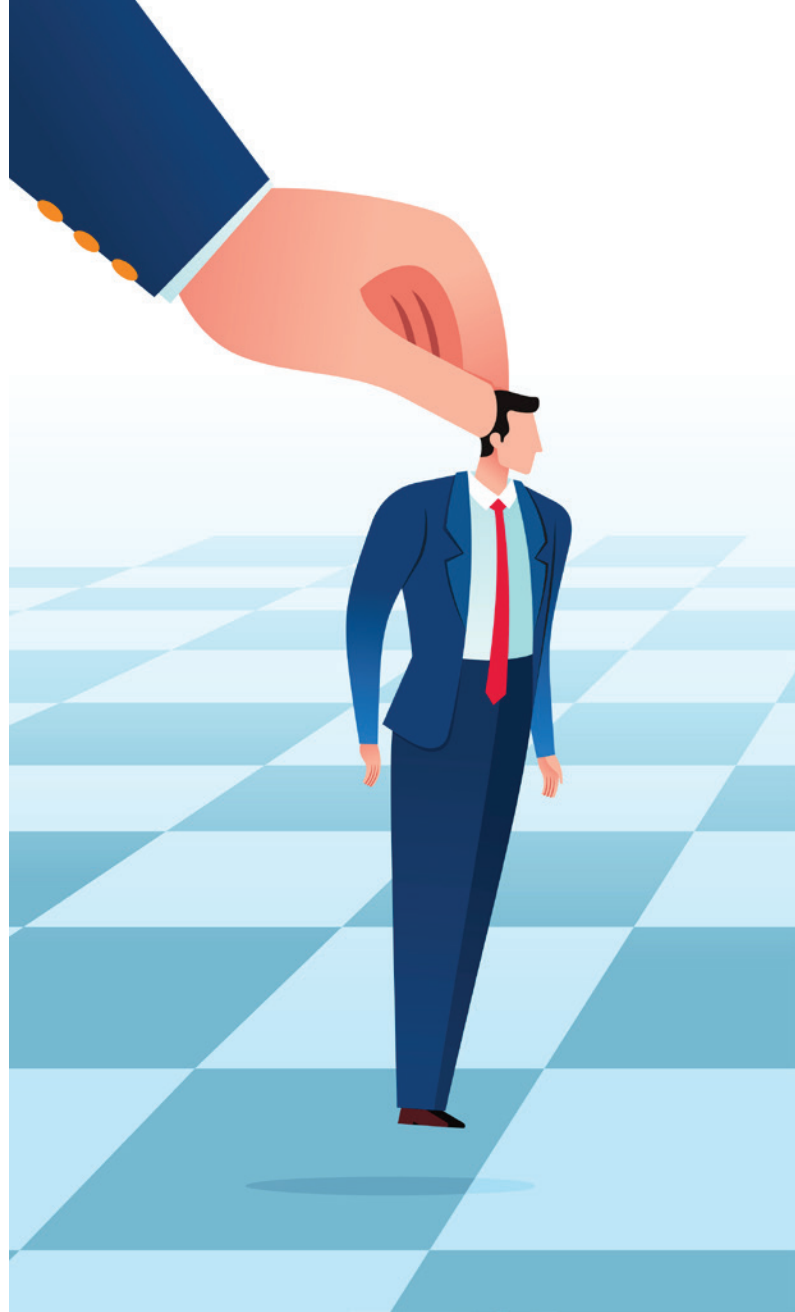
Second, the cooperation between private foundations and state organizations has a very similar effect. Such cooperation concretely means the joint pursuit of goals; the pooling of private and state funds; and the exchange of personnel. The private foundations thus come into the ideological orbit of the state institutions, as Ludwig von Mises explained in *Human Action*; and state institutions are captured by the “managerial” spirit of private foundations, to use Paul Gottfried’s phrase.

The private foundations like the partnership of the state for reasons of prestige and use it to “leverage” their own activities. One example among many: The Ford Foundation had already developed the basic principles of what would become the American welfare state in the 1950s and financed them on a small scale. But the means were lacking for large-scale application. Things changed when US president Lyndon Johnson adopted the Ford model and used taxpayer money to spread it across the country.

This partnership is also very welcome to the state because its bureaucrats also feel confirmed by the friendly response and the active support from the Potemkin-style world of “civil society” financed by foundation funds.

Third, the combination of grandiose objectives and enormous financial resources entails the tendency to pursue large and highly visible projects. (The tendency also exists for cost reasons. For a private foundation it is usually cheaper to finance a few large projects than thousands of small initiatives.) These large projects must be planned for the long term and centrally managed. The management of large foundations is therefore typically associated with a perspective on the economy and society that is very similar to that of a central planning committee. The case of other large companies is very similar.

Because of this perspective, the executives of large organizations can succumb to a special kind of delusion, which we propose to call the Rathenau delusion in honor of the great German industrialist who flirted with the socialist planned economy at the beginning of the twentieth century. The Rathenau delusion consists in seeing only a difference in scope between the private planning of very large companies



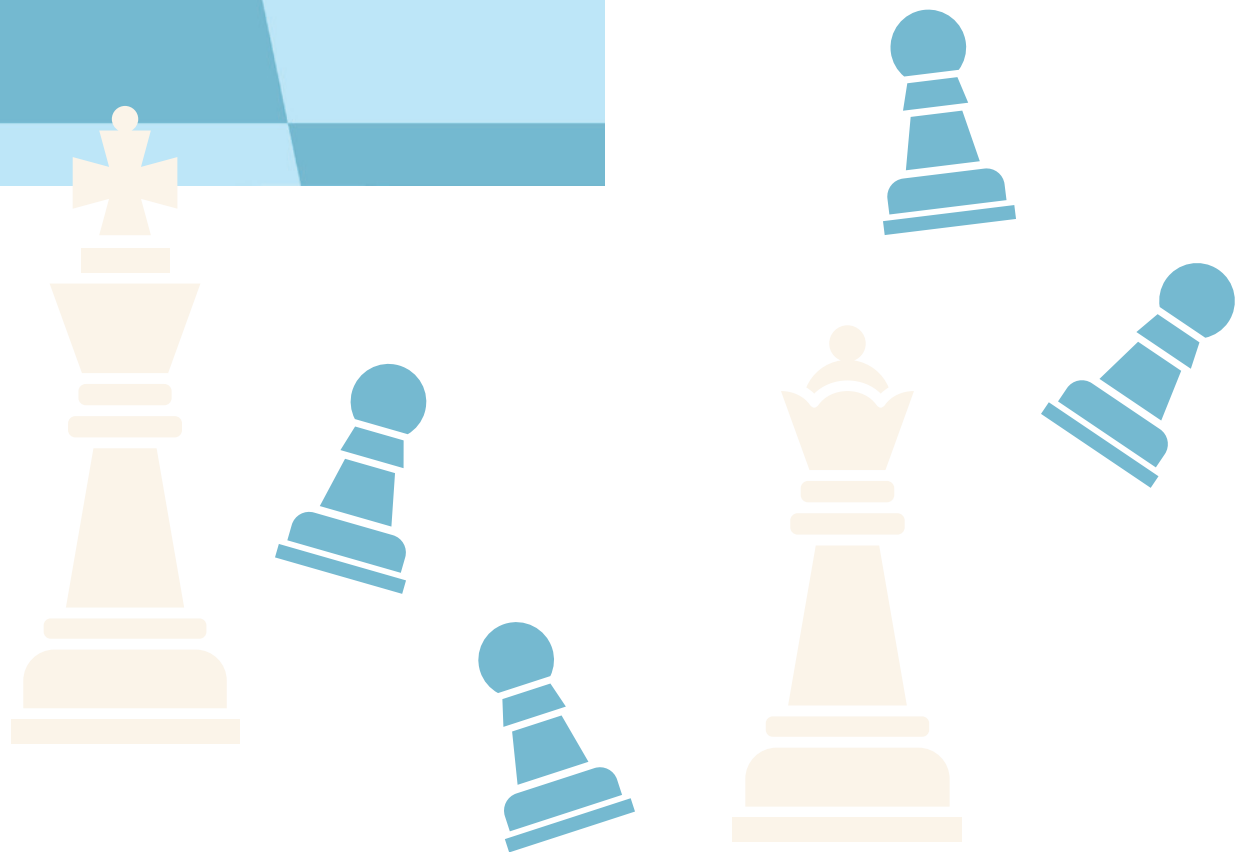
The most important reason for this contrast is to be seen in the fact that the founders no longer have to prove themselves and also reject excessive activism on the part of their foundation for other reasons.





and the centrally planned economies of entire nations. In fact, there is a categorical difference here. Rational economic planning always takes place within an order based on private property and monetary exchange. It is this order that orientates the numerous individual plans and coordinates them. Mises taught us that the rationality of economic activity is always and everywhere rooted in a microeconomic perspective and presupposes a social order under private law. By contrast, the basic socialist idea consists precisely in abolishing this superordinate order and replacing it with top-down planning. But whoever does this saws off the branch on which he is sitting. Instead of making rational economic activity easier, he makes it impossible. This is exactly what Mises proved a hundred years ago.

For the past seventy years, the major US foundations have been the main drivers of socialism, even more so than the state bureaucracies. Something similar can be said about the Bertelsmann Foundation and other German foundations. They also apply a saw with great relish to the capitalist branch that carries us all. ■



WHAT THE CENTRAL BANK CARTEL HAS PLANNED FOR YOU

The Mises Institute recently published *The Global Currency Plot: How the Deep State Will Betray Your Freedom, and How to Prevent It*. The author, Mises Institute associated scholar Dr. Thorsten Polleit, is a longtime columnist for mises.org, an investment advisor, and an honorary professor at the University of Bayreuth. In his new book, he argues that democratic socialists seek to impose a global fiat currency to pave the way for a single global state. We recently asked Dr. Polleit to provide readers of *The Austrian* with some additional details about why Austrian economics and sound money are critical to fighting back.

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Thorsten Polleit

Dr. Thorsten Polleit is chief economist of Degussa and honorary professor at the University of Bayreuth. He is also an economic advisor. He is the author of the Global Currency Plot: How the Deep State Will Betray Your Freedom, and How to Prevent It (2023) and Monetary Economics in Globalised Financial Markets (2010). He is also the president of Ludwig von Mises Institut Deutschland.

The Austrian(TA): What is the global currency plot, and who benefits most from the success of this effort?

Thorsten Polleit (TP): The global currency plot denotes a rather inconvenient truth: the existence of states (as we know them today) sets into motion a dynamic process toward creating a single world fiat money controlled by a world central bank, and most likely a central world government. The beneficiaries will be the very few—the “elite”—in charge of running the state and those few privileged by the state, such as big business, big banking, Big Pharma, and Big Tech. However, the great majority of the people will suffer a very great disadvantage. In fact, a single world fiat currency would most likely entail tyranny.

TA: The first half of the book is largely focused on economic theory and method. Why is economics so important to understanding the global fiat currency threat?

TP: I would argue that thinking about the *method of economic science* is actually the most important part of all of this. You know, economics is not an empirical science but must be conceptualized as a science of the logic of human action—or “praxeology,” as Ludwig von Mises called it. The logic of human action allows us to understand that there are regularities in human reality to which we must adapt our actions to succeed. It also makes us understand what will happen if—under certain conditions—actions that are contrary to the logic of human action are taken. For instance, we can know in advance (without having to resort to any kind of testing) that a state—defined as a coercive territorial monopoly—will (other things being equal) continue to expand no matter what; that it will seek control of money, replacing commodity money with its own fiat currency; and that states will form a cartel and strive to eventually establish a world government with its own world fiat currency. The logic of human action reveals these dynamics that many people are most likely unaware of.

TA: What role do central banks such as the Federal Reserve play?

TP: It may be hard to swallow, but central banks were not created for the greater good but to support the state and special interest groups. After World War II, the US became the dominant economic and military power in the world, and the Federal Reserve (the Fed), founded in 1913, became the world’s most powerful central bank, issuing the US dollar, the world’s leading reserve currency. It is fair to say that the Fed does indeed call the shots in the international financial and economic system. The Fed acts as the unofficial world central bank. Central banks play a crucial role


in making a fiat currency system possible, and if they form a cartel, they can basically create a single world fiat currency.

TA: The dollar has played a central role in the global economy for decades. Does the dollar's global hegemony help or hinder efforts to create a single global currency?

TP: The dominance of the US dollar is certainly helping to push the world toward a single fiat currency. Just imagine a major crisis that will eventually hit us. When the worldwide fiat currency regime starts to unravel, the US dollar will likely be the last man standing. In such a situation, it is also very likely that many countries will try to peg their currency to the US dollar (i.e., effectively adopt the US dollar as base money). It may not sound realistic right now, but imagine a scenario in which the United States and China join forces and endorse exchange rate fixing through the International Monetary Fund's special drawing rights, later declaring the exchange rates irrevocably fixed. The world would be closer to a single world fiat currency than ever.

TA: What would it look like if the dollar were replaced by some sort of new international currency?

TP: Most recently, the BRICS countries (Brazil, Russia, India, China, and South Africa) have openly challenged the hegemony of the US dollar and considered introducing their own currency. What could it look like? It could be a basket consisting of various national fiat currencies or a new gold-backed unit of account. I believe the only challenge to the dominance of the US dollar might come from a gold-backed BRICS money. But even then, the US could also link the US dollar to the Federal Reserve's theoretical gold holdings (which are actually owned by the Treasury). As you can see, dethroning the US dollar will not be easy under the current conditions. Whatever comes from states pursuing their own monetary interests, we should not get our hopes up that the states will provide sound money to the people. If states monopolize money production, they will use it predominantly to serve their own needs.



It may be hard to swallow, but central banks were not created for the greater good but to support the state and special interest groups.

TA: You note that the world needs free market money, and you say it could be anything the market accepts—from gold to cryptocurrencies. Why is market-based money better?

TP: There are only two ways human beings can interact: voluntarily or coerced/violently. Voluntary cooperation is economically and ethically acceptable; coercion and violence are not. The free market is voluntary. In a free market in money, people are free to choose the type of money that best suits their needs and people are free to offer a good people may want to use as money. The outcome will be sound money—simply because no one (in their right mind) will demand bad money. For instance, people could decide to use gold as a base money and implement digital gold payment systems. If people want prosperity and freedom, nationally and internationally, they must abandon fiat monies, end the government's control of money, and embrace a free market in money. The alternative is tyrannical government money, with the unpleasant prospect of eventually ending up with a tyrannical fiat world currency. I hope my book will inform and stimulate discussion on these extremely important issues. ■



If people want prosperity and freedom, nationally and internationally, they must abandon fiat monies, end the government's control of money, and embrace a free market in money.

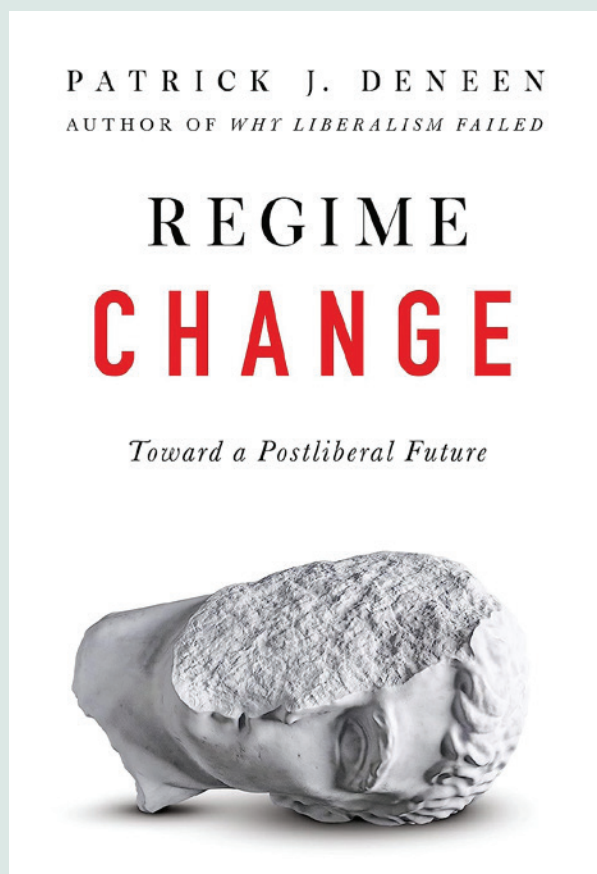


DENEEN'S COMMON GOOD STATISM

REGIME CHANGE: TOWARD A POSTLIBERAL FUTURE

by Patrick J. Deneen

Sentinel, 2023; xvi + 269 pp.



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David Gordon is a Senior Fellow at the Mises Institute and editor of the Mises Review.

It's likely that many readers of *The Austrian* support the free market and also support "traditional" social values, but in Patrick Deneen's opinion, this is an unstable amalgam. Deneen, a political theorist who teaches at Notre Dame, thinks that the market undermines tradition and that those of us who resist the "woke" Left and want to preserve tradition ought to abandon what he sees as an uncritical devotion to the market.

Deneen says that classical and medieval political philosophy recognized that an objective good exists and posited that a political system must take account of the interests of both the few and the many. Liberalism, which comes in classical and progressive varieties, by contrast aims primarily to advance the interests of the elite, and, put into practice, it destabilizes the lives of the masses. As Deneen puts it, "how to reconcile 'the few' and 'the many, is one of the oldest questions of the Western political tradition. . . . By this telling, the aim was a kind of balance and equilibrium between the two classes, and the good political order . . . secured the 'common good,' the widespread prospect for human flourishing regardless of one's class status. The classical solution was rejected by the architects of liberalism, who believed that this seemingly political divide could be solved by advances in a 'new science of politics.'"

A problem with Deneen's contention is apparent at once. According to him, classical liberalism doesn't seek to balance the interests of the few and the many. But he says himself that "the first liberals—'classical liberals'—believed especially that economic progress through an ever-freer and more expansive market could fuel a transformative social and political order in which growing prosperity would always outstrip



economic discontents. . . . It was held to be an article of faith that the inequality and resulting discontents generated by the new capitalist system would be compensated by a ‘rising tide of prosperity.’

If this is what classical liberals thought, they did aim to advance the interests of the masses, not just the interests of the rich. Deneen would respond that the premise the classical liberals relied on is false, or at least dubious, as his reference to an “article of faith” suggests. They deluded themselves into believing that the market would help the poor, but it didn’t, I take him to be saying.

But isn’t it evident that the free market has in fact led to an enormous increase in the lifespans, health, and prosperity of the masses? Does Deneen deny this? He acknowledges that “a rapid increase in economic prosperity” has occurred in the past three hundred years but says that “what classical liberals hope to ‘conserve’ is a revolutionary doctrine that aims at the constant transformation of all aspects of human social organization.”

It is difficult to pin Deneen down. Is his contention that the free market helped the poor economically but that this is outweighed by the disruptive effects of the market on human social organization? Or is it that although economic prosperity increased under the free market, many poor people suffered because they lost their jobs and the gains went mainly to the rich, who viewed those unable to work as idlers who ought to fall by the wayside? I suspect he means both.

If these are his contentions, we can respond to them with an objection that Deneen is likely to take as a compliment. He does not think like an

economist. He does not, that is to say, think in terms of changes at the margin. Which people were displaced by which market innovations? How many of those who were displaced found other jobs, and under what conditions? If, as Deneen contends in his praise for the Tory democracy of Benjamin Disraeli, support for the traditional family and for religion remained strong among the masses, to what extent did the free market disrupt human social organization? Deneen does not ask such questions.

It is odd that although Deneen criticizes supporters of the market for their stress on material gain as opposed to classical virtue—with what justice we shall shortly examine—his prescriptions for contemporary social distempers include a substantial number of measures that he thinks will lead to material gains for the masses. He says, “Domestic manufacturing in certain sectors should simply be mandated. . . . America (and any nation) should seek to improve its competitiveness and productivity by supporting several vital sectors that in turn are vital to a vibrant manufacturing base: infrastructure, manufacturing and R&D innovation, and related forms of education.” Again, he fails to ask what the benefits and costs are of particular amounts of the changes he wants to mandate. Under a



Isn't it evident that the free market has in fact led to an enormous increase in the lifespans, health, and prosperity of the masses?

completely free market, there would be no such mandates at all. What would happen then? Deneen doesn't tell us. (In a note, he refers readers to a book by Oren Cass for more details about the sort of programs he wants, but this does not answer the relevant questions.)

There are some other ill-thought-out aspects of Deneen's economic nostrums. He wants more manufacturing jobs, but he also bemoans the deadening effects of assembly line work. "The great prophet of division of labor—Adam Smith . . . noted that the worker on the assembly line would know a great deal about the limited task to which he had been assigned, but would likely know little about the actual product, much less its greater purpose, nor its sources or likely destination. The assembly-line worker would need to be purposefully limited in understanding, knowledge, and even curiosity." We could ask, as before, To what extent are Smith's claims true and, to the extent they are, how are these effects to be weighed against advantages that result from increases in the division of labor?



But the biggest problem for Deneen is that he endorses Smith's view of the bad effects of the division of labor yet also favors a policy that will increase assembly line work. Or is manufacturing supposed to take place in some other way?

Here is another internal problem for Deneen. As you would expect, he praises Alexander Hamilton for his proposals to promote national manufacturing. According to Deneen, Hamilton "rightly regarded a strong manufacturing base as a basic feature of national security, stability, and prosperity, a view that has been forgotten especially by today's libertarian cheerleaders of free-market globalism. . . . Hamilton emphasized especially the role played by manufacturing in achieving national independence, and the corresponding freedom from the debasement and servitude that inevitably accompany economic reliance upon foreign powers." Three cheers for Hamilton! But less than fifty pages later, when Deneen is criticizing Progressive Era thinkers such as Herbert Croly, he looks at Hamilton rather differently: "Such thinkers were especially suspicious of the more immediate and, in their view, limiting and parochial identities of people as members of towns, communities, states, and regions. In this regard, [these thinkers] were . . . inheritors of the views of at least some of our Founding Fathers, especially Alexander Hamilton . . . who was explicit in *The Federalist Papers* about his hopes that people would ultimately transfer their allegiance from their localities and states to the nation, and identify far more with the political entity that made it possible for them to enjoy their natural rights." Deneen is commendably in favor of the local and the particular but does not attempt to reconcile this position with his support for economic nationalism.

Deneen seems hazy on John Stuart Mill, and this is true also of what he says about Karl Marx. I am puzzled by this comment of Deneen's: "We can think today of the disdain of Bernie Sanders toward the likes of Hilary Clinton, or, earlier, Karl Marx toward Eduard Bernstein." I'm unaware of any negative comment by Marx about Bernstein, who was for many years a friend and disciple of Friedrich Engels. It was not until long after Marx's death that Engels and Bernstein quarreled.

I have saved for last Deneen's biggest mistake about libertarian support for the free market. He thinks that such support rests on denying that morality is objective. John Stuart Mill, hardly

a consistent classical liberal, is the principal intellectual culprit because he “famously sought to replace justifications for the exercise of political power based upon appeal to objective standards of justice and right with more minimalist justifications of perceived harm done by one person to another.” Not only is this a gross distortion of Mill, who thought that his own utilitarianism was objectively justifiable, but libertarianism can be defended by an appeal to natural law, albeit in a version that Deneen wouldn’t accept. The most comprehensive defense of such a view is to be found in a number

of books by Douglas Rasmussen and Douglas Den Uyl, including *The Perfectionist Turn* and *The Realist Turn*. These books show how the free market provides a metanormative framework within which individuals can pursue their Aristotelian flourishing, a task which by its nature is agent relative and not amenable to direction from the state. An Aristotelian ethics of this sort lies at the basis of Murray Rothbard’s *Ethics of Liberty*, and numerous papers by Eric Mack take a position in the same neighborhood. Of all of this Deneen appears entirely unaware. ■

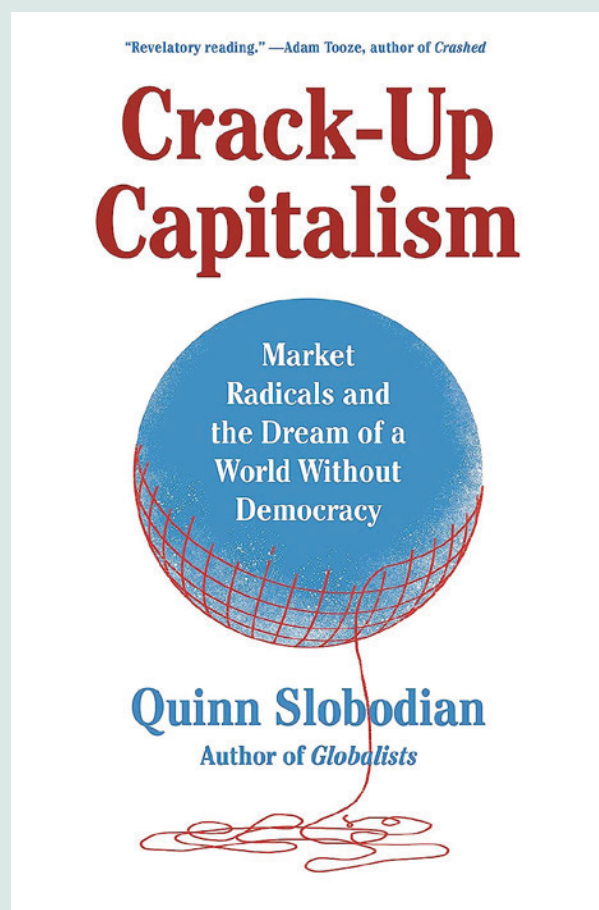


SLOBODIAN CONTRA ROTHBARD

CRACK-UP CAPITALISM: MARKET RADICALS AND THE DREAM OF A WORLD WITHOUT DEMOCRACY

by Quinn Slobodian

Metropolitan Books, 2023; 336 pp.



Use this QR code and the Mises Institute gets credit for your order.



David Gordon is a Senior Fellow at the Mises Institute and editor of the Mises Review.

Crack-Up Capitalism will be of interest to many readers of *The Austrian* because of what it says about Murray Rothbard; and for the most part, I shall limit my review to discussing this. The main point of the book is easy to grasp. In recent decades, the notion of a centralized state has come under fire in various ways, including attempts to secede, to create “enterprise zones” within states, and to establish societies without a state at all. Quinn Slobodian, a professor of the history of ideas at Wesleyan University, does not approve of these developments. They replace democracy with control by capitalists, who exploit workers by offering them low wages and suppressing labor unions and civil liberties.

Although Slobodian teaches the history of ideas, his own ideas lack analytical sharpness. He thinks in pictures, and indeed is very good at giving readers a vivid sense of place. He is particularly effective in describing architecture and has read a great deal. But that is about all I can say in his favor.

Let’s begin with a minor example of his lack of rigor to illustrate the problem. He notes that there are two sorts of libertarians. “Although libertarianism contains many schools and tendencies, they are united by the belief that the state’s role is to protect the market, not to own property, manage resources, direct companies, or deliver services like health care, housing, utilities, or infrastructure. Maintenance of inner and outer security, the protection of private property, and the sanctity of contract, these should be the main role of the government. The main difference . . . is between those who believe in a minimal state (sometimes called minarchists) and those who believe in no state at all (known as anarcho-capitalists.)” Slobodian doesn’t notice that he has said both that libertarians are united



by the belief that the state has limited functions and that some libertarians don't believe in a state at all. And if these limited functions should be "the main role of the government," does this mean you can be a libertarian and think the government can do other things as well?

Now let's see how he deals with Rothbard. According to Rothbard, everyone is a self-owner and can acquire property through a Lockean process of appropriation. But, says Slobodian, Rothbard thought it was all right to take away land from Indians. "Rothbard gave a special status to the pioneer and the settler, whom he saw as the ultimate libertarian actor—"the first user and transformer' of territory. He placed the ownership of 'virgin land' seized and made valuable by labor at the core of 'the new libertarian creed.' To the objection that settlers never found any land truly empty of humans, Rothbard had a rebuttal. North America's indigenous people, even if they did have a right to the land they cultivated under natural law, had lost this right through their failure to hold it as individuals. Indigenous people, he claimed, 'lived under a collectivistic regime.' Because they were proto-communists, their claim to the land was moot."

Where does Rothbard say this? Slobodian refers us to a page in the first volume of *Conceived in Liberty*, but the book is strikingly at variance with Slobodian's account of it. The cited passage is about the attempt of Roger Williams to buy land from Indians in Rhode Island. A few pages before,

Rothbard says, "Williams proceeded to strike another fundamental blow at the social structure of Massachusetts Bay. He denied the right of the king to make arbitrary grants of the land of Massachusetts to the colonists. The Indians, he maintained, properly owned the land and therefore the settlers should purchase the land from them. This doctrine attacked the entire quasi-feudal origin of American colonization in arbitrary land grants in the royal charters, and it also hit at the policy of ruthlessly expelling the Indians from their land. Williams, indeed, was the rare white colonist courageous enough to say that full title to the soil rested in the Indian natives, and that white title could only be validly obtained by purchase from its true owners."

Rothbard agrees with Williams's doctrine. He says that individual Indians owned the land that they cultivated first, exactly the opposite of the view that Slobodian imputes to him, that these Indians lost this right because they ceased to cultivate the land individually. In the passage that Slobodian relies on, Rothbard also says, "While Williams' heart was in the right place in insisting on purchasing all land voluntarily from the Indians, there were important aspects of the land problem that he had not thought through. While the Indians were certainly entitled to the land they cultivated, they also (1) laid claim to vast reaches of land which they hunted but which they did not transform by cultivation, and (2) owned the land not as individual Indians, but as collective tribal entities. In many cases the Indian

tribes could not alienate or sell the lands, but only lease the use of their ancestral domains. As a result, the Indians also lived under a collectivistic regime that, for land allocation, was scarcely more just than the English governmental land grab against which Williams was properly rebelling. Under both regimes, the actual settler—the first transformer of the land, whether white or Indian—had to fight his way past a nest of arbitrary land claims by others, and pay their exactions until he could formally own the land.” Rothbard in the passage consistently maintains his libertarian position that individuals acquire land by bringing it into use. If someone does this, he can’t be deprived of his land, and there are no exceptions for Indians or members of any other group.

Slobodian also offers a misleading account of Rothbard’s position on the Civil War, in this case carrying out distortion through omission. Slobodian says that “Rothbard held a revisionist interpretation of the Civil War. He compared the Union cause to the adventurist foreign policy of the United States in the 1990s: America roved the world looking for monsters to slay in the name of democracy and human rights, a perverse campaign whose outcome was death and destruction rather than any of the stated aims.” A few pages later, Slobodian says, “One of the last talks Rothbard gave before his death took place on a plantation outside Atlanta and envisioned the day when the statues of Union generals and presidents would be ‘toppled and

melted down’ like the statue of Lenin in East Berlin, and monuments to Confederate heroes be erected in their place.”

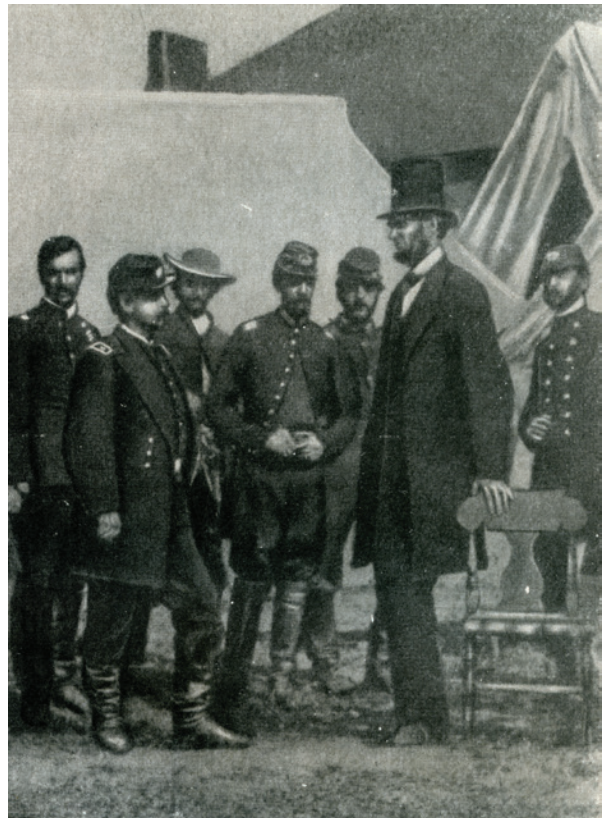
From Slobodian’s account, a reader would get the impression that Rothbard was a neo-Confederate who did not like statues that honored those opposed to slavery. He in fact opposed statues that honored those guilty of war crimes. He *said* in the talk, “We remember the care with which the civilized nations had developed classical international law. Above all, civilians must not be targeted; wars must be limited. But the North insisted on creating a conscript army, a nation in arms, and broke the 19th-century rules of war by specifically plundering and slaughtering civilians, by destroying civilian life and institutions so as to reduce the South to submission. Sherman’s infamous March through Georgia was one of the great war crimes, and crimes against humanity, of the past century-and-a-half. Because by targeting and butchering civilians, Lincoln and Grant and Sherman paved the way for all the genocidal horrors of the monstrous 20th century. There has been a lot of talk in recent years about memory, about never forgetting about history as retroactive punishment for crimes of war and mass murder. As Lord Acton, the great libertarian historian, put it, the historian, in the last analysis, must be a moral judge. The muse of the historian, he wrote, is not Clio, but Rhadamanthus, the legendary avenger of innocent blood. In that spirit, we must always





remember, we must never forget, we must put in the dock and hang higher than Haman, those who, in modern times, opened the Pandora's Box of genocide and the extermination of civilians: Sherman, Grant, and Lincoln. Perhaps, some day, *their* statues, like Lenin's in Russia, will be toppled and melted down; their insignias and battle flags will be desecrated, their war songs tossed into the fire. And then Davis and Lee and Jackson and Forrest, and all the heroes of the South, 'Dixie' and the Stars and Bars, will once again be truly honored and remembered" (emphasis original).

Slobodian also does not tell his readers that Rothbard strongly opposed slavery. Far from agreeing with attempts to make excuses for the "peculiar institution," he *wrote* this in a memorandum to the Volker Fund in 1961, and his position did not change after that: "The road to Civil War must be divided into two parts: 1. the causes of the controversy over slavery leading to secession, and 2. the immediate causes of the war itself. The reason for such a split is that secession need not have led to Civil War, despite the assumption to the contrary by most historians. The basic root of the controversy over slavery to secession, in my opinion, was the aggressive, expansionist aims of the Southern 'slavocracy.' Very few Northerners proposed to abolish slavery in the Southern states by aggressive war; the objection—and certainly a proper one—was to the attempt of the Southern slavocracy to extend the slave system to the Western territories. The apologia that the Southerners feared that eventually they might be outnumbered and that federal abolition might ensue is no excuse; it is the age-old alibi for 'preventive war.' Not only did the expansionist



aim of the slavocracy to protect slavery by federal fiat in the territories as 'property' aim to foist the immoral system of slavery on Western territories; it even violated the principles of states' rights to which the South was supposedly devoted—and which would logically have led to a 'popular sovereignty' doctrine. It is here that we must split our analysis of the 'causes of the Civil War'; for, while this analysis leads, in my view, to a 'pro-Northern' position in the slavery-in-the-territories struggles of the 1850s, it leads, paradoxically, to a 'pro-Southern' position in the Civil War itself. For secession need not, and should not, have been combated by the North; and so we must pin the blame on the North for aggressive war against the seceding South. The war was launched in the shift from the original Northern position (by Garrison included) to 'let our erring sisters depart in peace' to the determination to crush the South to save that mythical abstraction known as the 'Union'—and in this shift, we must put a large portion of the blame upon the maneuvering of Lincoln to induce the Southerners to fire the first shot on Fort Sumter—after which point, flag-waving could and did take over."

Slobodian's book has elicited praise from some eminent leftist worthies, but it isn't what it is cracked up to be. ■

SIGN UP TODAY

MISES IN **NASHVILLE**

Saturday, September 23, 2023
Against Our Limitless Regime:
An Empire of Lies



Michael Rectenwald



Karen Kwiatkowski



Ted Galen Carpenter



Jonathan Newman



The American regime accepts no limits on its power. It prints trillions of dollars, regulates speech, and foments wars across the globe. As Ludwig von Mises understood, the state will take as much power as the people will let it, and in recent years the American regime has clearly concluded it can get away with unilaterally adopting vast new powers.

Join us for an event inspired by this unbridled siege of power and one of Ron Paul's favorite lines: truth is treason in the empire of lies.

Our brave speakers have dedicated their careers to rejecting the regime's propaganda at a personal cost: Ted Galen Carpenter, Michael Rectenwald, Karen Kwiatkowski, and Jonathan Newman. Carpenter will cover the national security state's global growth and the drive for a new, endless cold war. Rectenwald will examine how the regime seeks to control our schools, our families, and even our speech by denouncing everything it dislikes as "hate." Kwiatkowski will discuss the corrupt political influence on military intelligence. Newman will explore how the Federal Reserve has taken on vast new powers to manipulate markets, prop up government spending, and enrich favored elites.

The media, which enthusiastically supports the regime in its pursuit of power, blindly refuses to acknowledge that these new powers go far beyond what the taxpayers and voters imagined to be possible. In other words, you won't hear about any of this on cable TV or in the *Washington Post*. Our speakers won't hold anything back, however. This event is not for those content with the comfortable narrative peddled by the corporate press but for those interested in understanding the true face of the American regime.

Join us and meet up with like-minded individuals from around the country to freely engage in conversations that could get you kicked off most social media platforms.

The event will take place at the Grand Hyatt in Nashville, Tennessee. Registration is \$95 for Mises Members and \$125 for nonmembers, and includes a catered lunch. There will be a social hour after the event with our speakers and an open bar. Tickets are \$50. Tentatively, the event will begin at 11:00 a.m. and conclude at 3:00 p.m.

For more information contact Rachael Barefield at (334) 321-2147 or rachael@mises.org. For student scholarships go to mises.org/nashvillestudent. ■

STUDENT SPOTLIGHT



MANUEL GARCÍA GOJON

2023 MISES RESEARCH FELLOW
Sponsored by the Conant Family Foundation



Tho Bishop (TB): How did you discover Austrian economics and the Mises Institute?

Manuel García Gojon (MGG): In Monterrey, Mexico, where I am from, we culturally regard entrepreneurs as heroes and politicians as an inevitable nuisance, so from an early age, I was inclined to favor free enterprise over government intervention.

In my freshman year of high school at Portsmouth Abbey School, I took an ancient history course. A research project on a historical character from *Plutarch's Lives* was a requirement of the course. My paper compared the political philosophy of Publius Valerius Poplicola with what Alexander Hamilton wrote in the Federalist Papers. This project was the beginning of my love affair with research and my introduction to the ideas of the anti-Federalists, which led me down a rabbit hole that resulted in YouTube recommending recordings of the lectures from Mises University.

Once I understood what economics is really about and the particular focus of the Austrian school, there was no going back.

TB: You're currently pursuing a PhD in economics at George Mason University, can you explain your research focus and plans for the future?

MGG: My special interests are monetary sociology and Austrian thought. I am writing my dissertation on the nascent subject of monetary sociology, which seeks to understand the effects of monetary

phenomena in general and monetary policy in particular on sociological phenomena such as family formation, structure, and resilience, as well as countersocial behavior like drug addiction, vulgarity in language, and suicide. With my research I seek to bring about a deeper understanding of the destructive effects of monetary policy beyond the structure of production, upon the fabric of society.

TB: You are a repeat Mises Institute Research Fellow, which has allowed you to attend a number of our academic programs. How have these helped with your research focus? Are there any particular scholars whose work or guidance has been particularly helpful?

MGG: I first attended the Austrian Economics Research Conference, which played a key role in my decision to spend a summer at the Mises Institute as a Research Fellow. It was my first summer, in turn, that played a key role in my decision to fully commit to an academic path.

When I left Portsmouth Abbey School in my sophomore year, I was deeply disappointed to find that not all high schools were as academically challenging. It was not until I first arrived at the Mises Institute that my longing for an intellectually stimulating community was satisfied.

When reading alone, projecting one's assumptions is unavoidable, so sometimes we misunderstand what we are reading. Rothbard Graduate Seminar is a great way to disabuse oneself of many erroneous notions about the magna opera of the Austrian school, as one will be politely yet firmly challenged when making a





mistake. On this point, I am particularly grateful to Drs. Salerno, Herbener, and Gordon.

Mises University provides Fellows with the opportunity of assuming a leadership role among the students, to help guide others down the path one has taken and to start cultivating teaching skills.

The Research Fellowship itself has trained me to be a clearer thinker and a more effective writer. My interaction with other Fellows and with the faculty has taught me that simply writing down my line of reasoning will not help every reader understand my conclusion and that starting with the conclusion and featuring it at every step will achieve a higher level of comprehension.

TB: We have seen growing interest in Austro-libertarian ideas in Latin America, where institutions like Universidad Francisco Marroquín have created intellectual centers for scholars within the Austrian tradition. In Mexico, TV Azteca for a while provided a platform for libertarian intellectuals. What are your thoughts on the intellectual environment in Latin America?

MGG: Milton Friedman is rapidly losing standing as the Left's intellectual bogeyman throughout Latin America and is being replaced by Hayek and Mises. Universities are still far away from including the Austrian school in their syllabi, but Austrian economics has begun making an appearance in the conceptual repertoire of television pundits.

The internet has played a central role in this dissemination of ideas so that the reach of contemporary intellectuals is greatly expanding in Latin America. The internet offers forums in which Mexican, Spanish, Argentine, Chilean, and other Spanish-speaking voices can be heard. Though the specific problems of every nation differ at a given time, they do tend to rhyme, and the conversation about common principles helps everyone.

TB: In one of your articles for the *Mises Wire*, you wrote about Argentina's prospects of having a Rothbardian president. Javier Milei is a

self-professed Rothbardian who has had some very strong polling in recent months. Some pundits have compared his populist style with that of Donald Trump and Brazil's Jair Bolsonaro. Given that Argentina has had recurring monetary and economic issues, including the current period of prolonged inflation, do you think Milei's political rise is real, and is it a model for other Latin American countries?

MGG: Even if Milei does not win the election, his attempt will have a deep and lasting effect. I would speculate the campaign to be even more significant than the 2012 Ron Paul campaign.

The core of Milei's support can be found in young men, regardless of socioeconomic background. Over 40 percent of men 18 to 30 years of age support Milei as their first choice among four competitive candidates.

Even people whose main occupation is food delivery are saving up to buy books on Austrian economics and are conversant in the arguments behind Milei's plans to reduce government spending, loosen labor laws, end protectionist measures, and abolish the central bank. However, not everyone is a passionate defender of the principles of liberty behind Milei's plan.

The youth is generally rebelling against the progressive status quo, as is also occurring in some parts of continental Europe. It is possible that this phenomenon will spread across Latin America, especially in countries where economic conditions are dire, but a figure with the specific combination of characteristics that Milei has might be a once-in-a-generation phenomenon.

Milei does not like to be perceived as populist because of the negative connotation it carries, saying that people confuse being a populist with being popular. What makes him particularly interesting from an Austrian point of view is that he is a late convert. He was as neoclassical as they come for over two decades, and when he came into contact with the Austrian school in 2014, he had the intellectual humility to recognize that a lot of what he had been teaching was wrong. His presence first on television and now in the political arena has moved acceptable dialogue for Argentines from regarding people calling for economic liberty as outcasts to debating the feasibility of a legal market for organs.

It does feel to me as if the present is pregnant with a significant paradigm shift in Latin America. That is a positive happening. ■



The Mises Apprenticeship Program is designed for young people who want to fight in the battle of ideas from outside the ivory tower. We are proud to introduce three of our apprentices. They are talented, engaged, and ambitious young people who have committed their voices to educating and communicating with the current generation to heighten economic literacy and respect for individual liberty—two cornerstones necessary for a civilization to flourish.

Sam Peterson

Sam is an economics student at Grove City College studying the relationship between culture and economics. Sam has already distinguished himself as a writer, publishing on the *Mises Wire* and winning the 2023 Kenneth Garschina Graduate Student Essay Contest celebrating the sixtieth anniversary of Murray Rothbard's *America's Great Depression*.

Jess Gill

Jess is a dynamic content creator working in the liberty sphere. Her Instagram and TikTok videos promote economic literacy and respect for individual liberty. She has also been a vocal opponent of the leftist narratives that have taken over British youth politics.

Mackenzie Ballenot

Mackenzie is a young mother and a Mises University alum. Since her time at Mises U, she has become a prolific content creator on Instagram, Twitter, and YouTube promoting the works of Hans-Hermann Hoppe, Murray Rothbard, and Lew Rockwell.

Support our Apprenticeship Program today.
[Mises.org/apprentice](https://mises.org/apprentice).



Sam Peterson



Jess Gill



Mackenzie Ballenot

MISES IN RENO

Engaging Friends and Supporters
on Culture and Freedom

The Austrian | Vol. 9, No. 4 | July-August 2023

The Duke Lacrosse Case:
How a Lie Became Official
Campus Policy

Bill Anderson
Senior Editor, Mises Institute



Supporters and friends of the Mises Institute gathered in Reno, Nevada, on May 20 for fellowship and to hear speakers on the role of culture, civilization, and private property in promoting and maintaining free societies. Held at the Depot Craft Brewery and Distillery in downtown Reno, the event featured Ron Unz of the Unz Review, David Gordon, Thomas DiLorenzo, and William Anderson of the Mises Institute.



There were eighty-five attendees, and they came from as far away as Virginia, Texas, and Idaho. There were also strong contingents from nearby California and, of course, Nevada. William Anderson talked about the infamous Duke lacrosse case and its aftermath. One of the unfortunate results of the case was the expansion of Title IX criteria to include accusations of sexual assault on college campuses, something that has led to numerous false accusations.

David Gordon described how academia and the media have rejected the wisdom of Western writers not because of what they wrote, but rather because of who they are: dead white males. He argued that using identity as the main criterion for determining truth will lead away from knowledge and ultimately imperil civilization itself.

Thomas DiLorenzo looked at how the US government has violated private property rights. Drawing on his extensive knowledge of the Lincoln administration, he explained how Abraham Lincoln supported Henry Clay's American System, which aimed to supersede free markets through government regulation of the economy. DiLorenzo also explained how Lincoln's presidency launched a needless war



to prevent Southern secession from the Union, leaving nearly a million Americans dead and much of the South in ruins.

The final speaker, Ron Unz, spoke on "the decline of America," telling those present: "Every day, more and more Americans are awakening to the reality that the institutions in control of this nation are failing them." From the covid lockdowns to the great inflation, Unz explained, progressives are gaining wealth and power at the expense of everyone else. ■





MISES AT BITCOIN 2023

By Connor O’Keeffe

In 1976, Murray Rothbard wrote: “Strategy represents an essential, even though neglected dimension of political activity. While the analogy should not be carried too far, a strategic framework may be viewed as performing a function similar to the function of the price mechanism within the economic system: the allocation of scarce resources among competing goals. In other words, strategy enables a political movement to undertake a systemic and explicit ordering of priorities which in turn enables the movement to allocate its scarce human and financial resources in the most efficient manner possible.”

Throughout his career, Rothbard embodied this insight, becoming what Roy Childs termed an “ideological entrepreneur.” He constantly worked to understand current conditions to best allocate his time and effort.

He moved from right to left and back again—never sacrificing his principles but rather adjusting his tactics to best fit the moment he found himself in.

It’s crucial that we at the Mises Institute, as an organization and as part of a movement, also work to understand the moment we find ourselves in and adopt the best tactics.

In May, the Mises Institute attended Bitcoin 2023 in Miami Beach. It was the Institute’s first time at the annual conference. We were given a booth right in the heart of the Miami Beach Convention Center, where for three days we handed out reading material, spoke with attendees, and raffled off Mises silver rounds.

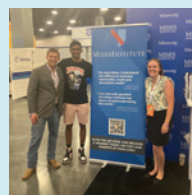
Even as someone who isn’t much of a bitcoiner, I quickly realized that our attendance at the

conference was an excellent use of the Institute's human and financial resources and that, going forward, we need more of a presence in that world.

We talked with over a thousand people. Around 20 percent knew about the Mises Institute, and of the 80 percent who had never heard of us, about half were already familiar with Austrian economics.

Not all Mises Institute supporters are bitcoiners, but it's important to keep in mind that bitcoiners make natural Mises Institute fans. And, the bitcoin movement is where most of the passion for sound money and hatred for central banking reside today. And there's no better resource for understanding the problem with the current monetary system than mises.org. I believe we need to capitalize on that.

We find ourselves in a moment where—after decades of money printing has devalued the dollar, destroyed savings, and left our economy needing a painful correction—an energetic movement has grown up around a possible solution to our recurring monetary nightmare. Whether we join them in advocating their solution or simply in opposing the problem, the bitcoin movement is full of energy worth tapping into.



AUSTRIAN ECONOMICS IN NIGERIA

On June 10, Freedom Institute Nigeria, founded by a scholar inspired by the Mises Institute, held an event "Fixing the Nigerian Economy in Three Easy Steps."

This seminar attracted almost fifty Nigerian scholars and included presentations on the fundamentals of Austrian economics, the virtues of free trade, the cultural consequences of inflation, and Austrian business cycle theory. Attendees received a copy of Murray Rothbard's *The Case against the Fed*.

The Mises Institute appreciates the work of such organizations to help introduce new minds to the work of Ludwig von Mises, Murray Rothbard, and the Austro-libertarian tradition.

To learn more about Freedom Institute Nigeria, contact econbrea@gmail.com or follow them on Twitter (@trueeconbrea).



RGS 2023

Rothbard Graduate Seminar



In “Egalitarianism as a Revolt against Nature,” Murray Rothbard said: “In short, the portrayal of an egalitarian society is horror fiction because, when the implications of such a world are fully spelled out, we recognize that such a world and such attempts are profoundly antihuman; being antihuman in the deepest sense, the egalitarian goal is, therefore, evil and any attempts in the direction of such a goal must be considered evil as well.” This quotation expresses the spirit that animated June’s annual Rothbard Graduate Seminar.

This year, students were charged with studiously analyzing Murray Rothbard’s *Power and Market: Government and the Economy*, along with other writings by Rothbard and Ludwig von Mises. The students responded enthusiastically to a key theme in these works: the free market is the best solution to the economic and social problems we face today, and deference to the state and its imposition of enforced equality is the road to disaster. Presiding faculty included Professors Joseph Salerno, Mark Thornton, Jeffrey Herbener, Peter Klein, Jonathan Newman, Patrick Newman, and the incomparable David Gordon.

Thanks to the generosity of Ms. Alice J. Lillie, thirteen graduate students representing nine different colleges and universities, including George Mason University, Universidad Rey Juan Carlos, the University of Angers, and Grove City College, had the priceless opportunity to attend this riveting weeklong seminar. ■



KINDERGARTEN OR GRADUATE SCHOOL, IT IS ALL ABOUT PRINCIPLES

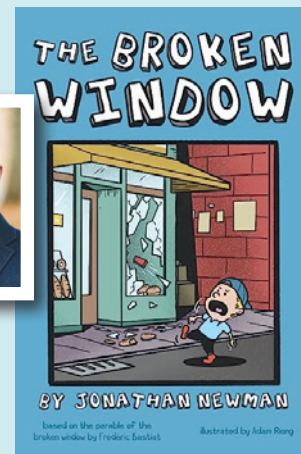
By Connor Mortell

As a Research Fellow at the Mises Institute, I am surrounded by brilliant professors who teach at universities across the world. My teaching experience has been very different. Most of it comes not from teaching college, but from teaching kindergarten and first grade. In teaching both, I found that more often than not, my younger students understood the world much more clearly than college kids. However, they were still five years old, and the most economics I could pass on to them was which coins were worth how much. That is, until I was presented with a game-changing resource, Dr. Jonathan Newman's *The Broken Window*.

Propelled by rhymes, *The Broken Window* takes kids through the entire argument of the broken window fallacy. We follow our heroes, Henry and Fred'ric—named after the great economists Henry Hazlitt and Frédéric Bastiat—as they explain what is wrong with breaking a window only to give the glazier and the window installer work. The kids learn to “consider the seen, and the unseen as well. You’ll think much more clearly, as clear as a bell.”

This is a phenomenal way to teach children to think like economists as they begin their learning journeys. They might not ask Mom and Dad for *Human Action* after they finish the book, but they will certainly be impacted by its lessons. While how my students will go on to think as economists is yet to be seen, I can already tell that they are considering the unseen in their more simple behaviors at recess and in the lunch line.

However, the book’s usefulness does not end with kindergarten. I was lucky enough to run my local middle school’s economics club, where *The Broken Window* was a big hit. It was certainly below their reading level, but at the end of the book, Dr. Newman provides a “nonrhyming explanation” of the broken window fallacy that middle schoolers can easily understand. I had middle schoolers coming to up me referencing

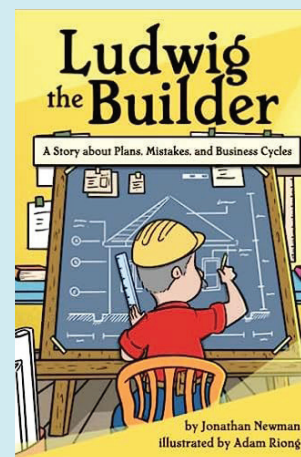


broken windows, counterfactuals, and opportunity costs! Heck, I even had parents and teachers asking for the nonrhyming explanation so they could better understand economic concepts that they once considered too complicated even for themselves.

Luckily for parents and teachers everywhere, Dr. Newman recently released a follow-up book, *Ludwig the Builder*.

In this book, Dr. Newman breaks down Austrian business cycle theory in very similar fashion. He takes a concept that many adults struggle with and presents it in a way that a five-year-old can understand intuitively. While my career with kindergarten and first grade is unfortunately behind me, I have already reached out to other teachers and informed them of the benefits of these books. The future looks very bright knowing that there are young students out there beginning their economic learning with Dr. Newman, Henry, Fred'ric, and Ludwig.

You can purchase these books in the Mises Bookstore. Call 334.321.2115 or go to mises.org/store.



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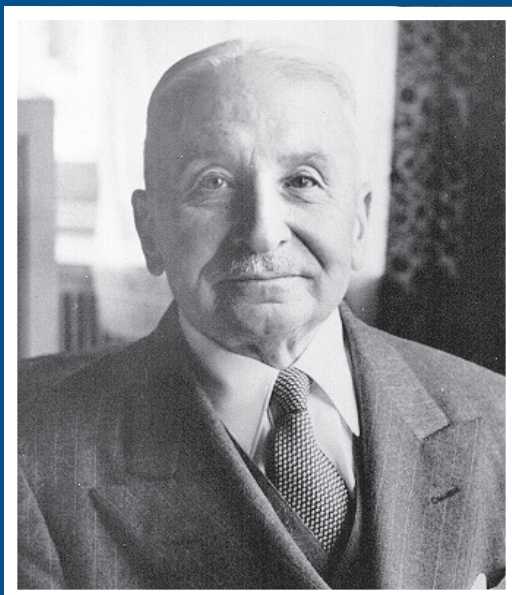
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