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**EASY MONEY
UNDERMINES
SOCIAL
MOBILITY**

by Karl-Friedrich Israel

**HOW
GOVERNMENT
MEDDLING
MAKES US
POORER**

A conversation with
Senior Fellow Per Bylund



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From the Editor



The Austrian | Vol. 9, No. 5 | September-October 2023

RYAN McMAKEN

Ryan McMaken is executive editor of the Mises Institute and editor of *The Austrian*.

Monetary policy is never neutral. It benefits some while impoverishing others.

Over the past year, countless mainstream economists have shown a tendency to become upset when anyone suggests the economy isn't great for everyone. The drive to convince everyone that things are swell began in 2022 and has continued through the whole summer. For example, last month Tyler Cowen penned an article in Bloomberg titled "The Economy Is Great. Stop Worrying about It." Similarly, in July a columnist for the *Harvard Gazette* insisted "the economy keeps getting better." In mid-September, Paul Krugman told Christiane Amanpour on CNN that the economy is "surreally good" and that those who disagree suffer from a "profound and peculiar disconnect."

Even by mainstream standards, these proclamations are plainly bad economics. These economists often fixate on a single nationwide data point: total employment. Meanwhile, they ignore the fact real wages went down for two years during 2021 and 2022. These economists act as if rents and home prices were no big deal for first-time home buyers and people on fixed incomes. The economists pretend a rapidly rising cost of living—coupled with rising consumer debt—is not a reality for millions of Americans. Instead, the economists look at a few averages and tell us things couldn't be better.

An even bigger mistake they make is ignoring the lost wealth and opportunities that we have endured thanks to relentless government intervention. This is one area where the Austrian school is especially insightful. The official government stats—which don't even show us a very impressive economy—only show us the "seen." But as Austrians, we want to look deeper into the *unseen* realities of the economy.

Clearly, the question, "Are we getting poorer?" is an important one. But bad economics will give us only bad answers. In this issue of *The Austrian*, to better answer this question, we take a closer look at the real costs of monetary inflation and government regulations. We are reminded that the unseen costs are numerous, unpredictable, and unfortunate.

First, Mises Institute Fellow Karl-Friedrich Israel looks at how monetary intervention by central banks makes it harder for ordinary people to get ahead. Central banks increase economic inequality by favoring large asset owners over ordinary workers. Inequality, of course, is a natural feature of any economy. But when inequality is driven by central bank policy it's the result of forced redistribution from one group to another. Monetary policy is never neutral. It benefits some while impoverishing others. In 2023, it is ordinary people who are impoverished most. They face relentlessly rising costs and increasingly struggle to save and invest. These issues have only intensified with increasing central bank activity since the financial crisis of 2008. Yet this is all largely unseen.

Israel's article is followed by an interview with Senior Fellow Per Bylund, author of *The Seen, the Unseen, and the Unrealized*. Bylund reminds us that the true costs of government regulation are often measured in the many jobs that aren't created, the many entrepreneurs who aren't allowed to compete, and the products that aren't brought to market. From minimum wages to antitrust laws, regulations tend to harm the most vulnerable groups. Like monetary inflation, these interventions increase artificial inequality and rob workers of income and wealth.

In these pages you'll also find two new book reviews from David Gordon. One examines the latest antimarket and antifreedom book from conservative activist Sohrab Ahmari. The other review features an important new book on economic development from Senior Fellow Shawn Ritenour.

You'll also find lots of news about the Mises Institute, our students, our resident research fellows, our events, and more. For more than forty years, the Mises Institute has been a much-needed workshop and oasis for students, teachers, and scholars seeking to do new work promoting sound economics, accurate history, peace, and freedom. We continue to push forward with new books, articles, lectures, and programs every year. Keep reading to find out more. ■

EASY MONEY UNDERMINES SOCIAL MOBILITY

INFLATION



Central banks around the world target a stable price inflation rate of 2 percent annually over the medium term. This is widely considered to be monetary policy's most important contribution to the smooth functioning of a dynamic economy. This view is wrong on multiple grounds, but there is one problem with it that is commonly ignored. Inflation, even if it remains relatively moderate, can contribute to rising inequality and undermine social mobility. It therefore poses a serious threat to a free and market-based economy. Few things are as potent as inequality, especially inequality caused by the inherently unjust process of inflation, in stimulating further fiscal interventions, higher taxes, and redistribution.

Inflation, even if it remains around 2 percent, creates strong incentives for households to change their saving and investment behavior. Both kinds of changes affect the distribution of income and wealth.

As money loses its purchasing power over time, households are incentivized to redirect their savings into asset classes that can potentially protect them against that loss. Inflation therefore generates an overproportionate shift in demand from nominal assets, such as cash and deposits, to real assets, such as stocks and real estate. The inflationary process thus generates overproportionate asset price inflation. European real estate markets provide one of the most striking examples in recent decades: housing price inflation



Karl-Friedrich Israel

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Inflation, even if it remains around 2 percent, creates strong incentives for households to change their saving and investment behavior. Both kinds of changes affect the distribution of income and wealth.

has swept all European Union countries, though the onset has admittedly been staggered.

When the euro was introduced in 1999, it took only eight years for average housing prices in France and other southern European countries to double. During the same period housing prices in Germany remained constant. Only after the outbreak of the financial crisis of 2007 and with the advent of quantitative easing did housing prices in Germany begin to increase. They have since doubled. In France there was no correction of housing prices after the crisis. They remained high and have increased even further in recent years.

Overproportionate asset price inflation can be observed in many other markets. The German stock market index DAX, for example, has increased by about 4.5 percent annually since the introduction of the euro. During that same period, the German economy has grown only by about 1.2 percent per year in real terms and average consumer price inflation has been calculated to be about 2.0 percent per year, including the most recent spike.

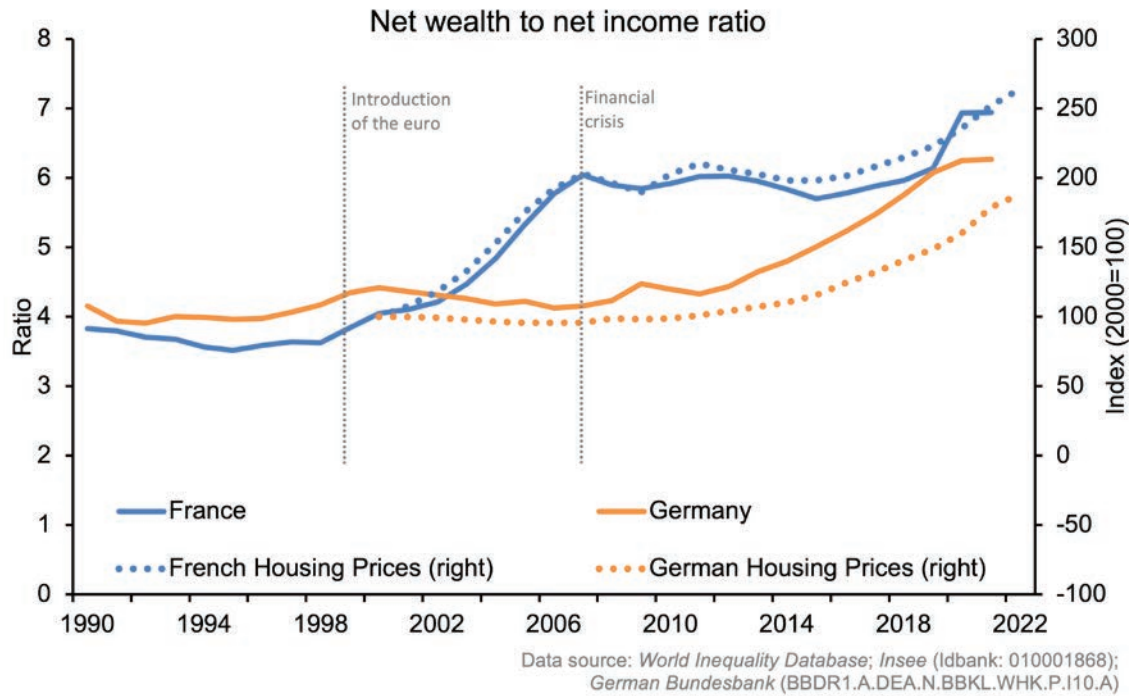


The overproportionate rise of asset prices has direct implications for wealth inequality. The gap between those who own assets and those who do not (yet) own assets increases. Households that own assets whose prices rise overproportionately enjoy a positive wealth effect from inflation and become richer relative to others.

As the existing wealth distribution is reinforced, it becomes harder to climb up the wealth ladder without a higher income. Social mobility is thus undermined. One common statistic used to analyze social mobility is the wealth-to-income ratio. As the graphic shows, both France and

The overproportionate rise of asset prices has direct implications for wealth inequality.





Germany have seen strong increases in their wealth-to-income ratio. These increases are closely tied to the inflation of housing prices. An increase in the wealth-to-income ratio indicates that the monetary value of total wealth has increased relative to total annual income. The higher the wealth-to-income ratio, the higher the opportunity costs of climbing up the wealth ladder.

This can be illustrated by a back-of-the-envelope calculation. Imagine a wealth-to-income ratio of 3.5, as in France during the mid-1990s. At that time the monetary value of total wealth in France was 3.5 times as high as the total annual income of the French population. This ratio implies that starting from zero with an average income and a saving rate of 10 percent, all else held constant, it would take thirty-five years to build up an average wealth position from zero. If the wealth-to-income ratio is 7.0, as in France today, it would take seventy years. This means that people starting from zero must work longer and sacrifice more in terms of consumption forgone to make it to the average wealth position. Discouragingly, building up wealth for the future has become harder.

The situation is even worse when you keep in mind that most people do not receive an average income. The income distribution is skewed, and many people remain below the average.



Households that are dependent on labor income are especially harmed by rising wealth-to-income ratios because the growth rate of wages lags far behind that of asset prices.

This, too, can partly be explained by inflation and a crowding-out effect in investment behavior. Overproportionate asset price inflation makes *speculative* investments, that aim at making a profit from simple price hikes by buying and selling at the right moment, more attractive relative to *productive* investments in the real capital stock. But productive investments are needed to increase labor productivity and real wages in the long run. A lack of productive investments undermines the growth of real wages and thus hits wage earners hardest.

To understand the above analysis, it is important to realize that the wealth-to-income ratio does not say anything about the living standard. The ratio can be high in very poor countries, and it can be low in very rich countries. The ratio of the

Households that are dependent on labor income are especially harmed by rising wealth-to-income ratios because the growth rate of wages lags far behind that of asset prices.



United States, for example, is lower than that of France, despite the fact that Americans are richer on average. Even though we observe the same overall trend toward a higher ratio in the US, the American ratio had never exceeded 5.4, its value at the peak of the housing bubble, until 2020, when it was pushed above 6.0.

One reason why the wealth-to-income ratio is still lower in the US than in many European countries is taxation. In Europe, income, especially labor income, is taxed more heavily than in the US. This is one thing that the US has still going for it: incomes are allowed to be relatively high, and it

is easier to make it to the top half of the wealth distribution even if you come from a modest background. In Europe it is difficult to advance without owning wealth in the first place.

This is, of course, only a relative advantage for Americans. The overall trend is the same. It certainly does not hurt to inherit some wealth as an American. In the US, too, there are big strata of the population that feel left behind and have the suspicion that the system is rigged against them. And this suspicion is not entirely unjustified. These developments can be very dangerous if their causes are not properly understood.

A fortune made through production is a fortune made by serving others. But a fortune made from inflation is a fortune made at the expense of others.



The European administration is currently preparing to create a centralized wealth registry of all European households, which would make the implementation of wealth taxes easier and more efficient. The official goal of the registry is to fight crime. The administration is not openly saying that taxation of wealth is planned, but the registry would be an obvious means to fight against inequality—an issue of growing concern. And the people are more likely to fall for such fiscal measures if they feel that the inequality is fundamentally unjust, which it is if it is based on inflation.

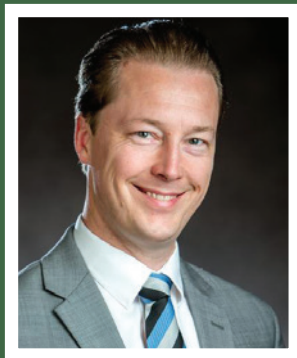
The right way to tackle the problem of inequality is to end inflationary monetary policies. This would not eliminate inequality completely because any dynamic and prospering economy will bring about inequalities. But if inequalities are the result of productive action, they do not go against a common sense of justice. A fortune made through production is a fortune made by serving others. But a fortune made from inflation is a fortune made at the expense of others. Putting an end to inflationary monetary policies would prevent the latter and the unjust inequalities that come with them. ■





HOW GOVERNMENT MEDDLING MAKES US POORER

A conversation with Senior Fellow Per Bylund



Per Bylund

Per Bylund is a Senior Fellow of the Mises Institute and associate professor of entrepreneurship and Johnny D. Pope Chair in the School of Entrepreneurship in the Spears School of Business at Oklahoma State University, and an Associate Fellow of the Ratio Institute in Stockholm. He has published research in top journals in both entrepreneurship and management as well as in the Quarterly Journal of Austrian Economics and the Review of Austrian Economics. He is the author of How to Think about the Economy: A Primer, The Seen, the Unseen, and the Unrealized: How Regulations Affect our Everyday Lives, and The Problem of Production: A New Theory of the Firm. He has edited The Modern Guide to Austrian Economics and The Next Generation of Austrian Economics: Essays In Honor of Joseph T. Salerno.

The Austrian (TA): At mises.org, we've focused a lot on how monetary policy can increase inequality and impoverishment. But the same could be said of many other non-central-bank interventions in the economy. What are some of these interventions that are making us worse off?

Per Bylund (PB): I think what is important to remember is that any change in the economy implies a shift in the production structure and thus in how resources are used. This includes innovations and entrepreneurship ventures, which outbid other producers and therefore replace other production. While we can use more or less natural resources, we don't actually add much to the economy—we figure out new ways of doing things and new things to do. This is why it is so important that such changes are directed toward value creation, so that resources are shifted toward creating more value. What was replaced by the promise of facilitating greater consumer satisfaction.

Interventions also cause similar changes, but they do so not in order to facilitate greater satisfaction but to shape production or consumption by imposing restrictions. So instead of shifting production from value creative to *more* value creative, what interventions do is shift from value creative to *less* value creative. It then follows that we get less investment in value-creative types of productions that are affected by the restriction and more investment where there would otherwise not be as much. This of course distorts the production structure. Investments in production are not about directing capital amounts, but about creating productive capital: building factories, laying railways, constructing machines, etc.

Investments in pursuit of consumer satisfaction are perfectly fine and the means of progress—they are how we improve our standard of living. But investments in pursuit of something else in fact lower our standard of living by shifting production and the capital structure toward lesser value creation. So we're missing out on what we otherwise would have and getting more of what entrepreneurs would otherwise not have chosen to produce. Both are negative from a consumer and general prosperity perspective.

What's worse—which I discuss in my book *The Seen, the Unseen, and the Unrealized*—is that these changes aren't just temporary losses that we then recover from. The reason is that there are long-lasting consequences for the structure of production: real resources do not go to their highest-valued uses but



It is important to not lose track of the littlest of guys in production, who are not—at least not in the developed world—entrepreneurs or small business owners. They’re the workers. And they get jobs where jobs are made and offered by entrepreneurs.

are instead made into factories, machines, and goods of lower value. And other entrepreneurs follow up on those creations cumulatively.

So, for example, the US space program, which is often hailed as something that caused a lot of growth, directed resources away from where consumers wanted them toward developing space travel capability, which in turn facilitated other innovations based on those discoveries. Fake economists point to these discoveries, such as the GPS navigation system, as a “free lunch” that we received only because of the space program.

This may be, but it means nothing unless we compare it with the opportunity cost: what otherwise would have been. The enormous resources that were directed into placing a man on the moon were directed away from what would have benefited consumers more. And we also lost the follow-up investments that entrepreneurs would have made based on those now-lost discoveries and production capabilities.

We got GPS navigation, but what did we not get? It would most likely have been much more valuable than GPS because it would have been entrepreneurial value creation building on higher-value production. We would be on a much higher value-creative trajectory overall.

TA: A lot of these government regulations and interventions, like minimum wage laws, are supposed to help “the little guy.” Do these actually make people better off?

PB: On net, no. Regulations imposed on production or consumption place the economy on a lower value-creative trajectory and therefore a lower standard of living. But there will of course be relative winners and losers among producers (including workers).

Some will benefit from a regulation by either seeing less competition or an artificial inflow of capital to their industry. They will expand their production capabilities and output, which is part of the distortion of the production structure.

Others will not see or will be restricted from pursuing the opportunities affected by the regulations. They will either pursue other, lower-value opportunities or not pursue any at all. It's possible that we get less innovation and entrepreneurship overall.

That hardly benefits the "little guy."

I think it is important to not lose track of the littlest of guys in production, who are not—at least not in the developed world—entrepreneurs or small business owners. They're the workers. And they get jobs where jobs are made and offered by entrepreneurs. So if entrepreneurs are restricted to pursuing lower-value opportunities, then they will hire workers at lower salaries. And probably fewer workers too.

TA: We hear a lot about big corporations and how there isn't enough competition in the economy. What role has government intervention played in the amount of competition in the marketplace?

PB: What matters is not really the number of producers of something, but the potential for an industry or business to be disrupted. It is not because of Pepsi and Jolt Cola that Coca-Cola increases productivity, keeps prices low, and creates sodas with new flavors. It is because of the threat that *someone*, whether incumbents or new entrepreneurs, will introduce a drink that pulls the rug from under their feet that they have to innovate and invest in producing new goods.

So I think government plays two roles here.

First, it artificially raises the barriers to entry by imposing all sorts of restrictions. Very often these barriers take the form of higher costs of doing business, which of course affects new entrants—and *potential* entrants—more than those that have already established a positive cash flow.

Second, the government tries to "enforce" competition in industries by threatening those businesses that become "too large" (whatever that means). Imagine a business that invents a safe and effective cure for cancer and therefore quickly establishes a de facto monopoly on this market. (Let's leave patents out of the story for now.) The government might step in to split

the company into several in order to make the market competitive. But what they're really doing is harming that company, and therefore those suffering from cancer. The result is not an improvement for consumers. Every innovation is necessarily introduced by a single seller to begin with. That's not a problem. The problem is if others cannot compete or challenge the innovator by offering something of greater value to consumers.

So government's attempt to make the market work better really is a double whammy on entrepreneurs, which means consumers lose out.

Instead of shifting production from value creative to more value creative, what interventions do is shift from value creative to less value creative.





TA: Even if it were easy for new competitors to enter the marketplace and challenge big firms, wouldn't those big firms just buy up all the competition? Why not?

PB: They could try. And we see this in, for example, Big Tech companies. Google, Microsoft, and other corporations with financial “muscle” buy out entrepreneurs. There are two problems with thinking this is a free-market issue. It is not.

First, if there are no barriers to entry, then the large corporation would need to buy up every entrant and there would be no end to new entrants. In fact, that they buy out new competitors is a reason for new entrants! Many new technology businesses are started today with the aim of being bought up. It's the exit plan of the entrepreneur and investors.

Second, the large corporation can—and probably should—buy small businesses with promising innovations in order to extend its profitability.

It's really a way of outsourcing research and development. And they're also casting a much wider net in terms of imagination and ingenuity because they are not limited to the people they have employed. What's wrong with that?

Nothing, except for things like patents, which create artificial monopolies of ideas. So large corporations might buy small businesses to get their hands on the patents, either to get the right to use them—or, probably more commonly, to kill the ideas. If there was no patent, it would not be possible to stop an idea because anyone could copy or adapt it and make new products.

TA: You have noted that an important aspect of government regulation—and the impoverishment it causes—is “the unrealized.” What do you mean by this and how does this affect individual workers?

PB: Thanks for bringing this up. The big problem with the “unrealized,” as I see it, is how it affects



Regulations are a tax on labor as much as they are a detriment to consumers.

workers. Workers are employed by businesses, and in regulated markets there are fewer productive businesses producing things that consumers would have chosen to have more of were it not for the distortions imposed on the production structure. This means the jobs available pay lower wages and likely have overall worse working conditions. The workers could produce much more value for consumers in other jobs that remain unrealized “thanks” to regulations.

This, I think, in part is the explanation for why wealth is made in capital and financial markets rather than through employment. There are other things involved too, of course, but that better, more highly paid careers remain unrealized means the value of each worker is much lower than it otherwise would be. Regulations are a tax on labor as much as they are a detriment to consumers.

TA: Anticapitalists often suggest that government should impose regulations to keep “mom and pop” places in business. Is that really the best way to support small businesses?

PB: The whole argument is based on the flawed view that size—number of employees, revenue/sales, etc.—is what matters in business. It is not. Value creation matters. The offered “solution” to mom-and-pop businesses being outcompeted is to make sure no one can create more value. It is difficult to understand how that is a solution to anything—except for propping up those few businesses that benefit from it in the short run.

TA: Economists often tend to focus on costs and benefits that can be measured in monetary terms. But what are some of the nonmonetary costs of government regulatory intervention that affect consumers, employees, and entrepreneurs?

PB: This is really a simplification or proxy that has become a misunderstanding. It’s easier to measure in monetary terms than in terms of personal satisfaction, but money is a poor basis for analysis.

Just the simple calculus of a voluntary exchange shows how wrong this is. If Adam offers Beth \$5 for six eggs and she accepts, then we know that to Adam the value of six eggs is greater than \$5 and for Beth it is not—she values the \$5 more than the six eggs. So they agree on an exchange rate between money and eggs where both benefit. To then treat that exchange as six eggs being equal to \$5 is wrong for both Adam and Beth. And it gets even worse if you add up all the eggs in the economy at the rate they’re exchanged (or Adam and Beth’s rate) because we get even further from actual valuations.

The same is true with regulations, which of course are even trickier because they mean that valuable solutions that would have been created remain unrealized. So in order to assess the value loss of a regulation, you would need to not only guess what would have happened had entrepreneurs been allowed to pursue consumer satisfaction freely—and competitively—but also what satisfactions consumers would have gotten out of them. And then place a dollar value on this.

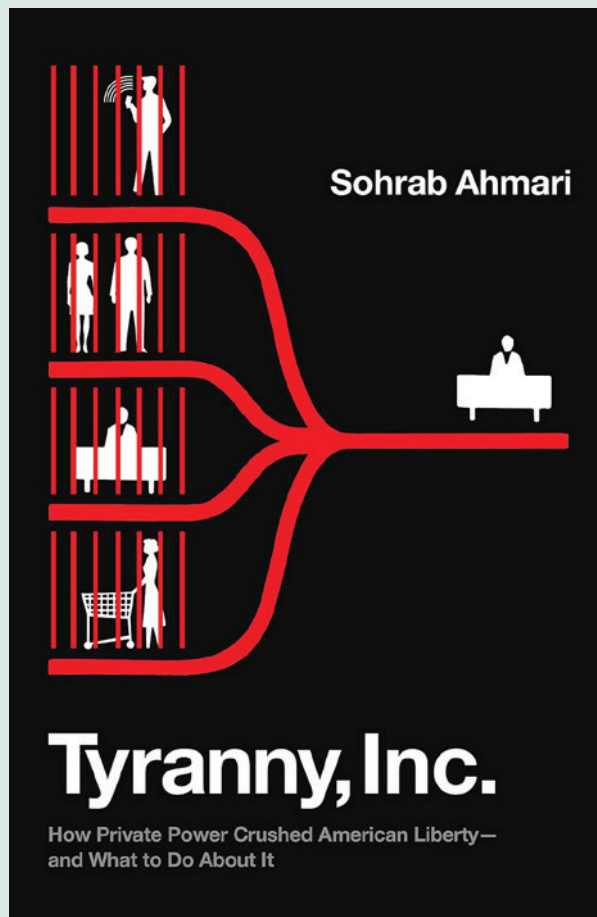
Needless to say, much of regulation research amounts to pure nonsense. ■

NON AMO TE, AHMARI

TYRANNY, INC.: HOW PRIVATE PROPERTY CRUSHED AMERICAN LIBERTY—AND WHAT TO DO ABOUT IT.

by Sohrab Ahmari

Forum Books; 2023. xxv + 252 pp.



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

Sohrab Ahmari has written a passionate indictment of the free market. The core of his indictment is expressed in one of the book's epigraphs. It is from the Vulgate, and in translation reads: "Behold, the wages you withheld from the workers who harvested your fields are crying aloud, and the cries of the harvesters have reached the ears of the Lord of hosts" (James 5:4, NAB).

Ahmari, a well-known journalist who has written for the *New York Post* and the *Wall Street Journal*, is a major participant in a dispute that has divided the American Right. To what extent should conservatives favor the free market? Should free trade give way to nationalist economic policies? Does the market erode culture and religion? Ahmari represents the most extreme faction of the conservative market critics, and in *Tyranny, Inc.*, he embraces views usually found on the left.

When we think of tyranny, Ahmari says, we think of the state, and we are not mistaken to beware of tyrannical governments; but private tyranny likewise poses a danger. "Market utopians" think otherwise, claiming that in a free market, people can make whatever exchanges they find mutually beneficial, but this ignores reality: many workers lack bargaining power and are coerced into "accepting" bad jobs lest they starve.

"Coercion" is a key word, and Ahmari goes wrong at the start. He says that "liberty is ultimately about power." In this view, if I would like to buy a house but don't have the money to pay for it, I'm not free to buy it. You can, if you like, think of liberty in this way, and Ahmari cites in support of this conception the philosopher John Dewey; but libertarian writers including Murray Rothbard and Friedrich Hayek have argued that it elides an important distinction. As they see matters, you

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are coerced if someone uses force against you, or threatens you with force. If you can't do what you want, because you lack the resources you need to attain your goal, this doesn't count as coercion. By the way, it's odd that although Ahmari discusses Hayek's *The Road to Serfdom*, he fails to notice that a principal thesis of that book is to contest the equation of freedom with power.

This disagreement is more than a semantic quibble. Suppose you have a nasty boss, terrible working conditions, and low pay. You would like to quit, but you don't see anything better available. Are you being coerced? In Ahmari's view, you are, because you lack the power to find desirable employment; but in the libertarian conception, you are not. If the employer doesn't offer you better conditions, he is simply refusing to make an exchange that you would like. He isn't coercing you any more than you are coercing me if you refuse to accept my offer of five dollars for your Rolls-Royce.

But that's just what you are doing, if the legal theorist Robert Hale is to be credited. His "great insight," we learn, is that "coercion is a permanent feature of the transaction. . . customers also enjoy a measure of power to coerce the owner, by threatening to purchase the same product from a different owner, assuming there is a different owner willing to sell."

When Ludwig von Mises heard of this bizarre theory, he was astonished:

The way in which Professor Hale describes the operation of the market economy is, to say the least, amazing. Thus he declares, "the customer can deny his money to the retailer, and by threatening to deny it can coerce the retailer to furnish him with the goods."

Now, millions of people in this way "threaten" the jewelers of Fifth Avenue; they "threaten to deny their money to them." Yet those "threatened" do not furnish them with bracelets and necklaces. But if a holdup man turns up and threatens the jeweler in his own manner, by brandishing a gun, the outcome is different. It seems therefore that what Professor Hale calls threats and coercion comprehends two entirely different things having entirely different features and consequences. His failure to distinguish these two things from one another would be deplorable in a nontechnical book. In a presumably juridical book it is simply catastrophic.

We have to thank the Harvard law professor and defender of integralism Adrian Vermeule for alerting Ahmari to this nonsense.

But regardless of whether Ahmari is right about coercion, doesn't he have a point? Don't many workers have to deal with bad working conditions? So what if this isn't an example of coercion. Isn't this situation a major social problem? To answer this question, we must first ask another: Are these workers underpaid? That is to say, is the compensation they receive less than what they contribute to the product? Only if it is do they count as being underpaid, and Ahmari assumes that for the most part this is so. If they are underpaid, why? As mentioned earlier, Ahmari's reply is that workers lack bargaining power, and his argument for this contention is one of the book's main points.

He says that if a worker turns down a bad job, the employer will find somebody else to take it; and, even if he can't, he can live on income from other





sources than his place of business. The employee, by contrast, needs a paid job in order to survive.

Ahmari is well aware of the response to this by supporters of the free market. If a worker is paid less than his marginal product, competing employers will offer him more money or work under better conditions. They will do so not because they are more kindhearted than the exploitative boss, but because it will pay them to do so. Ahmari finds this most implausible: “The existence of many producers in any given industry meant that no one of them could wield significant market power over other market actors, be they consumers, suppliers, or workers.... There was one big problem. Even as the market utopians extolled perfect competition, most of America’s major industries were falling into the hands of a few humongous corporations that began in the latter decades of the nineteenth century.” In order to withstand the market power

of these corporations, workers need powerful labor unions, which exercise “countervailing power” against them. Here Ahmari has been influenced by John Kenneth Galbraith.

But the argument that competition subverts attempts to pay workers below their marginal product doesn’t assume perfect competition. In the Austrian view, competition does not depend on the existence of a vast number of firms but takes place between firms of whatever size, not only within an industry but also between industries. By the way, it’s again odd that he misreads Hayek. In his discussion of what he takes to be the false position of the market utopians who stress perfect competition, he cites Hayek, who was one of the sharpest critics of the perfect competition model.

Further, Ahmari shoots at the wrong target, and this in a fundamental way. The free market is not a partnership of government and business, in which “crony capitalists” and government officials conspire to mulct the public. (For an excellent criticism of crony capitalism, see Hunter Lewis, *Crony Capitalism in America*.) Crony capitalism is a variety of interventionism, but Ahmari offers as examples of the evils of the free market cases in which towns contract with private firms to provide fire protection or ambulance services. Customers sometimes get

**Crony capitalism
is a variety of
interventionism.**

The free market is not a partnership of government and business, in which “crony capitalists” and government officials conspire to mulct the public.

bad service and have to pay exorbitant charges, even though they haven't contracted to do so. Why is this a problem of the free market?

The reasoning by which Ahmari conflates the free market with interventionism is difficult to follow. He says:

Yet market societies weren't, in fact, an organic outgrowth of human nature. As the Austrian economic historian Karl Polanyi pointed out in his 1944 classic, *The Great Transformation*, “Laissez-faire was the product of deliberate State action.” It came about as a result of “a conscious and often violent intervention on the part of government which imposed the market organization on society.”

Polanyi's argument was that through enclosures of common land, peasants lost their traditional rights and were, as Ahmari puts it, “ground down in prison-style workhouses and factories, their bones and tears forming the working-class sediments that underlay the glories of Victorian capitalism.” Colorful language; but if the indictment is true, this is hardly an instance of the free market. I say “if the indictment is true,” because there is a well-known controversy, apparently unknown to Ahmari, about whether driving peasants off their open fields in the

eighteenth century played a major role in the development of English capitalism. Deirdre McCloskey has argued that it did not.

Ahmari's criticism of the free market suffers from yet another major problem. Several of his complaints against the market are general problems that any society would have to face, including the heavily unionized welfare state that he supports. He points out that large investors who take over local firms often “economize” by cutting jobs and selling equipment, depriving local residents of products and services they would like to keep. But any society must allocate resources to some uses rather than others. We can have more and better roads, for example, but only if we spend less on other things. Ahmari would respond that in the society he favors, people would decide issues of this sort democratically. The problems of democracy are well-known to readers of the *Austrian*, and stated most effectively in Hans Hoppe's *Democracy: The God That Failed*, but even aside from these problems, having a say in what is decided does not make the problem of resource allocation go away.

If, like Ahmari, you admire the golden age of strong American labor unions, you will enjoy *Tyranny, Inc.*, but I cannot summon up much enthusiasm for the glory that was Truman and the grandeur that was Ike. ■



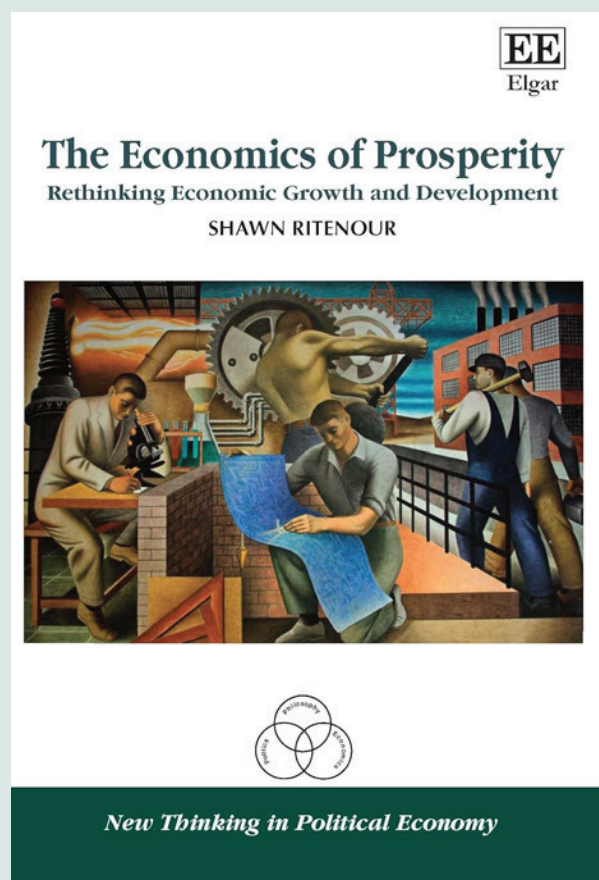
THE POWER OF AUSTRIAN CAUSAL-REALIST ANALYSIS

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

THE ECONOMICS OF PROSPERITY: RETHINKING ECONOMIC GROWTH AND DEVELOPMENT

by Shawn Ritenour

Edward Elgar, 2023; ix + 236 pp.



For many economists, economic growth is a mystery. By “economic growth,” Shawn Ritenour has principally in mind economic progress in the less developed countries, but his recipe for growth applies universally. Why is growth a mystery? Ritenour explains why in this excellent book: “Indeed, a major reason modern macroeconomics has not solved the mystery is that as a whole—dare I say, in the aggregate—its analytical approach fosters neither asking nor answering the correct questions.”

This point raises another question: What is the analytical approach of modern macroeconomics? It aims to come as close as possible to the method used in the physical sciences. To do this, the modern macroeconomists construct mathematical models, derive testable predictions from the models, and then see how close the fit is between these predictions and the data. Ritenour says about this way of doing things, “The fundamental problems with economic modeling are twofold. Because of their rarified assumptions, models used by modern macroeconomists provide results that either misguide us or are irrelevant for the real world. . . . Despite the above, many economists work with models because of a professed commitment to what is perceived to be scientific theorizing. Paul Samuelson (1952) embraced mathematical economics because he asserted that it was more precise and rigorous than verbal prose.”

Instead of grasping at this *fata morgana*, economists should follow the “causal-realist” method of the Austrian school. Austrian economists interested in economic development do not view gross domestic product as an aggregate block whose “growth” is to be

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maximized. Their goal is rather “dynamic efficiency,” a term Ritenour adopts from Jesús Huerta de Soto. This goal “fully takes account of the nature of human action and the world in which the entrepreneur lives and engages in production. In any entrepreneurial process new maladjustments will always appear, so a certain amount of waste is inevitable and inherent in any market economy. Society may not achieve static Pareto optimality, but all its members enjoy increased prosperity if entrepreneurial creativity constantly improves everyone’s productive possibilities with a continuous creative flow of new ends and means which, prior to entrepreneurial activity, were not even envisioned.” The attempt to achieve dynamic efficiency thus defined should not be confused with another aim, which has unfortunately beguiled some who enlist under the Austrian banner. These economists accept the macroeconomic models as a given and seek to find their microeconomic foundations in individuals’ actions. Ritenour suggests this is a futile enterprise.

How, then, can an economy achieve dynamic efficiency? Ritenour identifies four main factors as responsible, devoting a chapter to each. One of the factors, entrepreneurship, has already been mentioned in the definition of dynamic efficiency, and the remaining three are the division of labor, capital, and technology. These factors should not be viewed as separate forces. They are linked to one another and form a unified whole.

Obviously, if each person had to produce by himself or with a few family members everything needed for survival, humanity would soon perish. Only the division of labor makes possible

specialization, which vastly expands the scope of production. But this expansion depends on the ability of people to trade what they have produced with others. In his discussion of trade and its importance, Ritenour warns us of a fallacy that has ensnared many eminent thinkers, Aristotle not least among them. The fallacy is that in an exchange, the goods traded are valued equally. Precisely the opposite is true: in an exchange, there is a double inequality. People will trade if each person values what he is getting more than what he is giving up. If I exchange my apple for your orange, I prefer an orange to an apple, and you prefer an apple to an orange.

But why does specialization increase productivity? Ritenour distinguishes two main explanations. One takes people to start off fundamentally equal in native talents but, once they specialize, to become more adept at what they do than they would have been had their task been but one of many others. The other view stresses differences between people and environments. Ludwig von Mises and Murray Rothbard strongly defended this latter view. It is clear that Ritenour is more favorable to this view than the other one. He says about it, “What accounts for the differences in relative costs of production for different people underlying the law of association? The short answer is the variety we find both in humans and in nature.”

The preceding quotation mentions the “law of association,” and this law, especially developed by Mises, is one of the most crucial insights of the Austrian school. David Ricardo famously showed that international trade involving two goods can be beneficial to both nations even if one nation is better at producing both goods than the other. The nation that is worse at producing

The free market is actually an area of social cooperation, not one of ruthless struggle for “the survival of the fittest.”



both will very likely be less bad at making one of these goods than the other. It should specialize in producing that good, in which it has a comparative advantage, while the other nation produces the good in which its superiority is greater. Doing so, Ricardo showed, will increase the total production of both goods. The argument can readily be extended to exchanges of more than two goods.

But Ricardo made a mistake. He thought that comparative advantage applies only to nations because within a nation, economic classes are at odds with one another. Mises demonstrated that comparative advantage applies within an economy as well as between nations. People engage in trade to their mutual benefit, and the scope of trade extends to everyone, regardless of how his abilities compare with those of others. Often, defenders of the free market are accused of “social Darwinism,” but the free market is actually an area of social cooperation, not one of ruthless struggle for “the survival of the fittest.”

As it progresses beyond a primitive level, the division of labor requires tools, and this leads us to Ritenour’s second factor, capital. In order to produce a tool, one must postpone immediate consumption, doing so because of the greater productivity that the tool makes possible. As more and more tools are produced, productivity

continues to rise, but in doing so, a basic principle of human action becomes salient: time preference. “People prefer their ends to be achieved in the shortest possible time. The less waiting, the better. The existence of time preference is the origin of interest.” If this is so, then, holding technology constant, an increase in production will always necessitate a longer process. Owing to time preference, all the shorter processes of production will have already been built up. Ritenour illustrates the development of what Austrian economists call the “structure of production” by describing in detail how a chocolate chiffon cake is prepared, tracing the required steps back to the production of the tools needed by the chef. It would appear that the author is eminently familiar with delectable cakes, and he gives the structure of production its just deserts—or shall we say desserts?

In order to extend the structure of production, entrepreneurs must calculate the most efficient use of their capital goods, which requires the use of money. Unless factors of production are suitable to make only one product, and useless otherwise, technology does not dictate the best way to use them, meaning the “most profitable” way, because it is by the pursuit of profit that entrepreneurs are able to satisfy the demands of consumers. “We find, therefore, that the magnitude of a firm’s capital is rooted ultimately

The fundamental problems with economic modeling are twofold. Because of their rarified assumptions, models used by modern macroeconomists provide results that either misguide us or are irrelevant for the real world.

in the subjective value of consumers and immediately in the subjective judgements of the entrepreneurs appraising their factors as they make decisions about acquiring or liquidating specific assets or even entire firms.” Monetary calculation leads to another concept of capital besides capital goods, and this is “capital” in the sense of the money value of capital goods. Many complexities are involved in the calculation of this value, into which we shall not enter. Suffice it to say that Ritenour presents a learned account, fully responsive to the topic’s many difficulties.

Many mainstream economists put primary emphasis on technological innovations, the third of Ritenour’s factors, in accounting for economic growth, and the famous Solow model is a prime example of this emphasis; but such

is not the Austrian view of the matter. Ideas are always available in abundance, but they require savings and investment in order to be put into effect. Quoting the Indian economist Sudha Shenoy, an outstanding member of the Austrian school, Ritenour says, “To appeal to technological progress while ignoring the saving and investment necessary to make the technology operational ‘is to omit the Prince of Denmark from Hamlet while pushing Rosencrantz and Guildenstern to centre stage.’”

There is a final factor involved in attaining dynamic efficiency, and this is entrepreneurship. The crucial role of the entrepreneur is to direct the entire process of production: it does not operate by itself. In his discussion of the topic, Ritenour carefully explains the differences between the concepts of entrepreneurship of Israel Kirzner, Joseph Schumpeter, and Joseph Salerno and Peter Klein. It will come as no surprise that Ritenour much prefers the causal-realist account of Salerno and Klein, pointing out the vital importance of the fact that the capitalist entrepreneur risks his own money. Kirzner’s notion of the entrepreneur involves labyrinthine turns and byways but is never able to explain how entrepreneurs suffer losses.

The four factors of economic growth that Ritenour has described with such painstaking care cannot function in a vacuum. They require for their flourishing the proper “institutional environment,” and this consists of an economic system of secure private property rights, without government meddling. The division of labor requires trade, and you cannot trade what you do not own, Ritenour observes. He sharply assails proposals to interfere with the free market, and I found especially impressive his rebuke of economic nationalists who demand that the government increase the number of American manufacturing jobs.

Ritenour also merits praise for something else. Rothbard’s *History of Economic Thought* is a marvel of erudition, but Ritenour has drawn attention to an important American economist, Francis Wayland, who is not mentioned in either volume of Rothbard’s comprehensive work.

The Economics of Prosperity marvelously shows how the main concepts of Austrian economics are connected, and readers of the book will get a good sense of the power of Austrian causal-realist analysis. ■



Medical Freedom Summit
Featuring Dr. Peter McCullough and Dr. Aaron Kheriaty
WINDHAM, NEW HAMPSHIRE
SATURDAY, AUGUST 19, 2023

2023 MEDICAL FREEDOM SUMMIT

The Austrian | Vol. 9, No. 5 | September–October 2023



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In 1940, Ludwig and Margit von Mises left war-torn Europe for New York. Unfortunately, in FDR's America, Professor Mises found a nation whose economic profession had already been captured by the Keynesian revolution. Due to his refusal to compromise his defense of free markets, Mises would rely upon private foundations to finance his salary. At great personal expense, he lived up to his personal motto, "Do not give in to evil, but proceed ever more boldly against it."

In August, the Mises Institute hosted two similarly courageous truth tellers standing up to the capture of the medical profession. Dr. Peter McCullough is one of the world's most renowned and published cardiologists but is now relentlessly attacked by the most powerful medical institutions. Dr. Aaron Kheriaty is a psychiatrist and a medical ethicist who was fired from his position at the University of California, Irvine for speaking out against mandatory vaccination. Both doctors spoke against the biomedical security state and the pharmaceutical-industrial complex.

In his talk, "Modern Medicine's Great Controversy," Dr. McCullough detailed how public health became weaponized by the Department of Defense, regulatory agencies, large biomedical corporations, and other global actors, abandoning medicine's primary responsibility to do no harm. McCullough explained that the tyranny on display during covid was not simply a one time unique moment but part of a continual threat against individual liberty.



Dr. Kheriaty's talk "The New Abnormal: The Rise of the Biomedical Security State" focused on public health's shift away from defense and toward control and isolation. The result has been an erosion of respect for the individual, the rise of tyrannical one-size-fits-all policy approaches, and the violation of basic principles of medical freedom understood since the Nuremberg trials.

The political response to covid-19 has created a blueprint for controlling the population. Today, we again hear calls to implement these draconian policies, in response not only to future pandemics but also to other "crises" like climate change. It is the responsibility of free people to resist.



From the beginning of the covid-19 pandemic, the Mises Institute has stood against the biomedical security state. Thanks to the support of our Members, we will continue to do so without compromise.

To listen to the talks from our 2023 Medical Freedom Summit, visit mises.org/23nh.

Special thanks to Joe and Tracy Matarese for making this event possible. ■



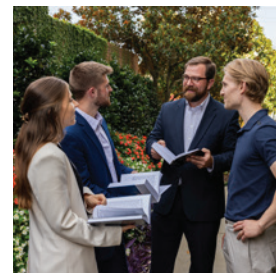
MISES UNIVERSITY

Why do students flock to Auburn, Alabama, each summer to learn economics? What are they not getting from their universities' economics programs—programs that almost exclusively teach neoclassical and Keynesian orthodoxy, the great benefits of government intervention, and how healthy economic growth requires permanent inflation?

The question answers itself. Mises University (Mises U), the preeminent student program in Austrian economics, is a week packed full of lectures that offers a rich understanding of real-world markets and the full consequences of government intervention.

It's often called "the best week of the year," but this year really shined. The students were especially eager and took advantage of all that Mises U has to offer. We also had added new faculty, like Dr. Tate Fegley and Dr. Karl-Friedrich Israel, who covered new ground in their respective lectures, "Do Big Data and AI Solve the Socialist Calculation Problem?" (the answer is no) and "Central Banking and Inflation."

After the event, many first-time students remarked that the opportunity to talk with and share meals with faculty was the highlight of the





2023 MÜNDLICHE PRÜFUNG EXAMINATION RESULTS



week. They knew that the lectures would be high quality, most of them having watched previous Mises U lectures online before attending, but they hadn't experienced all of the great discussions with faculty and other attendees that happen before, between, and after the lectures each day.

One student said that the most valuable aspect of MU was the "direct access to great professors and academics working in the Austrian tradition." Another said, "The conversation beyond the lectures is completely irreplaceable."

The week ends with a multistage written and oral exam, and each student leaves with a large stack of books to read. This year's graduates gave some advice for future attendees: "Study beforehand and be prepared to absorb lots of new knowledge."

As Law Rockwell shared in a special, student-favorite session on, "How the Institute was Founded," the work of the Mises Institute and programs like Mises University are more necessary than they have ever been. It is inspiring to see students get excited about Austrian economics, freedom, and peace, especially in today's world. As one student shared, MU gave her "a lot of hope in the future." ■

First place: James Garagnon received the \$2,500 Douglas E. French Prize for most learned student at this year's Mises U

Second place: Joseph Rich received the \$1,500 Kenneth Garschina Prize

Third place: Adam Morys received the \$750 Kenneth Garschina Prize



MISES GRADUATE SCHOOL COMMENCEMENT



The Mises Graduate School honored four graduates, Kelly Cunningham, Isaac Halls, Caleb Heim, and Joshua Mawhorter, at the commencement on Friday, July 28. During the commencement address, titled “Ludwig von Mises and Murray Rothbard on Scholarship,” Dr. David Gordon expressed the importance of young Austrian economists in furthering the school of thought, freedom, and peace. These bright students’ achievement fulfill Mises and Rothbard’s vision for the propagation of the Austrian school. We wish them every success in the next leg of their journey.



MISES BOOK CLUB

by Jonathan Newman

The Mises Institute recently introduced the Mises Book Club, which aims to encourage in-depth understanding of Austrian economics and the arguments for a free society. I had the privilege of leading both virtual and in-person meetings, guiding two groups of undergraduate students through Murray Rothbard’s influential work *For a New Liberty: The Libertarian Manifesto*.

The decision to read this book was motivated by the occasion of its fiftieth anniversary and its reputation as a great introduction to libertarian ideas. Although written in the 1970s, much of it is relevant to current social, cultural, and economic challenges. We enjoyed discussing how Rothbard might respond to current issues.

I began each session with an overview of the selected chapters for the week followed by open-ended questions. We have had active participation in both the virtual and in-person

meetings, which always seem to fly by due to the fun and engaging discussions.

Many of the students have expressed interest in participating in future book clubs.

The virtual book clubs are a promising way to reach students during the school year without the expense and time commitment of travel. Several mentioned they would now like to attend other Mises Institute events like Mises University and Rothbard Graduate Seminar. ■



MISES CIRCLE IN NASHVILLE



Against Our Limitless Regime: An Empire of Lies, held at the Grand Hyatt in Nashville on September 23, focused on the expanding role of the state in our lives and around the world. Sponsored by Bryan Lee Briggs and featured Ted Galen Carpenter, Jonathan Newman, Karen Kwiatkowski, and Michael Rectenwald as speakers.

Ted Galen Carpenter noted that other liberty organizations are veering away from a principled antiwar stance, compromising their core values. He called out the “destructive, prowar, proimperial fifth column” in the libertarian movement.

Jonathan Newman indicted the Federal Reserve, outlining its ever-morphing mission as evidence of its expanding power. He also highlighted central bank digital currencies as the current battleground in centralizing economic control.

Karen Kwiatkowski showed how military intelligence (a term she refers to as an oxymoron) is infected by political bias. She discussed how political leaders are “customers” to intelligence agencies, which creates a dysfunctional dynamic between intelligence and policymaking: “The customer desires to drive the product, not objective facts or honest analysis. Our political

customers do not want to be informed, they want to be obeyed.”

Michael Rectenwald took the conversation beyond the US government to examine the political ecosystem as a whole, including both governmental and quasi-governmental institutions. Rectenwald’s revisionist definition of the political system sheds light on our understanding of state power by considering Big Tech, Big Pharma, academia, and the media as entities that defend the state and act on its behalf.

Challenging our “limitless regime” from different angles, the speakers were united in their critique of the state’s dangerous size and power.

You can listen to these talks at mises.org/nashville23. ■

STUDENT SPOTLIGHT



RYAN *TURNIPSEED*

Oklahoma State University
Mises U 2022 and 2023
AERC 2023 presenter

The Austrian (TA): How did you become interested in Austrian economics, and what was your journey to the Mises Institute?

Ryan Turnipseed (RT): I was in eighth grade around the 2016 election. During that election, while focusing on the more invigorating cultural subjects, I also became interested in economics. This was eye-opening because you don't get economics education when you're in the fifth or sixth grade.

I gravitated toward the free market and came across the Chicago school and Milton Friedman's *Free to Choose* on YouTube. So that's where I was for a couple of years.

Then I found a YouTube video from an English professor, of all people, who was comparing the Chicago school to the Austrian school. I had no clue what the Austrian school even was, but it was interesting, and I started listening to it.

I was shocked and delighted to find that there was an even more free market school than the Chicagoites. My interest was piqued, and I

found that there was this place called the Mises Institute.

In my senior year in high school, I tried to access mises.org using a laptop that my high school forced us to use. And the domain was blocked. So I reached out and informed the Institute, and within the day, I think, I got an email back offering books.

There was *Human Action*; *Man Economy, and State*; a few of the works by Hoppe. I had stars in my eyes. I started with *Man, Economy, and State* because I was told that that was probably a little bit more of a readable comprehensive overview of Austrian economics.

TA: You've been to a few Mises Us now. How's your experience been, and what value do you get coming back as a repeat student?

RT: When I became a first-year student in college at Oklahoma State, Per Bylund encouraged me to go to Mises University basically as soon as I could. So I did that last year, 2022, and then this year.

I absolutely loved it. I'd never been to any other economics group before in person. So that was



new. There was so much more than economics that was being discussed—in the lectures, the discussions between students and faculty, the student discussions that would happen late into the night—this was something that I had yet to really experience academically. It was a very unique thing for me.

I have been to other conferences that explicitly tried to cultivate an environment of free speech, and they just can't accomplish it. At Mises U, that's the predominant attitude. You can discuss whatever you want to so long as other people are interested. And that's an extremely valuable thing.

So it's a very unique experience.

TA: You've also attended the Austrian Economics Research Conference and even presented a paper last year. What was that experience like?

RT: AERC was the first Mises Institute event that I had attended in person.

I got to experience the cutting edge of research within Austrian economics, both the purely economic side of things, where participants were trying to reason out extensions to theories, trying to solve contradictions wherever contradictions turn up, and the political side of things. I remember that there was a lot more political theory being discussed, and it captured my interest.

The people there were fantastic. It was unlike other conferences I've been to. Regardless of whether someone was presenting or just spectating in the audience, I could approach them and talk on a very high level about any subject. Presenter, audience member, faculty, it didn't really matter. There was a high degree of approachability there.

TA: How is it having Per Bylund as a professor?

RT: One of the pieces of advice that I was given before going to college was to find someone particularly knowledgeable and sound in their life and their academic studies and learn as much from them as possible. This is a classical orientation to intellectual pursuit. Per has filled that role fabulously.

He's a very prolific author, both within Austrian circles and in what might be considered mainstream academic research. So, I've been exposed to quite a variety of views. Per is a brilliant man, so he's able to take devil's advocate positions. He's able to explain out other sides pretty fairly, so we can actually see what ideas have merit and what ideas don't.

When I was a first-year student, I had the opportunity to sit in on his PhD seminar on the history of entrepreneurial thought, but because it's an Austrian-oriented course, it was also partly history of economic thought.

I learned more there than I have in any other class since. My intellectual development owes a great debt to him.

TA: What are your future academic goals and pursuits?

RT: I'm looking at going to Hillsdale to get a master's degree in political theory, and then I'm hoping to go to law school to become an attorney.

It's a very wide array of subjects that I'm wanting to study. I'm hoping that I can use all of those to do something productive, either academically, in terms of writing or research, or as an attorney. Economics, how businesses work, and entrepreneurship are very useful if you're going to have your own private firm. Political theory is useful for cases involving governments at any level. So I hope I've synchronized these varied subjects pretty well. ■



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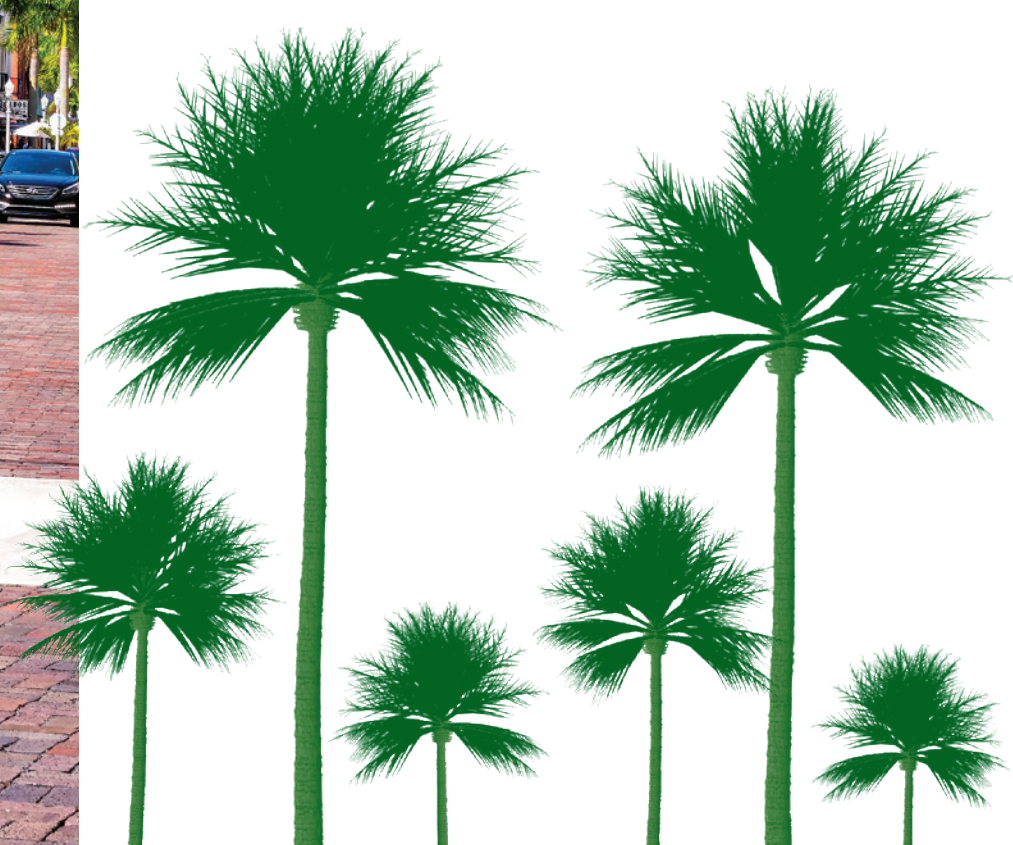
The political circus of 2024 is drawing ever closer. Campaign ads will invade our screens, yard signs will take over neighborhoods, and another million empty promises will be made.

Meanwhile, everyday Americans are already suffering from the consequences of politics. Inflation. Taxation. Regulation. A radical green agenda. The regime has politicized our day-to-day lives.

Join us in Fort Myers on November 4 for a Mises Circle on the White House, the Fed, and the economy. Our speakers, Bob Murphy, Patrick Newman, Jonathan Newman, and Murray Sabrin, will cut through the campaign rhetoric to deliver the hard truths about the US economy and what comes next, no matter who wins in November.

The event will take place at 11:00 a.m. at the Luminary Hotel in downtown Fort Myers, Florida. Registration is \$70 for Mises Members and \$85 for nonmembers and includes a catered lunch.

Register today at mises.org/FL2023. ■



FROM THE MAILBOX

Dear Mises Institute,

As a student member, I wanted to thank you for providing me with opportunities to learn about and further Austrian economics and American freedom and prosperity. I'm only 3.5 months old at Mises, but what I have learned makes me feel like an old-timer.

The Austrian ideal opened me up to economics as it should be understood: the study of human action, and how our desires can be actualized in our markets. Previously, I imagined economics as a confused jumble of classroom equations that magically always supported socialism. I learned there is more to money than stock trading or working at a job. In short, my view of money (or, more accurately, wealth) was revolutionized. I have not painted a full picture—but I sense that by merging my interest in entrepreneurship with an Austrian understanding of wealth, I can be successful because I know how markets work.

I admire the fiercely independent thinking of the Mises Institute. Many libertarians are scared to discuss the Civil Rights Act or Social Security, but not us. Many Con Inc. cowards did not oppose lockdowns and the resulting face diaper and quackcine mandates because it politically inconvenienced them. We are the standard-bearers within "The Party of Principle," and we transcend the current moment.

There's so much to discover at Mises. Thank you so much for everything; the journey has just begun. Our shared principles and defense of liberty will keep me consistently engaged with the Mises Institute, no matter what.

Yours truly,

Adam Deng
Mathematics and AI (MIT 2024)

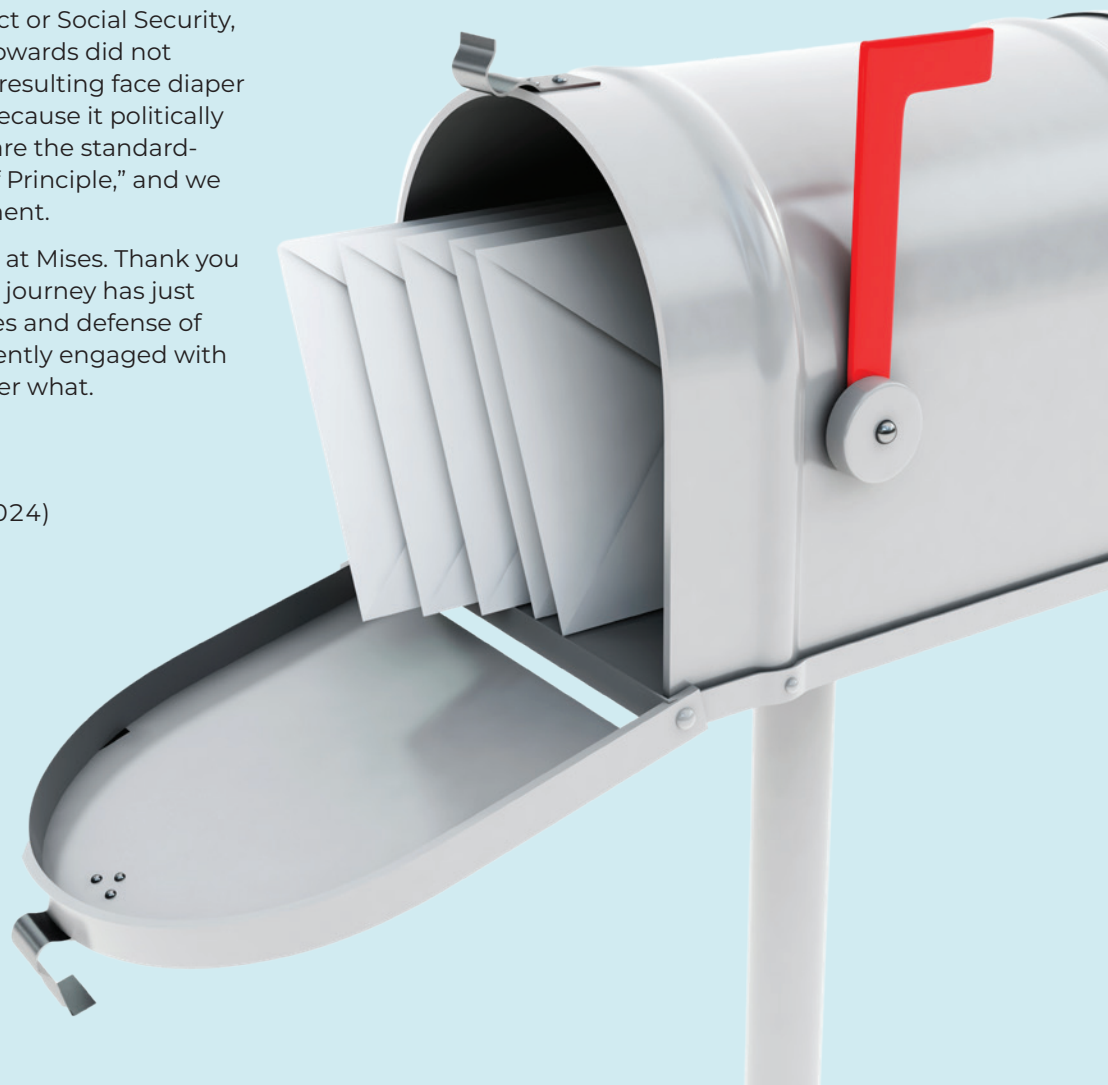


Dear Mises Institute,

Thank you for your permission to post the essays I am writing as I read through *Human Action*. I thank the whole Mises Institute for curating and maintaining the great works that stand in answer to the problems we pine after in society. For your effort, the guiding ideals that turn society into a community by turning people into persons have not been lost.

With gratitude and humility,

Gabriel Wells



UPCOMING EVENTS

1965 NEGATIVES OF MISES DONATED

David Jarrett has been a longtime supporter of the Mises Institute and attended Mises's NYU lectures in 1965, when they were held in Nicholas Hall. The building no longer stands, but the photos that David took one evening with his Leica M3 camera and APO-Summicron-M 90mm f/2 ASPH telephoto lens are still around. The negatives have been carefully guarded for decades, and now, David has generously donated them to the Mises Institute.



David Jarrett, in 2017, holding a proof sheet of some of the portraits of Mises taken in 1965.

THE FIGHT AGAINST FIAT MONEY

Our friends at the Cobden Centre have produced a new documentary, *Ex Nihilo: The Truth about Money*. The film premiered in July at the House of Lords.

The film focuses on modern money creation, the debt bubble fueled by modern central banks, the consequences of Cantillon effects, and the dire need for the depoliticization of money. The aim is to spark a desperately needed debate in British society about the costs of fiat money. It features commentary from several Austrian scholars: Alasdair Macleod, Max Rangeley, and Steve Baker, cofounder of the Cobden Centre and a member of Parliament who has invoked the works of Ludwig von Mises, Murray N. Rothbard, and Jesús Huerta de Soto in his work on monetary policy.

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November 4, 2023 | Fort Myers, FL

MISES BOOK CLUB

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MISES CIRCLE IN TAMPA

February 17, 2024 | Tampa, FL

AERC 2024

March 21–23, 2024 | Auburn, AL

2024 RESEARCH FELLOWSHIPS

May 13, 2024 | Auburn, AL

HUMAN ACTION CONFERENCE

May 16–18, 2024 | Auburn, AL

ROTHBARD GRADUATE SEMINAR 2024

June 9–14, 2024 | Auburn, AL

SUPPORTERS SUMMIT 2024

October 10–13, 2024 | Hilton Head, SC



The documentary is free to view on the Cobden Centre's YouTube channel.

THE AUSTRIAN

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