

MISES:
An Annotated
Bibliography
1982-1993 Update

Compiled by
Bettina Bien Greaves

The Foundation for Economic Education, Inc.
Irvington-on-Hudson, New York 10533

1995

ABOUT THE FOUNDATION FOR ECONOMIC EDUCATION

The Foundation for Economic Education (FEE) was established in 1946 by Leonard E. Read (1898-1983), and is guided by the free market principles of its adviser, Ludwig von Mises (1881-1973). Both men served FEE until their deaths.

FEE is the oldest economic research organization dedicated to the preservation of individual freedom and the private property order. Its goal is to study the moral and intellectual foundation of a free society and share its knowledge with individuals everywhere. It avoids political controversies. It is a purely educational organization, publishing and sponsoring seminars and lectures by individuals devoted to the limited government, private property principles it espouses. In addition to books its principal publication is the monthly journal, *The Freeman*.

This bibliography, covering the years 1982-1993, supplements and updates
MISES: AN ANNOTATED BIBLIOGRAPHY
A comprehensive listing of books and articles
by and about Ludwig von Mises (through 1981)
Compiled by Bettina Bien Greaves and Robert W. McGee
Irvington-on-Hudson, N.Y.: The Foundation for Economic Education, Inc., 1993.

ISBN 1-57246-004-0

© 1995 The Foundation for Economic Education
Printed in U.S.A.

TABLE OF CONTENTS

Introduction	v
Book numbers	ix
Books and articles about Mises, 1982-1993	1
Addendum	
Recent reprints and translations of books by Ludwig von Mises	195
Articles by Ludwig von Mises discovered since publication of 1993 Mises bibliography	197
Reviews of Ludwig von Mises' books discovered since publication of 1993 Mises bibliography	198
Pre-1982 books and articles that refer to Ludwig von Mises, discovered since publication of 1993 Mises bibliography	203
Index	219

INTRODUCTION

“Reasoning and scientific inquiry can never bring
full ease of mind, apodictic certainty,
and perfect cognition of all things
All that man can do is to submit his theories
again and again to the most critical reexamination.
(Mises’ *Human Action*, 1966 ed., pp.25, 68)

This is an update, a follow-up, to *MISES: AN ANNOTATED BIBLIOGRAPHY: A COMPREHENSIVE LISTING OF BOOKS AND ARTICLES BY AND ABOUT LUDWIG VON MISES*, compiled by Bettina Bien Greaves and Robert W. McGee, and published by this Foundation in 1993. That bibliography included entries through 1981, the 100th anniversary of Mises’ birth; the current bibliography covers the years 1982 through 1993. Mises died in 1973. The entries in this bibliography, therefore, reveal how philosophers and economists have been subjecting his theories to “critical reexamination” since his death.

Ludwig von Mises was born September 19, 1881 within the borders of what was then the Austro-Hungarian Empire. He spent the first decades of his working life in Vienna, Austria. In his position with the Austrian “Chamber of Commerce,” he worked as economic adviser to the government. He taught economics at the University of Vienna as a Privatdozent, that is as an unsalaried lecturer. And he made substantial contributions through his books -- to economic methodology (epistemology), monetary and business cycle theory, and to an understanding of the flaws in socialism. Thus, he gained some reputation in Europe as one whose ideas had to be reckoned with and he became an important figure in the development of the “Austrian School” of economic thought.

Because of his significant contributions to the “Austrian School” of economics, Mises was for many years its leading spokesman. Yet he never received an appointment as a tenured university professor. When his former students were asked why, Earlene Craver says they were in remarkable accord: “They say: (i) he was too conservative, that is, an unreconstructed ‘liberal’ in an age when liberalism of the old style was going out of vogue; (ii) he was a Jew, in a society that had rigid social requirements for the integration of Jews, and less and less place for them; and (iii) he was difficult to the point that many people thought him ‘personally obnoxious.’ Still Hayek and others agree that Mises’ accomplishments were such that two of these defects might have been overlooked -- but never three.” (Craver, “The emigration of Austrian economists,” *History of Political Economy*, 1986)

With the rise of Nazism in Germany and the threat of war, Mises left Vienna in 1934 for a teaching position at the Graduate Institute of International Studies in Geneva, Switzerland. Then in 1940 he migrated to the United States, where he continued to write and lecture. On October 10, 1973, in New York City, he died at the age of 92.

Mises held that by the time of the death in 1921 of Carl Menger, whose *Principles of Economics* (1871) had given rise to the “Austrian School” of economics, its essential ideas, with the exception of Mises’ own interpretation of the causes and the course of the trade cycle, “were by and large accepted as an integral part of economic theory The appellation ‘Austrian School’ became the name given to an important chapter of the history of economic thought; it was no longer the name of a specific sect with doctrines different from those held by other economists.” (*The Historical Setting of the Austrian School of Economics*, 1969. p.41). By the “essential ideas of the Austrian School,” Mises must have

INTRODUCTION

been referring to subjective value and the marginal utility theory. However, "Austrian" methodology has never been fully understood and accepted by most "mainstream" economists. Without a firm epistemological foundation on which to build their economic theories, their conclusions are bound to go astray -- as Israel Kirzner has demonstrated in his critique of Lionel Robbins. Thus macroeconomists such as positivists, econometricians, statistical economists, Keynesians, neo-classicals, etc., continue to proceed on the assumption that quantitative predictions may be made on the basis of economic aggregates and that these predictions are somehow scientific and reliable.

With the coming of the Keynesian tidal wave in the 1930s, the teachings of the "Austrian School" of economics and of Professor Mises were overwhelmed. For years colleges and universities included practically no representatives of the school on their faculties, not even a token "Austrian." Media spokesmen and politicians came completely under the sway of Keynesianism. Unaware of the "Austrian School's" analysis of government intervention and government-sponsored credit expansion, they became advocates of big government, government spending, and inflation. However, the intellectual climate has been changing since Professor Mises' death. Thanks to his persistence, his consistency, his longevity, his productivity, his students, and readers of his books, Mises' teachings are now reaching an expanding audience. The "Austrian School" of economics is beginning to have an impact.

Mises was, by everyone's account, determined and persistent in presenting the truth as he saw it. His long years of thought and study had convinced him that the a priori axioms of human action on which his reason and logic were based were true and not open to question. He was criticized for asserting with "apodictic certainty" that these basic axioms were not subjects for "critical reexamination." When he refused to compromise concerning conclusions he had reached after profound consideration, he was called obstinate and intransigent. His close friend and associate, F. A. Hayek, has said that on occasion he could explode.

Both my husband, Percy L. Greaves, Jr., and I, participated in his seminars for many years. We know that he tried to encourage seminar participants not to accept what he said as "gospel," but to question and think for themselves. He recommended book after book for them to read, and suggested countless subjects for Ph.D. dissertations and books that should be written. Believing that the best way to clarify one's thoughts is to try to express them in writing, Mises would often encourage those with doubts to write them down.

Mises also tried to encourage questions, debate and discussion. He used to say a seminar was not supposed to be a monologue. The participants should not accept his every statement as absolute truth, or he might as well be a dictator. However, it wasn't easy for students whose studies had been completely alien to Mises' "Austrian" approach to discuss or debate with him. And it didn't help to encourage questions when he said: "Don't be afraid to ask stupid questions, because many before you, some of them eminent economists, have asked stupid questions." Students soon learned that by asking Mises to comment on a newspaper article or on the views of a third person, an economist, a public figure, they could get answers to the questions in their minds and at the same time benefit from his insightful analysis without themselves running the risk of appearing "stupid."

After Mises retired from teaching, he was still asked at times about new interventionist schemes being proposed as a panacea for the country's ills. He would comment, and then shrug saying, "What do you want me to do? I have done all I can." He had certainly done a great deal. If his books and articles had not covered everything, they had at least covered enough of "everything" to form a foundation on which those who came later could build.

INTRODUCTION

Some persons whose works are cited in this bibliography reject and criticize certain aspects of Mises' teachings; some are probing to understand what he meant; some are interpreting events and ideas in the light of Mises' theories, still others are trying to elaborate and expand on his ideas. Hence the books and articles listed here suggest paths for future economists to explore in the attempt to elaborate and even go beyond Mises. In this way the ideas of Mises are now being submitted to a "most critical reexamination," an important step toward impacting the "mainstream" of economic thought.

* * *

Anyone interested in locating specific works of Mises should see the 1993 Mises bibliography which lists all his books and articles with their publication history, giving dates and publishers of the various editions and translations. As I wrote in the Introduction to that bibliography, "Since Mises' death in 1973, references to him in the literature have proliferated. Many are hearing about him and his contributions for the first time. Many others are becoming more appreciative of his teachings." Because of this surge of interest in Mises and the "Austrian School," it was becoming almost impossible to keep abreast of the new literature *about* Mises. In order to get into print, therefore, his centennial year (1981) became the cut-off date for the 1993 bibliography

The current bibliography picks up where the 1993 Mises bibliography left off. All books and articles published between 1982 and 1993 which mention Mises, that I have been able to locate, are included. Most entries are annotated with summaries or quotations, some quite extensive. Thus this bibliography provides clues as to how post-Mises thinkers, philosophers, economists, and politicians have been responding to Mises' work and teachings during the years since his death.

Books and articles in this bibliography are usually entered under the name of the author. However, when two or more articles are quoted from a journal or anthology, they are listed under the author's name, as sub-entries to the journal or anthology. The writings of any particular author or articles published in any particular journal may easily be located through the index, for all entries are indexed and cross-indexed there as appropriate by author, editor and/or journal. Entries without annotations were taken from various sources and have not been actually examined by the compiler to determine if, or how, Mises was mentioned.

To save space, some short forms are used. For instance, the publisher of this bibliography, the Foundation for Economic Education, is sometimes referred to as "FEE," the Ludwig von Mises Institute as the "Mises Institute," and the Foundation's previous bibliography is referred to throughout as "the 1993 Mises bibliography." To avoid lengthy bibliographical citations of Mises' books and articles, the numbers assigned to them in the 1993 Mises bibliography are used (see pp.ix-xi in this volume), viz. the 1931 *Die Ursachen der Weltwirtschaftskrise* (English translation, *Causes of the Economic Crisis*) is B-9 and *Human Action* is B-16.

In this bibliography, we have attempted to be as consistent as possible in format, punctuation, and spelling. For instance, Mises' name in the possessive has been standardized as "Mises'" and "von" is rendered in lower case except at the start of a sentence. Because of the wide range of publications quoted, it is hardly realistic to expect absolute consistency. Moreover, no attempt has been made to Americanize the spelling in passages quoted from British journals -- note for instance "labour" and "nationalisation." Square brackets "[]" indicate an insertion by this compiler. Ellipses indicate deletions: ". . ." the deletion of a word or portion of one sentence; ". . . ." the deletion of a portion of

INTRODUCTION

two or more sentences. Footnote citations in the original are usually omitted unless they contribute something significant to the passage being quoted. To save space in passages quoted, “¶” is used to designate a paragraph instead of an indentation on a new line.

This work would hardly be complete without acknowledging the support of Dr. Hans F. Sennholz, President of the Foundation for Economic Education, with which I have been associated for many years. I should also like to thank John Battalana for locating in London, England, obscure references to Mises which I would not have found otherwise. And Mark Thornton for checking the files of the Mises Institute and the University of Alabama for Mises citations and for borrowing from them on my behalf some of the books I needed.

Bettina Bien Greaves

July 1994

BOOK NUMBERS

For users of this bibliography, we are listing here by title all Mises' books, monographs and anthologies. Each has been assigned a number according to the date of its first publication. Thus, Mises' very first book (no translation available), *Die Entwicklung des gutsherrlich-bäuerlichen Verhältnisses in Galizien: 1772-1848* (1902) is B-1; Mises' fourth book, *Socialism* (first published in 1922 as *Die Gemeinwirtschaft*), is referred to as B-4. The anthology of his articles, *Economic Freedom and Interventionism* (1990), published posthumously, is B-29. And so on. These listings will enable students to identify and interpret the references in this bibliography to Mises' books. Moreover, once one knows the correct title, any of these books may be located in libraries. Detailed bibliographical data on each book, and also on all of his articles are included in the 1993 Mises bibliography.

- B-1.** *Die Entwicklung des gutsherrlich-bäuerlichen Verhältnisses in Galizien: 1772-1848* [The Development of the Relationship between Peasant and Lord of the Manor in Galicia: 1772-1848] (1902). No English translation available.
- B-2** *Theorie des Geldes und der Umlaufmittel* (1912).
The Theory of Money and Credit (English).
Teoría del Dinero y del Crédito (Spanish).
Kahei oyobi Ryütüshudan no Riron (Japanese).
Chinese translation also.
- B-3** *Nation, Staat und Wirtschaft* (1919).
Nation, State, and Economy (English).
- B-4** *Die Gemeinwirtschaft* (1922).
Socialism (English).
El Socialismo (Spanish).
Le Socialisme (French).
Socialismo (Italian).
Russian translation also.
- B-5** *Die geldtheoretische Seite des Stabilisierungsproblems* (1923).
Stabilization of the Monetary Unit -- From the Viewpoint of Theory
(English, included in B-24).
- B-6** *Liberalismus* (1927).
The Free and Prosperous Commonwealth (English, 1st ed.).
Liberalism (English, 2nd & 3rd eds.).
Liberalismo (Spanish).
Kapitalism och Socialism (Swedish).
Liberalismo (Portuguese).
Liberalizm w Klasycznej Tradycji (Polish).
Liberalizmas (Lithuanian).
Russian translation in process.
- B-7** *Geldwertstabilisierung und Konjunkturpolitik* (1928).
Monetary Stabilization and Cyclical Policy (English, included in B-24).
La Stabilizzazione del Potere d'acquisto della Moneta e la Politica della Congiuntura (Italian).

- B-8 *Kritik des Interventionismus* (1929).
A Critique of Interventionism (English).
Uma Crítica ao Intervencionismo (Portuguese).
- B-9 *Die Ursachen der Wirtschaftskrise* (1932).
The Causes of the Economic Crisis (English, included in B-24).
De Oorzaken van de Economische Crisis (Dutch).
Las Causas de la Crisis Económica (Spanish, published in Argentine journal,
Libertas).
- B-10 *Grundprobleme der Nationalökonomie* (1933).
Epistemological Problems of Economics (English).
Problemi Epistemologici dell'economia (Italian).
- B-11 *Nationalökonomie* (1940). German-language predecessor to *Human Action*
(B-16). No English translation available.
- B-12 *Omnipotent Government* (1944).
Omnipotencia Gubernamental (Spanish).
Le Gouvernement Omnipotent de l'État Totalitaire à la Guerre
Total (French).
See also B-25.
- B-13 *Bureaucracy* (1944).
Burocracia (Spanish).
La Bureaucratie (French).
Greek translation also.
Biurakratija (Lithuanian).
Russian translation also.
- B-14 *Planned Chaos* (1947); included as the epilogue to *Socialism* (B-4, 1951 and later
editions).
Russian translation also.
- B-15 *Observations on the Cooperative Movement* (1947).
- B-16 *Human Action* (1949, rev., 1963, 1966).
La Acción Humana (Spanish).
L'Action Humaine (French).
L'Azione Umana (Italian).
Ação Humana (Portuguese).
Ningen-Koi-Gaku (Japanese).
Chinese translation also.
- B-17 *Profit and Loss* (1951).
Las Ganancias y las Pérdidas (Spanish, as included in Spanish translation of B-18).
- B-18 *Planning for Freedom* (1952, 1962, 1974, 1980, with various addenda).
Planificación para la Libertad (Spanish).
- B-19 *The Anti-Capitalistic Mentality.* (1956).
Die Wurzeln des Anti-Kapitalismus (German).
La Mentalidad Anticapitalista (Spanish).

- B-19** *A Mentalidade Anticapitalista* (Portuguese).
 (concl.) *Den antikapitalistiska mentaliteten* (Swedish).
 La Mentalità Anticapitalistica (Italian).
 Mentalnosc Antykapitalistyczna (Polish)
 Russian translation also.
 Antikapitalistická Mentalita (Czech)
- B-20** *Theory and History* (1957).
 Teoría e Historia (Spanish).
 Chinese translation also.
- B-21** *The Historical Setting of the Austrian School of Economics* (English,
 1969).
 El Establecimiento Histórico de la Escuela Austriaca de Economía
 (Spanish, 1962).
 La Collacazione Storica della Scuola Austriaca di Economia (Italian, 1992)
- B-22** *The Ultimate Foundation of Economic Science* (1978).
 Keizai Kagaku no Kontei (Japanese).
 Chinese translation also.

POSTHUMOUS PUBLICATIONS

- B-23** *Notes and Recollections* (written 1940, translated and published 1978).
 Erinnerungen (German).
- B-24** *On the Manipulation of Money and Credit* (1978; includes translations of B-5,
 B-7 and B-9).
- B-25** *Im Namen des Staates: oder Die Gefahren des Kollektivismus* [In the name
 of the State or the Dangers of Collectivism] (1978). Preliminary version of
 Omnipotent Government (B-12). No English translation available.
- B-26** *The Clash of Group Interests and Other Essays* (1978).
- B-27** *Economic Policy: Thoughts for Today and Tomorrow* (1979).
 Vom Wert der Besseren Ideen (German).
 Seis Lecciones Sobre el Capitalismo (Spanish).
 Politique Économique (French).
 As Seis Lições (Portuguese).
 Ekonomia I Polityka (Polish).
 Japanese translation; title of which translates into English as “*Decision for Freedom*.”
 Greek translation also.
 Economine Politika (Lithuanian)
- B-28** *Money, Method, and the Market Process* (1990).
- B-29** *Economic Freedom and Interventionism* (1990).

1982

Caldwell, Bruce. *Beyond Positivism: Economic Methodology in the Twentieth Century*. Boston & London: George Allen & Unwin, 1982. Caldwell compares Lionel Robbins' views on "subjectivism, methodological individualism, and the self-evident nature of the basic postulates of economic theory" with those of Mises and other Austrians: "[S]uch economists as Robbins, Mises, Hayek, and Frank Knight all agreed that the fundamental axioms of economics are obvious and self-evident facts of immediate experience. ¶But all did not agree with Mises' particular (and perhaps peculiar) vision that economic science is praxeological, that the basic postulates of the discipline are necessary and unquestionable truths about the human condition; that the status of the fundamental axioms is that of synthetic statements that are a priori true." (pp.104-105) Caldwell notes that many modern Austrians are "lukewarm" toward Mises, and that outside the Austrian camp the Misesian methodological position is often treated with "unabashed abhorrence." There is the practical concern that if praxeology became widely accepted; "the human capital of most economists would be drastically reduced (or made obsolete) But," Caldwell says, "the principal reason for rejecting Misesian methodology is not so self-serving. Simply put, the preoccupation of praxeologists with the 'ultimate foundations' of economics must seem mindless, if not perverse, to economists who dutifully learned their methodology from Friedman and who therefore are confident that assumptions do not matter and that prediction is the key. When it is further mentioned that many modern Austrians are extremists in their faith in the beneficence of the market, it becomes easier to dismiss the entirety of Austrian thought as dogmatic and reactionary." (pp.118-119) Reviewer Richard M. Ebeling (*Market Process*. 2:1 (Winter 1984) 7, 14) writes that Caldwell's "analysis of Mises' praxeological apriorism is, without doubt, the fairest and most open-minded penned by a critic in many years an example of critical scholarship that Austrians have usually not been granted at the hands of their opponents ¶Though Professor Caldwell's position is an admirable attempt to secure a neutral ground in the turbulence of contemporary philosophy of science, his entire analysis suffers from a fundamental flaw: it casts the shadow of scientism."

Chamberlain, John. *A Life with the Printed Word*. Chicago: Regnery Gateway, 1982. Reminiscing about the founding in 1950 of the economic journal, *The Freeman*: "Frankly, we were somewhat appalled by the task of finding contributors besides ourselves for a first issue. Libertarians were few and far between ¶But our first issue provided a focus, and we quickly discovered that we were not alone. Hazlitt, with his Austrian economics school connections, drew a string of excellent economic contributors, headed by Ludwig von Mises (who became one of our directors), Friedrich Hayek, and Wilhelm Roepke, whose pupil Ludwig Erhard had set West Germany on its free enterprise course in 1948 ¶Nobody told us to go slow on the anti-Communist theme, but the free marketers on the board -- Jasper Crane, Lu von Mises, Lawrence Fertig, and Leonard Read, among others -- wanted more space for the type of article that would make positive economic points." (pp.138, 142)

Dam, Kenneth W. *The Rules of the Game: Reform and Evolution in the International Monetary System*. University of Chicago, 1982. In footnote #71, p.34, cites Mises' Article 09.2. "The Foreign Exchange Policy of the Austro-Hungarian Bank," *Economic Journal*. 19(1909) 201-211.

Ebeling, Richard. "Austrian Economics: An Interview with Ludwig Lachmann," See Lachmann (below, p.8).

Greenwald, Donald, ed. *Encyclopedia of Economics*. New York: McGraw-Hill, 1982. "The different economic schools of past and present are discussed by competent authorities ¶Fritz Machlup . . . examines the Austrians both conceptually and historically. He discusses such luminaries as Carl Menger, Eugen von Böhm-Bawerk, Ludwig von Mises, and Friedrich von Hayek, as well as more recent members of the Austrian school ¶Comparative economics derives much of its concern with the performance of Soviet-bloc economies from the economic calculation debate of Ludwig von Mises and Friedrich von Hayek with socialists such as Oskar Lange." From Richard A. Cooper's review in *Nomos* (Autumn 1984) 36.

Haberler, Gottfried. "Austria's Economic Development after the Two World Wars: A Mirror Picture of the World Economy" in *The Political Economy of Austria*. Sven W. Arndt, ed. Washington, D.C.: American Enterprise Institute, 1982. "[D]uring the whole interwar period, including the bad years immediately after the war and the depression years after 1929, Vienna was one of the world's leading intellectual centers. World-famous schools, Freud's psychoanalysis, Carnap-Schlick's logical positivism, and the Austrian School of Economics, centered on the famous private seminar of Ludwig von Mises, and Hans Kelsen's "Reine Rechtslehre" (Pure Theory of Law), flourished and spread around the world." (p.64)

Hayek, F. A. "Two Pages of Fiction: The Impossibility of Socialist Calculation." *Economic Affairs*. London: Institute of Economic Affairs (April 1982). "There is endless repetition of the claim that Professor Oskar Lange in 1936 refuted the contention advanced in 1921 by Ludwig von Mises that 'economic calculation is impossible in a socialist society'." The flaw in socialist planning, Hayek says, is that the information which capitalist entrepreneurs have consisting of prices determined on a competitive market, "would *not* be available to anyone in a socialist economy where prices are not provided by the market . . . ¶Lange has the audacity to blame Mises for the very mistake he himself is committing: 'Professor Mises seems to have confused prices in the narrower sense, i.e. the exchange ratio of commodities on the market, with prices in the wider sense of "terms on which alternatives are offered".'" Hayek then discusses "Schumpeter's most startling assertion that the possibility of 'economic rationality', being attained in a planned system, follows for the theorist 'from the elementary proposition that consumers in evaluating ("demanding") consumers' goods *ipso facto* also evaluate the means of production which enter into the production of those goods' . . . ¶It was probably the influence of Schumpeter's teaching more than the direct influence of Oskar Lange that has given rise to the growth of an extensive literature of mathematical studies of 'resource allocation processes' . . . As far as I can see they deal as irresponsibly with sets of fictitious 'data' which are in no way connected with what the acting individuals can learn as any of Lange's." Reprinted in *The Essence of Hayek*. Chiaki Nishiyama and Kurt R. Leube, eds. Stanford University: Hoover Institution Press, 1984.

Hébert, Robert F. & Albert N. Link. *The Entrepreneur: Mainstream Views & Radical Critiques*. 2nd ed. New York: Praeger, 1988. (1st ed., 1982). Compares Mises' views of entrepreneurship with those of Cantillon, Kirzner, Menger, Schumpeter, Hayek, and others. "Entrepreneurship implies economic activity, and economics, as Ludwig von Mises informed us, is human action . . . Today we recognize that economic uncertainty is more pervasive than he [Cantillon] allowed. Mises was correct when he asserted that 'no proprietor of any means of production, whether they are represented in tangible goods or in money, remains untouched by the uncertainty of the future.'" (pp.27-28). Chapter 4, "A Fork in the Road," includes sections on "The Austrian School" and "The Austrian Revival" which examine in some detail Mises' view of the entrepreneur.

Hillsdale College. *Champions of Freedom: 9. The Ludwig von Mises Lecture Series*. John Andrews, ed. Hillsdale, Mich.: Hillsdale College Press, 1982.

Bethell, Tom. "Would von Mises Have Been a Supply-Sider?" pp.49-69. Bethell asks "why a small band of supply-siders was able to get so much attention with approximately the same ideas that a larger number of Austrian economists had been expounding for years . . . [Y]ou immediately notice an important difference between, on the one hand, the likes of von Mises, von Hayek, Hans Sennholz, Henry Hazlitt, and others; and, on the other hand, Arthur Laffer, Paul Craig Roberts, Bruce Bartlett, George Gilder, and Steve Entin. The former, the Austrians, are theoretical economists. The latter much more closely approximate what used to be called 'political economists'. Supply-siders are oddly comfortable with the idea that economics is at bottom a political exercise. The Austrians are profoundly uncomfortable with such an idea -- and with good reason (p.56) . . . ¶[V]on Mises might very well have been in sympathy with Sennholz's comment, who was disdainful of supply-siders for seeking 'political answers' to economic problems. Von Mises was always well above the political battle of the moment . . .

Austrians sometimes seem to make the mistake of believing that as long as you win the theoretical argument, then you will automatically win in practice too. In my opinion they have *been* winning the theoretical arguments for years, but have made no practical headway precisely because they have been so disdainful of practical politics. (p.66) . . . ¶[It now seems to me that unless and until the supply-siders and the Austrians can learn to respond to these moral claims . . . with moral claims of their own, then the Left will continue to prevail in public policy battles in Washington.] (p.69)

Inquiry Washington, D.C.: Libertarian Review Foundation. 5:6 (March 29, 1982):

Berkel, Bob. Letter to the editor, p.6. "Sheldon Richman describes Ludwig von Mises as a 'libertarian' . . . [I]s he talking about the same Ludwig von Mises whose 'magnum opus,' *Human Action* endorses military conscription and denounces all who oppose it as 'abettor[s] of those aiming at the enslavement of all'?"

Richman, Sheldon. Reply to Bob Berkel, p.6. "Lacking a natural rights foundation for his philosophy, Mises unfortunately endorsed military conscription in *Human Action*. But this must be seen as a glaring contradiction of Mises' predominant view that voluntary action in the free market is both proper and efficacious."

Jahrbuch für Sozialwissenschaft. Volume 33 (1982):

Neck, R. "Die 'Sozialismusdebatte' in Lichte ausgewählter neuerer Entwicklungen der ökonomischen Theorie" [The Socialism Debate in the Light of Certain Recent Developments in Economic Theory].

Schoppe, S. G. "Das Problem der Wirtschaftsrechnung in einer Zentralverwaltungswirtschaft aus neuer bürokratiethoretischer Sicht." [The Problem of Economic Calculation under Central Planning in the Light of New Insight into the Theory of Bureaucracy].

Kirzner, Israel M., ed. *Method, Process, and Austrian Economics: Essays in Honor of Ludwig von Mises*.

Lexington, Mass.: Lexington Books, 1982. An interesting collection of papers debating as economists do, respectfully and in minute detail, several esoteric points in Mises works. Although conceived and assembled in honor of the 100th anniversary of Mises' birth (1981), this volume, not published until 1982, was not included in the 1993 Mises Bibliography which listed only items through 1981.

Boehm, Stephan. "The Ambiguous Notion of Subjectivism: Comment on Lachmann." Chapter 5. pp.41-52.

"Mises emphatically holds that it is possible for a theory to be both a priori valid and empirically rich . . . Mises draws a sharp line between praxeology and psychology, defending the autonomy of the former . . . ¶Mises points out that, in the comprehension of the meaning that the actor has attached to his action, two components are involved: first, the desire to attain a definite end, and, second, a theory connecting cause and effect . . . ¶Although Mises was aware that the ends chosen and the theories underlying actions . . . are clearly dependent on the actor's past experience, his environment, and descent, he does not see any problems for praxeology, because its propositions 'are valid for every human action without regard to its underlying motives, causes, and goals.' . . . So far, so good. However, in his definition of subjectivism . . . he referred to something completely different, namely the perennial problem whether value judgments could be scientifically established. But again Mises stumbles; he fails to discriminate between the valuations of the actors whose actions are being analyzed and the valuations of the social scientist *about* his subject matter . . . ¶The framework of the logic of choice does not allow for considerations of *time* . . . The familiar rejoinder that expectations are implied in the concept of action because action is necessarily future oriented is trivially true, but it does not help us in the theoretical explanation of the market phenomena of the real world."

Buchanan, James M. "The Domain of Subjective Economics: Between Predictive Science and Moral Philosophy." Chapter 2. pp.7-20. "Economic theory was, for Mises, necessarily a priori; it offered a pure logic of choice. In taking this extreme position methodologically, Mises seemed to be aware that attempts to force economic theory into the straitjacket imposed by the requirements for predictive science must, at the same time, deny to persons who act the possibility of making genuine choices. ¶I shall confess here that I have never been able to appreciate fully the Misesian emphasis on praxeology or 'the science of human action.' Central to this conception is the purposefulness of all human action . . . A

person chooses that which he chooses Although he may err, we can never infer, ex post, that he acted irrationally. ¶At its most general, this Misesian theory of choice is totally nonoperational. It can 'explain' any conceivable course of action that a person might be observed to take; the obverse is, of course, that the theory can really 'explain' nothing at all." Buchanan illustrates his point by distinguishing between two sorts of human action: (1) jumping out of the way of an approaching car, which may be considered an "animal- or rat-like" response and need not reflect conscious, active, or creative choice; and (2) creative and uniquely human action based on an idea and imagination. On the other hand, Buchanan points out: "The human beings who occupy the thoughts of G. L. S. Shackle could never be reduced to the status of rats, even superintelligent ones. In my view, no economist other than Shackle works exclusively within the domain of subjective economics theory, as I have defined it here. ¶Any methodological advance must build on the work of Shackle." Vaughan comments (see below).

Garrison, Roger W. "Austrian Economics as the Middle Ground: Comment on Loasby [see below]." Chapter 11. pp.131-138. Loasby's "underlying theme is exemplified by the phrase *incomplete knowledge* This phrase delineates a middle ground between omniscience and total ignorance. In the Austrian view it is only with respect to this middle ground that economists have anything of consequence to say ¶The concept of scarcity or scarce goods and services has rightly been accorded a prominent place in every introduction to economic theory. We can imagine a 'scarcity spectrum' with one extreme representing the complete absence of goods and services and the other representing a complete satiation [bliss] with respect to all goods and services (p.131) ¶Although nearly all schools of thought stay between the poles of the scarcity spectrum, the modern mainstream has gravitated to one of the poles of the knowledge spectrum. This marks a sharp break between the Austrian theorists and the mainstream. Perfect knowledge -- or perfect knowledge camouflaged beneath an assortment of frequency distributions -- has been the primary domain of standard theory for several decades now. But this pole on the knowledge spectrum has no more relevance to the 'economic problem' than does the bliss pole on the scarcity spectrum (p.132) ¶[Loasby] touches on the question of whether there is a tendency toward equilibrium Hayek has reminded us that it is only insofar as individual actions result in unintended order that economic science has a subject matter. We must take Ludwig von Mises literally when he suggests that the only way we can conceive of markets is to conceive of a tendency toward equilibrium. Once again, the poles represent the extreme circumstances under which economic theory is either trivial or impossible. It is on that expansive band between the two poles that Mises's concept of human action, the ultimate source of the equilibrating tendency, has applicability." (pp.133-134)

High, Jack. "Alertness and Judgment: Comment on Kirzner." Chapter 13. pp.161-168. "Kirzner's work on the nature of economic theory has taken its inspiration from the writings of Ludwig von Mises. Yet, in comparing their views, we see a difference worth noting. Kirzner has, until chapter 12 of this book [see below], given only cursory attention to uncertainty How has Kirzner been able to capture such a large part of Mises' entrepreneur, while dropping the defining characteristic of entrepreneurship?" (pp.161-162) "In his past work, Kirzner has defined entrepreneurship and described its effects in the market without considering uncertainty to any great extent [H]is emphasis on the similarity of his past and present views has led Kirzner still to look on entrepreneurship as alertness, and alertness does not (in normal usage) encompass the mental activity of judgment ¶Judgment is a part of entrepreneurship as conceived by Mises, and it influenced his view of the market. Mises thought that entrepreneurial profit and loss should be treated together. He thought that profit resulted from superior foresight and judgment and that loss resulted from inferior foresight and judgment. The emphasis that Mises placed on judgment and entrepreneurial loss differentiates his view of the market process from that of Kirzner." (pp.167-168)

Kirzner, Israel M. "Introduction." Chapter 1. pp.1-5. "We are witnessing what appears to be at least a modest revival of interest in the Austrian tradition on the part of the economics profession. There can be no doubt that this revival is to be attributed to the tenacity with which Mises continued to pursue his writing and teaching when it appeared that the profession had decisively turned its collective back on that tradition ¶In the 1960s and 1970s . . . economists were retreating, to a degree, from the aggregative excesses that had marked the immediate postwar era [returning] to the neoclassical

- theory developed during the half-century following the marginalist revolution of the 1870s . . . ¶Yet the mainstream neoclassical revival of the past two decades has by no means constituted a return to the perspectives of the Austrian tradition. . . . [T]he body of thought that developed in Vienna from Menger to Mises embodied insights that never were absorbed into the neoclassical tradition that drew from the confluence of Marshallian and Walrasian doctrine.”
- _____. “Uncertainty, Discovery, and Human Action: A Study of the Entrepreneurial Profile in the Misesian System.” Chapter 12. pp.139-159. To answer some of his critics, Kirzner seeks to reconcile “the role of uncertainty in the entrepreneurial environment,” and “its relationship to the entrepreneur’s alertness to error.” (p.142) “If, then, one chooses to identify entrepreneurship with the function of making decisions in the face of an uncertain present or future environment, it certainly appears that Misesian human action does . . . include an entrepreneurial element.” (p.145) “Austrian economists have, in principled fashion, refused to see the world as wholly knowable, as suited to interpretation by models of equilibrium from which uncertainty has been exhausted. It would be most unfortunate if, in pursuing this refusal, economists were to fall into a no-less-serious kind of error. This error would be the failure to understand how entrepreneurial individual action, and the systematic market forces set in motion by freedom for entrepreneurial discovery and innovation, harness the human imagination to achieve no less a result than the liberation of mankind from the chaos of complete mutual ignorance. Mises’s concept of human action and his analysis of the role of entrepreneurial market processes surely remain, in this regard, unique and as yet insufficiently appreciated contributions to the profound understanding of human society.” (p.157) High comments (see above). Reprinted in *Austrian Economics: III*. Stephen Littlechild (ed.), (Aldershot, Hants, England; Brookfield, Vt.: Edward Elgar, 1990) pp.122-142.
- Lachmann, Ludwig M. “Ludwig von Mises and the Extension of Subjectivism.” Chapter 4. pp.31-40. “Mises was a subjectivist and regarded subjectivism as an essential ingredient of Austrian economics . . . ¶How, then, do we explain the fact that, when the problem of expectations came to the fore in economic theory in the 1930s, Mises and most Austrians took no interest in it? . . . ¶This is the more puzzling because Mises was well aware of the importance of uncertainty for a market economy.” (p.36) “Mises . . . adopted a definition of subjectivism that did not permit him to see the extension of subjectivism from preferences to expectations as a great step forward . . . We may describe the evolution of subjectivism from Menger through Mises to Shackle as an evolution from a subjectivism of given wants through one of given ends to that of active minds.” (pp.38-39)
- Langlois, Richard N. “Austrian Economics as Affirmative Science: Comment on Rizzo [see below].” Chapter 7. pp.75-84. “[T]he history of the philosophy of science in this century may easily be read as the story of a retreat from empiricism; and, as the retreat progressed, modern methodological thought again and again found itself occupying positions long held by Mises . . . ¶The crucial nail in the coffin of naive empiricism . . . was forged by Michael Polanyi and driven in by Thomas Kuhn . . . ¶In Mises, the development of science comes across as a battle between a theory and logic. In Popper, it appears as a battle between a theory and empirical reality. But in Lakatos (as in Kuhn), the growth of knowledge progresses in the battle between (or among) rival theories (or research programs) -- a battle fought with both logical and empirical weapons.” (pp.77-78) “For a number of quite good reasons, Austrians tend to reject the background observational theories of economics. Thus their attitude toward empirical economics is rather like that of the academic doctors who refused to look through Galileo’s telescope because they believed the moons of Jupiter were an effect of his optics and not a phenomenon of nature . . . [P]erhaps Austrians should give more attention to developing an ‘optics’ of what Hayek calls ‘pattern prediction’.” (p.81)
- Lavoie, Donald C. “The Development of the Misesian Theory of Interventionism.” Chapter 14. pp.169-183. Lavoie considers Mises’ early (1923 and 1926) definitions of “interventionism” too narrow. However, Mises refined and broadened it step-by-step, Lavoie says, until *Human Action* (B-16, 1949) where his definition “constitutes Mises’ most comprehensive analysis of interventionism. One of the most serious limitations of his earlier presentations, the exclusion of at least some kinds of taxation from the category of intervention, is largely rectified. Furthermore Mises now explicitly includes a section on ‘Currency and Credit Manipulation’.” (p.175) Lavoie considers Rothbard’s categorization of intervention as

“autistic,” “binary” or “triangular” helpful in expanding the definition and explaining why there is no “middle way” between capitalism and socialism. For Rothbard’s comments, see below.

- Littlechild, S. C. “Equilibrium and the Market Process.” Chapter 8. pp.85-102. Compares and contrasts Mises’ concept of the “evenly rotating economy,” as an aid to understanding market processes, with “equilibrium,” especially as defined by F. H. Hahn. Concludes “that (1) Hahn’s view of the nature and role of Arrow-Debreu equilibrium is substantially the same as Mises’ view of the evenly rotating economy; (2) Hahn’s emphasis on ‘the distinction between the perceived environment and the environment’ reflects a central tenet of the subjectivist approach; (3) Hahn’s redefinition of equilibrium as mutual compatibility of plans over time is a stochastic [random, statistical] version of Hayekian equilibrium; and (4) Hahn’s focus on the existence and properties of equilibrium, rather than on the nature of the market process, parallels the earlier argument of Hayek. However . . . Hayek, unlike Hahn, did not mean to exclude the study of process.” (pp.97-98) White comments (see below). Reprinted in *Austrian Economics: III*. Stephen Littlechild, ed. (Aldershot, Hants, England; Brookfield, Vt.: Edward Elgar, 1990) pp.50-65.
- Loasby, Brian J. “Economics of Dispersed and Incomplete Information.” Chapter 10. pp.111-130. As there is no certainty in the market, entrepreneurs have incomplete knowledge and can make mistakes. Therefore, Loasby writes, “Those who wish to defend the market system should not confuse the claim that it is, on the whole, better than the available alternatives with the claim that it is faultless ¶Probably the most distinctive Austrian contribution to this [self-interest] analysis [of the market] has been the insistence that one of the conditions is an environment of limited and dispersed knowledge ¶Mises’ treatise is entitled *Human Action*, not *Programmed Response*.” (pp.121, 128) Garrison comments (see above).
- O’Driscoll, Gerald P., Jr. “Monopoly in Theory and Practice.” Chapter 16. pp.189-213. O’Driscoll reviews “monopoly” as defined in common law, by Adam Smith, David Ricardo, Alfred Marshall and Richard T. Ely. He then turns to Mises’ two-sided approach: the monopoly position of a resource’s single seller and government-created monopoly. O’Driscoll finds inconsistencies in Kirzner’s definition, mentions Rothbard’s and Armentano’s approaches briefly and then suggests a return to Menger’s thesis that monopoly stems from government-created “property-rights.” Pasour comments (see below).
- Pasour, E. R., Jr. “Monopoly Theory and Practice -- Some Subjectivist Implications: Comment on O’Driscoll.” Chapter 17. pp.215-223. “In the words of Ludwig von Mises the private decision maker is ‘subject to the incorruptible judgment of an unbribable tribunal: the account of profit and loss.’ . . . ¶As demonstrated by Mises and Hayek in the economic-calculation debate, regulators cannot simulate competition, and competitive prices can only be determined by having competition.” (pp.218-219) Re monopoly, Pasour agrees substantially with O’Driscoll. In conclusion, he points to an anomaly: “[S]ince only the state can legally prevent entry, real-world monopoly problems invariably can be traced to government. The emphasis of neoclassical theory on alternative procedures of the state to regulate monopolies is ironic in view of the widespread monopoly privileges sanctioned by the state.”
- Rizzo, Mario J. “Mises and Lakatos: A Reformulation of Austrian Methodology.” Chapter 6. pp.53-73. Rizzo applies Lakatos’ “methodology of scientific research programs” (MSRP) to Austrian methodology. “Much of the confusion that has plagued discussions of Austrian apriorism arises from a failure to distinguish four senses in which economic theory is ‘logically and temporally antecedent to any comprehension of historical facts.’ First, the postulate of rationality is immune to falsification as part of the research program’s hard core. Second, since the laws of economic theory are of the deductive variety . . . the irrefutability of the hard core is thus passed on to the theoretical structure. Third, the rationality principle is part of the accepted background theory underlying the interpretation of both auxiliary statements and the explananda themselves Finally, the positive heuristic presupposes purposefulness by requiring social phenomena to be recomposed from individual human action.” (pp.64-65). Further Rizzo proposes “that Austrians adopt Lakatos’s criterion for the revision of theories.” Namely that “each step of a research programme constitute a consistently progressive theoretical *problemshift*.” (p.65) “Even Mises believed that the praxeological or purpose-oriented program could be surpassed. Although the laws of economics are, in a certain sense, nonfalsifiable, the usefulness or

applicability range of economics is not beyond question. He left open the possibility that what we today call action may someday be explicable in terms of 'physical, chemical, and physiological phenomena.' . . . Although he did not think this was likely, it was at least logically conceivable." (p.66) Langlois comments (see above). Rizzo reprinted in *Austrian Economics, I*. Stephen Littlechild, ed. (Aldershot, Hants, England; Brookfield, Vt.: Edward Elgar, 1990) pp.487-507.

Rothbard, Murray N. "Interventionism: Comment on Lavoie." Chapter 15. pp.185-188. Rothbard thanks Lavoie for his comments and raises additional problems: "[W]e cannot talk about the free market or about property without committing ourselves to *some* theory of justice in property titles . . . ¶The consistent free-market economist is now in parlous shape. He is close to concluding not only that government itself is illegitimate but also that the free market implies some theory of justice in property rights. But this means that he is likely to be a pariah, not only for his political stance but also for believing that applied economics cannot keep separate and watertight the realms of fact and value. In both these areas the free-market economist must find himself differing from, even while standing on the shoulders of, Ludwig von Mises. But he has the consolation of knowing that the same Mises, in never shirking the task of following the truth no matter where it might lead, is ever his inspiration and guide." (p.188)

Salerno, Joseph T. "Ludwig von Mises and the Monetary Approach to the Balance of Payments: Comment on Yeager [below]." Chapter 19. pp.247-256. Salerno applies Yeager's thesis concerning the modern monetary approach to the balance of payments controversy. "Mises . . . by virtue of his thoroughgoing methodological individualism, maintains a firm grasp on the all-important distinction between the equilibrium of the individual actor and interindividual equilibrium in his balance-of-payments analysis." Given an international pure specie currency and a shift in the demand for foreign relative to domestic products, "proponents of the monetary approach who are inclined to identify balance-of-payments surpluses and deficits with the process of adjusting monetary disequilibrium, would naturally," Salerno writes, "deny any disequilibrating effect on the balance of payments, since the nation, by hypothesis, does not wish to alter its level of money balances but merely its mix of consumers' goods." (p.252) Mises arrives "at the same long-run, comparative-static conclusion . . . that the change in question will not result in any alteration in national money stocks. However, his [Mises'] methodological focus on the individual economic agent leads him to analyze the dynamic microeconomic process by which the comparative-static, macroeconomic result emerges." (p.253) "Mises' contribution to balance-of-payments analysis should be hailed not only as a doctrinal milestone in the development of the monetary approach but, much more importantly, as a shining exemplar of methodological individualism in monetary theory." (p.255)

Vaughn, Karen I. "Subjectivism, Predictability, and Creativity: Comment on Buchanan." Chapter 3. pp.21-29. "The basic insight of social science, it seems to me, is that human action may be free, but it is not random. As Mises told us repeatedly, human beings act purposefully by using means to achieve ends. However, the consequences of their actions are not always what they intend . . . ¶[T]he real heart of Buchanan's view of the domains of positive and subjectivist economics is his claim that there are two conceptually different kinds of action, reactive and active choice." (pp.23-24) "With changing institutional parameters brought about by discovery or changing perceptions, we can predict very little even in principle . . . Hence, the problem for economic theory is not so much one of the differences between reactive and active behavior as it is the difference between action without new learning and action where learning takes place. (Brian Loasby discusses this issue in chapter 10. [above])" (p.28)

White, Lawrence H. "Mises, Hayek, Hahn, and the Market Process: Comment on Littlechild." Chapter 9. pp.103-110. "Littlechild claims that the Hayekian concept of equilibrium 'marks an advance on Mises' thought' because it is more general than the concept of the evenly rotating economy. This claim . . . is controversial within Austrian circles . . . ¶Littlechild wants to argue that 'Hahn and Mises share a similar view of the role of general equilibrium (in its timeless sense).' It is true that both recognize its lack of correspondence to the real-world market economy. But while Mises sees this as part and parcel of the equilibrium construct . . . Hahn views it as a defect to be remedied . . . ¶If Mises' categorical statement that the 'problems of process analysis . . . defy any mathematical approach' is regarded as

unwarranted, the fact remains that they have almost entirely defied mathematical approaches thus far . . . This is not said to discourage mathematical treatment of the problems of market process -- quite the contrary. It is said to emphasize that there have been and remain gains to be made from nonmathematical treatment as well. Littlechild would no doubt agree, his enthusiasm for 'the development of formal economic models of market processes' notwithstanding." (pp.104, 107, 108)

Yeager, Leland B. "Individual and Overall Viewpoints in Monetary Theory." Chapter 18. pp.225-246. Sparked by Mises' remarks during a 1951 seminar, Yeager explores the distinction between "individual and overall viewpoints" in the demand for money, in setting prices, etc. According to Yeager, "the distinction and interplay between individual and collective viewpoints is crucial to understanding the stickiness of price and wage levels and trends, the persistence of monetary disequilibrium, the phenomenon of stagflation, and the problems of stopping inflation." (p.240) "Ludwig von Mises . . . appreciated the differences as well as the similarities between voting in political elections and voting with dollars in the market place. He contributed insights into the difference between bureaucratic and profit-oriented institutions and into the activities for which each type of institution had a comparative advantage. In monetary theory his contributions were even more fundamental." (p.241) Salerno comments (see above).

Lachmann, Ludwig. "Austrian Economics: an Interview with . . ." by Richard Ebeling. *Institute Scholar*. Institute for Humane Studies. 2:2 (February 1982) 6-9. Lachmann was interviewed in early 1980 at New York University. Ebeling asked how Lachmann accounted for the demise of the Austrian School in the 1930s. "A peculiar constellation of circumstances. The simplest explanation, of course, is simply to say that what Austrian ideas there were at the time were swept aside by the Keynesian flood. Or, as Sir John Hicks has put it, 'that the voices of the Austrians were drowned by the fanfare of the Keynesian orchestra.' This is undoubtedly true, but I don't think it is the whole explanation. In my view, the Austrians -- or, if I may say so, the Austrian leadership in the 1930s -- made some mistakes. In some respects it is clear to see that opposing government action, even at the very bottom of the worst depression the world had seen -- say in 1932 -- evidently was a mistake. And this is now more or less generally acknowledged. And I would say that on the analytical level too, there was a strange reluctance to accepting the importance of expectations. That in the trade cycle expectations MUST matter is, again, today generally admitted. I think the Austrians of the 1930s were very slow in admitting this." Asked how he first became interested in the Austrian approach, Lachmann: "I grew up in the Germany of the Weimar Republic, in the cross-fire as it were, between the revisionists who ruled the Weimar Republic as they today rule the Bonn republic, and the Marxists. These really were the two dominating schools in the Weimar Republic. Now, I heartily disliked both, though I did learn some things from their disputes. Disliking both wings of the dominant school, I naturally looked around for greener pastures. I first studied Schumpeter, whose work greatly impressed me as I daresay it has impressed almost every leader. But, then I tried to find what was lying behind Schumpeter. I found, and that was in the late 1920s of course, certain articles Mises published in the German philosophical and social science journals of those years. I read Mises and found that here was something with which I could identify myself. And, thus living far from Vienna, I became something of a Misesian, simply because the quality of Mises's papers appealed to me." (p. 9)

_____. "The Salvage of Ideas: Problems of the Revival of Austrian Economic Thought." *Zeitschrift für die gesamte Staatswissenschaft*. 138:4 (1982) 629-645 [*Journal of Institutional and Theoretical Economics*]. "[I]n the 1930's, the voices of the Austrians were almost drowned in the fanfare of the Keynesian orchestra . . . ¶When the decade started Mises, a figure of some weight in the Chamber of Industries in Vienna, presided over his famous *Privatseminar*. In August 1940 he landed in New York as a refugee from Europe. These facts illuminate the vicissitudes of Austrian economics in the 1930s . . . ¶[W]hile Mises made his mark in the Anglo-Saxon world in 1949 with *Human Action* . . . the next 25 years or so were years in the wilderness. Only Mises' seminar at New York University remained as an active centre of Austrian economic thought. In the rest of the world it fell into oblivion or was, at best, regarded as an appendage of neo-classical orthodoxy." (p.631). Lachmann then considers Hans Mayer's views on pricing, Hayek's ideas on the role of knowledge in economics, and the Knight-Austrian controversy over capital theory.

Reprinted in *Austrian Economics: II*. Stephen Littlechild, ed. (Aldershot, Hants, England; Brookfield, Vt.: Edward Elgar, 1990). pp.326-342.

- Laidler, David. *Monetarist Perspectives*. Cambridge, Mass.: Harvard University Press, 1982. "In their methodological individualism, their stress on the market mechanism as a device for disseminating information, and their insistence that the business-cycle is the central problem for macroeconomics, Robert E. Lucas Jr., Robert J. Barro, Thomas J. Sargent, and Neil Wallace, who are the most prominent contributors to this new body of doctrine, place themselves firmly in the intellectual tradition pioneered by Ludwig von Mises and Friedrich von Hayek. Certainly their work is much more closely related to traditional 'Austrian' economics than to the 'Classical' macroeconomics of Alfred Marshall and Arthur C. Pigou." (p.ix) "The theory in question is reminiscent of the Austrian business cycle theory of the 1920s and 1930s and that is no accident. It is the Austrians, and not, as Solow (1980) has suggested, Pigou, who are the predecessors of Lucas, Sargent and their associates. Like Ludwig von Mises and Friedrich von Hayek, they have set themselves the task of producing a theory of the business cycle which is firmly based on the notion that all market phenomena represent the outcome of the voluntary choices of maximising individuals, but these neo-Austrians have gone beyond their predecessors to produce a theory in which output and employment, as well as prices, fluctuate as a result of voluntary choice exercised in markets that always clear. Whatever we may think of the empirical relevance of that theory, and its proponents, notably Robert J. Barro (1978), McCallum (1975) and Patrick Minford (1980), show an admirable and un-Austrian willingness to submit their ideas to empirical tests, there is no doubt that its very construction represents an intellectual achievement of the highest order." (p.18) "Though I shall argue in this essay that . . . a money using economy [is] crucially different from a frictionless barter economy, where there exists an object of choice that happens to be called 'money,' there are those who would deny this proposition. In particular, a group of economists, prominent among whom are Robert E. Lucas Jr., Robert J. Barro, Thomas Sargent and Neil Wallace, to whom I shall refer in this essay as 'neo-Austrians' because of the similarity of aspects of their views to those propounded in the 1920s and 1930s by Ludwig von Mises and Friedrich von Hayek, argues that the behaviour of real-world economies may be interpreted 'as if' they were continually in a state of general competitive equilibrium in all markets." (p.72)
- Lavoie, Don. "Rivalry and Central Planning: A Reexamination of the Debate over Economic Calculation under Socialism," Ph.D. dissertation, New York University, 1982. Published 1985 as *Rivalry and Central Planning: The Socialist Calculation Debate Reconsidered*.
- Lepage, Henri. *Tomorrow, Capitalism: The Economics of Economic Freedom*. Translated from the French (1978) by Sheilagh C. Ogilvie. Foreword by James M. Buchanan. LaSalle, Ill.: Open Court, 1982. Discusses current trends in economic thinking and their political implications. "Microeconomics is now conceived much more widely, as a general theory of human choice and behavior in a system of social interactions. Microeconomics, to employ a term used by von Mises in his monumental work, *Human Action*, becomes a *praxeology*" (p.19) "[W]hat is called the 'Neo-Austrian School,' grouped around Murray N. Rothbard, Edwin Dolan, Israel M. Kirzner, and Ludwig M. Lachmann, relies on the works of von Mises and Hayek and rejects everything generated by mathematical economics and contemporary econometrics." (p.27) The idea "that monopolies and the concentration of economic power are generated not by the natural functioning of market laws (selection of the fittest) but by government and the obstacles it sets before normal competition . . . was already a basic element in the writings of Hayek and von Mises, but for some time it lacked empirical support. Today, the work of men like McGee and Armentano, and also Richard Posner, George Stigler, and Yale Brozen, has filled this vacuum." (p.39) "The role of government-manipulated interest rates in the crash was brought to light by Hayek and von Mises in their writings of the 1930s." (p.40) "[I]n central Manhattan, a few minutes from Greenwich Village and its teeming student population, and on the edge of the old warehouse district now invaded by showrooms, art galleries, and trendy restaurants, you will find a bookstore whose sign proclaims it to be 'Laissez Faire Books.' ¶This bookstore specializes in libertarian literature Wedged in between Bakunin and the classics of

revolutionary anarchism on one side, and feminist and ecological pamphlets on the other, neighboring -- symbolically -- on Trotsky and the latest 'radical' polemics, you will find the complete works of Hayek, von Mises, Friedman, Becker, and Tullock; the latest book on advanced microeconomic theory by Armen Alchian; popularizations by Roger Leroy Miller and disquisitions on deregulation by Paul W. MacAvoy; the philosophical treatises of Robert Nozick, and a voluminous libertarian history of the United States in four volumes by Murray Rothbard." (p.107)

Literature of Liberty Leonard P. Ligio, editor. Quarterly. Menlo Park, Calif.: Institute for Humane Studies. Summer 1982. Volume 5. Number 2:

Barry, Norman. "The Tradition of Spontaneous Order." pp.7-58. A careful survey of the contributions to the "spontaneous order" idea of thinkers throughout the ages down to F. A. Hayek. Barry quotes Hayek's *Law, Legislation and Liberty, III*: "Tradition is not something constant but the product of a process guided not by reason but by success." According to Barry, Hayek claims that ethical rules are "relative to particular traditions," because the future is "unknowable" and because we cannot predict consequences, we can only recommend "minor tinkering" with ethical rules. "This extreme anti-rationalism," Barry writes, "follows directly from Hayek's claim that mind itself is explicable only in terms of cultural transmission: 'all enduring structures up to the brain and society are a product of selective evolution.' This clearly differentiates him [Hayek] from the rationalistic classical liberalism of, for example, Ludwig von Mises, who based a theory of *laissez-faire* economics and politics on the universal properties of the human mind." (p.46) Kirzner comments; see "Readers' Forum," Winter 1982 (below).

Autumn 1982. Volume 5, Number 3:

Brown, Pamela. "Constitution or Competition? Alternative Views on Monetary Reform: Bibliographical Essay." pp.7-52. After paying tribute to Mises' *Theory of Money and Credit* (B-2) as "The single most important book which has to date been written on the subject of money," and quoting him to the effect that legal tender status "does not suffice to make [something] money in the economic sense," Brown discusses a "constitutionally constrained monetary system," i.e., a money managed according to specific rules, and free trade and competition in paper currencies, more or less in line with Hayek's proposal in *Denationalization of Money* (1978). She concludes: "Economists have clearly articulated the need for reform of the existing monetary system. The available alternatives for change have in recent years also taken clear and unambiguous shape: *either* continued yet constrained monopoly *or* free-market competition in the supply of currency. The case for competition rather than constitutional restriction seems at present to be far stronger." (p.35)

"Editorial" [unsigned]. pp.3-6. "By the last decade of the Nineteenth Century, signals were clear that the beginning of the end of the liberal era was at hand. The liberating forces that had been advancing for more than two centuries were grinding to a halt . . . ¶The liberals knew that the unprecedented prosperity yielded during the heyday of liberalism depended on implementing the free trade plank of the liberal platform. As Mises never tired of pointing out, necessarily central to the free trade system is a sound monetary mechanism to facilitate the policy of free trade . . . ¶The final and decisive blow against the classical liberal order in general and against the international trade and monetary mechanism (the gold standard) in particular was delivered with a vengeance by the Great War. ¶In the blink of an eye, it was all but gone . . . ¶Even before the Great War, Mises had achieved a significant measure of international acclaim with the publication of his *Theory of Money and Credit* (1912). In it, Mises performed the monumental task of, in effect, completing the subjectivist revolution in economic theory by unifying all economics into a general microeconomic framework . . . ¶With the publication of *Nation, State and Economy* in 1919, *Socialism* in 1922, *Liberalism* in 1927, and *Critique of Interventionism* in 1929, Mises established himself not only as a great economist but also as a political philosopher and social analyst of the first order. But perhaps more than anything, by the late Twenties Mises was well established as *the* voice of uncompromising liberalism in Europe. . . . ¶By the mid-Thirties, Mises had to flee his beloved Vienna for Geneva, where he set to work on what was to become his major theoretical work in economic science, *Nationaloekonomie* (1940), later to be reworked into the major English treatise, *Human Action* (1949) . . . ¶Although Mises' reputation, along with liberalism in general,

waned considerably during the Thirties and Forties, his influence can nevertheless be seen in postwar Europe ¶It is perhaps true that Mises' long-run intellectual leverage is greater now than at any time in his own lifetime."

Winter 1982. Volume 5. Number 4:

Gray, John N. "F. A. Hayek and the Rebirth of Classical Liberalism." pp.19-66, plus an extensive bibliography of works by and about Hayek, pp.68-101. "[O]ne of Hayek's principal contributions in economic theory is the refinement of the thesis of his teacher, Ludwig von Mises (1881-1973), that the attempt to supplant market relations by public planning cannot avoid yielding calculational chaos The knowledge yielded by market pricing is knowledge which all men can use, but which none of them would possess in the absence of the market process No sort of market simulation or shadow pricing can rival the operation of the market order itself in producing this knowledge (pp.36-38) ¶[T]here is no evidence, so far as I know, that Hayek ever endorsed the Misesian conception of an axiomatic or apriori science of human action grounded in apodictic certainties." (p.41)

Kirzner, Israel M. "Readers' Forum," pp.7-8. In commenting on Barry (above), Kirzner notes that the idea of spontaneous order means (1) that "permitting spontaneous social forces to work themselves out results in systematic, rather than in random or chaotic results" and (2) that "these systematic results" are "socially beneficial." Kirzner continues: Ludwig von Mises did not see the great contribution of the classical economists as depending on the socially beneficial results. "This contribution consisted, Mises wrote, in the demonstration that 'there prevails' in the course of social events, 'a regularity of phenomena to which man must adjust his actions if he wishes to succeed' This discovery of the inherent regularities that emerge spontaneously from free society interaction represented the major scientific breakthrough in the history of social understanding."

Martin, Paul C. "Gewalt & Gesetze" [Power and Laws]. *Welt am Sonntag* (January 1982) 9. "A young man dies in Berlin and we ask 'Who is to blame?' The answer is easy: the State ¶The blame rests on the State as Supreme Bureaucrat who imposes housing and rent controls on us. ¶Hamburg's director of rent controls rejoiced recently: 'Good luck for all tenants. Rent increases can be prevented in 98% of the cases.' But 98% of the landlords are not rejoicing." Martin then discusses rent control and housing in Hamburg in the light of a Mises' quote from *Nationalökonomie* [B-11] on the effect of price controls: "The Roman Empire foundered because the spirit of liberalism declined." "And so," he concludes, "it will be with us." (Translated from the German)

_____. "Wünsche & Wahrheit" [Wishes and Truth]. *Welt am Sonntag* (October 10, 1982). Martin quotes three recent German spokesmen concerned with unemployment. Then he quotes Mises' *Nationalökonomie* [B-11] to the effect that unemployment is due to the workers' overpricing their work.

Maybury, Rick. *Common Sense for the 1980's*. Lansing, Mich.: Jefferson Publishing, n.d. [1982 ?]. "Inflation is like being hooked on heroin. Once you've gotten into it, you can only stop by going through the withdrawals, the depression. Which is why the great economist Ludwig von Mises once said, 'Government is the only agency which can take a useful commodity like paper, slap some ink on it, and make it totally worthless.'" (pp.174-176)

McDonald, William Wesley. *The Conservative Mind of Russell Kirk: 'The Permanent Things' in an Age of Ideology*. Ph.D. dissertation. Catholic University of America, 1982. "Before the publication of Kirk's *The Conservative Mind*, 'conservatism' was general a label for what could be more aptly called 'laissez-faire liberalism.' Many opponents to the policies of the New Deal sought remedies in various doctrines of atomistic individualism largely descendant from Nineteenth Century laissez-faire liberalism. Such ideas were advocated by economists like Ludwig von Mises, Friedrich von Hayek and Henry Hazlitt. Today, these men are commonly referred to as 'libertarians' ¶This study gives evidence of Kirk's decisive influence in drawing American conservatism away from the utilitarian premises of libertarianism toward community-conserving traditional conservatism." (Quoted from summary of doctoral thesis)

Modern Age.

Winter 1982. Volume 26. Number 1:

Campbell, William F. "Towards a Conservative Economics." pp.27-38. "Although nominally democratic in its formulations, the doctrine of consumer sovereignty has been most interestingly presented by Ludwig von Mises in a manner which brings out its basis in tyranny. Instead of every man a king, a sovereign in that sense, von Mises gives us the picture of the consumer as a sovereign in the tyrannical sense: arbitrary, subjective, whimsical. According to Mises the consumers 'make poor people rich and rich people poor. They determine precisely what should be produced, in what quality, and in what quantities. They are merciless egoistic bosses, full of whims and fancies, changeable and unpredictable. For them nothing counts other than their own satisfaction'." [*Human Action* (1966), p. 270] (p.30).

Summer/Fall 1982 (*Silver Jubilee Issue*). Volume 26. Number 3/4:

Bradford, M. E. "A Generation of the Intellectual Right: At the Head of the Column." pp.292-296. Discusses the post-World War II conservative revival, with special mention of Ludwig von Mises, F. A. Hayek, Leo Strauss, Eric Voegelin, Eliseo Vivas, Russell Kirk, Richard Weaver, Willmoore Kendall and Frank Meyer.

Peterson, William H. "Ludwig von Mises, 1944, '49." pp.248-251. "I was among a generation of students at New York University's graduate business school who took the economics courses of Ludwig von Mises (1881-1973); and I can never forget that remarkable gentle, diminutive, soft-spoken, white-haired European scholar -- with a mind like a steel trap . . . ¶Remember, said Mises, only the individual thinks. society does not think any more than it eats or drinks. To be sure, there is joint action but there is no joint thinking. Society therefore depends on the individual but so too does the individual depend on society . . . ¶Thought and freedom, thought and society, the individual and the march, forward or backward, of civilization -- these are the recurrent themes in the Mises mosaic."

Zlabinger, Albert H. "The Austrians." pp.319-322. Discusses the leading figures of the Austrian school of economics. Zlabinger writes that Mises "firmly established his reputation as an eminent economist at the age of thirty-one with his book, *The Theory of Money and Credit* [B-2] . . . ¶During the turbulent years following World War I, Ludwig von Mises became interested in the problems of interventionism and socialism, at the time a highly explosive and relevant topic . . . ¶Although opposed and criticized by many, Mises continued his valiant crusade with a series of articles on interventionism and *Liberalismus* (1927) [B-6], in which he stood up for true laissez-faire as the only humane and workable system." Zlabinger mentions *Nationalökonomie* (1940) [B-11] and *Human Action* (1949) [B-16]. Then "As a teacher, Mises was one of the most successful in all of Vienna, despite the fact that he never held a full academic appointment at the university (a fate similar to that of Sigmund Freud). In his famous private seminar, dozens of students learned about Austrian Economics and went on to great careers abroad."

Paul, Ron & Lewis Lehrman. *The Case for Gold: A Minority Report of the U. S. Gold Commission*. Washington, D.C.: Cato, 1982. "As Mises' 'regression theorem' showed in 1912, new currency units cannot be imposed *de novo* from above, by politicians or economists. They must emerge out of the experience and the valuations of the public on the market . . . ¶The 'Austrian' economists, in particular Ludwig von Mises, have demonstrated clearly that the business cycle is a result of unwise monetary policy (frequently compounded by other unwise government policies such as wage controls and protectionist legislation)." (pp.140, 156)

Petro, Sylvester. "Unions and the Southern Courts: Part III -- The Conspiracy and Tort Foundations of the Labor Injunction," *North Carolina Law Review*. 60:3 (March 1982) 544-629. A detailed and carefully documented study. Petro cites Mises on the importance for the legal system of recognizing the purposiveness of human action. The purposive character of human action becomes meaningful, Petro writes, when "amplified by the brilliant exposition of the role of teleological analysis in the various fields of human action, including law and economics, which is to be found in the works of Ludwig von Mises, especially *Human Action* (1949), *Theory and History* (1957) . . . and *The Ultimate Foundation of Economic Science* (1962) .

. . . In these works teleology is viewed in human action as the archetype of causal analysis . . . because we know with absolute certainty when we have willed a result (for example, raising an arm, pulling a trigger, striking a billiard ball)." (p.568n) The legal systems abandon the primitive idea of strict privilege (or liability), Petro says, as they "come to realize that the essential character and meaning of human action lies in the purposes and motives that animate it, that human action, as von Mises put it, is purposive action, and that no legal system which fails to take into consideration the circumstances surrounding action, including motive, can adequately serve society." (p.569) "The *meaning* of human action lies in its purpose" (Mises' *Human Action*) and "As law is based on and interpenetrates life, it cannot disregard any of its essential elements, and in weighing human acts should not disregard the spirit which effects them." (p.572) Petro relies on Mises, F. A. Hayek and J. S. Mill for his definition of "freedom:" "If it is to be intelligible and noncontradictory, the term 'freedom' in society must be given the meaning of absence of restraint or constraint by others, following one's own will rather than having another's will forced on one ¶Violence is actionable unless justified *first* because it invades my complements' rights in themselves and in their possessions, . . . and *second* because if these harms, though unjustified, are not usually discouraged, prevented or punished, society will break down. Society will break down because I and others like me will go to warring with our fellows if there is no agency that will protect our freedom and our goods from unjustified assaults. And if we are all busy fighting each other, production of the good things of life will diminish, and life itself will become nasty, brutish and short." (pp.584-585) Petro cites Mises as his authority for saying: "[T]he *first principle* of all law -- the principle of principles -- is the preservation of society, social co-operation and the consensual division of labor." (p.607) More pertinent to the topic of his paper, Petro sees no problem in the right to "strike" *per se*, i.e. to quit work in unison; he agrees with Mises that "the problem is not the right to strike, but the right -- by intimidation or violence -- to force other people to strike, and the further right to prevent anybody from working in a shop in which a union has called a strike." (p.599n) Parts I & II of this study, published 1981, contain no references to Mises.

Rothbard, Murray N. *The Ethics of Liberty* Atlantic Highlands, N.J.: Humanities Press, 1982. Rothbard's "intention is to set forth a social ethic of liberty, i.e., to elaborate that subset of the natural law that develops the concept of natural rights, and that deals with the proper sphere of 'politics,' i.e., with violence and non-violence as modes of interpersonal relations. In short, to set forth a political philosophy of liberty ¶In order to advocate public policy, therefore, a system of social or political ethics must be constructed Let us then cast out the hobgoblins of *Wertfreiheit* [freedom from making value judgments], of positivism, of scientism." (pp.25-26) One section of the book (pp.205-213) is titled "Ludwig von Mises and 'Value-free' Laissez Faire." Rothbard sees a dilemma for Mises as "the most uncompromising and passionate adherent of *laissez-faire* and the most rigorous and uncompromising advocate of value-free economics and opponent of any sort of objective ethics. ¶Essentially, Mises offered two separate and very different solutions to this problem. The first is a variant of the Unanimity Principle. Essentially this variant affirms that an economist *per se* cannot say that a given governmental policy is 'good' or 'bad'. However, if a given policy [viz., price controls] will lead to consequences, as explained by praxeology, which every one of the supporters of the policy will agree is bad, *then* the value-free economist is justified in calling the policy a 'bad' one." (pp.205-206) "There is another and very different way, however, that Mises attempts to reconcile his passionate advocacy of *laissez-faire* with the absolute value-freedom of the scientist. This is to take a position much more compatible with praxeology: by recognizing that the economist *qua* economist can only trace chains of cause and effect and may not engage in value judgments or advocate public policy. This route of Mises concedes that the economic scientist cannot advocate *laissez-faire*, but then adds that he as a *citizen* can do so ¶In this second variant, Mises has successfully escaped the self-contradiction of being a value-free praxeologist advocating *laissez-faire*. Granting in this variant that the economist may not make such advocacy, he takes his stand as a 'citizen' willing to make value-judgments." (pp.208-209) "Mises makes one further attempt to establish his position, but it is even less successful. Criticizing the arguments for state intervention on behalf of equality or other moral concerns, he dismisses them as 'emotional talk.' After reaffirming that 'praxeology and economics . . . are neutral with regard to any moral precepts,' and asserting that 'the fact that the

immense majority of men prefer a richer supply of material goods to a less ample supply is a datum of history, it does not have any place in economic theory,' he concludes by insisting that 'he who disagrees with the teachings of economics ought to refute them by discursive reasoning, not by . . . the appeal to arbitrary, allegedly ethical standards'." (pp.211-212)

- Stützel, Wolfgang, Christian Watrin, Hans Willgerodt, Karl Hohmann (eds.). *Standard Texts on the Social Market Economy: Two Centuries of Discussion*. Stuttgart/New York: Gustav Fischer, 1982. English translation by Derek Rutter of German language volume, *Grundtexte zur Sozialen Marktwirtschaft* (1981). Reprints Mises' "Interventionismus." (Article 26.5). See also Müller-Armack (1947) in this volume's "Addendum."
- Vorhies, W. Francis. "Marx and Mises on Money: The Monetary Theories of Two Opposing Political Economies." Ph.D. dissertation, University of Colorado-Boulder, 1982. Marx views money as the medium of alienation and contradiction. Mises views money as the medium of cooperation and coordination. The monetary theories of Marx and Mises are similar in some respects. They both recognize the artificial expansion of credit money as the technical medium of capitalist crises. Marx contends that the drive to overproduce is inherent in the social relations of capital. Mises contends that the drive to malinvestment is induced by interventionist policies of cheap credit. Vorhies characterizes his dissertation as "a comprehensive, comparative study of Marx's monetary theories." (*Critical Review*. 3:3/4, p.532)
- Winston, Gordon C. *The Timing of Economic Activities*. Cambridge University Press, 1982. "A key aspect of Austrian capital theory is its appreciation -- from Böhm-Bawerk to Mises to Shackle and Lachmann -- of the inherent delay in payoff to durable capital -- the period of production -- that necessitates waiting for output with resources tied up for some period of time. Investment is therefore a precommitment of resources, and the corollary of any precommitment is that it is made under uncertainty. The Austrian tradition emphasizes this, rejecting analyses of investment under certainty in order to stress that the inherent technological delays in payoffs to durable capital push its analysis into an inherently unknowable future: The use of capital requires waiting and also not really knowing." (p.9)

1983

Batemarco, Robert John. "Studies in the Austrian Theory of the Cycle" Ph.D. dissertation, Georgetown University, 1983. Interprets three historical events in the light of the Austrian theory of the cycle -- the U.S. cycle of 1850, the German hyperinflation of the 1920s, and the 1961-1967 period in the United States. Batemarco notes the distinction between "over-investment" and "malinvestment," but does not consider them mutually exclusive. "Mises does not deny the possibility that forced saving can lead to overinvestment (although he seems to regard it as unlikely to offset the tendency of the boom to increase consumption) but rather only wishes to assert that overinvestment, in contrast to malinvestment, is not essential to the generation of the cycle." (p.18n) Batemarco discusses Mises praxeological approach on the basis of the apriori action axiom. "Austrian theorists have never subjected their theories to the rigorous formal deductive proofs which Austrian methodological writing implies that they can and must withstand. If that theory cannot be derived in such a way we would be left with mere conjecture which we would be hard put to say why it should not be made subject to a Popperian process of falsification . . . ¶However, we would be remiss if we did not at least make an attempt to spell out how one might go about attempting such a proof. That credit expansion causes market interest rates to be lower in the short run than they would be otherwise is implicit in the general laws of supply and demand which both, in turn, rely on the idea of diminishing marginal utility which is itself derived from the fact of scarcity and the action axiom. That this will result in a shift in the structure of production to higher order goods (the boom) is the implication of the subsidiary assumption of time preference, the fact that production takes time . . . That this boom will be unsustainable can be deduced from the scarcity of original factors of production, the fact of complementarity among capital goods and the implication of the ubiquitous laws of supply and demand that the cessation of credit expansion will lead to a reversal of the initial changes in interest rates and relative prices. The possibility of individuals having made such unrealizable plans is implicit in the existence of uncertainty, which can itself be derived from the action axiom.* These it seems, would be the main elements in any attempt at a logical proof of that theory." NOTE: *In von Mises' view, the existence of uncertainty with regard to future events by no means precludes the ability of people to come to know, through correct praxeological reasoning, particular things with 'apodictic certainty.' (pp.58-61 & 61n)

"While he [Schumpeter] does blame 'reckless banking' for many of the phenomena which we have described in this chapter, that term in this context means something quite different to Schumpeter than it does to Hayek or Mises. To Schumpeter, bank credit expansion within proper bounds is imperative if those innovations which lead to economic growth and, as a result, business cycles, are to be carried out. Banking is reckless, in his sense, only if it expands in excess of what is necessary to accomplish this . . . ¶To the Austrians, bank credit creation per se is undesirable, at least if your goal is to avoid the business cycle." (pp.113-114)

Block, Walter "Understanding free Enterprise: with Ludwig von Mises in mind." A series of essays in *Grainews*. A Canadian monthly paper published primarily for farmers. Several articles in this series cite Mises. For instance:

"Meet Mises." January 1983. "This column is the first in a series of essays which will be dedicated to analyzing public policy issues from the economic perspective created by Professor Ludwig von Mises. ¶As such, it is incumbent upon me to describe Mises and his works, and to establish the significance and importance of Misesian economics for the present readership." Block describes the background and economic philosophy of Ludwig von Mises. "With the work of Ludwig von Mises as our guidepost, we shall begin our analysis of public policy issues of interest to the farming community next month."

"Canagrex: an invitation to disaster." (April 1983) pp.69, 70. Discusses Canada's farm subsidies and Mises' views on the private sector as compared with the bureaucratic public sector. Quotes Mises on payment balances, mercantilism and cash balances.

"Farm Foreclosures: Banks aren't bloodsuckers but benefactors." (June 1983) p.75. Quotes Henry Hazlitt, "A follower of Ludwig von Mises."

"Farm price controls, African famine and higher education: A combination that doesn't feed people." (July 1983) p.44. Quotes at length from Mises' "Economic Teaching at the Universities" (Article 52.3).

"More on the question of do we really need the Canadian Wheat Board." 2 parts, August & September 1983. In part 1, Block discusses the arguments, presented in the July *Grainews*, of two officials of the Canadian Wheat Board who had objected to the "very naive notion of free enterprise." In part 2, Block defends Mises and free enterprise against their charges. "It is not naive to look forward to a return of conditions which are supportive of individual enterprise, initiative and limited government. And, if such conditions do come about in the foreseeable future, an application of the insights of Ludwig von Mises to modern conditions will surely play a major role."

"Stabbing the Hutterites in the back." (October 1983) p.35. In place of Alberta's 1944 "Communal Property Act," repealed in 1973, it is proposed to limit any person, organization or group to owning or controlling more than 10% of the land in any municipality. Resentment against the Hutterites, Block says, is behind this proposal. Their communes are *voluntary*, Block says, and their access to property should not be limited by law. Block quotes at length from Mises on private property.

Butler, Eamonn. *Hayek: His Contribution to the Political and Economic Thought of our Time*. New York: Universe Books, 1983. Hayek "has speculated" that his Fabian socialist views "proved of value to him in the long term, because he had to work out the principles of a free society for himself, deliberating over every point. In this, he was helped by the leading economist of the 'Austrian' school, Ludwig von Mises. ¶As one of the directors of a temporary government office, Mises was looking for young lawyers and economists. At his interview, Mises remarked that he had never seen Hayek at his lectures on economics (almost true: Hayek had looked in once but found Mises' lecture conspicuously antipathetic to his mild socialist ideas) but hired him nonetheless. For the next five years, Mises was Hayek's chief in the office, and after that he became vice-president of the Austrian Institute for Economic Research, an institute to study business cycles and economic policy which they started together and of which Hayek became director . . . ¶This was undoubtedly a period of important intellectual development as Mises weaned Hayek off his Fabian views. In the *Privatseminar* discussion group which met in Mises' office, he began to understand the problems of socialism, and was completely won over by Mises' stinging critique, *Socialism*, which appeared in German in 1922." (pp.2-3)

Butos, William N. "Subjectivism in the Development of Monetary Theory: Implications of Austrian Themes," Ph.D. dissertation, Penn State University, 1983.

The Cato Journal. Washington, D.C.: Cato Institute. 3:1 (Spring 1983).

Lavoie, Don C. "Economic Calculation and Monetary Stability." pp.163-170. Paper presented at Cato Institute conference, Washington, D.C., January 21-22, 1983, on "The Search for Stable Money." "It is no accident that prior to their participation in this 'calculation debate' both Mises and Hayek had made seminal contributions to monetary theory, and in particular to the analysis of the important microeconomic effects money can have on the competitive process. Both economists stressed that monetary theory should not be concerned only with determinants of the value of money and of its supply, or with the long run, or average price level; instead it should study the short-run effects changes 'from the money side' can have on relative prices . . . ¶Indeed, the central thesis of Mises' and Hayek's work in monetary theory has been that the serious periodic recessions that have plagued the world's economies have been largely due to this injection source of monetary disturbance. . . . ¶If Mises and Hayek are right, even a Fed that strictly obeyed the dictates of the monetarist policy prescriptions would still be causing, with their moderate injections of money, a certain degree of misdirection of resources and unemployment."

Salerno, Joseph T. "Gold Standards: True and False." pp. 239-267. A paper presented at the Cato Institute's conference on "The Search for Stable Money," held in Washington, D.C., January 21-22, 1983. Salerno contrasts (1) those who advocate gold money because gold is the market-selected commodity money and (2) those who consider money a "tool" of government policy and advocate a government-fixed gold price in the hope of maintaining stable prices and reducing cyclical fluctuations. Concerning commodity gold

money: "As Ludwig von Mises pointed out over 50 years ago, 'the sound-money principle has two aspects. It is affirmative in approving the market's choice of a commonly used medium of exchange. It is negative in obstructing the government's propensity to meddle with the currency system'." (p.241)

- Centro de Estudios en Economía y Educación (Mexico): *Ludwig von Mises: Infatigable Luchador Contra la Economía Ficticia* [Ludwig von Mises: Indefatigable Fighter Against False Economics] (1983). In the "Introduction" J. Rolando Espinosa Ramirez reviews Mises' life and major contributions. Booklet includes Spanish translations by Eduardo L. Suárez. of Murray N. Rothbard's *The Essential von Mises* (1973), plus Mises' "Planning for Freedom" (Article 45.2), "Interventionism" (Article 26.5), and "Nationalization of Credit?" (Article 29.3).
- Dugger, William. "Two Twists in Economic Methodology: Positivism and Subjectivism." *American Journal of Economics and Sociology*. 42:1 (January 1983) 75-91. "[W]ith a rebirth of political conservatism, the neoclassical core is giving rise to an anti-Keynesian counterrevolution (p.76) . . . Each 'new' school, both the Austrian and the Monetarist, proposes a major change in economic methodology, the effect of which is to protect the core of neoclassical theory from empirical attack." (p.82) "Although Friedrich A. von Hayek is the best known Austrian economist, Ludwig von Mises has provided the clearest methodological statement of Austrian subjectivism . . . Mises concludes that the economic study of institutions or social controls, as such, just is not possible . . . [N]ot only are most econometric type data of little value to economists, but the reliance on history as the economist's laboratory is referred to by Mises as the 'research fable' . . . [E]conomics, a branch of 'praxeology', according to Mises and the other Austrians, is not historical." (pp.85-86) "Mises invented the term 'economic praxeology' (the study of economic praxis?). And he uses it in a most eccentric fashion to refer to the logic of subjective thinking. 'Praxeology' does not exist as a philosophical discipline. There are no recognized 'praxeologists.' Furthermore, praxis means activity and it means ability acquired through activity. Hence, praxis is the opposite of subjective knowing. Yet this is not the meaning of 'economic praxeology' as used by Mises. In fact, his meaning is nearly opposite of the accepted philosophical meaning of the root word 'praxis'." (p.90 n45)
- Ebeling, Richard M. "Austrian Economics -- An Annotated Bibliography." *The Humane Studies Review: A Research and Study Guide*. David M. Hart, ed. Fairfax, Va.: Institute for Humane Studies. 2:1 (1983) 1-5. "One branch of the Austrian School transformed economics into a formal analysis of the allocation of given means for the satisfaction of given ends which were ranked in order of importance . . . ¶The leading and best-known member of this second branch of the Austrian School was Ludwig von Mises. Mises' formulation was of a more dynamic character, in that he adopted Max Weber's concept of 'meaningful' behavior as purposeful or intentional conduct in which an individual initiated action on the basis of his *subjective* interpretation of circumstances . . . Mises viewed his other writings on monetary theory, comparative economic systems, and the market process as 'applications' of his concept of action . . . ¶The arrival of Keynesian economics eclipsed the Austrian School for almost three decades with only Ludwig von Mises, Friedrich von Hayek, and Ludwig M. Lachmann consciously continuing the tradition in their writings." Reprinted in Hillsdale's *Champions of Freedom: 18* (1991), see below, pp.139-140.
- Edwards, James Rolph. "The Contributions of Ludwig von Mises to Monetary Theory." Ph.D. dissertation, University of Utah (1983). Published later as *The Economist of the Country: Ludwig von Mises In the History of Monetary Thought* (1985). For annotation, see 1985.
- Ekelund, Robert B., Jr. and Robert F. Hébert. *A History of Economic Theory and Method*. New York: McGraw-Hill 1975 & 1983). Contains a good treatment of the Austrian School.
- The Free Market*. Auburn, Alabama: Ludwig von Mises Institute of Auburn University. 1:1 (Fall 1983):
- Carson, Clarence B. "The Rebirth of Liberty: Mises and Auburn." pp.5-6. "It's a long, long way from the old-world charm of Vienna, Austria, to 'The Loveliest Village of the Plains': Auburn, Alabama. Yet the economic ideas of Ludwig von Mises and the Austrian School of Economics have made that journey and

transition . . . Auburn University has agreed to provide the quarters and setting for the organization which is formally described as The Ludwig von Mises Institute for Austrian Economics, Inc. As befits such an Institute, it will be supported by private gifts and contributions . . . ¶Ludwig von Mises brought hope to America by keeping alive a vision of a free market unsullied by compromises with an onrushing statism." Published also in *The Review of the NEWS*. Belmont, Mass. (August 3, 1983)

Denson, John V. "Auburn University Welcomes the Mises Institute." p.2. "The ideas of Ludwig von Mises are an important source of the inspiration and the foundation of that [a fully free-market] system. He [Mises] was certainly the greatest economist of our time, but in a broader sense, he was an architect of a free society, and a dedicated champion of individual liberty . . . ¶Jacques Rueff, who reestablished gold money in France, once wrote that 'Ludwig von Mises has safeguarded the foundations of a rational economic science . . . By his teachings he has sown the seeds of a regeneration that will bear fruit as soon as men prefer theories that are true to theories that are pleasing. When that day comes, all economists will recognize that Ludwig von Mises merits their admiration and gratitude.'"

Greaves, Bettina Bien. "From Caves to Computers. *The Freeman*. 33:10 (October 1983) 587-593. "The famed economist, Ludwig von Mises, often described the automobile of today as 'the automobile of 1900, with hundreds of minor improvements.' Thus the modern computer is the calculator and/or the typewriter of decades ago 'with hundreds of minor improvements'." (p.593)

Greenfield, R. and J. Salerno, "Another Defense of Methodological Apriorism." *Eastern Economic Journal*. 9:1 (January-March 1983) 45-56. A restatement of the fundamental principles underlying Mises' praxeological approach to economics. "Mises grounds his aprioristic system upon the self-evident and hence nonfalsifiable fact that human beings act, that is, employ means in the pursuit of consciously chosen goals. Human action, then, as the title of his *magnum opus* suggests, is the fundamental axiom of Mises' aprioristic research program. It is clear that Mises does *not* regard utility maximization and profit maximization as congeneric postulates of economic theory. In fact these two postulates occupy vastly different positions with Mises' theoretical scheme . . . ¶Rationality in Mises' view is not merely an analytically necessary or even useful, 'assumption' of economic theory but the defining characteristic of *all* human action." (pp.46-47)

Hillsdale College. *Champions of Freedom: 10. The Ludwig von Mises Lecture Series*. Hillsdale, Mich.: Hillsdale College Press, 1983.

Bartlett, Bruce. "The Role of Economic Theory in Economic Policy: Supply-side Economics." pp.1-20. "It was Ludwig von Mises' view that ideas ultimately rule the world. 'He who is mighty,' Mises wrote, 'owes his might to an ideology. Only ideologies can convey to a man the power to influence other people's choices and conduct. One can become a leader only if one is supported by an ideology which makes other people tractable and accommodating. Might is not a physical and tangible thing, but a moral and spiritual phenomenon.' [*Human Action*, 3rd ed., p.188] This view, like most of Mises' views is not very popular in Washington." (p.1)

Johannsen, Oscar Bernard. "The Philosophies of John Maynard Keynes and Ludwig Edler von Mises," Ph.D. dissertation, New York University, 1983.

Johnson, Paul. *Modern Times: The World from the Twenties to the Eighties*. New York: Harper & Row, 1983. Commenting on the drive during the 1920s for pumping more credit, domestically and internationally, into the economic system: "The German objection [by Hjalmar Schacht], influenced by the monetarists of the Viennese school, L. von Mises and F. A. Hayek, was that the whole inflationary policy was corrupt." (p.237)

Karafiath, Imre. "An Analytic Survey of the Development of Business Cycle Theory." Ph.D. dissertation, Texas A&M University, 1983. The interest rate theories of Mises, Hayek, Keynes and Wicksell are examined.

- Kirzner, Israel M. Review of *Schumpeterian Economics*, Helmut Frisch, ed. *Journal of Economic Literature*. 21 (1983) 1501-1502. "It is not at all unthinkable . . . for a revival of Schumpeterian economics to develop as a linkage with the ideas, more consistently pursued in the narrower Austrian tradition by Schumpeter's less flamboyant but equally self-assured and brilliant Austrian contemporary, Ludwig von Mises, currently being developed by the followers of the latter (and of Friedrich Hayek) in the form of a modest revival of the older Austrian tradition."
- Kristol, Irving. *Reflections of a Neoconservative: Looking Back, Looking Ahead*. New York: Basic Books, 1983. "And neo-Austrians, too, are wedded to a rationalist view of the economic universe -- though, once again, it is a more interesting version of rationalism. Their rationalism is located within the individual himself, not within something called 'the economy.' Their 'methodological individualism' in economic reasoning is based on 'the self-evident proposition, fully, clearly, and necessarily present in every human mind' (von Mises) that man acts purposefully, learns from such action, and that any existential disparity between intent and result flows from an error of knowledge." (p.188)
- Murrell, Peter. "Did the Theory of Market Socialism Answer the Challenge of Ludwig von Mises? A Reinterpretation of the Socialist Controversy." *History of Political Economy*. 15:1 (Winter 1983) 92-105. "Although recently Mises has attracted some defenders, the standard conclusion drawn from examination of the [economic calculation] debate is that Mises was in error." (p.93) Murrell reviews Mises' position, primarily as presented in *Socialism* (1936); Mises had emphasized the importance of change, the entrepreneur, anticipation and the role of capital and money markets where, as Mises put it, "financial transactions of promoters and speculators . . . direct production into those channels in which it satisfies the most urgent wants of the consumers in the best possible way." (*Human Action*, 1949, p.704) Murrell argues that "the competitive solution" is no answer to Mises because it is "based on a static theory . . . has no role for expectations . . . [allows for no] future-oriented markets . . . does not mention incentives or selection of personnel." (p.100) According to Murrell, the advocates of "the competitive solution" failed to recognize Mises' two basic assumptions: the ubiquity of change and the appearance of new information. "[W]hen new information continually arises, costs are subjective, because they are based on expectations. Hence managerial performance is difficult to evaluate and incentives based on individual property rights are essential." (p.102) "Work on the economics of information is burgeoning. It is surely not coincidental that this work has led to a suggestion that the socialist controversy be reopened. Fifty years after Mises presented his challenge, economic theory may be ready to confront the issues he raised." (p.104)
- Pasour, E. C., Jr. "Land-use Planning: Implications of the Economic Calculation Debate." *Journal of Libertarian Studies*. 7:1 (Spring 1983) 127-139. Burlingame, Calif.: Center for Libertarian Studies. "The economic calculation debate began in 1920 with the publication of Ludwig von Mises' 'Economic Calculation in the Socialist Commonwealth.' Mises stressed that producers and consumers cannot make rational economic decisions without market prices . . . Mises contended that no other conceivable process can take account of all the relevant facts as fully as do market prices . . . In convincing his socialist critics of the importance of market prices, Mises inspired attempts by those critics to duplicate the efficiency of markets through 'market socialism;' that is, to develop methods by which a central planner could determine economically rational product and factor prices in the absence of private property. The best known is a simulated market proposal by Oskar Lange." (p.128) Pasour then explores the implication of Mises' explanation of the importance of private property for land-use planning.
- Pribram, Karl. *A History of Economic Reasoning*. Baltimore: Johns Hopkins (1983). Pribram cites Mises on several issues. **Re monetary theory:** "Ludwig von Mises followed Wieser in applying marginal utility analysis to the development of monetary theory. As Karl Knies had done before him, he chose the method of historical regressus to derive the exchange value of money from an original use value of the monetary metals; he was convinced he had thus secured a safe starting point for the application of marginal utility analysis." (p.337) **Re business cycle theory:** "Wicksell's distinction between the equilibrium rate of interest and the bank rate provided the main elements for a business cycle theory advanced by L. von Mises,

one of the most convinced adherents of the belief in the beneficial operation of the free competitive economic forces. Von Mises combined the Wicksellian approach with Böhm-Bawerk's theory which believed the equilibrium of the economy to be dependent upon the adjustment of the length of the roundabout processes of production to the volume of the subsistence fund available for the payment of wages Von Mises held a general predilection for holding low rates of interest responsible for the traditional banking policy." (p.350) **Re methodology:** "L. von Mises . . . gave a vivid picture of the clash of the divergent methodological principles. He started with a plea for general acceptance of the proposition that over the centuries the logical structure of human thinking has remained unchanged for all peoples, regardless of their racial characteristics and their social structure. He claimed that the Austrian version of the marginal utility doctrine had solved the most important problems of theoretical economics -- the problems of exchanges and prices, as well as those connected with money, with banking and credit, and with business fluctuations." (p.374) **Re socialism:** "Some of the fundamental economic problems involved in operating a socialist economy were formulated by L. von Mises. He demonstrated that competitive price determination was prerequisite to the economically justified allocation of scarce resources; that collective ownership of the means of production with the attendant monopolistic control of these goods rendered the prices of the cost elements indeterminate and thus destroyed the indices which, in the competitive economy, were instrumental in directing the productive factors into the appropriate channels. He stressed that economic rationality was not to be confounded with technological rationality, and that the concept of rationality was deprived of any reasonable meaning when mixed commissions, composed of representatives of divergent interests, were charged with the task of operating economic enterprises." (p.383) ¶Ludwig von Mises is to be credited with having confronted the advocates of socialism with the full array of problems which need to be taken into account when an economic system is to be operated in accordance with the principles of 'economic rationality.' He argued that observance of these principles could not be assured unless determinate prices for the productive factors were established in competitive markets and unless competitive processes could be relied upon to secure the interdependence between these prices and those of consumption goods." (p.458)

Rothbard, Murray N. *The Mystery of Banking*. New York: Richardson & Snyder, 1983. "As Ludwig von Mises conclusively demonstrated in 1912, money does not and cannot originate by order of the State or by some sort of social contract agreed upon by all citizens; it must always originate in the processes of the free market." (p. 3) "[T]he famous Hume-Ricardo 'specie flow price mechanism'. . . explains the mechanism that places at least some limit on inflation, through price and money changes and flows of gold, and that tends to keep international prices and the balance of payments of each country in long-run equilibrium. This is a famous textbook analysis. But there are two vitally important aspects of this analysis that have gone unnoticed, except by Ludwig von Mises. First, we have here not only a theory of international money flows but also a rudimentary theory of the business cycle as a phenomenon sparked by inflation and contraction of money and credit by the fractional reserve banking system. ¶Second, we should now be able to see that the Ricardian specie flow price process is one and the same mechanism by which *one* bank is unable to inflate much if at all in a free banking system." (pp. 122-123) "Ludwig von Mises proposed, in the final edition of his *Theory of Money and Credit*, that the current *market price* be taken as the definition of gold weight. But this suggestion violates the spirit of his own analysis, which demonstrates that gold and the dollar are not truly separate commodities with a *price* in terms of the other, but rather simple definitions of unit of weight. But *any initial* definition is arbitrary, and we should therefore return to gold at the most conveniently defined weight. *After* a definition is chosen, however, it should be eternally fixed, and continue permanently in the same way as the defined unit of the meter, the gram, or the pound." (p. 264)

Salerno, Joseph T. . co-author; see Greenfield (above).

Simpson, David "Joseph Schumpeter and the Austrian School of Economics." *Journal of Economic Studies*. 10:4 (1983) 15-28. This article offers an "interpretation of the major characteristics of Austrian economics, the relationship of Schumpeter to these, together with some fragmentary evidence in support of the views

expressed." Simpson says that a "widely-held belief [was] that Schumpeter was too enthusiastic an advocate of the use of mathematical methods in economics ¶Of the Austrian School, Menger, Mises and Hayek regarded the use of mathematical methods in economics as inappropriate. Their attitude ranged from scepticism on the part of Hayek to outright hostility on the part of Mises He [Mises] goes on to identify and criticise three main currents of thought in mathematical economics. The first concerns what we would nowadays call econometrics, i.e., the measurement of observed data ¶The second strain of mathematical economics which Mises identifies is that where equations are formulated and curves drawn in the analysis of price, utility and cost [B]ecause the prices concerned are real prices rather than nominal prices and because thereby the vagaries of the market process are excluded, then the baby is thrown out with the bathwater A similar objection that mathematical methods do not adequately describe reality is raised by Mises against the third type of mathematics used in economics, i.e., those economic models in which an economic system is formulated as a set of equations analogous to those which are used in classical mechanics ¶Closely related to this last point is the question of the feasibility of rational economic calculation in what was then called a wholly collectivist state, and which we should nowadays call a pure command economy." (pp.15-17) "Needless to say, no two Austrians ever thought alike. Nor did they mince words in criticising what they thought were their colleagues' intellectual errors [I]n his 1912 book, *The Theory of Money and Credit*, Mises criticised what he considered to be the inadequacies of Schumpeter's earlier theory of money. However, he did not use such disparaging terms as those he used in criticising the monetary theories of Böhm-Bawerk or of Wieser." (p.19) "Before World War I, Schumpeter's colleague Mises had become convinced that capitalism was being killed from within by its enemies. Thus not only did Schumpeter inherit from Menger and share with Mises the idea of the prospective decline of capitalism, he also made this idea the subject of his principal work, as did Mises and later Hayek ¶While Schumpeter took an apparently detached view of this transition [capitalism to socialism], Mises and Hayek argued passionately that capitalism could and should be saved. They did not deny that capitalism might one day be replaced by socialism; they simply felt that such a step would be accompanied not only by a catastrophic loss of welfare through allocative inefficiency, but, more importantly, it would inevitably be accompanied by a total loss of political freedom ¶Mises lived to see his predictions largely ignored by his fellow academics outside the Austrian school, and fully realised in the horrors of Soviet Russia and Nazi Germany." (pp.22-23)

Streissler, Erich. "Schumpeter and Hayek: On Some Similarities in their Thought" in *Reflections on a Troubled World Economy: Essays in Honour of Herbert Giersch*. Fritz Machlup, Gerhard Fels, & Hubertus Müller-Groeling, eds. London: Macmillan, for the Trade Policy Research Centre (1983) 356-364. "[A] certain curious, modern American sect has tried to pre-empt the term 'Austrian school,' applying it only to those economists who were pupils of Ludwig von Mises, which Schumpeter never was." (p.356) According to Streissler, Mises and Schumpeter were influenced by Marxian ideas through their contacts with Marxists and socialists in Böhm-Bawerk's 1905-6 seminar. "One of the Marxist ideas which became intertwined in the web of ideas emanating from the Austrian economists in the first decade of the twentieth century was the importance of the role of credit to the real structure of economic development ¶The Austrians' interest in, and their minute knowledge of, Marx and the practical civil service lore of economic policy . . . combined to produce an out-crop of ideas on the real effect of credit closely paralleling contemporary Marxist development. The importance of credit for causing cyclical fluctuations in the economy, the so-called Austrian business cycle theory, was first presented in germinal form in 1912 by Mises and later given substance by Professor Hayek Distributional consequences of credit creation form the basis of the analyses of Mises and subsequently, Professor Hayek no less than they do for Schumpeter." (pp.358-359) "Mises evidently was very proud of having instigated the 'Austrian' business-cycle theory The consequence of the Austrian theory is that prices in a credit-oriented market economy embody a great deal of wrong information most of the time. In the case of Mises, it is particularly amusing to see him attempt to have his cake and eat it too. In his famous book *Die Gemeinwirtschaft* [*Socialism*, 1922 (B-4)], he bases his claim that a socialist society will inevitably be inefficient on the fact that it lacks a price system, the essential instrument for correct economic planning. This lack is particularly grievous under dynamic conditions. As he admits, 'eine stationäre Wirtschaft könnte nur zur Not ohne Wirtschaftsrechnung

auskommen' [a stationary economy could dispense with economic calculation only in an emergency]. He forgets that, according to his own analysis, in everything other than stationary situations economic agents in a market economy are not *correctly* informed by the price system." (p.360)

Taylor, Thomas C. *An Introduction to Austrian Economics*. Auburn, Ala.: Ludwig von Mises Institute, 1983. First issued in a loose-leaf ring-binder edition by Cato Institute (1980), then reissued in a British edition by the Adam Smith Institute (London) and Carl Menger Society (Vienna) jointly. Frequent quotes from Mises. Applies subjective value theory, Austrian deductive reasoning and methodological individualism to the market process and prices. Includes sections on social cooperation, resource allocation, economic calculation, the subjective value theory, as well as inflation and the business trade cycle.

Vieira, Edwin, Jr. *Pieces of Eight: The Monetary Powers and Disabilities of the United States Constitution: A Study in Constitutional Law*. Foreword by Representative Ron Paul. Distributed by Devin-Adair (Old Greenwich). Fort Lee, N.J.: Sound Dollar Committee, 1983. A detailed examination, carefully documented with references to congressional debates and court cases, of the constitutional question of money and especially of the role of gold. Refers in footnotes to Mises: on the definition and origin of monetary value (p.64), on how the gold standard came about (p.91), coinage (p.120), fiat currency (p.168), the "pervasive 'redistributive' effects of monetary expansion" (p.173), "the traditional promises of inflationists" not to inflate again (p.175), the national debt "we-owe-it-to-ourselves" fallacy (p.176), the war emergency argument for inflation although it "does not add anything to the nation's power of resistance" (p.199), the legal grounds for the government's seizure of gold in 1933 (p.241), *holding* money, "one of the normal -- indeed universal -- uses of money," which should not be deprecated as "hoarding" (p.242), and so on.

White, Lawrence H. "Fix or Float. *Inquiry* 6:12 (November 1983). "The road between the international gold-coin standard and today's floating fiat currencies was not traveled in one day As long as central banks redeemed their notes at par for gold bullion, national currency units continued to signify definite quantities of gold. But the gold-exchange standard made possible the next step, the development between the two world wars of what economist Ludwig von Mises called 'the flexible standard.' . . . ¶In the polite circles of international monetary bureaucracies, as Mises noted, one never speaks of 'redeeming' a domestic currency for gold or another currency at a certain parity, since that would suggest a binding contractual commitment. Instead, one speaks of 'pegging' the external value of the domestic currency or the 'price of gold.' . . . Perhaps the terminology is preferred because it seems eminently reasonable that a 'peg' should be 'adjusted' periodically, whereas a change in a redemption rate seems suspicious." (p.33) Reprinted in *Competition and Currency: Essays on Free Banking and Money* Lawrence H. White, ed. New York: New York University Press, 1989. pp.137-147 (Quoted passage on p.143 of the White anthology)

1984

- Addleson, M. "Robbins's *Essay in Retrospect: On Subjectivism and an 'Economics of Choice'*." *International Review of Economics and Business*. 31 (1984) 506-523. Explores the intricate and subtle route through which the Austrian influence on Lord Robbins has been transmitted into mainstream economics.
- Barry, N. P. "Austrian Economists on Money and Society." *National Westminster Bank Quarterly Review*. (May 1984) 20-31.
- Benegas Lynch, Alberto Jr. "La Educación en una Sociedad Libre" [Education in a Free Society]. *Estudios Públicos*. Centro de Estudios Públicos (Chile). #15 (Winter 1984). Contrasts public and private institutions from the point of view of economics, equality of opportunity, suitability for developing good citizens and academic freedom. One section discusses historical precedents for private education. The final section deals with "The Politics of Transition." Quotes Mises' *Liberalism*: "There is, in fact, only one solution: the state, the government, the laws must not in any way concern themselves with schooling or education. Public funds must not be used for such purposes. The rearing and instruction of youth must be left entirely to parents and to private associations and institutions." Reprinted in *Libertas*. Buenos Aires: Escuela Superior de Economía y Administración de Empresas (ESEADE). 2:2 (May 1985) 87-116.
- Bittencourt, Renato. "Defendendo a Liberdade" [Defending Liberty]. *Visao*. 33:44 (October 29, 1984) 112-114. *Visao* is a Portuguese-language newsweekly published in São Paulo, Brazil. Bittencourt asks Bettina Greaves, staff member of the Foundation for Economic Education, about Mises. She describes him as an independent, original thinker, who paid little attention to public relations.
- Boehm, Stephan. "The Private Seminar of Ludwig von Mises." History of Economics Society Meetings, University of Pittsburgh, 1984.
- Boudreaux, Don. Co-interviewer with Selgin & Ikeda of Henry Hazlitt; for annotation, see Hazlitt below, p.26.
- Cachanosky, Juan Carlos. "La Escuela Austríaca de Economía" [The Austrian School of Economics]. *Libertas*. Buenos Aires, Argentina: Escuela Superior de Economía y Administración de Empresas (ESEADE). 1 (October 1984) 181-217. A discussion of the Austrian School, its history, the *Methodenstreit* [conflict over methodology] and the school's principal thinkers: Menger, Böhm-Bawerk, Mises and Hayek. Among Mises' contributions Cachanosky lists (1) the trade cycle theory, (2) the demonstration that economic calculation is not possible in a socialist society, (3) the recognition that economics is a part of a more general science of action, praxeology, and (4) the demonstration that economic theory, like mathematics and logic, is aprioristic. Cachanosky says Mises recognized the unsuitability of using mathematical formulas and simultaneous equations in economics. The Austrian School, Cachanosky writes, "succeeded in incorporating the new theory of value into economics . . . [T]he models of perfect competition and equilibrium had weakened the foundation of the free market. They had been based on the superstition of the superiority of the mathematical method. Soon or late, this error will be abandoned, although, as Mises said, 'the superstition is taking a long time to die'." (p.213) (Translated from the Spanish)
- Caldwell, Bruce J. "Praxeology and its Critics: An Appraisal." *History of Political Economy* 16:3 (Fall 1984) 363-379. Caldwell asserts that Ludwig von Mises' *Human Action* (B-16) is "[t]he most comprehensive statement of the praxeological position." (p.363) He then considers several criticisms of the praxeological position. He rejects the idea that "Apriorism is unintelligible." (p.365) and that "Apriorism is dogmatic." (p.366) "Economists who have read Mises have not always understood his position on praxeology. The Misesian assertion that all action is rational is one that certain economists have found particularly puzzling." However, "Mises is not guilty of being unintelligible." (p.366-367) As to apriorism being

dogmatic, Caldwell writes: "If dogmatism is meant to imply strongly held beliefs, the Austrians are dogmatic (but they certainly hold no monopoly on dogmatism within the profession." (p.367) Caldwell hedges as to whether or not "Apriorism is unscientific": "[A]lthough Mises is overtly critical of various empiricist doctrines in his writings, his arguments must strike the modern reader as dated and unconvincing. For example, many of his anti-empiricist attacks are directed against the strawmen of classical positivism, logical positivism, behaviorism, or operationalism. His examples utilizing Euclidian geometry ignore the well-known turning point in the intellectual history of mathematics when the discovery of non-Euclidian geometry undercut the view that geometry begins from foundations which are certain and yet empirically meaningful." (p.368) "Given the discussion above, it seems to be an open question whether the apriorist approach is to be considered scientifically acceptable . . . [However], it is not sufficient to argue that the untestability of the action postulate renders praxeology unscientific. For their part, if praxeologists insist on retaining their apriorism, they likewise do well to try to find firmer ground than that provided by Mises on which to erect their methodological structure." (p.370)

Coser, Lewis A. "Ludwig von Mises (1881-1973), Oskar Morgenstern (1902-1977), Fritz Machlup (1902-1983), and Gottfried von Haberler (1900-): the Austrian School of Economics in America" in *Refugee Scholars in America: Their Impact and Their Experiences*. New Haven: Yale University Press, 1984. pp.139-150. "When Ludwig von Mises, a member of the second generation of the Austrian school, came to this country in 1940, he already had achieved great eminence at home . . . He became a visiting professor at the Graduate School of Business Administration of New York University in 1945 and served in this position until 1969. A large number of professional economists, as well as people from other walks of life, attended his seminars and were attracted by Mises' ideas. Some became his disciples . . . It is also remarked that 'The stream of students that has come out of his seminars is no less remarkable than his literary output' . . . His position at New York University was, to be sure, not quite so eminent as those he had occupied previously, but it ought to be kept in mind that he was no longer a young man when he came to America. Most refugee scholars of his age found it considerably more difficult than Mises did to secure a position and to hold it for as long a time, many years beyond the usual retirement age . . . ¶It is largely because of Milton Friedman and his associates that Mises, together with other representatives of the Austrian laissez-faire approach such as Hayek, have often found a hearing in American economics and are to be reckoned among the fountainheads of contemporary neo-conservatism." (pp.140-142)

Crozier, Brian & Arthur Seldon. *Socialism Explained*. (1984). This edition not seen by compiler; for annotation, see 2nd ed., *Socialism: The Grand Delusion*, (1986).

East, John P. "Conservatism and Libertarianism: Vital Complements." pp.81-90 in *Freedom and Virtue: The Conservative/Libertarian Debate*. George W. Carey, ed. Lanham, Md.: University Press of America, 1984. "Indeed, some conservatives of the traditionalist persuasion fear that certain dominant forces in contemporary American libertarianism have gone beyond the mature and balanced libertarian thought of Mises, Hayek, and their students and have taken on the character of a hardened ideology. According to these critics, the problem stems from the common philosophical error of taking a valid point, in this case the importance of the individual and his rights, and elevating it to the first principle of life with all other considerations excluded." (p.86)

The Free Market. Auburn, Ala.: The Ludwig von Mises Institute.

June 1984. Volume 2. Number 3:

Mises, Margit von. "A Call to Activism." *The Free Market*. pp.1-2, 4-5. Speech at the Mises Institute dinner in her honor (February 27, 1984, New York). "Professor Hayek once called my husband 'a great radical, an intelligent and rational radical, but nonetheless a radical on the right lines.' This was correct, but Ludwig von Mises was also an *activist* -- an *activist of the mind*. Not only did he write scholarly books containing great wisdom -- he also promoted the free market in speeches, articles, lectures, and seminars . . . ¶He did not confine his interest and time to writing and to contact with scholars only . . . He also had the time and interest for others: businessmen, journalists, and members of many professions other

than teaching . . . He stimulated the interest, and then the understanding of all the people he met. And he did even more. He stimulated them to *action*." Mrs. Mises then cites persons who, influenced by Mises, founded organizations that have influenced others. "We have the intellectual leadership, the managerial expertise, and the burning desire to succeed. And, happily for us, we have the truth on our side . . . With truth on our side, we cannot, we must not, we *will not fail!*" Reprinted in *The Free Market Reader*. Llewellyn H. Rockwell, Jr., ed. Burlingame, Calif.: Mises Institute (1988) 163-170.

Winter 1984. Volume 2. Number 1:

"Ludwig and Margit von Mises." p.2. "Margit von Mises first met her future husband in 1925, and they were married in 1938, after Mrs. Mises' successful career on the European stage and as a translator of dramatic works. For the next 35 years, Margit von Mises was his indispensable partner. ¶In the ten years since his death, she has been -- in Professor Murray N. Rothbard's phrase -- 'a one-woman Mises industry.' Making sure all his books are suitably in print, working with scholars and students, advising the Ludwig von Mises Institute -- Margit von Mises has continued to dedicate her life to her husband and his work."

Gilder, George. *The Spirit of Enterprise*. New York: Simon & Schuster, 1984. "The one group of economists most cognizant of entrepreneurs is the Austrian school, comprising such early figures as Eugen von Böhm-Bawerk and reaching a pinnacle with the contributions of Ludwig von Mises . . . , Friedrich von Hayek, and Joseph Schumpeter." (p.260)

Gray, John. *Hayek on Liberty*. New York: Basil Blackwell, 1984; second edition, 1986. According to Gray, some of Hayek's interpreters have been "misled . . . into periodizing his intellectual career into distinct phases -- a Misesian phase, perhaps, in which he supposedly embraced the philosophical outlook of his colleague in economics, L. von Mises, followed by a Popperian one which emerged from his meeting and friendship with Sir Karl Popper." But Gray says, "such interpretations are wide of the mark. Hayek's thought retains the character of a coherent system rather than an eclectic construction, even if in the end it harbours conflicts which demand a revision of some of its elements." (p.4). "Hayek's debts to the Austrian School of Economics founded by Menger (1840-1921) and carried on by Hayek's teacher F. von Wieser (1851-1926) and his colleague, L. von Mises (1881-1973), are so many and so obvious that they tend to conceal those elements of his thought which are original and which in many cases cannot be accommodated within the orthodoxy of the Austrian School . . . He has deepened and refined the Austrian subjective theory of value . . . This subjectivism regarding value in economic theory, strongly emphasized in all of von Mises's writings, is always defended by Hayek. He goes much further in the direction of subjectivism, however, by noting that the data of the social studies are themselves subjective phenomena . . . ¶In one fundamental area, however, Hayek always differed from the Austrian School, especially as that was embodied in the person of von Mises. It was indefatigably maintained by von Mises that economic laws were deductions from a few axioms about human action . . . ¶Hayek never accepted this apodictic-deductive or (as von Mises called it) *praxeological* conception of economic theory." (pp.16-17) Gray credits Hayek with "the refinement of the thesis of his colleague, Ludwig von Mises, that the attempt to supplant market relations by public planning cannot avoid yielding calculational chaos." (p.36) Gray recognizes that "Hayek's life and writings are intimately connected with those of von Mises." (p.233n)

Hayek, F. A. *Money, Capital and Fluctuations: Early Essays*. Roy McCloughry, ed. London: Routledge and Kegan Paul, 1984. Contains brief introductions by McCloughry and Hayek plus seven articles, a note and two book reviews appearing for the first time in English. "[A]s indicated in his [Hayek's] own introductory remarks, he [Hayek] was already working with and under the influence of Mises when Mises' *Socialism*, which dealt at length with the issue of economic calculation, appeared in 1922. Hayek may well have believed at this early point that the economics profession had or soon would understand the full significance of Mises' contribution. His own efforts, then, could be directed towards developing the Misesian version by focusing on the intertemporal coordination made possible by unhampered credit markets and the intertemporal discoordination caused by misguided bank policy . . . Hayek was gradually realizing that the profession had in fact not absorbed Mises' insights at all." Quote from review by Roger Garrison (*Market Process*. 3:2. Fall 1985. 7-9).

- Hazlitt, Henry. "An Interview with . . ." August 31, 1983. George Selgin, Don Boudreaux, & Sanford Ikeda, interviewers. *Austrian Economics Newsletter*. 5:1 (Spring 1984) 1-4. Asked when he "first become acquainted with the Austrian School," Hazlitt replied: "That's hard to say. Reading Wicksteed of course was close. I was very lucky in my friendships and lucky in the books I chose. I read a book by Benjamin M. Anderson, whom I later got to know. This was his 1917 book *The Value of Money*. He was an acute critic of nearly all other writers on money, and especially of Irving Fisher and his mechanical quantity theory of money. Mac Anderson read German, and discussed many German writers on money. He referred to the German edition of Ludwig von Mises' *Theory of Money and Credit* and wrote: 'In von Mises there seems to me to be very noteworthy clarity and power. His *Theorie des Geldes und der Umlaufmittel* [B-2] is an exceptionally excellent book.' That impressed me. ¶When in 1936 Jonathan Cape in England brought out the English translation of Mises' *Socialism* [B-4] I read a review of it in *The Economist*, I requested a copy from Cape I reviewed it in the *New York Times*. I was terrifically enthusiastic about the book and called it 'a classic written in our time.' I mailed a copy of my review to Mises. (I found out from Cape that he was then living in Geneva.) Lu answered me. That was the beginning of our correspondence. Sometime in 1940 I got a telephone call. The voice on the other end said 'This is Mises speaking.' As I've told many of my friends since, it was as if someone had called and said 'This is John Stuart Mill speaking.' I had referred to Mises as 'a classic,' and you don't expect a classic to call you on the telephone! Anyway, that led to our acquaintance. That was my formal introduction to Austrian economics, although I had read, much earlier, Böhm-Bawerk's *Karl Marx and the Close of His System*." (p. 2)
- Hudgins, Edward Lee, III, *The Political and Ethical Implications of Ludwig von Mises' Praxeology*." Ph.D. dissertation. Catholic University of America, 1984. "[I]nvestigates the economic and ethical basis of social and political life with reference to Ludwig von Mises Mises believes that praxeology need not be concerned with questions of ultimate values or ends ¶Ludwig von Mises finds the ultimate standard of efficiency in the human will itself While Mises focuses on the desirable strength and continuity of the will, there may also be discerned a strictly ethical potentiality of the will which must become manifest in human action if man is to live a truly happy life. An in-depth analysis of Mises' 'praxeology' reveals that the stability of the liberal society which he prefers is not guaranteed by an economic or utilitarian calculus alone but assumes an objective ethical imperative." (Quoted from University Microfilm abstract)
- Humphrey, Thomas M. "On Nonneutral Relative Price Effects in Monetarist Thought: Some Austrian Misconceptions." *Economic Review*. Federal Reserve Bank of Richmond (May/June 1984) 13-19. Paper presented at Mises Institute Colloquium on Austrian Economics, Auburn University, March 9, 1984. Comments on the Mises-Hayek theories explaining how monetary-induced declines in interest rates stimulate overinvestment of capital in projects that prove unsustainable once the rate returns to equilibrium. Also reviews the writings of six prominent monetarists to show that monetarists do not neglect nonneutral relative prices and that the Austrian view is not unique.
- Ikeda, Sanford. Co-interviewer with Selgin & Boudreaux of Henry Hazlitt; for annotation, see Hazlitt above.
- James, Simon (compiler). *A Dictionary of Economic Quotations*, 2nd ed. Totowa, N.J.: Barnes & Noble, 1984. This edition contains over 1,900 quotations, including 200 not in the first (1981) edition. A half-dozen Mises quotations -- on capitalism, economics, money, and socialism, each with its source -- are included.
- James, Susan. *The Content of Social Explanation*. London/New York: Cambridge University Press, 1984. After quoting Mises' *Human Action* [B-16] to the effect that "Inheritance and environment direct a man's actions" and that "a social collective has no existence and reality outside of the individual members' actions," James concludes: "If their commitment to the central explanatory role of the individual is not to be undermined by concessions such as these, individualists must believe that environmental factors cannot carry all the explanatory weight. They undoubtedly contribute. But there must be a point beyond which they cannot go -- some remaining 'self' to which social scientists appeal." (p.68)

Paul, Ron. *Mises and Austrian Economics: A Personal View*. Auburn, Ala.: Mises Institute, 1984. "I decided to run for Congress because of the disaster of wage and price controls imposed by the Nixon administration in 1971 I was convinced, like Ludwig von Mises, that no one could succeed in politics without serving the special interests of some politically powerful pressure group. ¶Although I was eventually elected, in terms of a *conventional* political career with real Washington impact, he was absolutely right. I have not developed legislative influence with the leadership of the Congress or the administration. Monies are deliberately deleted from routine water works bills for my district because I do not condone the system, nor vote for any of the appropriations ¶My influence, such as it is, comes only by educating others about the rightness of the free market My influence comes through education, not the usual techniques of a politician." (p.7) Paul gives special credit to "Mises' explanation of how money originated in the market as a useful commodity" for having convinced him "that money once again must be returned to the market as a commodity" (p.15) and for his determination in defending a hard money system. (p.17) Mises teachings also helped Paul see the fallacy in popular political panaceas. However, Paul rejects Mises' anti-natural-rights position. "I see no conflict however between a utilitarian defense of the market economy and the argument for a free market as a *consequence* of a moral commitment to natural God-given rights The economist's approval of the market for purely utilitarian reasons when combined with a natural-rights philosophy . . . is even *more* powerful ¶Mises' utilitarian defense of the market opens the door to a political career for those who believe in liberty. It permits, encourages, and even dares one who truly believes in the free market system to present it in political terms." (pp.16-17)

Reekie, W. Duncan. *Markets, Entrepreneurs and Liberty: An Austrian View of Capitalism*. New York: St. Martin's Press, 1984. Reekie was dissatisfied with "the conventional paradigms of much of modern economics." Only in 1972, when he encountered Kirzner, did he realize that "an entire approach to economics [the Austrian] had been denied [him] as a student." In this book, Reekie attempts to explain the transformation from neglect of the Austrians prior to the late 1970s, when "'Austrianism' was again a word in the vocabulary of economists of all shades of opinion and fields of study." (Preface). Reekie discusses the Misesian position on several issues: **Action:** "rational in the sense that it is *not* 'purely reflexive, or knee-jerk, behaviour which is not directed towards goals' (emphasis in original);" (p.28) **Entrepreneurs:** "Economics, in speaking of entrepreneurs, has in view not men, but a definite function.' So by inference any producer, consumer or resource owner who acts in response to change is, to a greater or lesser degree, an entrepreneur. ¶In equilibrium, therefore, there is no place for the function of entrepreneurship. In equilibrium, or what Mises called an 'evenly rotating economy,' there are no changes in the given data of endowments, technologies or preferences ¶This explains how every economic actor is an entrepreneur [and] help[s] highlight the differences and similarities between the Schumpeterian and Misesian concepts of 'entrepreneurship'." (pp.48-49); **Profit management:** "In a firm which is subject to what Mises terms 'profit management,' entrepreneurship can be delegated ¶But the manager [of a firm], no matter how high, can never be the entrepreneur since he 'cannot be made answerable for the losses incurred.' In the final analysis, Mises argues, the entrepreneur is the owner. He alone determines the grand strategy of the business." (p.142); **Wealth "redistribution:"** "To the extent that the current distribution of income and wealth is justified by Lockean theory can a case be made for redistribution of that income and wealth? The answer given by almost all economists is an unqualified 'yes'. Only Mises has come out strongly against this position ¶There are two reasons why Mises stands in virtual isolation over this issue. The first is due to the near universal abandonment of their own discipline by all economists on this issue in favour of apparent 'common-sense'. The second is due to the confusion of income and wealth." (pp.181-182) Reekie also refers to Mises in commenting on **Bureaucracy**, **economic calculation**, etc.

Reynolds, Morgan O. *Power and Privilege: Labor Unions in America*. New York: Universe Books, 1984. "The foundation to analyze what unions are, what they do, and why, already exists, particularly in the work of W. H. Hutt, Henry Simons, H. G. Lewis, Fritz Machlup, Ludwig von Mises, and Milton Friedman. Unfortunately, this fundamental work on unions has received so little attention from the current generation that few people are aware of it." (p.30) "The true source of our prosperity is capital plus efficient

management and efficient labor, not unions 'We are better off than earlier generations,' as Ludwig von Mises said [*Human Action*, 3rd ed., p.492], 'because we are equipped with the capital goods they have accumulated for us'." (p.63) On p.245, Reynolds again quotes Mises: "The history of mankind is a long record of obstacles placed in the way of the more efficient for the benefit of the less efficient."

Samuels, Warren J. Co-editor; see Spiegel.

Selgin, George, Don Boudreaux & Sanford Ikeda. "An Interview with Henry Hazlitt." For annotation, see Hazlitt (above).

Shand, Alexander H. *The Capitalist Alternative: An Introduction to Neo-Austrian Economics*. Foreword by G. L. S. Shackle. New York: New York University Press, 1984. "Praxeology literally means the study of human action and was first applied to Austrian methods by Mises, who set out to construct, purely by deduction mainly from a basic simple axiom, a whole body of economic theory in his treatise *Human Action*. The fundamental axiom is that individuals act purposefully to achieve chosen ends ¶Mises taught that this fundamental postulate is a true axiom and that, therefore, any propositions deduced from it, if arrived at by sound logic, must also be true." (p.2) "Although the founders of the Austrian school avoided, for various reasons, the use of mathematics, they did not go out of their way to denounce its use to the extent . . . of Mises. The confident -- some would say sweepingly general and dogmatic -- style of his critique is seen in reference to mathematical method in economics . . . as 'barren,' 'vicious,' 'false assumptions leading to fallacious inferences.' . . . Mises' main criticisms are centred on his belief that mathematics simply distracts attention away from market processes." (p.23) "Mises' attitude to Keynes and Keynesianism was made only too clear in an essay entitled 'Stones into bread, the Keynesian miracle' [1948] . . . in which he showed his quite passionate disapproval of the whole of Keynesian theory and implied throughout that the (by then) widespread acceptance of Keynesian ideas owed more to Keynes' sparkling wit and 'cheap rhetorical tricks' than to logic Although this essay is full of sharp and perceptive criticisms it is perhaps somewhat marred by a tendency to over-earnest reactions as shown by the author's failure to be even slightly amused by Keynes' Cambridge-reared sense of humor. ¶Mises' attitude to macroeconomics derives first from his basic opposition to holism -- that is, that the macroeconomic approach looks upon the 'nation' as if it were a single unit Secondly, he contrasts the relationship between the macro/micro distinction as found in physics with that of economics Thirdly, Mises is critical of national income accounting, and the political implications of the concept." (p.141) According to Mises, "production is the outcome of individuals' voluntary co-operation . . . the resulting 'distribution' is simply explained as being a reflection of the perceived value to others of each individual's contribution." (pp.141-142) "Democracy is seen by Mises as 'the very means of preventing revolutions and civil wars.' Although he sees as desirable the Platonic ideal that the 'best fitted' should rule, Mises accepts the possibility that the majority may prefer 'unworthy office-seekers;' this must be accepted as part of the price of liberty and he would not seek to change the choice of the democratic electorate other than by persuasion In general, Mises rejects anarchism on the grounds that the majority must be allowed to prevent, by the use of force if necessary, minorities from destroying the social order and accepts that this power is to be 'vested in the state or government' For Mises the greatest danger to freedom comes from Utopians who wish to 'establish the perfect state of mankind." (pp.178-179) Shand also comments on Mises' views of "econometrics," "profits," "equilibrium," "business cycle," "inflation," etc. According to reviewer Pete Boettke, this book is "a mostly successful attempt to fill the gap between Hazlitt and Mises and to provide Austrian economics with an introductory text Shand's analysis, however, is still couched in equilibrating language, and the reader is left wondering what Austrians are up to." *Market Process*. 4:1 (Spring 1986) 16-17.

Silverman, Paul Brian. *Law and Economics in Interwar Vienna: Kelsen, Mises, and the Regeneration of Austrian Liberalism*. Ph.D. dissertation. University of Chicago, 1984. 3 vols. 971pp. + bibliography. A 3-part study of the ideas of Hans Kelsen and Ludwig von Mises which seeks to relate them on both a theoretical and practical level.

- Spiegel, Henry W. & Warren J. Samuels, eds. *Contemporary Economists in Perspective*. Vol. I. Parts A & B. Greenwich, Conn.: JAI Press, 1984.
- Machlup, Fritz. "Machlup on Hayek." Part A, Part I, §D, pp.251-284. Although this chapter is mainly about Hayek, it also mentions Mises in connection with the economic calculation debate.
- McFarlane, Bruce J. "McFarlane on Dobb." Part B, Part III, §A. pp.595-621. "Dobb was interested in the economic theory of socialism . . . [His] *Russian Economic Development* came out in 1927. There followed his debate, beginning in the 1930s, with Lange and Lerner representing a left position and von Mises and von Hayek representing a far right position of complete rejection of even the *possibility* of a socialist economic system. In this debate Dobb's comments were very sharp and had the ring of authority . . . Perhaps only Dobb could have mustered such a devastating reply to von Mises and von Hayek whose *Collectivist Economic Planning* [1935] had been aimed to close the debate on the economics of socialism to the advantage of neoclassical economics, orthodoxy and a laissez-faire economy . . . ¶The model with which Mises, Hayek and even H. D. Dickinson confronted socialism was not a 'warts and all' portrait of a market system, but an ideal situation ignoring institutional distortions of the kind that Dobb had outlined in his very first work." (p.610)
- Rothbard, Murray N. "Rothbard on Mises." Part A, Part I, §D. pp.285-296. "Mises set out on what is currently a familiar agenda: grounding macroeconomics on a micro-base. The irony is that Mises succeeded, but that his achievement is still unknown, much less integrated into the mainstream of economic thought . . . ¶Mises had to face and solve what was then known as 'the problem of the Austrian circle' . . . [T]oday's demand for money, a determinant of today's purchasing power, is in itself dependent on the *pre-existing* fact that this particular commodity was already money. How escape from the question-begging Austrian circle? ¶Mises did so by introducing process analysis . . . But wouldn't that land us in an infinite regress? No, because we eventually trace the process back to *the first day* that the particular commodity, say gold, became money. On that day, say Day 1₁, the demand for money has no pre-existing money as an element within it. On day₀, the previous day, gold was only a useful commodity in barter, and its various qualities led it to be adopted as money. The Austrian circle has been broken, and the causal elements traced to their conclusion." (p.287-288) Relying primarily on *The Theory of Money and Credit* (B-2), Rothbard says that Mises challenged the price level as an ideal for government policy, offered a comprehensive theory of banking, recommended "free banking" rather than 100% gold reserves, and developed business cycle theory. He mentions also Mises critique of socialism and his magnum opus, *Human Action* (B-16).
- Sobel, Irvin. "Sobel on Lerner." Part A. Part I, §C. pp.185-200. "Lerner had been exposed to the work of Ludwig von Mises, who polemicized against socialism on the grounds that its managers could not take into account individual preferences and could not even begin to make the complex marginal calculations necessary for the Walrasian equilibrium conditions. Lerner was deeply disturbed by this position, which was shared by both Robbins and von Hayek, and was even more perturbed when Maurice Dobb, whose economic arguments supporting democratic socialism had been influential in drawing him into the study of economics, adopted this line to justify his shift to command planning." (p.188)
- Symms, Steve. Statement on "Privatization of the Federal Government." *Hearings before the Subcommittee on Monetary and Fiscal Policy of the Joint Economic Committee*. 98th Congress, 2nd session. Part 1. May 1, 2, & 20, 1984. In discussing the Grace Commission recommendations to reduce the size of government: "I think you are very correct in saying that the Government and private business operate similar activities and that this qualifies businessmen to identify the problems of public provision of goods and services. But history has shown that businessmen are not particularly good at suggesting solutions for eliminating public sector waste, and I think the reason for that is quite simple -- because most businessmen believe the public bureaucrats will use private sector management techniques if told to do so, and most businessmen believe that the public sector can imitate private enterprise if only the right people were instructing the bureaucrats as to what techniques should be used. But this is not possible precisely because the public sector is not privately owned. The public sector -- whether a bureau, an agency, a quasi-public

authority, a public enterprise, or an entire Socialist country -- cannot perform at the standards of a freely competitive enterprise. ¶The late Ludwig von Mises, the former leader of the Austrian School of Economics, said that this statement was theoretically correct in his 1936 book, *Socialism* [B-4]. We also know that this statement is true by observing history. Moreover, we know it's true by reviewing the findings of the Grace Commission. And my question is, If business operation is so desirable, why take such a tortuous route? Why not scrap government ownership and turn those public functions over to private enterprise?" (p.59)

Veyne, Paul. *Writing History: Essay on Epistemology*. Middletown, Conn.: Wesleyan University Press, 1984. Translated from the French (1971) by Mina Moore-Rivoluceri. "Readers of von Mises's *Theory and History* [B-20] or *Epistemological Problems of Economics* [B-10] will find little to affront their sensibilities in this extended essay by a French historian on what historians ought to and (equally important) ought not to do when they write history. Veyne even cites von Mises and Hayek for some key aspects of his argument ¶A science of man must, Veyne argues (citing von Mises, Hayek and Schumpeter) be praxeological Veyne also believes they [the objects of a true human science] must be put into mathematical terms, a notion that he surely did not get from the Austrians." According to reviewer Edward H. Kaplan, *The Review of Austrian Economics: 1*. (1987) 237-241.

White, Lawrence H. "Free Banking as an Alternative Monetary System" in *Money in Crisis: The Federal Reserve, the Economy, and Monetary Reform*. Barry N. Siegel, ed. Cambridge, Mass.: Ballinger, 1984. "A general consideration of the possibilities for quality competition among bank note issuers, then, is sufficient to demonstrate that the desired stock of any particular bank's notes is a determinate magnitude under free banking. . . . We do not have to suppose that within a region of many issuers some individuals refuse to accept the notes of some banks in payment,²⁶ so long as individuals do refuse to hold various brands of notes indefinitely in any but particular desired quantities." Footnote 26: "Ludwig von Mises operates on this assumption Our account parallels his in other respects. Mises notes that the assumption can be relaxed for the case where excess notes return via interbank settlements, but he does not develop this case." Reprinted (pp.13-47) in White's anthology *Competition and Currency* (New York University Press, 1989).

_____. *Free Banking in Britain: Theory, Experience, and Debate, 1800-1845*. Cambridge University Press, 1984. Mises is cited in several footnotes. According to White the "Free Banking School" advocates competitive currencies by eliminating the Bank of England's monopoly power and permitting rival joint-stock banks to issue notes. (p.54) "Not recognizing the existence of the Free Banking School," as defined by White, White says "Mises incorrectly identifies the earlier development of this theory [the monetary theory of the trade cycle] with the Currency School. The Free Banking School theory is closer to his [Mises' theory]. The Currency School theory is, however, closer to Hayek's." (p.104n). Reviewed by Rothbard, see *Review of Austrian Economics*, 1988.

Winterberger, Gerhard. "Generationen der österreichischen Schule der Nationalökonomie" [Generations of the Austrian School of Economics]. *Schweizer Monatshefte*. 5 (May 1984) 1-13. Classifies Menger as the first generation "Austrian" economist, Böhm-Bawerk and Wieser as the second, Mises as the third, his Privatseminar students in Vienna as the fourth, and his New York University students as the fifth. Winterberger describes Mises' activities in Vienna and his contribution to the development of the fourth generation "Austrians." "It has been shown also that great talents pursued with industry and perseverance develop under especially difficult conditions, as has been clearly demonstrated by the experiences of the members of the fourth generation. Mises' gifted students had first to reach the United States and then to work their way up at the great American universities. The free situation with respect to attendance at the university in Vienna, the difficult climb, emigration perhaps under necessity, competition, self-motivation, outside forces, and having to succeed after completing one's studies, are all conducive to the development of strong personalities." (Translated from the German)

Wood, J. S. "Some Refinements in Austrian Trade-Cycle Theory." *Managerial and Decision Economics*. 5:3 (September 1984) 141-149. "Previous discussions [of the effects of interest rate changes during the trade cycle] have omitted the details of these managerial decisions, although Mises was very sensitive to the nuances of changing managerial outlook as conditions change through the cycle. As investment activities move from the planning realm, through implementation, and are completed, the perspective of management must change: sunk costs are sunk, and they no longer affect alternative opportunities and decisions. Mistakes made in the past may be maintained because abandoning them may be more expensive than maintaining them." (p.141) "The crisis is precipitated, according to Mises, when the banks become alarmed ¶It is true that capital investment projects require increased working capital, so that it is possible that some projects might be imperiled from the reduction of the amount of working capital anticipated. But again, it must be emphasized that the contribution of bank loans to capital spending is negligible; a mechanism connecting the state of bank credit with the long-term capital market must be demonstrated." (p.147)

1985

- Batemarco, Robert. "Positive Economics and Praxeology: The Clash of Prediction and Explanation." *Atlantic Economic Journal*. 13:2 (July 1985) 31-37. Contrasts the Austrian approach to economic theory, the chief purpose of which is "to explain economic reality," and that of positive economics which "touts prediction as the *raison d'être* of economic theory." The "stampede into the predictionist camp" in the 1940s led to "a disillusionment with economics on the part of those who have too often seen it fail to deliver all that it had promised . . . ¶Praxeology takes as its cornerstone the truth of its assumptions, that is, it uses as assumptions only statements which are known to be true. All economic theorems consist of the logical implications of the human action axiom, i.e., the fact that, 'all human beings act [behave in a purposeful manner] by virtue of their existence and their nature as human beings' [Rothbard, 1962, p.1]. Von Mises, taking his cue from Kant, considers this axiom to be prior to all experience. [Mises, 1962, pp.4 and 12]. . . . ¶[S]ome of Mises' more strongly worded claims that no actual experience could ever disprove the theorems of praxeology left him open to charges of dogmatism. Such accusations, however, betray at best an incomplete understanding of Mises. By no means does he consider economic theory to be immune to proof or disproof. What he does insist upon, however, is that the nature of disproof rests on the discovery of logical error in the chain of reasoning by which the theorem was derived."
- Blaug, Mark. *Great Economists Since Keynes*. Totowa, N.J.: Barnes & Noble, 1985. Contains brief biographies of 100 economists, including Mises, Haberler, Hayek and Machlup. Photos.
- Boehm, Stephan. "The Political Economy of the Austrian School." *Gli Economisti e la Politica Economica*. P. Roggi, ed. Naples: Edizioni Scientifiche Italiane, 1985), 243-260.
- Cowen, Tyler & Richard Fink. "Inconsistent Equilibrium Constructs: The Evenly Rotating Economy of Mises and Rothbard." *American Economic Review*. 75:4 (September 1985) 866-869. Lists four proposed uses for Mises' and Rothbard's imaginary construction of an "Evenly Rotating Economy," and then rejects them one by one as useless, inconsistent or unrealistic. Reprinted in *Austrian Economics: III*. Stephen Littlechild, ed. (Aldershot, Hants, England; Brookfield, Vermont: Edward Elgar, 1990) pp.66-69.
- Ebeling, Richard M. "Austrian Economics -- An Annotated Bibliography." *Humane Studies Review*. David M. Hart, ed. Institute for Humane Studies at George Mason University. 3:2 (1985). The second in an occasional series on the Austrian school of economics; for the first installment, see Ebeling, 1983. "The Austrian economists have . . . had significant diversity within their common viewpoint. This diversity concerns the source of knowledge in economic science. Ludwig von Mises considered economics to have its origin in a set of 'a priori' axioms derived from logical reflection on the 'essence of action' ¶[I]t is in the writings of Ludwig von Mises that we find the most methodical exposition and defense of Austrian subjectivism after Menger's death in 1921. The thrust of Mises' writings on methodology can be seen as an attempt to establish an autonomous plane for economics that escapes the hazards of both Historicism and Positivism ¶Mises's monumental work *Human Action* . . . most systematically defends what he calls 'praxeology,' the general science of human action ¶Mises' later work *Theory and History* . . . applies and extends his methodological outlook through critiques of determinism, materialism, scienticism [sic], and historicism." Reprinted in *Austrian Economics: I*. Stephen Littlechild, ed. (Aldershot, Hants, England; Brookfield, Vt.: Edward Elgar, 1990) pp.367-370. Reprinted in Hillsdale's *Champions of Freedom: 18*. (1991), see below, pp.139-140.
- Edwards, James Rolph. *The Economist of the Country: Ludwig von Mises in the History of Monetary Thought*. New York: Carlton Press, 1985. Based on Edwards' 1983 doctoral dissertation. "The relative obscurity of Mises' contributions to monetary theory may partly be due to the fact that *The Theory of Money and Credit* [B-2] and certain of his other early works were unavailable in English translations for some decades

following their initial publication [W]ith regard to most of the ideas Mises developed in monetary theory of which western specialists are aware, their validity or significance as contributions is in dispute to say the least, and in most cases the judgment rendered on them has been negative. Mises' monetary business cycle theory, for example, which spawned a large literature in the twenties which extended into the forties, was firmly rejected and has been virtually forgotten, until just recently It is the purpose of this study to do a more extensive analysis of Mises' monetary theory within the context of the history of monetary thought in order to establish just what his contributions were, if any." (pp.9-11) "The central task Mises undertook in writing the *Theorie des Geldes* was the integration of monetary theory and value theory by the application of marginal utility theory to the demand for money It is odd but factual that none of the major, orthodox histories of utility theory list Mises among the early developers of the ordinal approach ¶Mises' regression theorem may be more important than has been realized ¶Mises' early use and development of the stock demand approach has been generally recognized, though much of the comment on his theory of cash holding has been critical. Most of this criticism can be seen to be invalid, however, by close reading of *The Theory of Money and Credit*. Not only is Mises' approach in accord with the modern theory, but he was extremely thorough and consistent in applying stock demand and supply analysis to the problems of monetary theory. ¶This thoroughness and consistency allowed Mises to anticipate every major element of the modern monetary approach to international adjustment [MAIA]. This is true to such an extent that Mises might justly be designated the founding father of the MAIA in the 20th century." (pp.131-133)

Fink, Richard. Co-author; see Cowen (above).

Free Market Press (Portland, Oregon). "The 1985 'Free Market' Calendar featuring selections from works of Ludwig von Mises' *HUMAN ACTION*."

Garrison, Roger W. "Intertemporal Coordination and the Invisible Hand: An Austrian Perspective on the Keynesian Vision." *History of Political Economy*. 17:2 (Summer 1985) 309-321. "Menger conceived of an economy in which the capital-goods sector is disaggregated and in which the individual subsectors differ from one another in terms of their temporal relationships to the eventual emergence of consumer goods. The capital goods that make up a given subsector have a value that reflects both their contribution to the production of the consumer good and, as Böhm-Bawerk was later to emphasize, the remoteness in time from the consumer good. ¶This vision of the capital structure served as a backdrop for Ludwig von Mises' *The Theory of Money and Credit*. Drawing from Knut Wicksell, Mises recognized that a policy-induced credit expansion would be accompanied by a temporarily and artificially low rate of interest." Reprinted in *Austrian Economics: A Reader. Champions of Freedom: 18*. Richard M. Ebeling, ed. Hillsdale, Mich.: Hillsdale College, 1991. pp.531-550.

_____. "Rational Expectations' Offers Nothing That's Both New and True." *Austrian Economics Newsletter*. Auburn, Ala.: Ludwig von Mises Institute, 1985. 6:1 (Fall 1985) pp.5-6. "When John Maynard Keynes' *General Theory* was published in 1936 Ludwig von Mises was not inclined to abandon the then-emerging Austrian theory of the business cycle and join the revolution ¶Today, Mises would be amused if he could witness the newest revolution in economics. The New Classicists, with their notion of 'rational expectations,' may create as much of a stir in the closing decades of the twentieth century as Keynes created in the middle decades. But Hazlitt's assessment of Keynesianism applies equally well to the New Classicism: They have nothing to offer that is both new and true. ¶There is a kernel of truth in their mathematical description of the reactions of market participants to the policy moves of government. But this truth is Old Truth. Adam Smith explained over 200 years ago that the 'man of system' (Smith's term for the economic planner), failed to realize that market participants would act in ways that tended to conform to their own individual plans rather than those of the central planner ¶In the 1953 edition of *Theory of Money and Credit*, Mises, in effect, made use of this insight to explain the fallacy in the Keynesian policy of inflationary finance."

- Glasner, David. "F. A. Hayek: Philosopher of the Open Society." *Michigan Quarterly Review*. (1985) 523-543. Mentions Mises' influence on Hayek. pp.525ff.
- Gunning, J. Patrick. "Causes of Unemployment: The Austrian Perspective." *History of Political Economy* (Summer 1985).
- Hillsdale College. *Champions of Freedom: 11. The Ludwig von Mises Lecture Series: The International Economic Order*. Hillsdale, Mich.: Hillsdale College, 1985.
- Roche, George C., III. Introduction. "Perhaps Mises has become the historian of [civilization's] decline, but the end is not yet. When the history of twentieth-century thought is written, Ludwig von Mises will in all probability be recognized as the greatest economist of our age." (p.iv)
- Investment Rarities Inc. *The Austrian School of Economics: 5 Highly Regarded Free Market Economists Give Their Candid Opinions on Today's American Monetary System*. Minneapolis: IRI, n.d. [1985 ?]. Each interviewee was asked, "If Mises were alive today, what would he have to say about the next few years?"
Bettina Greaves: "Well, he didn't like to prognosticate, or even comment on current affairs really. But I am sure he wouldn't understand how people could fail to see some of the obvious things. For instance, that inflation is one of the most dangerous policies. He said government doesn't have any power to make people rich, but it certainly can make them poor. To believe that inflation is a way of life, that it is a permanent policy, he would look on as stupidity." (p.7) **F. A. Hayek**: "I think it would be very similar to what I have said. He may be more optimistic about gold than I am. There I differ a little from him. And he might still think that gold is a possible way out He was always very pessimistic and would now be more pessimistic than ever." (p.11) **Henry Hazlitt**: "I think most of his predictions would be cautious; but he would agree that continued and accelerated inflation would mark the immediate future. I may say here that the numerous predictions of *deflation* that are now heard are based on misunderstandings. There could very well be a large number of bank failures, for instance. But in that case, as a result of government attempts to rescue the banks, the long-run result would only be further inflation." (pp.14-15) **Murray N. Rothbard**: "Well, I think he'd say more or less what I did. The trend is inflationary and you could reverse it by changing the monetary policies, by having the gold standard, by preventing money increases, and by rolling back government spending." (p.20) **Hans Sennholz**: "I think basically he was pessimistic about the future. But on the other hand, he never permitted himself to be depressed by pessimistic outlook. He was always a fighter for the truth, regardless of the outlook." (p.23)
- Isaacs, Mark D. "American Hero: Ludwig von Mises." *The New American*. Belmont, Mass.: Review of the News, Inc. 1:14 (December 30, 1985) 56-57. Gives a brief outline of Mises' life and work. "To this day, socialist planners and theoreticians search in vain for a workable non-monetary means of resource allocation. And to this day, just as Mises had predicted in 1920, Communist and socialist economies are plagued by chronic shortages of basic consumer goods, combined with surpluses of unwanted products. The abundance and variety of goods available in American supermarkets stands in stark contrast to the bare shelves and food lines that are typical in the world's centrally planned economies."
- Journal of Libertarian Studies*. Burlingame, Calif.: Center for Libertarian Studies. 7:2 (Fall 1985)
- Hébert, Robert F. "Was Richard Cantillon an Austrian Economist?" pp.269-279. Compares Cantillon with several Austrian economists. "One very modern aspect of Cantillon's theory is that it deals with the function rather than the personality of the entrepreneur. For Cantillon, the function of an entrepreneur is to assume the risk of uncertainty inherent in market activities. Among Austrian economists, this same line of reasoning has been followed by von Mises. However, von Mises overcame an element of myopia in Cantillon's treatment of entrepreneurship. Cantillon regarded landlords and certain laborers as somehow exempt from uncertainty ¶Like Cantillon, von Mises saw the entrepreneur as 'acting man exclusively seen from the aspect of the uncertainty inherent in every action'. . . . ¶Cantillon's entrepreneur bears a closer resemblance to von Mises' entrepreneur than to Kirzner's." Rothbard comments.

Rothbard, Murray N. "Professor Hébert on Entrepreneurship." pp.281-286. Rather than discussing Cantillon, Rothbard chose to discuss the Austrian aspects of Hébert's paper (above), especially his comments on entrepreneurship. "Hébert is correct in his discussion of the differences between Mises' and Kirzner's concept of the entrepreneur and in his critique of the Kirzner approach. ¶Mises conceives of the entrepreneur as the uncertainty-bearer, who receives profits to the degree that he can successfully forecast the future and suffers losses to the extent that his forecasting goes awry . . . ¶To Kirzner, on the other hand, entrepreneurship becomes reduced to the quality of *alertness*; and uncertainty seems to have little to do with the matter . . . ¶Kirzner's entrepreneur is a curious formulation. He need not, apparently, risk anything. He is a free-floating wraith, disembodied from real objects . . . Since he need not risk any capital assets to meet the chancy fate of uncertainty, he *cannot* suffer any losses. But if the Kirznerian entrepreneur owns no assets, then how in the world does he earn profits?" Rothbard then offers an explanation as to "why Kirzner has deviated so sharply from the main Misesian line. In the first place, there is a certain uncharacteristic lack of clarity in Mises' discussion of entrepreneurship. While Mises basically links the capitalist and entrepreneur together in uncertainty-bearing, there are passages in his *Human Action* which treat the entrepreneur as an entirely separate entity, and not just as the forecasting aspect of the activities of the capitalist or laborer." Secondly and more importantly, Rothbard believes "Kirzner developed his theory of entrepreneurial alertness in reaction to the opposite deviation from main-line Misesianism introduced into the Austrian arena by Ludwig M. Lachmann . . . [who] maintains not only that uncertainty is pervasive on the market, but also that we cannot even say that the market contains a tendency toward equilibrium, a tendency fueled by the profit-and-loss signals of the market ¶The upshot is really the scrapping of economic theory altogether, and the Lachmannian economist becomes a mere institutionalist and historian, recording past choices and trends. There is no question that Mises would have called such a doctrine *anti-economics*." Rothbard believes that "in horrified reaction to this Lachmannian nihilism" Kirzner "sought a way to downplay uncertainty and to make his entrepreneur a more tangible and objective entity earning tangible profits on the market."

Langlois, R. N. "Knowledge and Rationality in the Austrian School: An Analytic Survey." *Eastern Economic Journal* 11 (1985) 309-330.

Lavoie, Don. *National Economic Planning: What is Left?* Cambridge, Mass.: Ballinger, 1985. Lavoie's subtitle is a double-entendre. He asks on the one hand, "What is 'left' after the failure of 'planning'?" And on the other hand, he asks, "What does it mean now to be ideologically 'left'?" Cites Mises frequently. "It is often assumed that the choice of methods of production is only a technical matter that could be resolved by a committee of engineers, and thus one that has nothing to do with such legal matters as the kind of ownership of the means of production that happens to prevail. But as Ludwig von Mises, the first to clearly spell out the knowledge problem, pointed out, the mere technological knowledge that could be supplied by scientists and engineers would suffice as a basis for choosing methods of production only if one of two possibilities held true. Either each factor of production would have to be absolutely *specific* (that is, it could only be employed in one particular production process in one particular way), or they would all have to be perfectly substitutable for one another in definite ratios (p.53) When the central argument of this book, the knowledge problem, was first made some sixty years ago (see Mises [Article 20.6, 1920] 1935, [B-4, 1922] 1981), the radical idea of comprehensive planning as a hopeful alternative to the status quo was at its peak. Today the radical ideology of planning is intellectually bankrupt. All that remains are meek suggestions to try yet one more variation on the century's dominant theme of noncomprehensive planning. But this policy does not resolve the knowledge problem; it merely substitutes a form of destructive parasitism on the market process in place of its earlier unachievable goal of dispensing with market processes altogether." (p.241)

_____. *Rivalry and Central Planning: The Socialist Calculation Debate Reconsidered*. New York: Cambridge University Press, 1985. Based on the author's 1981/1982 Ph.D. dissertation. A scholarly review of the positions taken in the economic calculation debate by Mises, Hayek, Robbins, et al on one side, and Marx, Lange, Dickinson, etc., on the other. In Chapter 3, Lavoie seeks "to show that Mises's argument

against Marx's socialism is not a utopian exercise in speculation about the unknowable future but rather a legitimate contribution to economic science, rooted in a sound theoretical understanding of the economics of capitalist society." (p.48) Lavoie maintains that "The standard account [of the economic calculation debate] has so thoroughly misunderstood Mises' argument that it has him saying virtually the opposite of what he really said (p.181) . . . ¶The initial rivalry between the advocates and critics of central planning was never resolved; it was simply dissipated in confusion. But since the whole controversy revolved around the original challenge by Mises, and since by my interpretation this challenge was never met, it is evident that advocates of economic planning need to address themselves to the central issues raised by the Austrian economists. Despite its confusion, this controversy spawned the discovery of many important ideas by both sides and has raised many fascinating questions for future research. [Lavoie's] hope is that this study may help to stimulate contemporary advocates and critics of central planning to return to this intellectual rivalry that so enriched the profession of economics in the 1930s." (p.183)

Libertas. Published semi-annually. Buenos Aires, Argentina: Escuela Superior de Economía y Administración de Empresas (ESEADE). Passages quoted here from *Libertas* translated from the Spanish.

May 1985. Volume 2, Number 2:

Thomsen, Estaban F. "Modelos de Desequilibrio en la Teoría de los Precios: Consideraciones Críticas" [Models of Disequilibrium in Price Theory: Critical Considerations.] *Libertas*. pp.185-204. According to Thomsen, "equilibrium" is a static concept, inadequate for explaining how prices are formed and lead to equilibrium. Quotes Mises to this effect: "Among economists in the Austrian tradition, Ludwig von Mises also was a critic of the 'dynamic' analysis of prices proposed by Samuelson. Mises was of the opinion that, although it was 'possible to indicate mathematical operations required for the transformation of the mathematical description of a definite state of nonequilibrium into the mathematical description of the state of equilibrium,' differential equations were taken from other scientific disciplines without considering an important difference: 'The differential equations of mechanics are supposed to describe precisely the motions concerned at any instant of the time traveled through. The economic equations have no reference whatever to conditions as they really are in each instant of the time interval between the state of nonequilibrium and that of equilibrium'." (p.191) Discusses Kirzner's distinction between Lionel Robbins' economizers or "maximizers" and Misesian actors who "are not only calculators but are also alert to opportunities," so that they notice when a certain price is in disequilibrium and may revise the price they ask (or offer) to avoid constant frustration." (p.199)

Zanotti, Gabriel J. "El Libre Albedrío y sus Implicancias Lógicas" [Free Will and its Logical Implications]. *Libertas*. pp.157-183. Zanotti finds Mises' praxeology compatible with Thomism. He says that "the will tends necessarily toward 'the' good . . . According to Saint Thomas, that state of total happiness is contemplation of God, which is formally identified with good as good itself. In the presence of such total satisfaction, the will desires nothing more (that is, lacks for nothing that it desires); thus the good satisfies one completely . . . That total good may appear as existence (God in the case of Thomism) or hypothetically (in our opinion in the praxeology of L. von Mises). In neither case does that total good exist in reality."

October 1985. Volume 2, Number 3:

Benegas Lynch, Alberto Jr. "¿Autoridad Monetaria, Norma Monetaria or Moneda de Mercado?" [Monetary Authority: Legal Standard or Market Money?]. pp.85-111. Cites Mises in footnotes.

Cachanosky, Juan Carlos. "La Ciencia Económica vs. la Economía Matemática: I" [Economic Science vs. Mathematical Economics: I]. pp.133-178. The author quotes two diametrically opposed statements: George Stigler's "The greatest claim that can be made for the mathematical method is that it necessarily leads to good economic theory," and Mises' assertion that the mathematical method "is an entirely vicious method, starting from false assumptions and leading to fallacious inferences." Cachanosky then describes the development of mathematical economics. For Part II of this analysis, see Cachanosky (1986).

Gallo, Ezequiel. "Progreso, Democracia & Sociedad Politizada" [Progress, Democracy, and Political Society]. pp.113-131. Gallo quotes from Mises' *Economic Policy* (B-27) on special interest groups and concludes that special privileges for some have eroded the basis of a free and democratic society, equality of all under law.

- Ludwig von Mises Institute, Staff. *Austrian Economics: A Study Guide*. Auburn University, 1985. A bibliography arranged according to subjects: methodology, value theory, entrepreneurship, socialist calculation debate, capital and interest, money, the business cycle, wages, unemployment, Keynesian economics, etc.
- O'Driscoll, Gerald P. Jr. & Mario J. Rizzo. *The Economics of Time and Ignorance*. New York: Basil Blackwell, 1985. The authors say they are trying to answer the hypothetical critic who "might admit that real time and ignorance do describe aspects of the world in which we live, but . . . claim that they are unimportant . . . from the perspective of deriving useful economic implications." (p.4) O'Driscoll and Rizzo refer to Mises on prices and the economic calculation debate (pp.140-141) and mention him several other times very briefly. Chapter 8 was contributed by Garrison (see below). Reviews of this book were mixed: Charles W. Baird's in *The Review of Austrian Economics 1* (1987) was negative; Kurt Schuler's in *Critical Review* (1986-87) positive; Ludwig M. Lachmann's in *Market Process* (Fall 1985) favorable; Israel Kirzner in *Market Process* (Fall 1985) criticized some specific points.
- Garrison, Roger W. "A Subjectivist Theory of a Capital-using Economy" Chapter 8. pp.160-187. Garrison mentions Mises' rejection of the arithmetical approach (p.163), his "imaginary state of the evenly rotating economy" (p.166), and capital theory: "In its richest form, the capital theory introduced by Menger and developed by Böhm-Bawerk, Mises, and Hayek cannot adequately be modeled by a three-good capital sector or even by an x -good capital sector where x is some determinate number. The Austrian theory of capital is based instead on the concept of a complex structure of production made up of a wide assortment of capital goods. The rejection of determinate models of the capital sector is consistent with the rejection of input-output models of the economy in general. The insistence on allowing for a virtually infinite degree of complexity reflects the insights of Mises on the problem of economic calculation . . . and of Hayek on the use of knowledge in society." (p.168-169) "In his early writings Mises simply indicated that, while he was making use of Böhm-Bawerk's terminology and general approach, he was not an adherent of Böhm-Bawerk's theory of interest. Mises identified and elaborated upon his dissatisfaction with the theory some years later in *Human Action*." (p.184, n.4).
- Opitz, Edmund A. "The Christian Century on Religion and Society." 119-156. *Morality of the Market: Religious and Economic Perspectives*. Proceedings of an International Symposium on Religion, Economics and Social Thought, August 9-11, 1982. Vancouver, British Columbia, Canada: Fraser Institute, 1985. "Niebuhr dismissed Marxist metaphysics and politics, but embraced Marxist economics, which he declared had never been successfully challenged. This astonishing confession is analogous to a contemporary physicist in our age of Einstein declaring that Newtonian Mechanics had never been successfully challenged! While Niebuhr was writing the words quoted above, the monumental work entitled *Socialism* [B-4] by Ludwig von Mises became available in English. As far as Niebuhr and *The Century* [were] concerned, Mises did not exist." (p.128)
- Rizzo, Mario J. Co-author; see O'Driscoll (above).
- Rockwell, Llewellyn H., Jr. "The Great Economic Genius: Ludwig von Mises." *Conservative Digest*. Washington, D.C. (November 1985) 91-98. Reviews the major events in Mises' life and his contributions. "Professor Mises saw that positivism . . . was especially dangerous. Not only was it scientifically invalid, but by treating people as inanimate objects to be manipulated, it gave would-be social engineers the perfect intellectual framework and justification for their destructive activities." Reprinted as "Ludwig von Mises: Hero" in *The Free Market Reader*. Llewellyn H. Rockwell, Jr. ed. Burlingame, Calif.: Mises Institute, 1988. pp.170-177.
- Rockwell, Llewellyn H. Jr., ed. *The Gold Standard: An Austrian Perspective*. Introduction by Leland B. Yeager. Lexington, Mass.: Lexington Books, 1985. Papers presented at the Ludwig von Mises Institute (Washington, D.C.) conference, November 1983. Most of the contributors cite Mises in footnotes; a few

discuss his views at greater length:

Ebeling, Richard M. "Ludwig von Mises and the Gold Standard" Chapter 3. pp.36-59. "In his lengthy essay on money, 'Geld,' Menger criticized the mechanical transactions assumptions underlying the then prevailing concept of the velocity of circulation of money . . . ¶For the later Austrians a crucial aspect in Böhm-Bawerk's capital theory was its focus on the various relationships and interdependencies in the production processes . . . ¶Wicksell's importance was his demonstration of how a cumulative rise or fall in prices could be brought about through changes in the money rate of interest . . . ¶These three strands of thought were brought together by Ludwig von Mises, first in *The Theory of Money and Credit* (originally published in 1912; and revised in 1924) and in his monograph, *Monetary Stabilization and Cyclical Policy* (1928)" (pp.36-37). "As a political economist, Mises viewed the gold standard as the only monetary system that potentially could free the determination of the purchasing power of money from the influence of government intervention. Looking over the broad sweep of history, it was absolutely clear to him that the history of money was nothing less than one long tragic account of incessant state debasement of the monetary unit and an accompanying disruption of economic progress and social development . . . ¶From the first time a ruler debased the gold or silver content of the coinage that was either left in his custody or ordered into his vaults, inflation has been a deceptive method by which the political authority could garnish an additional portion of the citizenry's wealth without the blatant seizure of property or taxation of income . . . The state could *redistribute* wealth; it could not *create* it. It was precisely because of money's nonneutrality, that its full influences were only felt through time and not simultaneously in all segments of the market, that money creation could enhance the real incomes of some at the expense of others . . . ¶The second delusion, Mises said, was the confusion between money and capital . . . ¶Finally, the third delusion that Mises saw was the belief that the source of employment was the level of 'effective demand' and that lapses from full employment could be corrected through sufficient increases in the total purchasing power in the economy . . . ¶As long as the reins of power over the money supply remained in or near the hands of the government, Mises was convinced that the temptation for its use and abuse in the pursuit of short-run, political objectives was inevitable." (pp.43-45)

Garrison, Roger W. "The Costs of a Gold Standard." Chapter 4. pp.61-79. Quotes Mises: "The advantage of the gold standard . . . is due solely to the fact that, if once generally adopted in a definite form, and adhered to, it is no longer subject to specific political interference." (p.63) Also, the idea of "neutral" money is contradictory; "Money without a driving force of its own would not, as people assume, be a perfect money; it would not be money at all." (p.78, n.28)

Paul, Ron. "The Political and Economic Agenda for a Real Gold Standard." Chapter 7. pp.129-140. Paul, who served on the congressionally-mandated Gold Commission, reviews the steps for a return to gold money that Mises proposed in his 1952 epilogue to *The Theory of Money and Credit*, "The United States' Return to a Sound Currency." The first step must be to abandon inflation. Then gold non-dollar coins must be created; Paul recommends troy ounce coins, half-ounces, and perhaps smaller sizes. "Restoring the monetary role for gold must become a popular crusade in the United States. In the political sphere, popular crusades require tangible -- as opposed to ideological or intellectual -- benefits that people can recognize and subscribe to. ¶The heart of Mises' proposal to restore gold to our monetary system is a gold coinage. He wrote: 'Gold must be in the cash holdings of everyone. Everybody must see gold coins changing hands, must be used to having gold coins in his pockets, to receiving gold coins when he cashes his paycheck, and to spending gold coins when he buys in a store.'" (pp.131-132). "The genius of Ludwig von Mises was his profound insight into the free market process, the science of catallactics. The most important thing I have learned from his work is that the achievement of a new gold standard in our society will have to come from the free market itself . . . ¶All the government needs to do is to get out of the way." (pp.137-138)

White, Lawrence H. "Free Banking and the Gold Standard." pp.113-128. "The policy of free banking gained Ludwig von Mises' endorsement as an essential barrier against business fluctuations driven by overexpansionary central bank policies . . . ¶The overwhelming source of the cyclical macroeconomic difficulties of recent years has clearly been the money supply shocks emanating from monetary authorities presiding over national fiat money regimes . . . A central bank tied to gold at a fixed parity

can no longer inflate without limit in the long run, but it *can* manipulate in the short run the quantity of high-powered money, and therefore can subject the economy to monetary disruption -- to what Mises calls 'credit expansion with all its inevitable consequences'." (pp.123-124) Reprinted (pp.148-166) in White's anthology, *Competition and Currency: Essays on Free Banking and Money*. New York: New York University Press, 1989. There, in his "Introduction," White acknowledges that the Menger-Mises-Hayek analytical tradition had been "extremely useful" and that his "normative outlook also owes something to theirs." (p. 6)

Samuels, Warren J., ed. *Research in the History of Economic Thought and Methodology: 3*. Greenwich, Conn.: JAI Press, 1985. Symposium on the Austrian School: pp.143-255.

Kirzner, Israel M. "Comment on R. N. Langlois, "From the Knowledge of Economics to the Economics of Knowledge: Fritz Machlup on Methodology and on the 'Knowledge Society'." pp. 237-241. Kirzner agrees with Langlois (see below) that "Machlup's knowledge project owes virtually nothing . . . to his Vienna training at the feet of the most consistent modern exponent of the Austrian tradition, Ludwig von Mises." (p.237) Machlup's training, in the Austrian tradition, Kirzner writes, was in the 1920s, before the Austrians began emphasizing market processes and when, by the end of the 1930s, "Mises and Hayek were beginning to spell out this process emphasis (although Mises never did explicitly link this process to the communication of knowledge). Machlup, busy with countless other important researches, (and more concerned, perhaps, with what the Austrian tradition shared with other schools of thought than with what set it apart), never learned to appreciate this emphasis upon process as being integral to the Austrian tradition ¶In terms of the *direction* in which Misesian economics was moving during the interwar period, Machlup's work on knowledge indeed failed to reflect the emerging insights into market processes of discovery that were being glimpsed at the time." (pp.239-240)

Langlois, Richard N. "From the Knowledge of Economics to the Economics of Knowledge: Fritz Machlup on Methodology and on the 'Knowledge Society'." pp.225-235. Machlup's thinking on methodology and epistemology was strongly influenced by "Ludwig von Mises and the richness and diversity of contemporary Viennese thought." However, the epistemology from which Machlup derived his "situationally deterministic character of marginalist price theory," which became "a hallmark of Machlup's contributions," and "the methodological apparatus with which he supported it are both noticeably different from those of Mises. And this difference arguably reflects the influence on Machlup of the many other strands of contemporary thought. ¶For one thing, Machlup did not subscribe to Mises' view that the basic postulates of economics partake of a synthetic *a priori* character ¶Machlup's friend and contemporary F. A. von Hayek was another of Mises' brilliant students in Vienna. Like Machlup, Hayek was strongly influenced by Mises' subjectivist approach, but, also like Machlup, he rejected Mises' strong apriorism in favor of a more skeptical and 'creative' brand of Kantianism." (pp.226-229) According to Langlois, however, it was Machlup's "longtime friend" Alfred Schutz who really had "the strongest influence" on him. Kirzner comments (above).

Uhr, Carl G. "Wicksell and the Austrians." pp.199-224. Wicksell had "only indirect contact with Mises," by way of a review he wrote of Mises' *Theory of Money and Credit* [English translation in 1993 Mises bibliography, pp.197-199] "As Wicksell's writings -- on monetary policy, business cycles and stabilization proposals, tax reform and income distribution -- reveal, he would have taken issue vigorously with the 'do nothing to disturb the action of the free market' and the 'let nature take its course' policies urged by Mises and Hayek for the several periods of severe economic instability the western world has experienced in the twentieth century, especially subsequent to World War I." (p.201) In Part III, "Monetary and Trade Cycle Theory: Economic Policies and Reform -- Wicksell in Relation to Von Mises and Von Hayek," Uhr compares Wicksell and Mises. In both 1912 and 1924 editions of Mises' book on money (B-2), Mises "acknowledged his intellectual indebtedness [to Wicksell], as well as his disagreement on some points It is regrettable," Uhr writes, "that he repeated in 1924 what he had said about Wicksell's monetary theory in 1912, for in the meantime (1922) a German edition of Wicksell's *Lectures on Political Economy, vol. II, Money* . . . had appeared. That volume represents a revision of some of the treatment in *Interest and Prices*." If Mises had studied Wicksell's 1922 lectures, they "might have changed his argument ¶Mises raised two issues with Wicksell. The first concerns

Wicksell's statement that the conditions of the commodity market, in which relative prices are determined, can exert no direct influence over the determination of the 'absolute level of prices' . . . ¶In opposition to Wicksell, Mises tried, unsuccessfully as it turned out, to prove that the marginal utility theory applies equally to the determination of absolute and relative prices . . . ¶The other objection which Mises raised questioned the duration and severity of Wicksell's cumulative process on the ground that the loan rate cannot for long remain different from the natural rate . . . [because] (1) either the natural rate is lowered to the loan rate by real capital formation resulting from forced saving; or (2) as the price level rises, nonbank creditors will press for higher loan rates and if banks balk at raising them, the system will spiral toward a crisis. ¶As for (2) Wicksell agreed: he had generally held that the cumulative process would most likely end in a crisis. But as for (1), he insisted this is not how his process works . . . ¶In substance Wicksell conceded the possibility of Mises' second objection." (pp.209-210)

Wiseman, Jack. "Lionel Robbins, the Austrian School, and the LSE Tradition." pp.147-159. "There is an indisputable sense in which the writings of Lionel Robbins can be seen as part of the intellectual tradition associated with such Austrian economists as Menger, von Mises and von Hayek. Not only are there obvious similarities in their actual work . . . but Robbins lectured in the 1920s at the Nationalökonomische Gesellschaft (Austrian Economic Society), founded by Mises, Hayek, Machlup, Morgenstern, and Mayer, and was instrumental in bringing Hayek to LSE in the 1930s . . . The influence of Mises is singled out in the 1932 edition [of *An Essay on the Nature and Significance of Economic Science*], and that of Hayek in the more comprehensive 1935 version." (p.148) Wiseman "became interested in cost theory as an undergraduate at LSE, and after joining the staff, familiarized [himself], among other things, with the debate on socialist calculation initiated by von Mises, and in which Robbins had been involved. [Wiseman] became persuaded [he still is] that the Austrians had not identified sufficiently clearly the crucial flaw in the Lange formulation: that, if costs are subjective, instructions to managers to allocate resources by a cost rule are operationally meaningless; they amount to an injunction to 'choose the best plan' which can justify any course of action." Wiseman presented this thesis to Robbins, who "gave it his serious attention, but expressed no particular view." Wiseman did not feel Robbins "thought [him] wrong, but that he did not think the issue of much importance." (p.155)

Sennholz, Hans F. *Money and Freedom*. Spring Mills, Penna.: Libertarian Press, 1985. This book contains only one footnote reference to Mises' *Human Action*. However, Sennholz's critique of the Federal Reserve System, the Monetarists, and "supply-siders" is based on his understanding of monetary theory as set forth by Mises, as is also his recommendation for monetary reform by stopping the inflation and repealing legal tender laws and monopoly banking privileges. Spanish translation: *Moneda y Libertad*. 4:7 *Libertas* (October 1987) 3-77. Published by ESEADE, Buenos Aires.

Shapiro, Milton M. *Foundations of the Market-Price System*. Lanham, Md.: University Press of America, 1985. First published (1974) by California State Polytechnic University, Pomona, Calif. "In preparing this material the author found no little inspiration in the seminal but sadly neglected works of Ludwig von Mises and Philip H. Wicksteed." (p.xx) Shapiro quotes Mises: "The idea of a *society* that could operate or manifest itself apart from the action of individuals is absurd . . . Every form of society is operative in the actions of individuals aiming at definite ends." (p.103) Also: "[E]ach individual in each of his actions is forced to choose between satisfaction in various periods of time . . . The very act of gratifying a desire implies that gratification at the present instant is preferred to that at a later instant . . . If he were not to prefer satisfaction in a nearer period of the future to that in a remoter period, he would never consume and so satisfy wants." (pp.239-240)

Sproul, R. C., Jr. *Money Matters: Making Sense of the Economic Issues that Affect You*. Wheaton, Ill.: Tyndale House, 1985. In the introduction, R. C. Sproul, father of the author, writes: "My [economics] teacher was my son. From a young age he was fascinated and absorbed with economic theories. He devoured the complex writings of the Austrian-American genius Ludwig von Mises (1881-1973). My son kept asking me questions that I could not answer and supplying me with answers to questions I was not even asking.

Finally I said to him, 'You ought to write a book.' So he did." (p.10) The author was a student at Grove City College (Grove City, Pennsylvania) when he wrote this book. He quotes the Bible and various religiously-oriented writers.

Subramanian, Balakrishnan. "Evolutionary Aspects of Monetary Theories of the Business Cycle (Gold Standard, 100 Percent Reserve Banking, Currency, Austrian Schools)." Ph.D. dissertation, Columbia University, 1985. Provides a new interpretation of the ideas of the traditional Austrian School by showing that its members have a much less homogeneous viewpoint on the role of money in business cycle theory than is commonly assumed. Mises is classified as a circulation credit theorist who favored free banking as the remedy while Hayek and Machlup are classified as production period theorists who supported central banking as the remedy.

Summers, Brian. "The Economics of Ludwig von Mises. *Lincoln Review*. 5:4 (Spring 1985) 75-78. "Mises' first great book was *The Theory of Money and Credit* (1912). This treatise . . . alone would have assured Mises a place among the great economists. But his accomplishments were just beginning. In 1920 he startled the economics profession with an article demonstrating the inherent inefficiency of socialism. He incorporated this classic essay into his next great book, *Socialism* (1922) . . . ¶Mises consistently focused his attention on individuals. By considering the goals, plans, and actions of individuals, Mises was able to develop economics into the coherent science he described in *Human Action* (1949) -- the first general treatise on economics to be published since World War I . . . ¶For the student just getting acquainted with Mises, *Bureaucracy*, an analysis of the inherent inefficiency of bureaucratic management compared with profit-seeking management, is a good place to start. Among Mises' longer works, *Socialism* is the easiest to read. *Mises Made Easier* (1974), a glossary prepared by Mises' student Percy L. Greaves, Jr., is an excellent aid for those tackling the Mt. Everest of modern economics -- *Human Action*."

1986

Barry, John M. "Let the Crusade Begin." *Esquire*. 105 (January 1986) 64-68. "Jack Kemp plans to run for the presidency Kemp has conviction, energy, determination, and a vision of a new economic order. He is a former professional football player As a student he schooled himself in the free-market theories of Ludwig von Mises and Friedrich von Hayek Unlike most politicians, Kemp doesn't promise to do things for people but instead assures them that they can do it themselves if they try."

Boettke, Peter, Steven Horwitz & David L. Prychitko, "Beyond Equilibrium Economics: Reflections on the Uniqueness of the Austrian Tradition." *Market Process*. 4:2 (Fall 1986) 6-9, 20-25. Leads off with a quote from Mises: "Economics is not about goods and services, it is about the actions of living men. Its goal is not to dwell upon imaginary constructions such as equilibrium . . ." The authors say that "The renewed interest in Austrian economics has brought in its wake disagreement." They "argue that dropping general equilibrium (or the evenly rotating economy) from economic theory is not equivalent to the abandonment of science Systematic thought is not equivalent to equilibrium analysis. The Austrian debate blurred the distinction." (p.6) "To claim apodictic certainty for an entire science is to claim the end of discussion, for either one believes in logic or one doesn't ¶Mises, for example, says that 'Reasoning and scientific inquiry can never bring full ease of mind, apodictic certainty, and perfect cognition of all things.' Instead, 'All that man can do is submit his theories again and again to the most critical reexamination'." (p.9) Concludes that: "Much of modern economics is trapped in an ahistorical equilibrium world, unable to render intelligible the purposive action of human beings in the real world. The value of Austrian analysis has always been its realism. It is a human-centered approach, recognizing fallible humans acting in a world of constant flux. By moving beyond equilibrium theorizing and the dichotomization of theory and history, Austrians can advance the heritage passed on to us by Menger, Mises and Hayek." (p.20) Contains detailed notes and an extensive bibliography.

Branden, Barbara. *The Passion of Ayn Rand*. Garden City, N.Y.: Doubleday, 1986. "Through the [Henry] Hazlitts, Ayn met the brilliant theoretical economist Ludwig von Mises* ¶Ayn was charmed by von Mises. Along with a vast and searching intellect, he had a gentleness, a warmth, and communicated a respect for whomever he talked with, that made him beloved by his friends and his students. 'He seemed very impressed,' Ayn recalled, 'that a woman had read his books and was seriously interested in economics. He had read *The Fountainhead*, and he seemed to think highly of it. I didn't like his separation of morality and economics, but I assumed that it simply meant that morality was not his specialty and that he could not devise one of his own. At that time, I thought -- about both Henry and von Mises -- that since they were fully committed to laissez-faire capitalism, the rest of their philosophy had contradictions only because they did not yet know how to integrate a full philosophy to capitalism. It didn't bother me; I knew I would present the full case.' ¶Henry Hazlitt said to Ayn one day: 'I just talked with Lu Mises a few days ago. He called you "the most courageous man in America".' 'Did he say *man*?' asked Ayn. 'Yes,' he replied. Ayn was delighted." (pp.188-189) "One evening, the Hazlitts invited Ayn and Frank [O'Connor, Ayn's husband] to dinner, with Dr. and Mrs. von Mises. The evening was a disaster. It was the first time Ayn had discussed moral philosophy in depth with either of the two men. 'My impression,' she was to say, 'was that von Mises did not care to consider moral issues, and Henry was seriously committed to altruism We argued quite violently. At one point, von Mises lost his patience and screamed at me. We did not part enemies -- except for von Mises at the moment; about a year later, he and I met at a conservative dinner, and his wife made peace between us; neither of us wanted a feud, and we resumed a cordial relationship I continued to see the Hazlitts, and I consider him a valuable writer on politics and economics, but my interest vanished when I realized that his philosophical base was thoroughly modern and pragmatic'." (p.253)

*Footnote: "As late as the fifties, von Mises was relatively unknown in the United States -- his books were not published here before 1944 -- until, beginning in the late fifties and continuing for more than ten years, Ayn began a concerted campaign to have his [Mises'] work read and appreciated: she published reviews, she cited him in articles and in public speeches, she attended some of his seminars at New York University, she recommended him to admirers of her philosophy. A number of economists have said that it was largely as a result of Ayn's efforts that the work of von Mises began to reach its potential audience." (p.188n)

Cato Journal. Washington, D.C.: Cato Institute. 6:2 (Fall 1986). This issue devoted to "Money, Politics, and the Business Cycle." Only brief references to Mises as follows:

Garrison, Roger W. "Hayekian Trade Cycle Theory: A Reappraisal." pp.437-453. "The Austrian theory of the trade cycle draws heavily from Knut Wicksell's work on the relationship between money and interest. Ludwig von Mises was the first to combine Wicksell's monetary dynamics with Böhm-Bawerk's capital theory so as to produce a distinctly 'Austrian' trade-cycle theory." (p.438)

Leijonhufvud, Axel. "Real and Monetary Factors in Business Fluctuations." pp.409-420. "There is a bit of irony in the impatience with which Auburn's Ludwig von Mises Professor [Leland B. Yeager] deals with Austrian business cycle theory (ABC) even if he professes to have the good of Austrian theory at heart in trying to rid it of this 'embarrassing excrescence.' Having also been overexposed to this theory, I tend to share Yeager's impatience, but our reasons for being critical are rather different." (pp.416-417)

Yeager, Leland B. "The Significance of Monetary Disequilibrium." pp.369-399. Yeager is identified as "Ludwig von Mises Distinguished Professor of Economics at Auburn University." (p.369n) "A particular theory cultivated by Ludwig von Mises and F. A. Hayek in the early 1930s is so widely expounded in speech and print by 'Austrian' economists nowadays that I hardly know where to begin or end in giving citations . . . ¶My chief objection to the Austrian theory, then, is that it is no more than a conceivable but incomplete scenario. Furthermore, it is an unnecessarily specific scenario: it envisages specific responses to specific price distortions created by the injection of new money, but it demonstrates neither the necessity nor the importance of those specific distortions to the downturn into the depression, let alone to the depression itself . . . ¶The Austrians deserve credit, however, for facing up to facts of reality that many neoclassicals apparently regard, if they regard them at all, as embarrassing 'imperfections'." (pp.378, 380-381)

Chafuen, Alejandro A. *Christians for Freedom: Late-Scholastic Economics*. With a Foreword by Michael Novak. San Francisco: Ignatius Press, 1986. Chafuen finds support for Scholastic doctrines in Mises: "To believe in natural laws is to believe in natural order. Even the critics of the natural-law approach find positive factors in it. Ludwig von Mises recognized three important contributions: ¶a. Belief in the existence of a natural order. ¶b. The importance of human reason as the only means of understanding the natural order. ¶c. The method of judging the goodness of an action by its effects (which led eventually to a special type of utilitarianism)." (pp.37-38) "¶One of the favorite Late Scholastic arguments was that private property is one means for the achievement of a peaceful society. Many libertarians agree. Mises stated, 'It is precisely in the defence of property that Law reveals most clearly its character of peacemaker'." (p.155) "¶Like the Schoolmen, Mises regarded ownership as the power to use economic goods . . . Mises made the point that he who holds the commodity and uses it productively exercises *direct* ownership, while the 'social *having* belongs to him who, unable to dispose physically or legally of the commodity, may yet dispose indirectly of the effects of its use.' His conclusion is that 'natural ownership in a society which divides labour is shared between the producer and those for whose wants he produces.' Recognizing that in such a society '*no one is exclusive owner of the means of production,*' Mises concludes that ownership is a social function." (p.157) "¶In Mises' opinion, not only does division of labor produce economic fruits, but also, within the framework of social cooperation, 'there can emerge between members of society feelings of sympathy and friendship and a sense of belonging together'." (pp.170-171)

Colander, David. *Macroeconomics*. Glenview, Ill.: Scott, Foresman & Co., 1986. Reviewer Steven Horwitz was pleasantly surprised by this text. He notes one major feature which "should be of particular interest to those familiar with the Austrian tradition . . . the explicit inclusion of the Austrian viewpoint at strategic places in the text . . . [Colander's] treatment of the Austrians is surprisingly insightful, given that Colander is no Austrian . . . Colander has a good understanding of the unique Austrian contribution and it sets his discussion a step above others . . . ¶Perhaps the most striking feature of the book is its explicit rejection of formalism and its emphasis on understanding and interpreting the history of thought in macroeconomics . . . ¶This approach to understanding theory by interpreting the original text and words of an author is very much consonant with the *verstehen* tradition in the social sciences from which Mises' economics springs." *Market Process*. Fairfax, Va.: Center for the Study of Market Processes, George Mason University. 5:2 (Fall 1987) 28, 30.

Critical Review New York: Libertarian Review Foundation, 1986.

Volume 1, Number 1. Winter 1986-7

Bottomore, Tom. "Is Rivalry Rational?" pp.43-50. A review of Don Lavoie's *Rivalry and Central Planning* (1985) Lavoie's book "is, in the first place, a critical reassessment of 'the standard accounts' of the [socialist calculation] debate, intended to show that the later critics of socialist central planning (Hayek and Robbins) were not obliged to retreat from the arguments originally formulated by Mises in 1920 . . . but on the contrary, that the defenders of socialist planning, and notably Lange and his school, retreated. More generally, Lavoie concludes that 'the initial rivalry between the advocates and critics of central planning was never resolved; it was simply dissipated in confusion . . . ¶Lavoie . . . accepts Mises' contention that 'What is happening under the rule of Lenin and Trotsky is merely destruction and annihilation' . . . and refers to the 'ongoing collapse of the Russian economy of the Bolsheviks.' ¶But the Soviet economy did not collapse. On the contrary, from the late 1920s there was a rapid industrialization and growth, though at a terrible cost; while the collapse occurred in the capitalist countries from 1929, most dramatically and fatefully in Germany . . . ¶This historical experience of planned economic growth raises doubts about Lavoie's main thesis, which is that Mises' original criticism of central planning was never properly met, still less refuted; and by implication, therefore, that the argument concerning the impossibility of an efficient planned economy, even in the modified form of 'market socialism,' remains valid."

Clovatre, Dallas L. "Making Sense of Hayek." pp.73-89. A review of the second edition of John Gray's *Hayek on Liberty*. Hayek's "early training in Austrian economics . . . even before his meeting with Mises, had already exposed him to a subjectivist theory of value which fit ill with his youthful Fabian-style socialism. He abandoned socialism entirely under the impact of Mises' great work on the topic published in 1922."

Lavoie, Don. "Political and Economic Illusions of Socialism." pp.1-35. A review of Peter Rutland's *The Myth of the Plan: Lessons of Soviet Planning Experience* and A. J. Polan's *Lenin and the End of Politics*. Commenting on Rutland, Lavoie writes: "The lesson of Rutland's book is that planning is, strictly speaking, not inefficient; it is impossible. What really occurs in the Soviet economy, as elsewhere, is blind intervention by a government into a polycentric order it does not understand and which is not under the control of any one person or group. In this sense, then, the Soviet economy has to be seen as essentially similar to the economies of the West, differing in the degree and form of its intervention, but not in kind . . . ¶[Rutland's] use of the Mises-Hayek argument cuts so deeply into the legitimacy of the Soviet government's practices that if these are called by the same name we in the West use to refer to our governments' practices it would suggest that the argument challenges 'our side' too."

Crozier, Brian & Arthur Seldon. With cartoons by Michael Cummings. *Socialism: The Grand Delusion*. New York: Universe Books, 1986. (1st ed., 1984, titled *Socialism Explained*). "When the Austrian economist Ludwig von Mises argued in 1921 that socialism would founder without markets because it could not calculate the value of resources, especially capital, he was derided by socialist economists in Europe -- and still is by some today." (p.55) "This whole debate between economists on whether relevant calculation is

feasible under socialism, which started with Ludwig von Mises in 1921 . . . was summed up by Friedrich Hayek, a student of Mises,' in the April 1982 *Economic Affairs* . . . Hayek dismissed the notion of calculation by socialist 'markets' in a few lines: 'It is "pure fiction" to suppose that information required by each of millions of producers can be aggregated by the planning authority. It may assemble information about *quantities* but each [capitalistic] producer knows *values* (based on scarcities). The capitalist market enables individual producers to adapt their activities to a multitude of circumstances which in their totality are *not known to anyone*.' [My italics.]" (p.64)

Ekelund, Robert B. Jr. & Robert D. Tollison, *Economics* (Teacher's edition). Boston: Little, Brown, 1986. Includes chapters intended for both micro and macro courses. "Saving means abstaining from consumption now in the expectation of being able to consume more in the future . . . ¶Saving and capital formation also lead to higher wages and incomes for workers . . . ¶Indeed, those who save and who build capital goods are among the chief benefactors of society. As Ludwig von Mises put it [in *Human Action* B-16]: 'Every single performance in this ceaseless pursuit of wealth production is based upon the saving and the preparatory work of earlier generations . . .'" (pp.317-318) Mises' *Bureaucracy* [B-13] is cited. "An important debate in this century among economists concerned whether socialism was possible at all, that is, whether a modern industrialized society could continue to exist if organized along socialist lines . . . ¶The beginning of the controversy can be given as 1922, the year that Austrian economist Ludwig von Mises published a paper in German entitled 'Economic Calculation in the Socialist Commonwealth' [Article 20.6] . . . ¶Socialists took the Mises challenge very seriously." (p.517)

_____ & _____. *Macroeconomics*. Boston: Little, Brown, 1986. Reprints those chapters included in *Economics* (Teacher's edition), above, intended for use in the macro course. The section on the Mises/Hayek vs. Lange debate on economic calculation under socialism is included (pp.455-456).

_____ & _____. *Microeconomics*. Boston: Little, Brown & Co., 1986. Reprints those chapters included in *Economics* (Teacher's edition), above, intended for use in the micro course. The Mises references cited above -- on savings (p.317), bureaucracy (p.452), and economic calculation (pp.517-518) are included.

The Free Market. Auburn, Ala.: Ludwig von Mises Institute, 1986.

June 1986. Volume 4, Number 3:

Skousen, Mark. "Understanding the Austrian Theory of the Business Cycle." pp.1, 4-6. "One of the highlights of my professional career occurred recently when I had the opportunity to talk with Professor F. A. Hayek at his vacation home in the Austrian Alps . . . Since the death of Ludwig von Mises in 1973, Professor Hayek has been the acknowledged dean of the 'Austrian' school of economics, which teaches individualism, laissez-faire economics, and the gold standard . . . ¶Professor Hayek is the oldest living member of the Austrian school, which began in Vienna with Carl Menger in the 1870s, and continued with Eugen Böhm-Bawerk, Ludwig von Mises, and Murray N. Rothbard, among others."

November 1986. Volume 4, Number 5:

Friedberg, Albert D. "The Austrian Entrepreneur: An Interview." pp.3-4. Jeffrey A. Tucker interviews "one of the world's most respected commodity and currency market analysts." Friedberg said he "came across the Austrians" in his own reading "and then [he] read Mises' *Theory of Money and Credit*." [H]is "college classes were a joke," he said. "We should always remember that trade only takes place in markets thanks to the subjective valuations of the parties involved. That's what Mises taught." Asked if the Misesian theory of the business cycle fits his observations, Friedberg replied, "Definitely. Every business cycle is caused by malinvestments. Those malinvestments come from interest rates being lower than what they would otherwise be were it not for the Federal Reserve . . . ¶As Mises says in *Money and Credit* [B-2], central bank money creation distorts the signals that guide investors and consumers. You'd think people would have learned that by now. Incredibly, even today you hear calls for the Fed to inflate more to keep the economy from dying. This is like injecting adrenalin in a guy after he's run a marathon. He needs a rest, but if you give him adrenalin, he is going to die."

Fuerle, Richard D. *The Pure Logic of Choice*. New York: Vantage Press, 1986. Based on Fuerle's 1981 doctoral dissertation under the tutelage of Dr. Hans F. Sennholz. "To the Austrians, economics is a deductive science like geometry, not an empirical science like biology." Fuerle tries to show "that all economic (i.e., praxeological) laws could be deduced from the premise that man has free will" and that "free will places Austrian economics on a more precise (one is almost tempted to say, mathematical) basis which," he hopes, "will make it more convincing and acceptable to non-Austrians." Fuerle cites Mises frequently.

Gordon, David & Carl Watner. *Murray N. Rothbard: A Scholar In Defense of Freedom*. Auburn, Ala.: Washington, D.C.: Ludwig von Mises Institute, 1986. A bibliographical essay by David Gordon, with a bibliography, annotated by David Gordon, compiled by Carl Watner. Rothbard, one of Mises' more prolific students, frequently commented on Mises. Rothbard, Gordon says, is "much more than a political philosopher. Most fundamentally, he is an economist, specifically an Austrian economist. That is to say, he works in the tradition of Carl Menger, Eugen von Böhm-Bawerk, and Ludwig von Mises, the latter his own revered teacher." (p.9) Yet he "does not shrink from challenging the overly utilitarian views of Mises himself. The great Austrian economist had imagined himself to have arrived at a value-free reason for opposing measures such as minimum wage laws. Mises readily demonstrated that such devices would have deleterious economic effects. Thus he thought that, from the viewpoint of its own advocates, he could show that interventionism ought to be rejected." Rothbard notes that "not everyone . . . shares the motive of wishing to promote economic welfare . . . not everyone was so kindhearted as [Mises] was." (pp.12-13)

Grainews. Published in Canada for Canadian farmers and cattleman.

Block, Walter. "The Free Trade Question: How it Relates to Economic and Cultural Nationalism." Section 3. (September 8, 1986). "There is a lot of talk nowadays about free trade. But the very concept of free trade drives Canadian political leaders into a tizzy of fear. They substitute the phrase of 'freer trade' or 'enhanced trade,' or some such other circumlocution, so the dreaded name 'free trade' never has to pass their lips in its pure form. ¶We, the people, however, . . . do well to understand the theory of free trade, in all its pristine glory, and realize it is in the best interests of the great masses of Canadians . . . ¶We all see this clearly in the case of maple syrup and bananas. Sure, we could produce bananas in this country. All we would need are gigantic, and stupendously costly, hothouses. And, just as certainly, the tropical countries could produce maple syrup. They could do this by erecting large-scale refrigerators in which to place the maple trees. (We're talking *really big* refrigerators, here.) ¶The very idea is ludicrous, of course . . . Far better we produce the maple syrup, and they grow the bananas . . . Very few people, however, see that the same principle applies to textiles, shoes, autos and electronic goods like television sets. But it does; it does." Block then quotes Mises' *Human Action* on free trade.

_____. "Unionism." 12:14 (September 29, 1986) 1, 57. Quotes Mises' *Human Action* on "coercive unions." Then, "In all countries the labor unions have actually acquired the privilege of violent action. The governments have abandoned in their favor the essential attribute of government, the exclusive power and right to resort to violent coercion and compulsion. Of course, the laws which make it a criminal offense for any citizen to resort -- except in case of self-defense -- to violent action have not been formally repealed or amended. However, . . . labor union violence is tolerated . . . ¶The labor unions are practically free to prevent by force anybody from defying their orders . . . to inflict with impunity bodily evils upon strikebreakers and upon entrepreneurs and mandataries of entrepreneurs who employ strikebreakers . . . to destroy property of such employers and even to injure customers patronizing their shops . . . ¶The issue is not the right to form associations. It is whether or not any association of private citizens should be granted the privilege of resorting with impunity to violent action."

Grassl, Wolfgang & Barry Smith, eds. *Austrian Economics*. New York: New York University Press, 1986. A collection of essays stemming from a symposium, "Austrian Economics and Its Philosophical and Historical Background," held in Graz, Austria (July 27-31, 1980). This volume is centered on "the work on value and on philosophical method of the Brentano school, and [it] includes a unique study of the relations

between the Austrian theory of values and the new economic approach to human behaviour propounded by Gary Becker and others in Chicago." (p.x) Two papers, offer comments on Mises:

Grassl, Wolfgang. "Markets and Morality: Austrian Perspectives on the Economic Approach to Human Behaviour." Chapter 4, pp.139-181. "Ludwig von Mises, the most thorough-going advocate of subjectivism among modern economists, denied that there is the slightest connection between economic theory and psychology, holding that pure economics or 'praxeology' is not concerned with the specific motives behind actually existing human actions Praxeology in this sense is an *a priori* science of human action, independent of experience and expressible with absolute deductive certainty Since praxeology deals with the formal implications of the concept of action rather than with the contents of actions themselves, it follows that economic theory cannot itself establish ethical judgments. Their refusal to advocate any specific ends, and their willingness to investigate only the relationship that holds between means and ends generally conceived, might still put Misesian praxeologists into the utilitarian tradition *sensu lato*. But their rigid exclusion of ethics from the realm of economics and their conception of economic theory as an *a priori* science independent of psychological assumptions makes their methodology seem too far removed from Benthamite utilitarianism to warrant its inclusion within this tradition." (p.148) "Mises' praxeology, for that matter, closely resembles what Brentano called 'descriptive psychology', though the strict separation of psychology and economic theory implied in Misesian methodology was less sensitive to ideas derived from the material psychology of feeling and desire of the kind developed by Meinong and Ehrenfels." (p.157)

Smith, Barry. "Austrian Economics and Austrian Philosophy." Chapter 1, pp.1-36. "Husserl's theory of syntactic forms and matters tells us, most importantly, that an *a priori* scientific theory can be coherently constructed out of propositions which are uniformly analytic only if the theory is committed to at most *one* core matter: propositions expressing nontrivial interrelations between several core matters are, by definition, synthetic. It is recognition of this fact which underlies also von Mises' insistence, against the background of his view that all *a priori* propositions of economics are analytic 'laws of thought', that the *a priori* element in economic theory can be constructed entirely in terms of the single material notion of *action*. The Misesian vision of economics as an edifice generated entirely by conceptual (logical) analysis of this single notion, with its apparent implication that the resultant theory must either be trivial (able to tell us nothing about reality), or magical (consisting of truths spun out of nowhere), has done much to inhibit the acceptance of the more general aprioristic claims made on behalf of Austrian economics. The suspicion has remained -- in spite of von Mises' own claims for his method -- that other core notions, in addition to the concept of action, have been smuggled into his theory on the way, and that the theory is therefore not purely analytic. It is the most important lesson of Husserl's work that Austrian economists, armed with the conception of synthetic *a priori* (intelligible) connections between parts and moments in the world, can properly abandon the official Misesian conception of their discipline as a part of the analytic theory of human action and conceive it instead precisely in Menger's terms: as a synthetic *a priori* theory of the whole family of kinds and connections manifested in the phenomena of economic life." (pp.17-18)

See review by Richard M. Ebeling. *Market Process*. 5:2 (Fall 1987) 20-22. Concerning Barry Smith's paper, Ebeling writes: "Though he [Smith] demonstrates the close similarity between Husserl's and Menger's methods of analysis, Smith sees no such link between Husserl's approach and Mises' emphasis on the idea that all economic reasoning ultimately begins with reflections on the essence of action. However, it is clear from a careful reading of both *Epistemological Problems of Economics* [B-10] and the chapters devoted to methodological questions in *Human Action* [B-16] that one of the strongest influences on Mises' entire approach is none other than Edmund Husserl." (pp. 21-22)

Gunning, J. Patrick. "The Methodology of Austrian Economics and Its Relevance to Institutionalism." *American Journal of Economics and Sociology* New York: Francis Neilson Fund; Robert Schalkenbach Foundation. 45:1 (January 1986), 79-91. "At present, it is widely agreed among modern Austrians that the most acceptable exposition of Austrian methodology to date was made by Ludwig von Mises. Thus, I shall make Mises' ideas, particularly those expressed in *Human Action* (1949), the basis for my discussion

(p.80) . . . ¶Austrian economics consists of the task of constructing a framework, or model, for interpreting economic history and everyday economic events. The Austrian economist's model is a combination of (1) *a priori* categories, including the axiom that individuals (human actors) have intentions and expectations, and (2) simplifying assumptions that enable one to condense the complexity of interaction into what he takes to be its most important forms for the events to be described . . . ¶'Institutions,' in the Austrian approach, must be regarded as *complex phenomena* . . . ¶Austrian economists *qua* economists are concerned only with complex phenomena that are *economic* . . . that arise in the process of market exchanges involving money (pp.81-82) . . . ¶As defined by Mises, economics (*i.e.*, catallactics) 'is the analysis of those actions which are conducted on the basis of monetary calculation.' . . . [T]he best brief description of Austrian economics . . . to sociologists is that it is a branch of phenomenological sociology that deals with choices made on the basis of monetary calculation." (p.85) Gunning comments on Paul D. Bush's 2-part 1981 article, annotated in the 1993 Mises bibliography (p.357) and Dugger (see above, p.17).

Hanke, Steve H. "Preface" to *Privatization*. Reprinted from *Control of Federal Spending*. C. Lowell Harriss, ed. (New York: Academy of Political Science, 1985). Auburn, Ala.: Ludwig von Mises Institute, 1986. "While serving at the President's Council of Economic Advisers (1981-1982), [Hanke] was faced with the responsibility of making recommendations about how to remedy the waste that was occurring on federally owned 'commercial' lands." Hanke says that Mises' *Socialism* [B-4], his *Bureaucracy* [B-13], and the Hayek-edited collection of essays, *Collectivist Economic Planning* (1938) "dramatically altered [his] views about the source of government waste. These works demonstrated why bureaucrats did not and, in principle, could not, mimic the results obtained with private ownership and free markets. ¶Convinced that public ownership without waste was a myth, [Hanke's] choice about corrective policies was made easy. If waste elimination on federal lands was the objective, there was only one viable policy option: privatization." This paper describes many government programs, explaining that the inefficiency and losses of each resulted because the property employed was bureaucratically managed, not privately owned.

Hazlitt, Henry. "A Short Conversation with . . ." Interviewed by Erika Holzer. *Conservative Digest*. Washington, D.C. 12:9 (October 1986) 33-38. According to Hazlitt, the economically "most significant" development over recent decades was "the growth in free market ideas," *i.e.*, the "libertarian approach." Hazlitt had "never expected free market ideas to grow so fast or to be so widespread as they are today." He said he was "proud of having drawn attention to other writers better than [himself]: Ludwig von Mises and F. A. Hayek." He had reviewed in *The New York Times* both Mises' *Socialism* and Hayek's *The Road to Serfdom*.

History of Political Economy Durham, N.C.: Duke University.

Volume 18, Number 1:

Craver, Earlene. "The emigration of the Austrian economists." pp.1-32. Discusses the emigration of noted Austrian Jews before and after the Anschluss, the unification by Hitler of Austria and Germany in 1938. Craver describes their background and explains how, as antisemitism rose, they left Vienna one by one. She writes that Mises was passed over four times for a tenured position at the university. Why? "In answering this question Mises' former students are in remarkable accord. They say: (i) he was too conservative, that is, an unreconstructed 'liberal' in an age when liberalism of the old style was going out of vogue; (ii) he was a Jew, in a society that had rigid social requirements for the integration of Jews, and less and less place for them; and (iii) he was difficult to the point that many people thought him 'personally obnoxious.' Still Hayek and others agree that Mises' accomplishments were such that two of these defects might have been overlooked -- but never three." (p.5) "The Mises seminar was far more important in the thirties than anything that went on at the university," Morgenstern states. Hayek says this was already so in the twenties. On the face of it these are remarkable statements, for Mises never carried anything more than an honorary title. Yet, until his departure in 1934 he was *the* central figure in the Viennese economics community." (p.14) "Mises, in his hard-headed way, . . . after 1933, was more pessimistic than most . . . ¶Because Mises did not share the widespread belief especially popular in socialist circles that fascism was a passing phase, he saw the decline of liberal institutions in a more

ominous light and found little comfort in the politics of either the Austrian right or left To the contrary, he held socialists responsible for the rise of right-wing paramilitary groups in the first place Certainly, as early as March 1933 Mises had spoken of what he most feared from the Nazi regime. Not only would Jewish professors be forced out of their positions in Germany . . . but authority vested in the income-tax commissions in both Germany and Austria would make it possible to carry out a legal confiscation of Jewish property. Such thinking must have motivated his acceptance of a chair in International Relations at the Institut Universitaire des Hautes Études Internationales in Geneva in the spring of 1934. Although Mises would retain his official connection with the Chamber of Commerce until 1938, he would return to Vienna only as a consultant being 'determined not to move back . . . until after destruction of the Nazi Reich'." (p.25)

Volume 18, Number 4 (Winter 1986):

Caldwell, Bruce. "Towards a Broader Conception of Criticism." pp.675-681. Critics of praxeology, Caldwell writes "usually focus on one of two things. The first is Mises' strange notion that the axioms of praxeology are at once a priori true and empirically meaningful. The second is the equally bizarre notion that empirical evidence can never be decisive against praxeology ¶*The key to my [Caldwell's] rebuttal of the arguments of the critics of praxeology is to reject the premise that a single widely accepted and well-defined definition of legitimate scientific practice currently exists.*" (pp.676-677) Caldwell's interest is in scientific methodology. His argument rests, he says, "on the premise that empiricist philosophy of science has not resolved the demarcation problem ¶From [his] current point of view, the real contribution that methodology can make is to help us better understand economic science in all of its diversity." (pp.680-681) See Hirsch and Rotwein (below).

Hirsch, Abraham. "Caldwell on Praxeology and Its Critics: A Reappraisal." pp.661-668. Hirsch tends to defend the critics of Mises and to disagree with Caldwell's assertion (1984) that Mises' is not "unintelligible" and "dogmatic." Hirsch also rejects Caldwell's (1984) defense of Mises' position that "the testing of praxeological is unnecessary." (p.666). For further comment, see Caldwell (above), Rotwein (below) and Gunning in the *Review of Austrian Economics* (1989 below) pp.109-110.

Rotwein, Eugene. "Flirting with Apriorism: Caldwell on Mises." pp.669-673. "Caldwell [1984] correctly points out that some of the criticism of Mises is based on a misunderstanding of the basic 'action postulate'." Rotwein believes Caldwell "muddies the waters." (p.669) Concerning Mises' question as to "whether the empirical testing of any generalization concerning relations between matters of fact -- in this case the action postulate -- can be said to be *pointless* on the ground that we have immediate and certain knowledge of its truth and therefore know in advance that no test can possibly disconfirm it" Rotwein writes "there is nothing in Caldwell's article that affords support for apriorism or weakens the case against it." (p.673) See also Hirsch and Caldwell (above) and Gunning (1989 below) pp.109-110.

Holzer, Erika. Interviewer; see Hazlitt (above).

Horwitz, Steven. Co-author; see Boettke (above).

Kirzner, Israel, ed. *Subjectivism, Intelligibility, and Economic Understanding: Essays in Honor of Ludwig M. Lachmann on His Eightieth Birthday* New York: New York University Press, 1986. Most of the contributors to this anthology cite Mises in notes; the following comment also in the text:

Addelson, Mark. "'Radical Subjectivism' and the Language of Austrian Economics." Chapter 1. pp.1-15. "Radical subjectivism has its roots in many fertile soils. It incorporates the ideas of Max Weber and George Shackle, the phenomenology of Alfred Schutz, the economics of Mises and Hayek, to name some of the more obvious progenitors (p.2) ¶In *Human Action*, the attempts to take Menger's approach further [to reduce complex phenomena to the simplest 'observable' elements and investigate how more complex economic phenomena evolve from them] is clearly discernible ¶Like Menger before him, but for different reasons, Mises' treatment of individuals' intentions, or goals -- as data which are beyond the purview of economists -- obstructs enquiry into their nature and, hence, their significance for economic analysis ¶Mises does not recognize just how important ideas, expectations, and judgment

are in the formulation of plans; how much different peoples' intentions, perspectives, and plans may diverge; and, as a consequence, how difficult it is a priori to say anything about the consequences of specific actions. Radical subjectivism is responsible for these insights, and, in our view, Lachmann's main contribution to Austrian economics has been in clarifying them and in underscoring their practical importance." (pp.10-11)

- Ebeling, Richard M. "Toward a Hermeneutical Economics: Expectations, Prices, and the Role of Interpretation in a Theory of the Market Process." Chapter 4. pp.39-55. "For Mises and other Austrians such as Hayek and Lachmann, the cardinal rule for serious work in the social sciences in general and economics in particular has been adherence to a methodological subjectivism, i.e., that human actions in the social world are outgrowths not merely of the subjectivism of tastes and preferences but of a subjectivism of perspective, perception, and purpose that serve as the steering rods and meanings for actions undertaken." (p.49)
- Egger, John B. "Chapter 5. pp.56-71. Lachmann "is unique among Austrians differing sharply with Rothbard, Mises and Hayek, in identifying 'America from 1929 to 1932' as 'a prominent example' of a 'weak boom which ended when consumption failed to keep in step with production'." Thus Lachmann "Identif[ies] the most famous downturn in modern history with the underconsumptionist theory." (p.58) "[B]oth Hayek and Lachmann noted that the impossibility of developing quantitative measures of 'saving' and 'investment' outside of general equilibrium makes the formulation of a business-cycle theory which either omits or deemphasizes the role of a divergence between these aggregates highly desirable. Mises preferred to refer to the theory as one of 'malinvestment'." (p.62)
- Garrison, Roger W. "From Lachmann to Lucas: on Institutions, Expectations, and Equilibrating Tendencies." Chapter 7. pp.87-101. See §5, "Mises-Hayek: Equilibrating Tendencies." According to Garrison, Mises' answer to the question as to whether investors' decisions "will tend to be the ones whose expectations are correct . . . clearly lies between those of Lachmann and Lucas. The Misesian formulation does not allow us to predict in a given situation how an investor's expectations will be affected by some specific change in market conditions . . . ¶By focusing on the market process within the investment sector, the Mises-Hayek theory can predict that equilibrating expectations will tend to govern, even though it cannot predict what in particular will govern the formulation of expectations." (pp. 95-97)
- High, Jack. "Equilibration and Disequilibrium in the Market Process." Chapter 9. pp.111-121. "If, with Mises,' writes Lachmann, 'we reject the notion of general equilibrium, but on the other hand, do not deny the operation of equilibrating forces in markets and between markets, we naturally have to account for those disequilibrating forces which prevent equilibrium, from being reached'. . . This paper defends Lachmann's thesis that the market is a disequilibrating as well as an equilibrating process . . . ¶According to Mises, one reason for using this equilibrium construction is ' . . . the tendency prevailing in every action, toward the establishment of an evenly rotating economy'." (p.112)
- Lavoie, Don. "Euclideanism versus Hermeneutics: A Reinterpretation of Misesian Apriorism." Chapter 14. pp.192-210. "Euclideanism and hermeneutics can be seen not so much as alternative methods but as two contrasting views of the relationship between methodology and science, and more broadly as contrasting styles of thought. Euclideanism is a more prescriptive methodology while hermeneutics is a more descriptive one . . . ¶The difference [between these two systems] is rather that the Euclidean methodological prescription is logical (from one mind), ahistorical, and confining, whereas the hermeneutic one is dialogical (from the scientific community as a whole), historical, and open ended . . . ¶Thus this paper, a textual reinterpretation of Mises, is both about and an example of the hermeneutical method." (p.197) "This is a paper whose chief purpose is 'merely' exegetical [explanatory]. I ask the doctrinal question what Mises 'really meant' when he called economics aprioristic . . . My aim is to see how Mises' methodology 'speaks to us' as the hermeneutical philosophers say, and what can be done in the future with various insights." (p.199) "Evidence for the Euclidean interpretation of Mises is by no means superficial. The methodology of the science of *Human Action* which Mises explicitly formulated in his economic treatise of that name, was cast in Kantian terms and often described as a special category of knowledge that was inherently beyond any criticism . . . ¶The stance of apriorism as knowledge that

is uniquely unquestionable or as Mises liked to put it, 'apodictically certain,' is the position Hutchison [see Hutchison entry, p.359, in the 1993 Mises bibliography] understandably finds so offensive to the sensibilities of contemporary methodologists." (p.200) "Moreover, Mises' view of the natural sciences appears to modern eyes to be somewhat naive . . . ¶Mises also could be charged with exaggerating the difference between disagreements among scientists, on the one hand, which he thought were 'open to a settlement by "objective" reasoning,' and, on the other hand, disagreements among historians . . . ¶In all these respects, to the extent that praxeology is presented as uniquely unquestionable knowledge, Mises does, in my view, leave himself open to Hutchison's charge of dogmatism . . . If Mises' insistence on the certainty of the axioms and derived conclusions of praxeology is an exclusionary device, employed to remove his ideas from the threat of challengers, then the scientific community has no responsibility to take him seriously." (p.202) "Each of the differences between praxeology and Euclideanism can be seen linking Mises to the tradition of hermeneutics . . . ¶In arguing for the aprioristic method Mises may not have been claiming special validity to his own particular development of aprioristic theory, much less his own understanding of history, but may have only been trying to echo the hermeneuticists' point that all social theorists in practice and each of us in our everyday lives view social phenomena as already interpreted, or from within . . . He insisted, as does the hermeneutics literature, that theory is a framework for the interpretation of the facts of history, more than an hypothesis to be tested by those facts." (pp.205, 207-208)

Meyer, Willi. "Beyond Choice." Chapter 16. pp.221-235. "[T]he research program of subjectivism seems to advise economics not to go beyond the plainly given fact of human choice. For Mises, causal explanations of human actions are *not possible* and search for motives to act is *unnecessary*. It is not that Mises believed in uncaused events of any kind, quite the contrary . . . But Mises was convinced that there are *unknowable* causes that give rise to those ideas which induce man to make a decision. And since 'there is only one motive that determines all actions of all men, viz., to remove, directly or indirectly, as much as possible any uneasiness felt' further search for human motives is superfluous. The methodological reason for this waste-of-time proposition is Mises' belief in his apriorism . . . ¶As to Mises' view that we already possess the relevant knowledge of human motivation due to his principle of praxeology I only would like to say that this principle is presumably a true metaphysical proposition but that it lacks empirical content. It is the responsibility of science to go *beyond the obvious*, the bare fact of choice, and to rise *above the metaphysical* in order to approach some worthwhile truth about human nature, i.e., one should try to invent hypotheses on the whys and hows of human action." (pp.222-223)

Mittermaier, Karl. "Mechanomorphism." Chapter 17. pp.236-251. "Mises, it would appear, translated Menger into a neo-Kantian and later an ever more radically rationalist framework and in this way was led to praxeology. Trimmed of its claims of apodictic certainty and incontestability, the category of action and hence praxeology translated into our metalanguage as the thought domain of human action . . . Even if we do all have a good idea of what it is to act, it is not easy to articulate the further reaches of the implications of that idea. Mises said, for instance, that the 'category *means and ends* presupposes the category *cause and effect*' and even that 'causality is a category of action.' But as is evident from Shackle's problem with *decision*, it is not so obvious how the troublesome idea of causation fits in with the idea of human action. What of private property? It seems somehow to imply means and ends, but not vice versa. Perhaps all the material for a codification of praxeology may be found in *Human Action*, if someone is prepared to go through it with a fine-tooth comb . . . But something else is needed: a few succinct propositions in which the main terms are intended to be mutually defined, not with the arbitrariness of some axiomatic systems, but so that at least commonly found ways of thinking are reflected." (pp.246-247)

Reviewed in detail by Walter Block in *The Review of Austrian Economics*. See 1989 below, p.109. A shorter, less critical, review by Edwin G. Dolan appears in *Market Process*. 5:1 (Spring 1987) 29-30. Reviewed also by David L. Prychitko in *Critical Review* 1:3 (Summer 1987). See 1987 below, p.62.

- Langlois, Richard N., ed. *Economics as a Process: Essays in the New Institutional Economics*. Cambridge: Cambridge University Press, 1986. Only three significant mentions of Mises:
- Langlois, Richard N. "Rationality, Institutions, and Explanation." Chapter 10. pp.225ff. "The practice of restricting the agent's means-ends framework in order to produce a determinate outcome is what Spiro Latsis refers to as single-exit modeling, an approach he finds at the base of the neoclassical research program. As first introduced to economics by Ludwig von Mises, single-exit modeling was an attempt to reconcile a desire for determinate models with a belief in the free will of the economic agent. In a single-exit model, the agent's behavior is not formally preprogrammed. Yet the model has determinate results, because we place the agent in a situation with only one reasonable exit. The agent is free to do as he or she likes; but, by analyzing the logic of the situation, we can determine the unique course of action a reasonable person would take. This is to a large extent an antipsychological method. It doesn't require that we delve too deeply into the motivations of the agent." (p.230)
- Littlechild, Stephen C. "Three Types of Market Process." Chapter 2. pp.27ff. Littlechild proposes "to compare three main types of market process . . . For simplicity, these will be termed the neoclassical (NC), the Austrian (A), and the radical-subjective (RS) . . . ¶We shall identify the Austrian (A) approach with the work of Kirzner, which in turn reflects the ideas of Mises and Hayek (and, to a lesser extent, Schumpeter)." (pp.27-28)
- Williamson, Oliver E. "The Economics of Governance: Framework and Implications." Chapter 8. pp.171ff. "Uncertainty of a strategic kind is attributable to opportunism; I will call it *behavioral uncertainty*. It is presumably akin to what Ludwig von Mises refers to as case probability, where 'case probability is a particular feature of our dealing with problems of *human action*. Here any reference to frequency is inappropriate, as our statements always deal with *unique events*' (emphasis added)." (pp.181-182)
- Leser, N., ed. *Die Wiener Schule der Nationalökonomie* [The Vienna School of Economics]. Vienna: Böhlau, 1986. Ludwig Boltzmann-Institut für neuere österreichische Geistesgeschichte: Volume 3. Papers presented at an Institute symposium, Vienna, February 21-22, 1985. Several papers mention Mises:
- Kirzner, Israel M. "Ludwig von Mises and Friedrich von Hayek: The Modern Extension of Austrian Subjectivism." pp.133-155. Historians of economic thought "have routinely cited Mises and Hayek as being modern representatives of the Austrian School. But such citations have generally tended to view them more as representing the last gasps of a dying tradition (or, indeed, the post-expiration twitches of one already dead), than as authentic contributors to a still-unfolding series of fresh intellectual developments. Furthermore, these brief discussions have not explored "the degree to which the work of Hayek indeed represents a continuation and extension of that of Mises, in the face of the important disagreements that separate the two." (p.134) Kirzner maintains that it was a "shared dedication to subjectivism . . . that represents the thread of continuity that links their work together." (p.,137) Kirzner contrasts "static subjectivism," as represented in the work of the neoclassicals, inter-war "Austrians," and Lionel Robbins, with "dynamic subjectivism" which stemmed from Menger through Mises to Hayek. Mises introduced the component of "goal-pursuit, not [profit] maximization" and the "*entrepreneurial element*" (pp.148-149); Hayek stressed the role of knowledge. (p.150) "The importance of the contribution of Mises and Hayek consists, in fact, not merely in their drawing attention to subjectivist elements absent from the earlier Robbins-Austrian formulations. Their introduction of these new elements enabled the traditional Austrian approach to be extended by suggesting a deepened understanding of market process . . . [T]heir vision of the market is indeed basically a single one, and . . . the subtlety and power of this vision derives from the sophisticated character of their contributions to subjectivism." (pp.153-154) Reprinted in *Austrian Economics: I*. Stephen Littlechild, ed. (Aldershot, Hants, England; Brookfield, Vt.: Edward Elgar, 1990). Also included in Kirzner's *The Meaning of Market Process: Essays in the Development of Modern Austrian Economics*. pp.119-136. London/New York: Routledge, 1992.
- Seidel, Hans. "Ausstrahlung und Fortwirkungen der Wiener Schule" [The Brilliance and Influence of the Viennese School]. pp.223-240. "The core of the Viennese School uses no mathematics for its logical foundation. (Naturally this does not apply to the group around Morgenstern.) . . . Karl Menger, the son

of Carl Menger and a distinguished mathematician, asks: 'How is it to be conceived that men of such high intelligence and such specific logical analytical talent as the members of the Austrian School did not have a better knowledge and understanding of mathematics . . . ?' Ludwig von Mises' answer to this question is just as lively as it is untenable: 'It (mathematics) is an entirely vicious method, starting from false assumptions and leading to fallacious inferences.' Hayek and Streissler lay stress on the fact that the founder of the Viennese school, Carl Menger, came from a family interested in mathematics and, therefore, he must have had other reasons than a lack of familiarity with mathematics to limit himself to verbal presentations and simple numerical examples. However, we should also consider the judgment of his son, Karl Menger, who said of his father: 'But I am afraid that he did not acquire an operative knowledge, let alone a critical insight into calculus.' (p.234) (Translated from the German)

Socher, Karl. "Liberale Kritik am sozialistischen Wirtschaftskonzept" [Liberal Critique of the Socialistic Concept of Economics]. pp.178-194. Discusses the Austrian school's critique of socialism, with which the name of Ludwig von Mises is especially associated. He sketches the historical development of the problem and deals with the arguments. "In closing," he said, "I should like to reverse Lange's proposal that a memorial to Mises be erected in the central planning office and suggest that a memorial to Lange be constructed because of the support his proposals have lent to the position of two great Austrian economists, Ludwig von Mises and Friedrich August von Hayek, with respect to 'competitive socialism.' They have pointed out the need in the economy for private ownership in the means of production and for the entrepreneur as well as the need for overcoming the inadequacies of neo-classical and equilibrium economics. Thus, the memorial should serve to remind countries, where socialism actually exists, of the only way for them to escape from the blind alley, the simulated [make-believe] markets, into which central planning has led them." (p.194) (Translated from the German)

Streissler, Erich. "Arma virumque cano. Friedrich von Wieser, the Bard as Economist." German version, pp.59-82; English version, pp.83-105. According to Streissler, Wieser's contributions included "first the concept of the economic process of innovation and imitation, secondly the idea of optimal resource allocation according to the marginal productivity in production, and thirdly the fundamental and today very topical idea of the informative nature of prices." Wieser's economic insights contributed to Mises' position on economic calculation under socialism: "First, Wieser was a superb teacher of very junior students, who were much impressed by him . . . It is quite evident, e.g., how strong the influence of Wieser is on Ludwig von Mises, who, however, as he most understandably came to despise Wieser, never admitted even to himself the influence of the teacher of his youth. Secondly, Wieser was an opinionated and in many ways hopelessly confused man who must have infuriated many, not only Mises." (p.85) Streissler describes Wieser as an "interventionist liberal of a heavily nationalist cast with quite an admixture of racist sentiment, who still found it possible to admire Marx and deal in muck-raking rhetoric." (p.86).

Libertas. Published semi-annually. Buenos Aires, Argentina: Escuela Superior de Economía y Administración de Empresas (ESEADE).

May 1986. Volume 3, Number 4:

Benegas Lynch, Alberto, Jr. "Aspectos de la Epistemología en la Obra de Ludwig von Mises" [Epistemological Aspects in the Work of Ludwig von Mises]. pp.41-68. Extensive quotes from Mises. Benegas seeks "to set forth the most relevant points of what Professor Mises calls 'epistemology,' and more specifically the methodology of the science of human action, or praxeology. Thus, within the context of the Austrian School," he says, "Mises helped to establish the fundamental pillars for the study of economic science." (Translated from the Spanish). Originally appeared in *Moneda y Crédito*. No. 166. Madrid.

Cachanosky, Juan Carlos. "La Ciencia Económica vs. la Economía Matemática: II" [Economic Science vs. Mathematical Economics: II]. pp.69-101. For Part I of this analysis, see 1985 In this second installment, Cachanosky cites mathematical formulae and quotes further from Mises to the effect that "up to now, the use of mathematical formulae in economics has done more harm than good" (p.89). In concluding, he refers to T. C. Koopman, a typical mathematical economist, on "general equilibrium;" Koopman considers it "basic" and Mises calls it a "mere game." (pp.99-100) (Quotes translated from the Spanish)

October 1986. Volume 3, Number 5:

Zanotti, Gabriel J. "La filosofía cristiana y el pensamiento de Ludwig von Mises" [The Christian Philosophy and the Thought of Ludwig von Mises] pp.129-151. The author finds Mises' economic theory, based on epistemology, philosophically consistent with Christianity. "Ludwig von Mises was one of the greatest economists of this century. His teachings are fundamental not only in theory, but also in practice. His contributions are indispensable for raising the standard of living of our fellowmen and thus for fighting against the poverty that is still widespread in a large part of our planet . . . We should not expect Saint Thomas to be a great economist and/or Mises to be a great metaphysician. The plain truth is that Saint Thomas was a great metaphysician and Mises a great economist. Let us ask of each of them only the great truths to which they dedicated themselves with such intensity and combine their contributions. Then we shall see that the metaphysics of Saint Thomas is the best foundation for Mises' economics." (p.151) (Translated from the Spanish)

Mishan, Ezra J. *Economic Myths and the Mythology of Economics*. Atlantic Highlands, N.J.: Humanities Press, 1986. "The rapid expansion of the public sector since the turn of the century is believed by liberal economists to have been inspired by muddled thinking among socialists who want to see a system of wasteful 'production for profit' replaced by central economic planning for 'the needs of the people' . . . ¶Inasmuch as such socialist aspirations are believed to be rooted in unworldliness and in intellectual error, quite a number of books have been written by well-known economists such as von Mises, Hayek and Friedman with the object of revealing the self-regulating mechanism of the market which caters so admirably to the effective demands of consumers and, by contrast, the waste and inefficiency of centrally planned economies, to say nothing of the restriction on individual choice and the diminution of political freedoms. ¶While I concede that the continued expansion of the state since the Second World War threatens individual freedom, the notion that this development has much to do with socialist error is doubtful. At all events, I argue . . . that technological progress is today the chief factor that, by creating unprecedented problems and conflicts, impels the public itself to demand increased government control and regulation." (p.127)

Nash, Ronald H. *Poverty and Wealth: The Christian Debate Over Capitalism*. Westchester, Ill.: Crossway Books, 1986. Economic phenomena explained from a free-market and a Christian perspective. Cites Mises. For instance: "The market can . . . be viewed, in the words of Ludwig von Mises, as 'a process actuated by the interplay of the actions of the various individuals cooperating under the division of labor.' The word 'process' is significant in this connection because it points to the dynamic character of the market." (pp.48-49)

Nomos. Chicago, Ill.: Nomos Press

Volume 4 Number 5. September/October 1986:

Boettke, Peter. "The Market is a Spontaneous Order," Part 1. pp.21-26. "In order to fit the social sciences into the positivist vision of science, the complex phenomena of social interaction had to be reduced to simple phenomena that could be easily manipulated. This was accomplished by reducing 'human action' to mere reaction to existing 'data.' As a result, both the economist and the policy maker were lured into believing that they could steer the economic system as a captain steers his ship. Social interaction, however, is always the experience of complex phenomena. Indeed, as Mises stressed, 'there is no other experience in the realm of human action.'" (p.22)

Volume 4. Number 6. November/December 1986:

_____. "The Market is a Spontaneous Order," Part 2. pp.18-21. "As Hayek's work points out, a moral order must precede a market order. Furthermore, as Mises made clear when elaborating Ricardo's Law of Association, the moral order -- i.e., the respect for property rights -- evolves out of the implication that individuals can better their condition through exchange and social cooperation . . . ¶Their [Austrians'] tracing of economic phenomena down to the level of the individual does not mean that Austrians consider man atomistic. Rather, man always finds himself in social settings, influenced by his surroundings.

But, as Mises put it, 'Methodological individualism, far from contesting the significance of such collective wholes, considers it as one of its main tasks to describe and to analyze their becoming and their disappearing, their changing structures, and their operation. And it chooses the only method fitted to solve this problem satisfactorily.' ¶Perhaps the most apparent difference between Austrians and mainstream economists lies in the concept of subjectivism [I]t is the Austrian school which brings subjectivist insights to bear on all economic questions. The market is the active process of human minds, and it is in this interaction of minds that market regularities emerge." (p.19)

North, Gary;. *Honest Money: Biblical Principles of Money and Banking*. Fort Worth, Texas: Dominion Press; Nashville, Tenn.: Thomas Nelson, 1986. "Money has exchange value today. If it didn't, it wouldn't be money. We have all learned about money's value in our daily affairs ¶How do we know what it's worth today? We know what it was worth yesterday. We have a historical record for its purchasing power. If we didn't know anything about money's value in the past, we would not accept it as a unit of account today ¶So here is the key question: How did money originate? If it has to have a history in order to have present value, how did it come into existence in the first place? Are we confronting a chicken-and-egg problem? ¶This was the intellectual problem faced by one of the greatest economists of all time, Ludwig von Mises, an Austrian scholar. In his book, *The Theory of Money and Credit* (1912) [B-2], he offered a solution to this important question. Money, he argued, came into existence because in earlier times, it was valued for other properties. He thought that gold was probably one of the earliest forms of money -- not a unique observation, certainly. Before it functioned as money, it must have served other purposes. Perhaps it was used as jewelry. Possibly it was used as ornamentation. . . . ¶Anyone familiar with the Bible would recognize the accuracy of Mises' theory. Abraham's servant gave Rebekah gifts in order to lure her into marriage with Isaac. These gifts included jewelry made of silver and gold. When the Israelites fled Egypt, they were told by God to collect 'spoils' as repayment for their long enslavement: jewels of gold and silver ¶Notice also that if Mises' argument is correct concerning the development of money, the original money units must have been commodity-based Money had to start somewhere. It had to originate sometime. Before it was money, it must have been a commodity." (pp.20-22)

Novak, Michael. *Will It Liberate? Questions About Liberation Theology*. New York/Mahwah, N.J.: Paulist Press, 1986. "Notwithstanding the demolition of Marxist principles by many scholars in the nineteenth century, von Mises said, Marx saved socialist ideas by four shrewd steps. First, Marx denied that human reason could properly criticize a social system, since all thinking is determined by one's social class. Thus 'bourgeois' criticism of socialism is invalid. Second, Marx held that history will necessarily bring about the abolition of private property and the socialization of the means of production, through expropriating the expropriators. True science consists in being in tune with this necessity. Third, no one is to be allowed to put forward any concrete proposals for the construction of the socialist Promised Land. Socialism is not allowed to be identified with any concrete program. Since socialism will inevitably come, reason should not try to imagine it in advance, but docilely yield to its immediate imperatives. Fourth, anyone who is in tune with historical necessity is to be defined as good, noble, and moral. Anyone who attempts to criticize the socialist project is to be defined as serving the egotistical interests of a doomed class, lacking in intellectual credibility, and exemplifying selfishness. Socialists, therefore, need never to meet the arguments of their critics but only to attack their persons (and their class) ¶Gertrude Himmelfarb, reviewing the history of British historians who have been members of the Communist Party during the period 1920-1985, shows from their own writings how they deliberately ruled out of bounds any criticism of socialist experiments -- even during the Ukrainian famine, the Stalinist purges, and right up until today. ¶Von Mises posits the issue sharply. Liberals hold that the poor will more systematically, more quickly, and more thoroughly advance out of poverty through private ownership of the means of production, through owning their own property, through markets, and through institutions that favor liberty and creativity than through any other known system. Socialists attack these principles. What they will put in their place they *purposefully* leave unclear, awaiting the necessities of history, dictated by the socialist elite then in power." (pp.174-175) "The long study by Ludwig von Mises, *Human Action*, and F. A. Hayek's *The Constitution*

of Liberty, carry much ore Catholic thinkers need to mine concerning the economic workings of political and social freedom.” (p.221) “[I]f the aims of liberation theology are primarily religious and spiritual, as Dr. Assmann stresses [at the August 1985 American Enterprise Institute conference on ‘Liberation Theology and the Liberal Society’], and rather tentative about political economy, then most of the excitement about it is misplaced. Controversy has arisen precisely because of its claims about politics and economics, hardly at all about its religious qualities. Its frequent invocations of ‘Marxist analysis’ have raised the same penetrating objections raised in the past (e.g., in Ludwig von Mises’ powerful *Socialism* in 1922) -- and new ones, too. Sophistication about the errors of Marxism is far more advanced than liberation theologians once recognized.” (pp.247-248)

Prychitko, David L. Co-author; see Boettke (above).

Russell, Jim. “No Such Thing as a Little Marketplace Intervention.” *Plain Dealer* (Cleveland, Ohio). November 5, 1986. Criticizes as “old hat,” guest columnist John T. Bailey’s recommendation for “constraints” to cope with wealth accumulations due to “pure greed.” “Bailey’s proposed solution,” Russell writes, “is called interventionism. As economist Ludwig von Mises stated in a speech in 1945, ‘All of the essential ideas of present-day interventionist progressivism were neatly expounded by the supreme brain-trusters of imperial Germany . . . who at the same time urged their Kaiser to invade and conquer the Americas.’ ¶In what is surely the most scholarly economic analysis of this century, von Mises demonstrated with irrefutable logic that some intervention in the free market inevitably leads to more and more intervention as the government attempts to compensate for the damage wrought by its initial intervention.”

Sadowsky, Jim. *Religion, Economics and Social Thought*. Walter Block & Irving Hexham, eds. Vancouver, B.C., Canada: Fraser Institute, 1986. In a discussion during an International Symposium (August 2-4, 1982) held by the Fraser Institute: “Ludwig von Mises says that you don’t have a land reform problem when the land has been acquired by way of homesteading because the amount of land possessed by people tends to be optimal. ¶In South America people were allowed to take ownership of idle land, keep people from that land, or from cultivating the land. That goes a long way to account for the mess in which Latin America has found itself. The market was never allowed to operate in those areas. The sad thing is that ironically the free market is being blamed for the mess.” (p.90)

Scheide, J. “New Classical and Austrian Business Cycle Theory: Is There a Difference?” *Review of World Economics*. 122 (1986) 575-598.

Seldon, Arthur. Co-author, see Crozier (above).

Smith, Barry. Co-editor, see Grassl (above).

Stanfield, J. R. *The Economic Thought of Karl Polanyi: Lives and Livelihood*. New York: St. Martin’s Press, 1986. “The implications of the commodization of labour are far reaching . . . [A]s Ludwig von Mises observed: if workers ‘reduced their demands and changed their locations and occupations according to the requirements of the labour market, they could eventually find work’ As Polanyi observed, Mises’ remark ‘sums up the position [of labor] under a system based on the postulate of the commodity character of labor. It is not for the commodity to decide where it should be offered for sale, to what purpose it should be used, at what price it should be allowed to change hands, and in what manner it should be consumed or destroyed’ ¶Undeniably, the mobility of labour is very important to the functioning of an actual market economy. Von Mises did not have an ideal construct in mind when he remarked that if workers ‘did not act as trade unionists, but reduced their demands and changed their locations and occupations according to the requirements of the labor market, they could eventually find work.’ The qualification that only the agent’s economic behaviour is being addressed does not obviate the damage done to interpersonal relationships.” (pp.114, 128-129)

Tollison, Robert D. Co-author, see Eklund.

Tucker, Jeffrey A. Interviewer; see Friedberg under *The Free Market* (above, p.45).

Visão. A Portuguese-language weekly news magazine published in São Paulo, Brazil.

- Bittencourt, Renato. "A Desastrosa Intervenção" [Disastrous Interventionism]. 35:23 (June 4, 1986) 60-61. Mises warned of the dangers of economic interventionism.
- _____. "A escola austríaca" [The Austrian School]. 35:24 (June 11, 1986) 58-59. Discusses members of the Austrian School of Economics including Mises.
- _____. "As falácias marxistas" [The Marxist Fallacies]. 35:22 (May 28, 1986) 74-75. Discusses Böhm-Bawerk's critique of Marx's two errors, his labor theory of value and his exploitation theory.
- _____. "Esperanças dos liberais" [Hopes of Liberals]. 25:26 (June 25, 1986) 60-61. Quotes Investment Rarities Inc. 1985 interviews of "Austrians" -- Hayek, Hazlitt, B.B.Greaves, Rothbard, and Sennholz -- concerning Mises. See p.34 (above).
- _____. "Lembrando as Lições de Mises" [Remembering the Lessons of Mises]. 35:47 (November 19, 1986) 76-77. Citing Percy Greaves' introduction to Mises' *On the Manipulation of Money and Credit*, Bittencourt says that Mises was always a consistent opponent of the government issue of paper money.
- _____. "Os fundamentos da escola austríaca" [The Fundamentals of the Austrian School]. 35:25 (June 18, 1986) 56-57. Discusses the Austrian School of Economics, especially Mises and Hayek.

Wätner, Carl. Co-author; see Gordon (above).

Wonnell, Christopher T. "Contract Law and the Austrian School of Economics." *Fordham Law Review*. 54 (1986) 507-543. Several references to Mises' *Human Action* [B-16] re "radical methodological individualism and subjectivism" as one of the basic tenets of the Austrian tradition (p.508), and also to the need in decisionmaking for detailed information on various resources, their convertibility and substitutability for one another. "Ludwig Mises, a leading figure in the Austrian school, stressed the magnitude of this problem, remarking that 'the present state of technological knowledge makes it possible to produce almost anything out of almost everything'." (p.517) Mises and the Austrians stress "the dynamic effects of time" and entrepreneurship (p.520), which neoclassicals tend to ignore. Wonnell points out that the Austrian methodological approach leads Austrians "to differ sharply with Milton Friedman's view that the goal of economics is to construct theories that produce verifiable predictions from admittedly false premises. Indeed, some Austrian school economists -- notably Ludwig Mises and Murray Rothbard -- . . . contend that if the conclusions of economic models are the products of sound logical deductions from incontestable premises, these conclusions must be true and cannot be contradicted by experience." (pp.523-524)

Zanotti, Gabriel J. "Ludwig von Mises y la filosofía cristiana." [Ludwig von Mises and the Christian Philosophy]. *Estudios Públicos*. No. 21. Santiago de Chile: Centro de Estudios Públicos, 1986. Cited by Zanotti in *Libertas*. 3:5 (October 1986) p.130n.

1987

Arnold, N. Scott. "Marx and Disequilibrium in Market Socialist Relations of Production." *Economics and Philosophy* 3 (1987). According to an announcement in *Market Process* (5:2. p.32. Fall 1987): "Arnold makes the case that any form of a market is inconsistent with Marx's basic vision of the socialist world The arguments against socialism raised by Mises and Hayek take on a new significance, one that Oskar Lange did not understand then and Alec Nove does not understand today. Arnold's work is a helpful analysis in the examination of the theory and practice of socialism."

Austrian Economics Newsletter. Auburn, Ala.: Ludwig von Mises Institute.

Summer 1987. Volume 8, No.2:

Horwitz, Steven. "Review of *The Gold Standard: An Austrian Perspective*" (1985). pp.9-11. "The key to the Mises-Hayek theory of the cycle is the non-neutrality of money ¶Realizing that money comes in at certain points implies that certain people have it before others and can spend it before prices begin to rise ¶The important point here is, as Mises pointed out in 1912, that we, again, cannot impose a monetary system on people; we must simply remove all obstacles to them choosing the one they desire."

Overbeek, Johannes. "Nicholaas G. Pierson and Socialism," pp.1-4, 8, 12. "Although Pierson was first [to draw attention to the so-called problem of economic calculation in a socialist society], as is well known, it was Ludwig von Mises who developed the argument in great detail, demonstrating that in the absence of market determined prices, economic planning in a socialist society leads to chaos." (p.8)

Fall 1987. Volume 9, No.1:

Buchanan, James. "An Interview with Nobel Laureate James Buchanan" by Mark Thornton & Sven Thommesen. pp.3-4, 10. Buchanan: "Well, I'm certainly much closer to Shackle than I am to the mainstream I'm somewhere between von Mises and Yeager on the one hand and Shackle on the other. The person who comes closest to my methodological position is Jack Wiseman ¶I certainly have a great deal of affinity with Austrian economics and I have no objections to being called an Austrian. Hayek and Mises might consider me an Austrian but surely some of the others would not ¶I was not as directly influenced by Mises [as by Knut Wicksell and Frank Knight] because I was exposed to him quite late. When I was a graduate student nobody even mentioned Mises, although Hayek's *Road to Serfdom* had just been published; Hayek was notorious in a sense. ¶I didn't become acquainted with Mises until I wrote an article on individual choice and voting in the market in 1954. After I had finished the first draft I went back to see what Mises had said in *Human Action*. I found out, amazingly, that he had come closer to saying what I was trying to say than anybody else."

Gordon, David. "Reply to Horwitz and Boettke." p.15. See Horwitz & Boettke, below. "Mises praised Collingwood for arguing that economics is a deductive science. This is exactly the point the opponents of hermeneutics wish to emphasize: Collingwood, in the cited essay, supported just the 'Euclidean' approach our latter-day irrationalists oppose. Mises makes no statement whatever endorsing Collingwood's general views about epistemology, much less the relativism of his late works to which Barnes makes reference."

Horwitz, Steven & Peter Boettke. "Misesian Integrity: A Comment on Barnes." pp.14, 10. Horwitz and Boettke are criticizing Barnes' review (*AEN*, July 1987) of Hans-Georg Gadamer's book on hermeneutics. The review itself doesn't mention Mises, but in their response Horwitz and Boettke say it is "interesting . . . that an article that is being used to attack supposedly anti-Misesian developments in Austrian economics would attack one of Mises' favorite historians R. G. Collingwood" whose epistemology "Mises liked in particular." Collingwood "clearly [gave] economics a place as an apriori theory of action, denying both historicism and positivism. Again it is no surprise that he was admired by Mises." (For reply to Horwitz & Boettke, see Gordon, above.)

Barry, Norman P. *On Classical Liberalism and Libertarianism*. New York: St. Martin's Press, 1987. Contains chapters on Hume, Smith, utilitarianism, the Chicago School, the Austrian School, James Buchanan,

individualism, Ayn Rand, Robert Nozick, the minimal state, and anarcho-capitalism. In the chapter on "The Austrian School," the views of government, as revealed in Mises' (and Hayek's) writings, are discussed: "Although Mises wrote at great length on politics and political thought, he made few direct contributions to political *knowledge*; his political judgments fell out, as it were, from his economic cosmology and lacked any independent intellectual status . . . (p.58) ¶Mises appears as a child of the Enlightenment mistakenly deposited in the twentieth century; alone, embittered and baffled as to why men cannot see the dictates of reason which inform them of the necessary means to achieve their subjectively-determined ends. (p.59) . . . ¶Despite the obvious deficiencies in Mises' ultimate philosophy of liberalism his substantive contributions . . . to the doctrine itself are quite remarkable . . . ¶In political economy Mises' most profound positive contributions are to do with money and the trade cycle, the study of market processes and the theory of entrepreneurship . . . ¶If a society is understood as a spontaneous order whose members are purposive acting agents then their choices and behaviour are necessarily unpredictable. It follows further that no central planner could have the requisite knowledge to implement an efficient economic order . . . ¶In a free society, however, Mises assumes that co-ordination is naturally brought about by entrepreneurship, a category of human action which describes how individuals use *their* available knowledge to determine those means appropriate for the realization of ends . . . ¶The principles of a free society that Mises outlines are no more than the political counterparts of this economic doctrine." (p.69) Mises' is concerned only with whether the system of law and state is "consonant with . . . the utilitarian-liberal utopia. ¶Hence, Mises' evident lack of interest in theoretical questions concerning *law* and *state*. He scarcely mentions a distinction, germane to the classical liberal tradition, between the development of legal rules for facilitating of exchange, which *can* be seen as a spontaneous process, and the emergence of the state, which is normally a product of force. There is no doubt that Mises believed in the necessity for a centralised state. In *Liberalism* [B-6] he wrote, 'for the liberal the state is an absolute necessity.' In *Omnipotent Government* [B-12], written in the aftermath of European tyranny, he recognized explicitly the coercive nature of the state: "The state is essentially an apparatus of compulsion and coercion." The necessity of this institution seemed to be obvious for Mises: "With human nature as it is, the state is a necessary and indispensable institution." (p.71)

Benegas Lynch, Alberto, Jr. "Metodología de la Ciencia Económica y su Diferencia con el Método de las Ciencias Naturales" [The Methodology of Economic Science and How it Differs from the Natural Sciences]. Lecture (November 17, 1987) upon Assuming the Carlos Pellegrini Chair in the Department of Economic Science, Academia Nacional de Ciencias de Buenos Aires, 1987. "Unfortunately, scientism has done harm to the comprehension of the methodology of economic science by extrapolating to the field of economics the methodology of the natural sciences . . . Scientific knowledge requires precision; it must be universal, systematic, self-correctable, and methodical. In turn, as a *sine qua non*, this calls, for an understanding of the nature of the branch of science under study. ¶The first time this problem was raised historically, was in the last century, during the celebrated *Methodenstreit*, 'dispute over methods,' between Menger and Schmoller and continued later by many members of the Austrian School, especially von Mises" (p.8) In this connection, Benegas quotes (p.18) Mises' *Human Action* (1966 ed., p.31) about the impossibility of reforming the sciences of human action "according to the pattern of physics and the other natural sciences." (Translated from the Spanish)

Block, Walter. "Winner of Nobel Prize in Economics Subject of Criticism: James Buchanan's free market ideas Threaten Big Government." *Grainews* (Canada). 13:5 (March 28, 1987). Noting that Buchanan has been criticized by "left-leaning" Robert Lekachman, Michael Kinsley, the Washington Post and Coleman McCarthy, Block calls attention to Buchanan's "appreciation of Ludwig von Mises . . . ¶In his 1969 book, *Cost and Choice: An Inquiry in Economic Theory*, James Buchanan singled out Mises, and his main disciple, Hayek, for special praise for their work on opportunity or subjective costs. Buchanan quite rightly saw Mises' insights in this regard as an integral part of the critique of socialist planning models . . . ¶And thus Jim Buchanan, along the lines set out by Mises in the 1940s, hammers yet another nail into the coffin of intrusive government."

- Boettke, Peter. "Economists & Liberty: Ludwig von Mises (1881-1973)." *Nomos*. Chicago: Nomos Press. 5:4 (July/August 1987) 8-11. The first of a series of essays on "Austrian" economists. Outlines the most important events in Mises' life and describes his major works. "Mises had the ability to instill in his students not only the interest in correct economic thinking, but also a love of liberty. Even those students of Mises whose contributions have been in realms other than abstract theoretical economics have been stalwarts in the battle of economic and political freedom. Such individuals as Robert Anderson, Percy Greaves, Bettina Bien Greaves, Henry Hazlitt, Leonard Liggio, Ralph Raico, George Reisman, Louis Spadaro and my own undergraduate teacher, Hans F. Sennholz, have been unyielding in their efforts to advance the cause of freedom, both in their writing and their teaching . . . ¶His combination of the cool reasoning of an economic genius with the passion of a revolutionary was unique in this century, where academic success required being an ideological eunuch. Because of his ability to teach others the importance of economic and political freedom, Mises was able to set in motion the modern libertarian movement, both at the level of high-theory and at the level of the layman."
- Bolivar, Carolina R. de. "Ludwig von Mises, Maestro Inmortal," [Ludwig von Mises, Immortal Teacher]. *Hacia la Libertad* [Toward Liberty]. Mexico: Centro de Investigación sobre la Libre Empresa (Editorial Diana, 1987) 55-67. A brief summary in Spanish of Mises' life and contributions.
- Campbell, William F. "Economics as a Distributive Science." *Modern Age*. 31:1 (Winter 1987) 31-37. "Reacting against the soft socialist side of John Stuart Mill, many classical liberals have tried to protect themselves against egalitarian consequences by denying the scientific status of the concept of distribution as applied to free markets. For example, Ludwig von Mises claims, 'There is in the operation of the market economy nothing which could properly be called distribution. Goods are not first produced and then distributed, as would be the case in a socialized state'." (p.32)
- Centro de Investigaciones sobre la Libre Empresa. Mexico. "Premio Internacional Ludwig von Mises" [International Ludwig von Mises Prize]. The Centro's 1987 essay contest, named in honor of Mises, was based on Henry Hazlitt's *Economics in One Lesson*.
- Chambliss, Lauren. "Old Wine in a Radical Bottle: Von Misesian economics, growing in popularity, sound the old conservative themes with a very different rationale." *Financial Planning*. (August 1987) 97-99. "A growing number of economists, often dubbed 'Austrians' because of their mentor's nationality, have become sworn adherents of von Mises' theories . . . ¶The abstruseness of Misesian theory makes its spread doubly notable . . . At the heart of the doctrine is a concept that appears pragmatic but is radical in its economic translation. ¶Human behavior cannot be quantified or understood entirely, Misesians believe, because it encompasses too many entirely unpredictable components . . . ¶Von Mises, born in Austria at the turn of the century, died 13 years ago. He was hardly a guru then; rather, he perished a little-acknowledged academic whose body of work was all but lost in the enormous shadows of Marx and Keynes. His theories, though, have been given new life by a small but continuously expanding group of devotees . . . ¶To understand how far this obscure Austrian has come, one has to remember that, only a decade ago, suggesting that the government might not be able to solve all of the nation's economic ills was heresy. The common wisdom was that an economy like the United States could never run completely smoothly . . . Nowadays, the idea of government as grand fixer seems as woefully naive as the bucolic familial existence of Beaver Cleaver's clan . . . ¶The Austrians' numbers are hardly overwhelming, but they have gained a clout in both academic and conservative political circles that makes them a credible force -- and Misesian economic language a useful one to know . . . ¶What the Austrians maintain is that fiscal and monetary stimulus eventually backfires and causes a recession . . . ¶Why? The Austrians answer that the pendulum swings from boom to bust because the productive side was originally driven by the government rather than by that essential free market component, consumer demand." Excerpts printed as "Misesian Economics Popularity Growing" in *The Free Market*. Ludwig von Mises Institute. 5:10 (October 1987) 1, 4, 7-8.

Conway, David. *A Farewell to Marx: An Outline and Appraisal of His Theories*. Harmondsworth, Middlesex, England: Penguin Books, 1987. A critique of Marx, concluding that Marx's theories "are fundamentally flawed. In fact, so flawed are they that we have no alternative but to conclude that the time has come when they should be discarded and consigned to the lumber-room of intellectual history." (p.208) Includes three references to Mises.

Critical Review: New York: Libertarian Review Foundation, 1987.

Spring 1987. Volume 1, Number 2:

Lavoie, Don. pp.78-82. Reply to Milton Mueller, critic of Lavoie's "Political and Economic Illusions of Socialism" in *Critical Review* (see above 1986, p.44): "I share Mueller's frustration with those 'economistic' libertarians who content themselves with the study of the economics of free markets and somehow believe 'that social and political freedom will take care of themselves Indeed one cannot understand how economic processes work without examining the underlying political, cultural, and psychological conditions from which the economy is inseparable. I do not, however, agree with Mueller's attempt to indict libertarianism as such with this charge. There is a long and honorable classical liberal and libertarian tradition which has forcefully resisted this 'economistic' tendency. Not least among the severe critics of this tendency must be included the Austrian economists Ludwig Mises and F. A. Hayek, whose work has systematically extended beyond narrowly economic concerns." (p.180)

Schuler, Kurt. pp.82-84. Seeks "to flesh out" his statement on the praxeological conception of equilibrium in his review (*Critical Review*. 1:1 Winter 1986-7) of O'Driscoll and Rizzo (see 1985 above): "The practical difference between the subjectivist (O'Driscoll-Rizzo) conception of equilibrium and the praxeological conception is small, but their theoretical difference as alternative approaches to understanding economic action is important. I think O'Driscoll and Rizzo would say, as Ludwig von Mises always did, that there has never been an actual general equilibrium. But is it conceivable that one could occur sometime? O'Driscoll and Rizzo say yes; the praxeologists say no ¶However, defining equilibrium as a tendency of plans to change systematically in response to people's changing imaginations, aspirations, and capacities enables one to avoid the determinism for which O'Driscoll and Rizzo criticize Mises. Equilibrium is defined in terms of the universal characteristic that all action by its nature eliminates perceived *ex ante* psychic profit and loss rather than in terms of the generalization that *ex post* profits and losses (usually expressed monetarily) narrow to zero. This view (which, it should be mentioned, is an elaboration of Mises' ideas, not just a repetition of them) is consistent with the 'apodictic' character Mises required for the statements of his praxeology: psychic profits and losses always go to zero even if, as O'Driscoll and Rizzo point out, monetary ones can leap about instead of steadily narrowing on their way to zero ¶O'Driscoll and Rizzo's concept of pattern equilibrium is an attempt to salvage a long tradition of economic analysis on the subject while taking into account important criticisms, such as Mises' observation that the attainment of general equilibrium would mean the end of the need for a medium of exchange. Their attempted reconciliation is heroic, but, I believe, doomed."

Summer 1987. Volume 1, Number 3:

Garrison, Roger W. "The Kaleidic World of Ludwig Lachmann." pp.77-89. A review of Lachmann's *The Market as an Economic Process* (Basil Blackwell, 1986). "Lachmann leaves out of account Mises' *Theory of Money and Credit* [B-2] because it was not published in English (p.80) ¶Curiously, the Austrian monetary theorists are all but left out of account in Lachmann's chapter on money. And except for a single hint, there is no mention of a central bank or recognition that bank policy may seriously impair the private sector's ability to make monetary calculations and to equilibrate the supply and demand for money. Lachmann references his 1943 article in which he challenged Mises on the basis of what would now be called a rational expectations argument (p.82) ¶Lachmann's own *Capital and Its Structure* gave us a healthy appreciation for the difficulties involved in market-directed intertemporal coordination, but it did not reduce our confidence in the market's performance ¶Only by taking into account the intertemporal relationships within the multi-period capital structure can we make such price movements intelligible. We need not claim that the market process in a highly industrialized market

economy is smooth and trouble-free. The kaleidoscope does on occasion get bumped. But based on our reading of Mises and Hayek, we can suggest that the bumping is done not by bulls and bears but by the central bank -- a factor that Lachmann now chooses to downplay." (pp.87-88)

Prychitko, David L. "Ludwig Lachmann and the Farther Reaches of Austrian Economics." pp.63-76. A review of *Subjectivism, Intelligibility and Economic Understanding: Essays in Honor of Ludwig M. Lachmann on his 80th birthday*. Israel M. Kirzner, ed. (1986). "Austrian economics is a theory of human agency. This is clearly brought out in Mises' 1949 classic, *Human Action* [B-16]. . . . For Mises, praxeology is aprioristic in that the historical record of specific human actions can be interpreted only through a theoretical system, and is subjective in the sense that it traces value, price, and other market phenomena to the intended and unintended consequences of acting individuals ¶For decades Lachmann has indefatigably called for the profession to take notice of the role that subjectivity and expectations play in economic phenomena. His emphatic plea has not only created debate among neoclassical economists, but initially, following his arrival at NYU over a decade ago, brought sharp disagreement among Austrian economists themselves Lachmann called for the extension of subjectivism beyond the realm of value and utility and into the realm of expectations ¶This, together with Lachmann's pronouncement that the future is unknowable, brought about an initial reaction among Austrians of hesitation, if not desperation. After all, wouldn't it be ironic if Austrian economics, itself a product of the *Methodenstreit*, were to implode into a modern version of historicism?" (pp.64-66)

Delgaudio, Julian Joseph. "Refugee Economist in America: Ludwig von Mises and American Social and Economic Thought, 1940-1986." Ph.D. dissertation, University of California at Irvine, 1987. An intellectual biography. "This study explores Mises' largely frustrated attempt to participate in the leading American political, social, and economic debates of recent history During World War II, he posed as an historian of European totalitarianism and a political analyst of the American New Deal. In the middle 1940's, he emerged as a philosopher, debating the merits of the scientific method In the late 1940's and 1950's, while the libertarian Right hailed Mises as the nation's greatest defender of economic truth, the social- and religious-minded American conservatives questioned what they saw as the sterile rationality of Mises' brand of 'absolute economics.' Meanwhile, he fought unsuccessfully to wean the nation's economics profession and business community away from Keynesian economics and state interventionism [H]is long term legacy has been to found a vigorous 'Austrian-American' School of economics." Quoted from Dissertation Abstract.

Dickman, Howard. *Industrial Democracy in America*. LaSalle, Ill.: Open Court, 1987. Dickman acknowledges his "intellectual debt to the novelist and philosopher Ayn Rand, whose moral defense of capitalism has greatly influenced me; to Ludwig von Mises, whose writings on the logic of the economy have also proved instructive; to William H. Hutt, whose . . . essay on the theory of collective bargaining helped my own thinking on the issues of unionism and collective bargaining; and to the many works of Sylvester Petro, whose understanding and analysis of American labor relations law is unmatched." (p.351, n.33) "Theoretical economists after the turn of the century -- the most important of whom was Ludwig von Mises -- demonstrated that without private property and a functioning price system (including interest rates) for capital goods, it would be impossible for economic planners to rationally calculate the least-cost production methods for those stages of the production process far removed in time and space from consumer goods (cost here conceived in material and time, in terms of alternatives foregone)." (p.125) Dickman cites Mises' works in footnotes.

Foundation for Economic Education. *Ideas on Liberty: Essays in Honor of Paul L. Poirot*. Irvington, N.Y.: Foundation for Economic Education, 1987. Several essays refer to Mises:

Anderson, Robert G. "The Ever-Present Danger." pp.1-4. "Ludwig von Mises pointed out that the end result of such socialist tampering is to create more government intervention to correct the ill effects of earlier government intervention." (p.2)

Chamberlain, John. "'Fabianism-in-Reverse'." pp.22-25. Reminiscing about his role in *The Freeman* of

1950-1955: "Once our flag was unfurled, with the faith of *The Freeman* succinctly stated by Henry Hazlitt, the articles began to flow . . . Ludwig von Mises contributed an illuminating essay on Lord Keynes and Say's Law." (p.22)

- Gresham, Perry E. "Teachers of Liberty." pp.37-44. Gresham pays tribute to three men: Mises, Benjamin Rogge, and Leonard Read. "The economic legacy of Ludwig von Mises stands like a tall tower calling the universities of the world to learning and truth; his profound philosophy, his amazing wide-ranging knowledge of economics and human affairs, and his great intellect make him a paragon among those who inspire and teach graduate students and who determine the intellectual destiny of our age." (p.38)
- Petro, Sylvester. "Law, Economics, and Freedom." pp.64-72. "Ludwig von Mises (whose degree was in law) turned his brilliant lamp briefly on the question [of the paradox of freedom and natural rights], seeking freedom's first principle, and illuminated one of its deepest shadows by pointing out that the issue could never arise except in an ordered society, and that, therefore, there is no point in talking about it in the state of nature . . . ¶Mises goes on to say that 'Freedom as people enjoyed it in the democratic countries of Western civilization in the years of the old liberalism's triumph, was not a product of constitutions, bills of rights, laws, and statutes. Those documents aimed only at safeguarding liberty and freedom, firmly established by the operation of the market economy, against encroachments on the part of officeholders. No government and no civil law can guarantee and bring about freedom otherwise than by supporting and defending the fundamental institutions of the market economy . . . Where there is no market economy, the best-intentioned provisions of constitutions and laws remain a dead letter.' ¶In opposing government to freedom in this statement, Mises has apparently slipped a cog. For what if the 'fundamental institutions of the market economy' are themselves products of law and government? If private property and freedom of contract, the institutions that Mises himself calls the framework of the market economy, are juristic principles -- creatures of kings, of the judges they appointed, and of the legislatures -- why not recognize the state as the friend of freedom rather than treat it as an implacable enemy? . . . ¶He [Mises] himself said in *Human Action* that "[1] liberty and freedom are the conditions of man within a contractual society.' And there can be no doubt that Mises was aware of the juristic character of contract. There can be promises, perhaps, in the 'state of nature.' But a contract is an *enforceable* promise, and enforcement implies the state and legal institutions, as Mises very well knew . . . ¶Mises thought that the state -- the "indispensable hegemonic bond" -- is as indispensable to freedom as it is perilous; that the police can be both friend and foe of freedom, *as every other human being can be*. He may have loathed and distrusted the state, but he distrusted the state of nature -- anarchy -- even more." (pp.65-67)
- Reed, Lawrence W. "Child Labor and the British Industrial Revolution." pp.73-78. "'Free labour' children were those who lived at home but worked during the days in factories at the insistence of their parents or guardians . . . Professor Ludwig von Mises, the great Austrian economist, put it well when he noted that the generally deplorable conditions extant for centuries before the Industrial Revolution, and the low levels of productivity which created them, *caused* families to embrace the new opportunities the factories represented . . . ¶Private factory owners could not forcibly subjugate 'free labour' children; they could not compel them to work in conditions their parents found unacceptable." (p.74)

The Free Market. Auburn, Ala.: Ludwig von Mises Institute.

February 1987. Volume 5, No.1:

Rockwell, Llewellyn H., Jr. "*Investor's Hotline* Interviews Lew Rockwell" adapted. Joe Bradley, interviewer. pp.2-4. Rockwell was asked to "synthesize . . . those aspects of Ludwig von Mises' writings . . . most relevant for investors. ¶Mises was the first to demonstrate 1) that government planning or any sort of intervention in the economy is always harmful . . . and 2) that a central bank like the Federal Reserve inevitably -- through inflation -- causes the business cycle of booms and busts . . . ¶Most academic economists believe the government should be running the economy, and they should be running the government. But Mises showed that we are always better off when individuals make their own decisions. He is also unfashionable on some campuses because he was such a strong activist for individual freedom . . . ¶Mises showed that while we know inflation causes higher prices, there is no direct one-to-one

connection;. That's why prices can go up faster or slower than they 'should' according to Fed statistics."

March 1987. Volume 5, No.2:

Reed, Lawrence W. "The Misesian Revolution in Poland." pp.1-3. On a recent lecture trip to Poland, Reed encountered a "burgeoning interest in Austrian economics." A professor at the University of Warsaw called it "the most important recent development" among students of economics. He privately recommends the works of Mises, Hayek, and Rothbard to his students, who then acquire copies on the black (i.e., free) market . . . ¶Attending a secret dinner party one evening hosted by several underground printer-entrepreneurs, [Reed] was astonished to hear their plans to ultimately publish and distribute every work of Mises. 'Anything Austrian or libertarian immediately becomes a bestseller,' said one . . . ¶[Already students are reading Mises' *Socialism* [B-4] and *Theory of Money and Credit* [B-2] . . . ¶Under the surface, Poland is seething with anti-government ferment. And the works of Ludwig von Mises and his students are part of the reason -- testimony once again to the potency of truth." Reprinted (pp.233-234) in *The Free Market Reader*. Rockwell, ed. (1988)

Rockwell, Llewellyn H., Jr. "Sound Money: Gold or Denationalized?" p.2. "Building on Menger, Mises showed -- in his famous regression theorem -- that money *must* originate on the market as a useful commodity . . . ¶Mises' regression theorem proves that people, having used the dollar for two centuries, will not switch to Chase Manhattan 'Rockies' (or whatever the banks' currencies would be called)." Reprinted (pp.100-102) in *The Free Market Reader*, Rockwell, ed. (1988).

April 1987. Volume 5, No.3:

Hughes, Mark D. "We the People vs. the Loot Seekers." pp.6-8. "[R]egulatory legislation has enabled loot-seeking special interests to use the coercive powers of the State against the rest of us. ¶Ludwig von Mises called this a 'caste system:' 'Our age is full of serious conflicts of economic group interests. But these conflicts are . . . the necessary outcome of government policies interfering with the market system . . . [M]ankind has gone back to group privileges and thereby to a new caste system . . . ¶In a free-market society . . . there are no castes and therefore no caste conflicts.'" Reprinted (pp.134-138) in *The Free Market Reader*. Rockwell, ed. (1988).

Rothbard, Murray N. "Gold Socialism or Dollar Socialism?" pp.1-3. "Not all hard-money supporters favor the gold-coin standard or any Treasury minting of gold coins. A few 'purists' charge those of us who advocate a gold standard with being 'gold socialists' because the Treasury would, at least initially, be minting the gold coins . . . ¶One critic, a man from Kansas City [Conrad Braun, see *Gold Standard News* below], has, for almost a decade, been minting such coins, only to find that his 'Hayeks,' 'Harwoods,' 'Friedmans,' etc., have most decidedly not come into use as media of exchange, much less graduated to the general use that would make them money. ¶The problem with this critic, as with the proponents of many other monetary schemes such as F. A. Hayek's private (non-gold) currency unit, the 'ducat,' is that they all ignore Ludwig von Mises' critically important 'regression theorem,' the *pons asinorum* of monetary theory . . . ¶If Gorbachev or some successor were someday to read Mises and then say, 'you're right, I quit,' [see L. E. Read, "To Abdicate or Not," 1971, pp.305-306 in 1993 Mises bibliography] and handed the reins of power over, say, to the U. S. government, how would we go about de-Communizing? What would happen to the land, the factories, etc., much less to the ruble? . . . Those, such as the Mises Institute, who are trying to find a way out of the mess, whether in money or some other key area, are doing extraordinarily important work." See J.Robbins' comments under *Gold Standard News*, below.

Wells, Sam. "The Myth of the Trade Deficit." pp.4-6. "Are Americans being taken advantage of by the opportunity to buy low-priced, foreign-made products? Are the trade policies of the Japanese 'cheating' us? The answer is a clear No. ¶The great Ludwig von Mises, writing in 1946, showed how free trade works to the benefit of all parties." Reprinted (pp.118-144) in *The Free Market Reader*. Rockwell, ed. (1988).

May 1987. Volume 5, No.5:

Peterson, William H. "Memories of Ludwig von Mises." pp.1, 3-4. "Mises' courage and integrity showed at one [Mont Pèlerin] meeting . . . ¶One member asked, 'But what would you do if you were in the position of our French colleague, Jacques Rueff,' . . . and responsible for the fiscal administration of

Monaco. ‘Suppose there were widespread unemployment and hence famine and revolutionary discontent in the principality. Would you advise the government to limit its activities to police action for the maintenance of order and protection of private property?’ ¶Mises stood fast: ‘If the policies of nonintervention prevailed -- free trade, freely fluctuating wage rates, no form of social insurance, etc. -- there would be no acute unemployment. Private charity would suffice to prevent the absolute destitution of the very restricted hard-core of unemployables.’”

Reed, Lawrence W. “Mises and the Soviet Free Market.” pp.4-5, 7. “For calculation to occur, says Mises, there must be money prices. Those can only come from free markets, never governments . . . ¶A spokesman for the Soviet Foreign Ministry, in an unintended tribute to Mises, recently told some visiting Americans that his dream was to have ‘the entire world Communist. Except New Zealand.’ Why the exception? ‘We have to have somebody to tell us the prices.’ ¶Mises wrote his critique [*Socialism*, B-4] in 1922. It was the most telling blow socialism ever received, and socialists are still trying to answer it . . . ¶The Soviet State has been successful so far in keeping articles and books by Ludwig von Mises and other free-market thinkers extremely rare . . . If the insights of *Socialism* became widely known, Gorbachev would be staring a real revolution in the face.”

July 1987. Volume 5, No.7:

Gordon, David. “Mises Contra Marx.” pp.1-3, 6-7. Ludwig von Mises’ “devastating analysis of Marxism is of surpassing excellence . . . ¶Mises, more forcefully than any other critic of Marx, at once penetrates to the essence of this fallacious [class conflict] view. If all thought about social and economic matters is determined by class position, what about the Marxist system itself? . . . Mises rightly notes that Marx’s view is self-refuting: if all social thought is ideological, then *this* proposition is itself ideological and the grounds for believing it have been undercut.” (pp.2-3)

Thornton, Mark. “Soviet Expert Says ‘Mises was Right!’” p.3. “Dr. Gertrude Schroeder, professor of economics at the University of Virginia, recently spoke at the Institute’s Austrian Economics Colloquium at Auburn University . . . ¶[She] is an expert in the Soviet economy and the pitiful standard of living it produces . . . ¶Professor Schroeder exploded the myth of Soviet economic progress, and quoted Mises as showing why . . . Soviet technology is backward because, as Mises predicted, the government controls prices.”

August 1987. Volume 5, No.8:

Rockwell, Llewellyn H., Jr. “Three Economists Who Are National Treasures.” Adapted from article in *Conservative Digest* (July 1987); see Rockwell below.

September 1987. Volume 5, No.9:

Miller, Bradley. “Love in the Bureaucracy.” pp.1, 6. “In his great book *Bureaucracy* [B-13] written in 1944, Professor Ludwig von Mises says the distinguishing mark of the bureaucrat is that he is driven not by the profit motive but by the necessity to follow and enforce rules. Mises points out that a bureaucracy, so understood, isn’t intended to be profitable, so its worth can’t be assessed by profit-and-loss statements . . . As Mises says, business and government are fundamentally different, and the methods appropriate to one are alien to the other. ¶Not only is Bureaucratic Man uninterested in doing good work by business standards, doing such work would cost him his job. An anti-poverty warrior so good he eradicated poverty would have nothing to do, so such wars aren’t intended to be won, but endlessly expanded.” Reprinted (pp.291-295) in *The Free Market Reader*, Rockwell, ed. (1988).

October 1987. Volume 5, No.10:

Alford, J. Tucker. “Fiat Paper Money: Tyranny’s Credit Card.” pp.4-5. “Money has not always been in the claws of the government. In fact, as Carl Menger theorized, money very likely came about through the process of the market. Ludwig von Mises went even further and proved that the free market was the only place money could develop.”

Chambliss, Lauren. “Misesian Economics Popularity Growing.” pp.1, 4, 7-8. Adapted from Chambliss (above), *Financial Planning* (August 1987).

November 1987. Volume 5, No.11:

Reed, Lawrence W. “How Government Intervention Plagued Our 19th-Century Economy.” pp.1, 4-5. “The source of the business cycle, Mises discovered, is government-engineered expansion of money and credit .

... ¶The first economic calamity of the century occurred in 1808 when a federal embargo on overseas shipping produced widespread bankruptcies and unemployment. After that, four major cyclical depressions struck the American economy: in 1819, 1837, 1857, and 1893. The typical economic history text lists among the 'causes' things like railroad speculation, stock crashes, trade imbalances, commodity price booms and busts, etc. ¶These are not, of course, causes at all, but merely symptoms. Only Austrian trade cycle theory as propounded by Ludwig von Mises, Murray N. Rothbard, and others, makes sense of the mess and provides a coherent explanation of these five depressions."

December 1987. Volume 5, No.12:

Special issue devoted to the Institute's Fifth Anniversary Celebration and Tribute to Henry Hazlitt. pp.1-12. These tributes reprinted (pp.200-216) in *The Free Market Reader*. Rockwell, ed. (1988). Several items refer to Mises:

Anonymous. "Henry Hazlitt: Giant of Liberty" (p.1). A tribute. Hazlitt "arranged Ludwig von Mises' professorship at New York University and the publication of *Human Action* and three other Mises books by Yale University Press. ¶Like Mises, Henry Hazlitt combines courage, genius, and gentleness with an unbending adherence to principle."

Hayek, F. A. Although not present, he sent word (p.6) that he was "delighted" that Hazlitt was "deservedly being celebrated for his long beneficial instruction of the public and particularly for having established in the United States the reputation of Ludwig von Mises when totalitarianism drove him out of Europe."

Hazlitt, Henry. Speech (pp.8-9). "It has been my privilege to know, and to be the friend of, a great man, the late Ludwig von Mises. He was an economist, the greatest of the present age, fit to rank with Adam Smith and Ricardo. The title of his masterpiece, *Human Action*, enlarged the conception of the realm of economics. I am happy to pay tribute to him here."

Littler, Graeme B. "Why the Stock Market Crashed" (p.11). "[T]he stock market is, for the most part, a reliable barometer of future economic conditions. It ought to be what Ludwig von Mises called 'the focal point of the market economy, the ultimate device to make the anticipated demand of the consumers supreme in the conduct of business.' In today's economy, however, it is gyrated by Federal Reserve monetary manipulations, just as is the economy itself . . . ¶Ludwig Lachmann correctly says that 'the equilibrium price of the stock market is determined, not by an "objective" body of information, but by the respective expectations of buyers and sellers.' And, Mises adds, if a trader 'is able to anticipate the future state of the market more correctly than other people, he can succeed in choosing investments whose price will rise and in avoiding investments whose price will drop'."

Mises, Margit von (p.3). "I remember very well the day I met Lew Rockwell, the Institute's president, for the first time . . . He . . . had heard the tape of a speech of mine . . . in which I pleaded for the founding of an institute exclusively working for the Austrian theories of the free market. He asked for my permission to use my husband's name, since he was prepared to found such an institute. At the same time he asked for my help, which I promised to give, if he would promise never to leave the Institute, but to make it his life's work. This he promised, and so this meeting led to the founding of the Ludwig von Mises Institute . . . ¶This evening is devoted to Henry Hazlitt. Therefore as the widow of Ludwig von Mises, the widow of one of Hazlitt's best friends, I send him greetings and all good wishes."

Reagan, Ronald (p.6). "Henry, I am pleased and proud to add my congratulations to those of your many colleagues and friends as the Ludwig von Mises Institute honors you at its Fifth Anniversary. ¶You're being honored for many reasons -- your more than seven decades as a scholar and journalist; your many and distinguished contributions to economics; your persistent efforts in behalf of Ludwig von Mises and other scholars; and the wide influence you've had among intellectuals, opinion-makers, and government leaders, including this one."

Rockwell, Llewellyn H., Jr. (p.7). "When Mises came to this country virtually penniless, Henry Hazlitt took charge. At a time when every second-rate leftist in exile from Western Europe was getting a cushy job at an elite university, Mises was shut out. For he came here with very unfashionable views. ¶Henry set to work to find him an academic post. Together with Lawrence Fertig, he arranged a post at New York University. Consistent with the rest of Mises' life, this was an unpaid professorship. Mises never once had a regular faculty appointment, and the money for his NYU professorship came from free-market

individuals, businesses, and foundations. But the entrepreneur of the whole arrangement was Henry Hazlitt.”

Rothbard, Murray N. (p.4). “In my own case, I was a Hazlittian years before I was a Misesian. In fact, before I had heard of von Mises I knew about Henry Hazlitt.”

Galbraith, John Kenneth. *Economics in Perspective: A Critical History* Boston: Houghton Mifflin, 1987. “[F]rom postwar Austria and its socialist and working-class orientation came the profession's most committed exponents of the classical orthodoxy in its purest form. They were Ludwig von Mises . . . Friedrich A. von Hayek . . . the more pliable Fritz Machlup and, a lesser figure, Gottfried Haberler . . . All, but especially Mises and Hayek, were dogmatic in the view that any departure from classical orthodoxy was an irreversible step toward socialism . . . The capitalist system would not be saved by such reform [unemployment compensation, old-age pensions and help to the poor], it would only be destroyed. And, in the Mises-Hayek view, it was on the way to being destroyed. There had to be no compromise with classical perfection. Monopoly . . . was largely an irrelevant thing, which did not justify the greater evil of government intervention . . . Mises, the most ruthless of purists, even took occasion to condemn intervention with the drug traffic as an unwarranted interference with market forces and the associated freedom of the individual. And when his colleagues in the orthodox faith gathered on Mt. Pelerin in Switzerland for discussion and mutual admiration, he was said, perhaps apocryphally, to have caused considerable dissent by suggesting that all national navies should be returned to private enterprise.” (pp.190-191)

Gold Standard News. Kansas City, Missouri: Gold Standard Corp. #123 (April/May ?, 1987)

Braun, Conrad Jules. “The Practice of Sound Money.” pp.2-5. Talk at The Coalition for Sound Money conference (March 16, 1987) Washington, D.C. “Mises rests his case [for a genuine free market in money] on the foundation of an acting man: on the individual human being not as a stone or atom that ‘moves’ in accordance with quantitatively determined physical laws, but on man who has internal purposes, goals or ends which he tries to achieve, and ideas about how to go about achieving them in action. ¶And since men used their free will to act in the world, their resulting behavior can never be codified into quantified historical ‘laws’ . . . ¶And it is for this reason that Mises concludes that sound money still means today what it meant in the nineteenth century: the gold standard. The eminence of the gold standard consists of the fact that it makes the determination of the monetary unit's purchasing power independent of the measures of governments. Mises concludes that with freedom to choose, the market will choose gold. ¶Whether one agrees with the Mises conclusion is not important. But as freedom loving citizens do we dare challenge the Mises premise?” For comments, see above *The Free Market* (April 1987), Rothbard's “Gold Socialism or Dollar Socialism,” and Robbins' “Gold Plated Socialism” which follows.

Robbins, John W. “Gold Plated Socialism: A Reply to Murray Rothbard's ‘Gold Socialism or Dollar Socialism?’” Rothbard's article in the April 1987 issue of *The Free Market* (see above, p.64) “is intended to be a defense of his November article [“First Step Back to Gold,” *The Free Market*, November 1986] praising the Gold Bullion Coin Act of 1985 and the coins being issued under it, the new Liberty or Eagle coins (p.7) . . . ¶Unfortunately the Gold Bullion Coin Act of 1985 is not what Dr. Rothbard apparently thinks it is. It is explicitly not a one-shot affair designed to empty the Treasury's gold vaults.” (p.8) Rothbard says that the advocates of private money “all ignore Ludwig von Mises' critically important ‘regression theorem’.” Robbins continues: “Mises suggested the theory in 1912 as an explanation for the objective exchange value, the purchasing power, of money . . . Mises' proposed solution involved a historical regression from the present exchange value of money to the original use value of the commodity that later became money (p.9) . . . ¶Mises infers from this theory the point that is relevant to the present controversy: ‘an object cannot be used as money unless, at the moment when its use as money begins, it already possesses an objective exchange-value based on some other use’ . . . ¶Now Dr. Rothbard contends that any sort of private money, whether irredeemable or redeemable paper, or coin, or ingots, or what have you, will not and cannot, at least at

first, be used as money because it violates the regression theorem. In fact, he goes so far as to suggest that the failure of private moneys to come into use in the United States is explained by the regression theorem. This is obviously not the case, simply because at least some of the private moneys that have been proposed or manufactured are commodities valuable for their non-monetary uses. They satisfy the requirements of the regression theorem. Therefore the reason for their failure to emerge as media of exchange, and as money, must lie elsewhere. Indeed it does. It lies, at least in part, precisely in the government mint that Dr. Rothbard defends, even if he wishes to defend it only temporarily.” (p.10)

Hendrickson, Mark. *America's March Toward Communism: Forsaking Our Heritage*. Spring Mills, Penna.: Libertarian Press, 1987. “Under communism, as under capitalism, human nature is such that certain individuals will value certain goods more highly than other individuals will If there are not meaningful prices (meaningful in that they accurately reflect the actual valuations which individuals place on economic goods), then there is no way to coordinate production, to match supply with demand, or even to measure costs and profits. The elite economic planners of a communist system, no matter how brilliant they may be, are flying blind when they formulate their plans for production That is why Ludwig von Mises (1881-1973) coined the phrase ‘planned chaos’ to describe production in state-controlled economies.” (pp.6-7n) “Marx’s grasp of the principle that government intervention into the economy would breed further interventions (‘further inroads,’ in his words) is one of his greatest economic insights. It is the same point that the great economist and champion of individual liberty, Ludwig von Mises, later explained so clearly and convincingly in his essay, ‘Middle-of-the-road Policy Leads to Socialism,’” (p.10) “Ludwig von Mises cautioned us, as long as there is government intervention, the tendency will be toward further interventions in a vain attempt to undo the bad effects of the earlier interventions.” (p.54)

Higgs, Robert. *Crisis and Leviathan: Critical Episodes in the Growth of American Government*. Pacific Research Institute for Public Policy. New York: Oxford University Press, 1987. “For more than a century after its formation the United States had a government that approximated, perhaps as well as any actual government ever did, the ideal envisioned by Mises: strong but limited. Despite major shortcomings, especially its oppression of blacks and Indians, the government created a political and legal environment conducive to rapid economic development, fostering what Willard Hurst, the eminent legal historian, has called a ‘release of energy.’ Inventiveness, capital formation, and organizational innovation flourished as never before. Specialization and trade increased prodigiously. During the nineteenth century the nation became the world’s richest and freest society.” (pp.3-4)

Hollis, Martin. *The Cunning of Reason*. New York & Cambridge: Cambridge University Press, 1987. “[H]ow do we know that economic theory and other ideal-type abstractions are a true analysis of what rationality means or implies for social life? Essentially this is the problem of *a priori* knowledge applied to the social sciences, and I stand by the answer given by von Mises . . . and endorsed by Hollis and Nell (1975). This is that formal systems consist of real definitions of elementary concepts, their implications and application rules governing *ceteris paribus* clauses.” (p.185)

Libertas. Published semi-annually. Buenos Aires, Argentina: Escuela Superior de Economía y Administración de Empresas (ESEADE).

May 1987. Volume 4, Number 6:

Pontón, Rogelio. “Conocimiento Disperso e Inteligencia Central” [Dispersed Knowledge and Central Intelligence]. pp.155-178. Reviews Mises’ thesis that economic calculation would not be possible under socialism, Hayek’s critique of Lange in “Two Pages of Fiction” (see above, Hayek 1982), Karl Popper’s theory of three worlds (1. the physical world; 2. the psychological world of the human and animal mind; and 3. the world of the products of the human mind, works of art, ethical values, social institutions, libraries and books, theories and scientific problems), and the mathematical complexity of the situation in the U.S.S.R. Pontón then finds a clue to the answer to the complexity of the calculation problem in Popper’s remark about Hayek. To handle the data needed to carry out the economic calculation required, a

computer would have to be “much more complex than the universe itself.” (p.166) “To handle all the information the human brain can manage PLUS all the data of Popper’s third world would take a *superbrain* . . . Such a *superbrain* would obviously have to predate the human brain and its products . . . A *superbrain*, a central intelligence which transcends the universe, is what believers throughout the world have called God.” (p.178) (Quotations translated from the Spanish)

October 1987. Volume 4, Number 7:

Benegas Lynch, Alberto, Jr. “Nuevo Examen del Iusnaturalismo” [A New Examination of Natural Law]. pp.153-189. The various currents of the natural law tradition, although of different shades, Benegas says all agree on one thing: natural rights are “inherent in the individual because of his nature as a human being and not because of convention or any action on the part of man himself.” (p.153) Benegas considers that the freedom to use and dispose of one’s own property is one of those rights as it “corresponds to the nature of the human being.” Moreover it is necessary for freedom; “non-freedom means forcing people to act differently from what they prefer.” (p.156). Cites Mises’ *Liberalism* [B-6] (p.19) on the connection between freedom and property: “The program of liberalism . . . if condensed into a single word, would have to read: *property*.” Benegas also quotes Mises on apriorism when criticizing positivism and empirical laws. (Quotations translated from the Spanish)

Linz, Susan J. Review of Don Lavoie’s *Rivalry and Central Planning: The Socialist Calculation Debate Reconsidered* (New York: Cambridge University Press, 1985) in *Southern Economic Journal*. 53:4 (April 1987) 1073.

Market Process. Fairfax, Va.: Center for the Study of Market Processes, Department of Economics, George Mason University.

Spring 1987. Volume 5, No.1:

Selgin, George A. “The Yield on Money Held Revisited: Lessons for Today.” pp.18-24. “In ‘The Yield from Money Held’ [see Hutt (1956) p.264 in 1993 Mises bibliography] Hutt argued that writers from Aristotle to Keynes, including Locke, Smith, and Mises himself, committed crucial errors by claiming that money is ‘barren’ -- that it ‘has a yield of nil.’ Because of this blunder, these writers failed to explain properly how the value of money (the ‘price level’) is determined.” (p.18) “Mises’ ‘regression theorem’ was an attempt to get out of the circle [the ‘vicious circle’ attempting to explain the purchasing power of money by its marginal utility]. Mises argued that, although the value of money today depends on its marginal utility today, that marginal utility depends, not on the realized value of money today, but on the value money is *expected* to have today, which is based on its realized value *yesterday*. Rather than leading to an infinite regress (which, presumably, is no better than a vicious circle), the regression theorem implies that the value of money is ultimately linked to the pure-commodity value of the medium of exchange, i.e., the industrial or non-monetary value of the commodity for which present money can be or once could be redeemed.” (p.19) This article is mainly about Don Patinkin’s attempt “to integrate monetary theory with neoclassical value-theory.”

Fall 1987. Volume 5, No.2:

Ebeling, Richard M. “The Roots of Austrian Economics.” pp.20-22. Review essay of *Austrian Economics: Historical and Philosophical Background*, Grassl & Smith, eds. (See above: Grassl, 1986). “The Austrians had rejected the siren call of positivism and had avoided the precarious shores of mathematical formalism . . . ¶The Austrian economists were not alone in their rejection of positivism. They were joined in this by a number of Austrian philosophers, whose starting points were much like those of Menger and his followers.” According to Ebeling, the value of this book “is that it explains this other [philosophical] ‘Austrian school’ in great detail, and develops relationship[s] to the Austrian school of economics.” (p.20) “The essence of action, Mises explains, is ‘obtained through reflections having in view the comprehension of what is contained in *each* of the individual phenomena taken into consideration . . . ¶Mises’ emphasis on the method of ‘imaginary constructions’ as the main tool of economic reasoning is an adoption of the technique of [Husserl’s] free imaginative variation . . . ¶Rather than representing a turn away from Menger’s method, Mises in following the lead of Husserl was

continuing the Austrian approach (philosophical and economic) quite consistently. We see Mises' influence in the direction on the next generation of Austrians in the years after World War I, particularly in Alfred Schutz's synchronizing of Husserl's phenomenological approach with Max Weber's concept of 'action' as meaningful behavior, thereby constructing a theory of 'social action' and 'mutual orientation' in the social nexus of exchange." Reprinted (pp.38-40) in *Austrian Economics: I*. Stephen Littlechild, ed. Aldershot, Hants, England; Brookfield, Vt.: Edward Elgar, 1990.

McGee, Robert W. "The Place of Ludwig von Mises in the History of Monetary Thought." *Asian Economic Review* (India). 24:3 (December 1987) 62-82. Before Mises' *The Theory of Money and Credit* (1912) [B-2], "economists had seen money as a distinctly separate subject from the body of economics . . . as an entirely separate discipline. Mises was the first to integrate the theory of money and credit into the mainstream of economics . . . Mises viewed monetary processes in individualistic, disaggregated terms, whereas other economists up until that time had used the aggregate approach." McGee then discusses Mises' theory of money, inflation and the trade cycle, in the light of money's marginal utility.

Mommsen, Wolfgang J. & Jürgen Osterhammel, eds. *Max Weber and his Contemporaries*. London: German Historical Institute; Unwin Hyman, 1987.

Osterhammel, Jürgen. "Varieties of Social Economics: Joseph A. Schumpeter and Max Weber. pp.106-120. Both Weber and Schumpeter "try to develop a set of *minimal* epistemological requirements, which marginalist theory has to fulfill in order to pass as scientific knowledge. Both are opposed to Carl Menger's 'realist' or 'Aristotelian' views, according to which the 'laws' of economics, analogous to those of the natural sciences, possess an objective existence. Whether -- as in other varieties of 'Austrian' thinking -- they can be derived from 'introspection' (Friedrich von Wieser) or from insight into *a priori* given modes of rational conduct (Ludwig von Mises) is of secondary importance." (pp.110-111) "In contrast to Max Weber, and especially the younger Austrian school (F. A. v. Hayek, L. v. Mises), he [Schumpeter] regarded a socialist economy as perfectly capable of functioning as smoothly as, and perhaps more rationally than, a capitalist market economy." (p.118) "Weber expresses himself very emphatically, that so-called social structures or social institutions (*soziale Gebilde*) -- a state, church, association, marriage, and such constructs -- must only be thought of in terms of the probability (*Chance*) that given forms of action by individuals will occur . . . ¶Weber's repeated onslaughts led critics to a standard answer, which . . . may be paraphrased thus: 'What! You say that only individuals exist, and social structures -- institutions, bureaucracies, armies, prisons -- do not exist. Ridiculous -- as anyone knows who has tried to get the better of them.' True, in the sense of colliding with something like a stone wall, a social construct or structure (a prison, a Kafkaesque bureaucracy) certainly does exist [see Note] . . . A social structure exists solely because of the judgments, intentions, decisions and actions of individuals; individuals cause it to exist; it represents the probability that individuals have acted or do act or will act in a given way. The structure cannot itself judge (judge, say, that actions are unjust), or decide (say, to right the wrong), or form intentions on plans, or act, or be held responsible for decisions; only individuals can do that." (p.523) Note: "A vigorous statement of this fact is given by the arch-individualist L. v. Mises. (p.527, n.40)

Webster, Douglas. "Max Weber, Oswald Spengler and a Biographical Surmise." pp.515-527. "Max Weber grew up in an atmosphere and tradition overwhelmingly 'holistic' -- holistic politically, philosophically and academically; somewhere in the early years of this century, he started changing his tune" though the reason is not yet known. (p.517) Here Webster adds a footnote: "His [Weber's] attitude to Carl Menger was equivocal; yet he was on friendly terms with several others of the Austrians, among them Wieser (who took part in the famous 1909 Vienna meeting of the Verein für Sozialpolitik and wrote the early volume on economic theory for the *Grundriss*), Felix Somary the banker, Schumpeter, and von Mises (later surely the clearest exponent of individualism)." (p.526 n13). Webster quotes Mises' *Human Action* in defense of Weber's description of social structures or constructs as emanating from the actions of individuals rather than the other way round. (pp.523, 527 n40)

The New Palgrave: A Dictionary of Economics. John Eatwell, Murray Milgate & Peter Newman, eds. 4 vols. London: Macmillan; New York: Stockton Press, 1987.

Kirzner, Israel M. "Austrian School of Economics." 1:145-151. Kirzner credits the origin of the Austrian School to Carl Menger's *Principles of Economics* (1871), and then traces its development through Böhm-Bawerk and Wieser. After Böhm-Bawerk died in 1914, and Menger in 1921, "the focus shifted to younger scholars. These included particularly Mises, the student of Böhm-Bawerk, and Hans Mayer, who succeeded his teacher Wieser, to his chair. Mises, although an 'extraordinary' (unsalaried) faculty member at the university, never did obtain a professorial chair. Much of his intellectual influence was exercised outside the university framework . . . ¶With the benefit of hindsight it is perhaps possible to understand why and how this same period of the early 1930s constituted, in fact, a decisive, almost fatal, turning point in the fortunes of the School. Within a few short years the idea of a distinct Austrian School . . . virtually disappeared from the economic profession . . . With Mises migrating in 1934 to Geneva and later to New York, with Hayek in London, Vienna ceased to be a centre for the vigorous continuation of the Austrian tradition." (pp.147-148) Kirzner then discusses the "present status of the Austrian School of Economics" and the several different perceptions of what it stands for. Reprinted (pp.57-69) in Kirzner's *The Meaning of Market Process: Essays in the Development of Modern Austrian Economics.* pp.57-69 London/New York: Routledge, 1992.

Rothbard, Murray N. "Ludwig von Mises." 3:479-480. Reviews the major events in Mises' life and comments on his important contributions: "In contrast to the Jevons and Walras branches of marginal utility theory, the Austrians engaged in a logical analysis of the action of individuals, their major focus on a step-by-step process analysis rather than on the necessarily unreal world of static general equilibrium." Cites Mises' contributions to monetary theory, viz., the regression theorem, a purchasing-power parity theory of exchange rates, the application of marginal utility theory, etc.

———. "Time Preference." 4:644-646. "The leading economist adopting Fetter's pure time preference view of interest was Ludwig von Mises, in his *Human Action* (Mises, 1949). Mises amended the theory in two important ways. First, he rid the concept of its moralistic tone which had been continued by Böhm-Bawerk, implicitly criticizing people for 'under'-estimating the future. Mises made clear that a positive time preference rate is an essential attribute of human nature. Secondly, and as a corollary, whereas Fetter believed that people could have either positive or negative rates of time preference, Mises demonstrated that a positive rate is deducible from the fact of human action, since by the very nature of a goal or an end people wish to achieve that goal as soon as possible." Reprinted in *New Palgrave: Capital Theory* John Eatwell, Murray Milgate & Peter Newman, eds. New York: Norton, 1990; also in *Austrian Economics: A Reader. Champions of Freedom: 18.* Richard M. Ebeling, ed. Hillsdale College, Hillsdale, Mich., 1991. pp.414-422.

Osterhammel, Jürgen. Co-editor & contributor; see Mommsen (above).

O'Sullivan, Patrick J. *Economic Methodology and Freedom to Choose.* London: Allen & Unwin, 1987. Devotes a chapter to the discussion of Mises' economic methodology.

Pagenstecher, Ulrich. *Verstehen und Erklären in der Nationalökonomie: Methodenkontroversen (1930-1985).* [Economic Understanding and Interpretation: Methodological Controversies, 1930-1985] Nuremberg (Germany): Helmut Preussler, 1987. Included in this discussion of methodological issues are the debates over apriorism between Mises/Robbins and Hutchison/Harrod/Samuelson, the Friedman controversy, the assumptions controversy, the attacks of economic behaviorists, the perfect information assumption, and value judgments in economics. Annotation based on listing (p.27) in Deborah Redman, Compiler. *Economic Methodology: A Bibliography with References to Works in the Philosophy of Science, 1860-1988.* Westport, Conn.: Greenwood Press, 1989.

Perlman, Morris. "On a Controversial Passage in Hume," *Journal of Political Economy.* 95:2 (April 1987) 274-289. "Hume's analysis of how a change in the quantity of money can have a temporary effect on real income has

been variously interpreted and misinterpreted for over two hundred years . . . ¶James Mill criticized Hume because he ‘supposed that . . . when an augmentation of money commences, individuals . . . go into the market with greater sums. The consequence is that they offer better prices; and Hume affirms, that the increased prices give encouragement to producers.’ He [Mill] then argued that if prices rise immediately, the value of money sinks in proportion and there is therefore no encouragement for additional production. ¶ . . . Hume states explicitly that prices of commodities do *not* rise when the additional money, through the higher wages, comes into the market. Moreover, it is exactly because they do not that the real wage is higher, and therefore there is an increase in effort. ¶John Stuart Mill followed his father’s footsteps in criticizing Hume’s analysis . . . Thus he concluded that an increase in the quantity of money may result in a distributional effect but cannot have an output effect. ¶About 60 years later, von Mises took the same view. Referring specifically to Hume, he argued that an increase in the quantity of money ‘may well consist in an alteration of the *distribution* of economic goods among human beings but in no case . . . can it increase the *total* amount of goods.’ ¶Both the Mills and von Mises completely ignore the real wage effect considered by Hume. They interpret Hume as relying on the lags among different prices of commodities rather than the one between commodity prices and the money wage rate, which results in a change in the real wage rate.” (pp.274, 276-277)

Review of Austrian Economics. Murray N. Rothbard, ed. Volume 1. Auburn, Ala., Washington, D.C.: Ludwig von Mises Institute; Lexington, Mass.: Lexington Books, D.C. Heath, 1987. This *Review* is intended to be an annual. The following papers in this issue discuss Mises:

Galloway, Lowell & Richard K. Vedder. “Wages, Prices, and Employment: Von Mises and the Progressives.” pp.33-80. The authors discuss the usefulness as a political policy of adjusting money wage rates as Keynes had recommended. Mises, in his epilogue to the 1953 edition of his *Theory of Money and Credit* (B-2), “addressed the subject, which he called ‘the full-employment doctrine,’ in a fashion that is succinct, cogent, and prescient . . . ¶The basic concepts contained in the von Misesian view of the role of money wage rates are relatively straightforward. To begin, two forms of labor markets must be considered, one focusing on real wages and another dealing with money wage rates.” (pp.37, 38) “The logic of the von Misesian-classical position seems clearly superior to any of the alternatives, it being difficult to envisage why a permanent money illusion on the part of workers should exist.” (p.41) “Von Mises, and others like him, were correct in rejecting the ‘progressive’ view that the level of money wage rates does not matter.”(p.67)

Keizer, William. “Two Forgotten Articles by Ludwig von Mises on the Rationality of Socialist Economic Calculation.” pp.109-122. An analysis of Mises’ 1923 and 1928 critiques (Articles 23.6 and 28.3 in the 1993 Mises bibliography) of the critics of his stand on economic calculation under socialism, specifically A. W. Cohn, Karl Polanyi, E. Heimann, Karl Kautsky, Leichter, and O. Neurath. Keizer discusses the confusion of Mises’ critics as to the ownership of factors of production under socialism and the distinction between socialism and syndicalism. Keizer concludes that Mises’ position may be “reformulated as follows: ‘Socialism, properly so called, is incapable of maximizing individual and social welfare based on individual preferences’.” (p.120) N.B. The Polanyi citation in Keizer’s footnote 15 should be to “Sozialistische Rechnungslegung,” *Archiv für Sozialwissenschaft und Sozialpolitik*, 49:377-420; see Mises’ *Socialism* ” (B-2), in the Appendix of which an excerpt from Article 23.6 is reprinted.

Timberlake, Richard H., Jr., “A Critique of Monetarist and Austrian Doctrines on the Utility and Value of Money,” pp.81-96. “Ludwig von Mises came closer than any other economist of the time to a valid interpretation of the utility of money . . . However, he then restated the conventional error: ‘Money has no utility other than that arising from the possibility of obtaining other economic goods for it’. . . . ¶Von Mises’ statement acknowledged the necessity for money to have utility . . . But since its perceived utility was locked into its purchasing power for buying other things, the contradiction followed that money has no utility of its own.” (p.83) “Von Mises recognized and accepted the sequence of thought that led into the Austrian circle, and he tried to break out of it with his ‘regression theorem’ . . . [which, Timberlake says] Rothbard claims . . . ‘fully explains the *current* demand for money and integrates the

theory of money with the theory of marginal utility'. . . ¶Von Mises did not confuse 'demand' and 'quantity demanded.' Nonetheless, this paradox is an illusion and the regression theorem is an awkward and useless contrivance." (p.84) Timberlake considers W. H. Hutt's "The Yield from Money Held" [see Hutt (1956) in 1993 Mises bibliography] which quotes "a passage from von Mises that is notable both for its insight and also because it contradicts von Mises' previous assertion that 'money has no use-value at all'." (p.85) "To label the utility of money 'subjective value' as von Mises did is to foster a contradiction in terms. Money has subjective *utility* and objective *value*, regardless of whether a price index (inverted) measures its value accurately or not." (p.87) See Rothbard's comments below in *The Review of Austrian Economics: 2*. (1988).

Yeager, Leland. "Why Subjectivism?" pp.5-31. "Subjectivists appreciate the role of expectations. Well before the recent vogue of 'rational expectations' in macroeconomics, Ludwig von Mises recognized that an inflationary policy could not go on indefinitely giving real 'stimulus' to an economy; people would catch on to what was happening, and the supposed stimulus would dissipate itself in price increases. Von Mises also argued that disorders such as the corn-hog cycle would be self-corrective. Unless the government protected farmers from the consequences of unperceptive or unintelligent behavior, farmers would learn about the cycle, if it did in fact occur; and by anticipating it would forestall it." (p.16)

Rockwell, Llewellyn H., Jr., "Three Economists Who Are National Treasures." *Conservative Digest*. Wash., D.C. 13:7 (July/August 1987) 67-74. "Professor Mises was not only the 20th century's greatest creative force in economics, he was also its radiant champion of liberty . . . and a national treasure . . . ¶There are other worthy contenders, but three men who stand out in my mind as great economists and freedom fighters in the Mises tradition are Henry Hazlitt, W. H. Hutt, and Murray N. Rothbard." Reprinted in *The Free Market* (August 1987); also as "Three National Treasures: Hazlitt, Hutt, and Rothbard" in *Man, Economy, and Liberty: Essays in Honor of Murray N. Rothbard*. Walter Block and Llewellyn H. Rockwell, Jr., eds. Auburn, Ala.: The Ludwig von Mises Institute (1988) 139-150.

Rydenfelt, Sven. "Do Unions Have a Death Wish?" *The Freeman*. Irvington, N.Y.: Foundation for Economic Education. 37:10 (October 1987) 377-379. "In *Human Action* (1949) Ludwig von Mises maintains that government-granted special privileges, designed to favor certain groups, often wind up hurting the groups they are supposed to help. The Swedish regulations which prohibited Swedish ships from sailing under convenience flags are an obvious example. Designed to aid the Swedish maritime unions, they combined with other regulations to destroy the very jobs they were supposed to save."

Sennholz, Hans F. *Debts and Deficits*. Spring Mills, Penna.: Libertarian Press, 1987. Some chapters appeared previously in *The Freeman*. Sennholz credits Mises' *Bureaucracy* for his analysis of government enterprises: "There are two methods for the conduct of human affairs. One is bureaucratic management; the other is profit management. The former is suitable and right where services have no price on the market and, therefore cannot be tested by cost and price calculation . . . Profit management is the only economic method for enterprises that render services in the market place; it receives its social legitimacy from the patronage of customers who dictate the production process. Where the profit motive is the guide, business must adjust its operations to the desires of customers." (p.62)

_____. *The Politics of Unemployment*. Spring Mills, Penna.: Libertarian Press, 1987. Primarily a collection of articles which appeared in *The Freeman*. In addition to citing Mises in footnotes, Sennholz writes: "Only a few members of the Austrian school, in particular Ludwig von Mises and other writers in his footsteps, have drawn the extraordinary conclusion that, in the final analysis, government, as the creator of the monetary order and the monopolist of legal-tender currency, is solely responsible for the [business] cycle. These economists deplore all notions and doctrines that place politicians and government officials in charge of the people's money, and cause them to print ever more for the sake of economic 'growth' and full employment. In the judgment of these economists, the people must be liberated from the money monopoly, and all politicians be banned from monetary matters." (pp.121-122) "Two Austrian

economists, Eugen von Böhm-Bawerk and Ludwig von Mises, have exploded every aspect of the [Marxian] exploitation doctrine. Böhm-Bawerk demonstrated that it contradicts both itself and the realities of the world . . . ; Mises penned a comprehensive theoretical and philosophical refutation. Cf. *Socialism* (Yale, 1951) . . . also *Human Action* (Yale, 1949)." (p.337 n6)

Skousen, Mark. *Forecasts & Strategies on Investments, Taxes and Financial Privacy* 8:6 (May 1987) 5. "In the summer of 1929, the famous Austrian economist, Ludwig von Mises, was offered a high position at the Credit Anstalt, one of the most influential banks in Europe." But Mises did not accept the offer. Asked by his future wife, "Why not?" he responded: "'A great crash is coming,' he said, and I don't want my name in any way connected with it.' ¶In October 1929, the stock market crashed . . . and in May 1931, Credit Anstalt went bankrupt . . . ¶Ludwig von Mises spent his entire life studying economics, and in cases like the 1929 crash, it kept him from making a serious mistake."

Taylor, Joan Kennedy. "Crusaders for Capitalism." *Success*. New York: Hal Holdings. 34:7 (September 1987) 52-55. The "crusades" of Ludwig von Mises, Ayn Rand, Rose Wilder Lane, Henry Hazlitt, and Milton Friedman differed, but each advocated freedom and laissez faire in his or her own way. For instance: "As Rand wanted to change the ethical assumptions of her readers and Lane wanted them to claim rights as part of their nature, Mises had his particular crusade. He wanted to demolish the economic and political assumptions on which socialism rested . . . ¶Mises, a quintessentially 19th-century Austrian gentleman, arrived in this country bitter and depressed. The world seemed to have fulfilled his grimmest prophecies . . . America did little to embrace Mises. He was finally appointed visiting professor in the graduate school of business of New York University in 1945. But he had to rely on a salary provided by foundations and friends." (p.55)

Thommeson, Sven. Co-interviewer with Thornton; see Buchanan under *Austrian Economic Newsletter* (above).

Thornton, Mark. Co-interviewer with Thommesen; see Buchanan under *Austrian Economic Newsletter* (above).

Vedder, Richard K. Co-author; see Galloway under *Review of Austrian Economics* (above).

Vihanto, Martti. *Unemployment as a Disequilibrium Phenomenon: A Study on Austrian Economics and Theories of Unemployment*. Turku School of Economics (Finland), Series D--5:1987, 259 pages. Mises is cited many times. Vihanto concludes that: "In the Austrian conception, unemployment is a disequilibrium phenomenon, which is caused by ignorance. Unemployed persons are then prevented from choosing existing acceptable job opportunities, or any persons are prevented from creating such new job opportunities. Price differentials are by definition unknown before they are eliminated, and so catallactic unemployment cannot even in principle be observed or objectively measured. This was only one of the occasions in which we were able to see that the positivist approach prevalent in mainstream economics is largely misplaced in economic science . . . interventionist employment policy is only liable to aggravate the prevailing state of discoordination and to *increase* unemployment as conceived in subjectivism. So long as this Austrian insight is not understood by economists and politicians, there is no hope that the unemployment problem of today will ever be properly solved." (p.236)

Wainhouse, Charles. Ph.D. dissertation on business cycles. New York University. "Using extensive empirical techniques, [Wainhouse's] results were further support for the Austrian explanation of the Great Depression." Cited in *The Review of Austrian Economics*, 1. p.174 n.38.

Webster, Douglas. Contributor; see Mommsen (above).

1988

Anderson, Martin. *Revolution: The Reagan Legacy*. San Diego, Calif.: Harcourt Brace Jovanovich, 1988. (paperback, revised & enlarged. Stanford, Calif.: Hoover Institution Press, 1990). "The most important player on Ronald Reagan's economic team is Ronald Reagan. The person most responsible for creating the economic program that came to be known as Reaganomics is Reagan himself. For over twenty years he observed the American economy, read and studied the writings of the best economists in the world, including the giants of the free market economy -- Ludwig von Mises, Friedrich Hayek and Milton Friedman -- and he spoke and wrote on the economy, going through the rigorous mental discipline of explaining his thoughts to others." (p.164 paperback)

Austrian Economics Newsletter. Auburn, Ala.: Ludwig von Mises Institute.

Winter 1988. Volume 9. Number 2:

Shah, Parth. "On the Ethical Foundation of Public Policy: Utilitarianism, Natural Rights, or Argumentation Ethics?" pp.4-9 At the Mises Institute's fifth anniversary, October 1987, Leland B. Yeager "presented his case that Mises was a utilitarian by quoting extensively from various works of Mises. He argued that criticisms of Mises' utilitarianism, especially those provided by Professors Murray Rothbard and Karen Vaughn, were either self-inconsistently utilitarian or misdirected, because the critics only challenged act-utilitarianism, a straw man in which Mises never believed. According to Professor Yeager, any theory that takes into account consequences of any action or public policy in terms of human happiness would be considered a utilitarian theory." During the panel discussion Yeager said: "My practical norm is social cooperation, that is, what makes for a good society. As Hazlitt and Mises explain, social cooperation is the one means necessary to all the different ends people have. If people try to latch onto coercive power to take advantage of others, it makes for a dog-eat-dog, predatory society. Activities that serve cooperation should be praised and activities that subvert it should be condemned."

Spring/Summer 1988. Volume 9. Number 3:

Reynolds, Morgan O. "W. H. Hutt's Pen Falls Silent." pp.1, 15. "One of the great economists of our age, W. H. Hutt, died in June [1987], just two months shy of his 89th birthday . . . ¶Hutt's admirers have long lamented their hero's lack of fame and influence . . . partly due to Hutt's fateful decision to depart his native England for South Africa in 1928, a career venue almost guaranteed to insure academic obscurity . . . In recent years, however, a distinct Hutt revival has been underway. And the timeless quality of Hutt's contributions to our body of knowledge promises a growing Hutt impact . . . [H]is important article, 'The Yield from Money Held,' [see Hutt (1956), p.264 in 1993 Mises bibliography] extended Mises' theory by integrating the demand for money assets into the general theory of the consumer."

Salerno, Joseph T. "A Monetary Explanation of the October [1987] Stock Market Crash: An Essay in Applied Austrian Economics." pp.2-6. "As Mises points out, during a progressing monetary inflation, inflationary expectations do not abruptly take hold of all market participants at once, but spread gradually through the ranks of those who are most keenly attuned to developments affecting the future state of market prices, and subsequently to the public-at-large . . . ¶The latest approach to foreign exchange markets, which was clearly formulated by Mises as early as 1912, treats them as efficient asset markets, wherein current prices or exchange rates quickly adjust to take account of changes in expectations regarding the future development of the relative purchasing powers of the various currencies. Mises' statement of the approach, however, is more realistic than the modern approach. Whereas the latter assumes 'rational expectations,' Mises bases his statement of the approach on the empirical theory of expectations formation and revision that focuses on the entrepreneur-promoter . . . An important implication of this asset market approach to exchange rates, in both its Misesian and rational-expectations variants, is that exchange rates adjust to monetary inflation very rapidly and certainly before consumer prices and the internal purchasing power of the currency fully adjust." (pp.2, 4)

Fall 1988. Volume 10. Number 1:

Ebeling, Richard M. A review of Eamonn Butler's *Ludwig von Mises: Fountainhead of the Modern*

Microeconomic Revolution (1988; see below). pp.3-6. "The appeal of mathematical determinateness in an intellectual climate heavy with Positivism meant that the vast majority of economists took the Walrasian path throughout most of the twentieth century. Now, at the threshold of the twenty-first century, the mathematical variation of the marginalist theme has run a free and full course. The finish line has been found to be a dead end . . . ¶Austrian economics, after a long eclipse, has again entered the arena of legitimacy and respectability in the eyes of the economics profession . . . ¶A reflection of this resurgent interest in the Austrian approach has been a series of books summarizing, elaborating, and critically evaluating the contributions of various members of the Austrian School. Yet, in the fifteen-year renaissance of Austrian economics, not one comprehensive study dealing with the contributions of Ludwig von Mises has appeared . . . ¶This is what makes Eamonn Butler's *Ludwig von Mises* . . . such a notable volume. For what Mr. Butler offers is nothing short of a comprehensive summary of practically every aspect of Mises' writings . . . ¶Unfortunately, comprehensiveness does not mean thematic . . . ¶Obviously wishing to make the reader believe that Mises is topical, relevant, and 'modern,' Mr. Butler structures the book with policy issues first -- socialism, interventionism, liberalism, welfare statism -- then descends into the 'theoretical' -- subjective value, entrepreneurship and the market process, capital and interest and monetary theory -- and finally concludes with methodology and the state of economic science. ¶The volume, therefore, often seems disjointed and the reader is left wondering exactly how Mises 'fits all together'." (pp.4-5)

Hayek, F. A. "Ludwig von Mises" (Lisbon, May 1977). pp.1-3. Foreword to *Erinnerungen* (German edition of Mises' *Notes and Recollections*, B-23). "Although without a doubt one of the most important economists of his generation, in a certain sense Ludwig von Mises remained an outsider in the academic world until the end of his unusually long scholarly career -- certainly within the German speaking world - - but also during the last third of his life, when in the United States he raised a larger circle of students . . . ¶When in the realm of the social sciences I look for similar figures in the history of thought, I do not find them among the professors, not even in Adam Smith; instead he must be compared to thinkers like Voltaire or Montesquieu, Tocqueville and John Stuart Mill. This is an impression that has by no means been reached only in retrospect. But when more than fifty years ago I tried to explain Mises' position in pretty much the same words to Wesley Claire Mitchell in New York I only encountered -- perhaps understandably -- a politely ironic skepticism . . . ¶That they had one of the great thinkers of our time in their midst, the Viennese have never understood." (pp.1, 3) Translated by Hans Hermann-Hoppe. This introduction included in Volume 4, *Hayek's Collected Works* (1992), see below pp.151-153. Additional excerpts under Hayek (1978, see, p.343, in 1993 Mises bibliography); also pp.213-214 below.

[Tucker, Jeffrey A.]. A review of Murray N. Rothbard's *Ludwig von Mises: Scholar, Creator, Hero* (1988). "Mises did so much, yet why is he so overlooked? What impact, if any, has he had on mainstream thought? Why was he ignored during his life? Why couldn't he get a full-time teaching position? Why did his students abandon him? In light of this, how can the claim of Mises' brilliance and importance possibly be substantiated? These are questions Rothbard grapples with . . . thoughtfully and thoroughly to produce the closest thing we have to a Mises biography. ¶The book contains at least one Rothbardian bombshell. Rothbard argues for the Misesian theory of economic calculation (made impossible without money prices) as against the Hayekian theory (made impossible though the 'knowledge problem'). This difference between the two, argues Rothbard, makes Mises' case against central planning stronger than Hayek's . . . Other interested Austrians might do well to pursue this question."

Band, Richard E. "Salute to Lu -- and Lew." *Personal Finance*. 15:Bonus issue (December 1988) 199. "Ludwig von Mises (affectionately known to his wife, Margit, as 'Lu') was probably the century's greatest free-market economist . . . ¶Lew Rockwell, president of the Ludwig von Mises Institute . . . is carrying the great man's educational mission forward."

Berkley, George E. *Vienna and Its Jews: The Tragedy of Success, 1880s-1980s*. Foreword by Harry Zohn. Abt Books, Madison Books, 1988. The only indexed reference to Mises: "As in fin-de-siècle Vienna, so in postwar Vienna, rampant Jew-baiting erected no unbreachable barriers to Jewish achievement. Ludwig von

Mises founded an internationally known economics institute while Paul Lazarsfeld created the world's first market research organization." Other Viennese Jews mentioned in this same paragraph are Arthur Snitzler, Stefan Zweig, Fritz Kreisler, Oscar Strauss and George Fuld. (p. 163)

- Block, Walter and Llewellyn H. Rockwell, Jr., eds. *Man, Economy, and Liberty: Essays in Honor of Murray N. Rothbard*. Auburn, Ala.: Ludwig von Mises Institute, 1988. Several papers cite Mises:
- Armentano, Dominick T. "Rothbardian Monopoly Theory and Antitrust Policy." pp.3-11. Compares Rothbardian monopoly theory to that of Mises and Kirzner. "Mises held that monopoly could exist in a free market whenever the entire supply of a commodity was controlled by one seller or a group of sellers acting in concert. Such a situation was not necessarily harmful unless the demand curve for the commodity was inelastic. Then, according to Mises, the monopolist would have a perverse incentive to restrict production and create a monopoly price, and that price would be 'an infringement of the supremacy of the consumers and the democracy of the market.' Kirzner has suggested that the monopoly ownership of some resource could have 'harmful effects' since it would create an incentive on the part of the resource owner to *not* employ the resource to 'the fullest extent compatible with the pattern of consumer tastes' in the market. ¶Rothbard . . . argues initially that it may be confusing (and even absurd) to define monopoly as the control over the entire supply of some commodity or resource. This definition may be inappropriate since the slightest consumer perceived difference between different units of some commodity or resource (with respect to location for example), would then mean that each seller of anything is a 'monopolist.' But even *if* this were an appropriate definitional approach, the entire notion of 'monopoly price' in a free market is simply untenable according to Rothbard. Any acceptable theory of 'monopoly price' is itself conditional on an independent determination of a 'competitive' price against which the monopoly price might be compared. For Rothbard, however, any independent determination of a competitive price in a free market is impossible. Free markets contain. *only* free-market prices . . . ¶Mises, it will be recalled, defined a monopoly price as that price accomplished when output is restricted under conditions of inelastic demand, thus increasing the net income of the supplier. Rothbard argues, however, that there is no objective way to determine that such a price is a monopoly price or that such a 'restriction' is antisocial." (pp.7-8)
- Garrison, Roger W. "Professor Rothbard and the Theory of Interest." pp.44-55. "Neither Mises nor Rothbard has specifically addressed the question of waiting as a factor of production, but passages can be found in the writings of each suggesting that the time-preference view and the waiting-as-a-factor view are to some extent compatible . . . ¶It is interesting to note that [Irving] Fisher himself clearly acknowledged the actual interdependency of the two co-determinants [time preferences and the productivity of capital], but he seemed not to realize the problem that this poses for the eclectic view . . . The formal demonstration that the equilibrium rate of interest is given by the slope of the tangency in a Fisher diagram can be easily reconciled with the Mises-Rothbard view." (pp.49, 52-53)
- Hoppe, Hans-Hermann. "From the Economics of Laissez Faire to The Ethics of Libertarianism." pp.56-76. "Ludwig von Mises, without a doubt one of the most rigorous defenders in the history of economic thought of a social system of laissez faire unhampered by any governmental intervention, admits to two and only two deficiencies of a pure market system. While according to Mises it is generally true that a market economy produces the highest possible standard of living, this will not happen if any firm succeeds in securing monopoly prices for its goods. And the market cannot itself produce the goods of law and order. Law and order, or the protection of the legal framework underlying the market order, are rather considered by Mises, in current terminology, as 'public goods,' whose production must be undertaken by the state . . . ¶When Murray N. Rothbard entered the scene in 1962 with his *Man, Economy, and State* he not only immediately became the foremost student of his revered teacher Ludwig von Mises, but also, standing on the shoulders of this giant, established himself at the age of 36 as an intellectual giant in his own right, going, in truly Misesian spirit, beyond Mises himself. He recognized Mises' position regarding the exceptional character of monopoly prices and public goods as incompatible with the very edifice of subjectivist economic theory as laid down in *Human Action*, and presented, for the first time, a complete and fully consistent economic defense for a pure market system (p.56) . . .

¶Mises, along with most social scientists, accepts the Humean verdict that reason is and can be no more than the slave of the passions. That is to say, reason, or science can do no more than inform us whether or not certain means are appropriate for bringing about certain results or ends. It is beyond the powers of reason, though, to teach us what ends we should choose or what ends can or cannot be justified. Ultimately, what ends are chosen is arbitrary from a scientific point of view; a matter of emotional whim. To be sure, Mises then, like most other economists, is in fact committed to some sort of utilitarianism. He favors life over death, health over sickness, abundance over poverty ¶Agreeing with Rothbard on the possibility of a rational ethic and, more specifically, on the fact that only a libertarian ethic can indeed be morally justified, I want to propose here a different, non-natural-rights approach to establishing these two related claims ¶Let me start with the question: what is wrong with the position taken by Mises and so many others that the choice between values is ultimately arbitrary? First, it should be noted that such a position assumes that at least the question of whether or not value judgments or normative statements can be justified is itself a cognitive problem. If this were not assumed, Mises could not even say what he evidently says and claims to be the case. His position simply could not exist as an arguable intellectual position.” (pp.60-62) Concerning Mises’ position on government: “Mises, of course, is by no means a completely orthodox public goods theorist. He does not share their and the public choice theorists’ commonly held naive view of the government being some sort of voluntary organization Nor does Mises overlook, as they almost invariably do, the multitude of fallacies involved in today’s fashionable economic literature on ‘externalities.’ When nonetheless Mises’ position is classified as orthodox here, this is due to the fact that he, in this respect not differing from the rest of the public goods theorists, dogmatically assumes that certain goods (law and order, in his case) cannot be provided by freely competing industries; and that he, too, with respect to law and order at least, ‘proves’ the necessity of a government by a *non sequitur*. Thus, in his ‘refutation’ of anarchism he writes: ‘Society cannot exist if the majority is not ready to hinder, by the application or threat of violent action, minorities from destroying the social order. This power is vested in the state or government.’ But clearly, from the first statement the second one does not follow. Why cannot private protection agencies do the job?! And why would the government be able to do the job better than such agencies?! Here the reader looks in vain for answers.” (p.73 n6)

Kirzner, Israel M. “Welfare Economics: A Modern Austrian Perspective.” pp.77-88. Kirzner recognizes “the power of consistent Misesian thinking” in Rothbard’s 1956 essay, “Toward a Reconstruction of Utility and Welfare Economics” [see Rothbard (1956), pp.265-266 in 1993 Mises bibliography.] Kirzner analyzes Rothbard’s thesis in the light of Hayek’s “The Use of Knowledge in Society” (1945) in the hope of “opening the door . . . towards the possible reconstruction of normative economics along truly Austrian lines . . . consistent with (a) subjectivism, (b) methodological individualism, and (c) an emphasis on dynamic processes.” (p.88)

Mises, Margit von. “Testimonial.” pp.400-401. “Tonight, I have only one regret, and that is that Ludwig von Mises cannot be here to see and hear the out-pouring of admiration and love for his pupil Murray Rothbard, another great scholar in the Austrian tradition ¶To state that Murray Rothbard admired my husband, hardly does him justice:-- He *loved* my husband, I would say, as a devoted son loves a father. Yet Murray did not slavishly parrot every one of my husband’s ideas without reasoning things out on his own and developing his own ideas. ¶And sometimes his daring led him to conclusions with which my husband did not agree.” (p.400)

North, Gary. “Why Murray Rothbard Will Never Win the Nobel Prize!” pp.89-109. “It is not simply his economic conclusions that have sealed his fate with the Nobel Committee, as well as with his professional colleagues Rothbard’s problem is that he forthrightly follows in Mises’ *a priori* footsteps, an indication that he is behind the times.” (p.92) “(Some of us were more than a little suspicious when F. A. Hayek received the Nobel Prize for 1974, the year after the death of Ludwig von Mises, who provided Hayek with his major economic theorems, and for which Hayek was awarded the prize. Admittedly, Hayek put these ideas into a form which was more acceptable to ‘scientific economists.’ For example, in his youth, he once used six graphs in an essay. [Hayek’s *Prices and Production*, 1931] Admittedly, he never did it again. Mises, in contrast, never once adopted such tactics

to appeal to his peers. He assumed that one graph is worth a thousand methodologically illegitimate words.) . . . ¶Rothbard continues to cite Professor Mises in his writings. This is another totally unacceptable methodological strategy in the eyes of the Nobel Committee.” (p.95) “¶To put it bluntly, the secret of success in academic economic circles has as much to do with style as it does with content . . . Murray Rothbard has the unique distinction of being consigned to the professional outer darkness for both the style *and* content of his writing, an honor he shares with Mises. Mises, however, wrote his first book in 1906 and his most important book, *The Theory of Money and Credit* [B-2], was published in 1912, in the era in which mathematics had not yet triumphed in economic discourse. Rothbard’s stubbornness in writing exclusively in English can be viewed by his academic peers as perverse intransigence, rather than a mere stylistic carryover from a now-bygone era. Mises had an excuse; Rothbard doesn’t. Besides, Mises is dead; Rothbard isn’t.” (pp.96-97) “¶Rothbard published three economics books in 1962 and 1963 . . . [F]or a generation of neo-Austrian readers who did not begin with Mises’ fat tomes, these books were vital, especially *Man, Economy, and State*. They opened up Mises’ deductivist and subjectivist economics to necessarily self-taught students who found Mises’ less structured presentations foreboding . . . ¶If the Austrian economic tradition should survive intact despite its present methodological disintegration, and if it should eventually gain the foothold on campus which it has never really enjoyed, then much of the credit . . . will have to go to Rothbard’s essays in persuasion. This scientific revolution . . . will have been produced by Mises, who was denied a full professorship for over six decades, except for six years in Geneva (1934-40), by F. A. Hayek, who suspects he was blackballed in secret session by the University of Chicago’s economics department, and by Murray Rothbard, who has been denied formal access to graduate students throughout his career.” (pp.102-103)

Paul, Ron. “The Political Importance of Murray N. Rothbard.” pp.329-332. “It would be difficult to exaggerate Professor Murray N. Rothbard’s influence on the movement for freedom and free markets. He is the living giant of Austrian economics, and he has led the now-formidable movement ever since the death of his great teacher, Ludwig von Mises . . . We are all indebted to him for the living link he has provided to Mises, upon whose work he has built and expanded.” (p.329) “Even a person familiar with only a small part of the vast work Rothbard has produced during his career knows his attitude towards politics. Like Mises, he labels the State as the ‘social apparatus of violent oppression’.” (p.332)

Rockwell, Llewellyn H., Jr. “Three National Treasures: Hazlitt, Hutt, and Rothbard.” pp.139-150. A reprint of Rockwell’s 1987 article of this title, see above.

Skousen, Mark. “Murray Rothbard as Investment Advisor.” pp.151-174. “It’s difficult to assess their [the ‘Austrian’ economists] ability to make predictions. Early in his career, Ludwig von Mises was offered a high position at the Credit Anstalt, the largest bank in Austria, but he refused because he expected a great ‘crash’ to be coming and he didn’t want his name associated with it. He was proven correct when Credit Anstalt went bankrupt and precipitated the depression in Europe in the 1930s.” (p.156) “¶In conclusion, perhaps Murray Rothbard would agree most with his teacher, Ludwig von Mises, who told his new wife, Margit, ‘If you want a rich man, don’t marry me. I am not interested in earning money. I am writing about money, but will never have much of my own’.” (p.159)

Boettke, Peter J. “Economists & Liberty: Israel M. Kirzner (1930-)” *Nomos*. Chicago. 6:2 (1988) 21-27. “While completing his course work for the MBA, Kirzner happened to meet Ludwig von Mises, and changed his career path from professional accountancy to academic economist. Kirzner wrote his dissertation under Mises at New York University and was awarded his Ph.D. in economics in 1957 . . . ¶If Mises carried out the subjectivist revolution more consistently than any other writer, then I think it is no exaggeration to state that Kirzner has refined Mises’ insights more consistently than any other writer in the Austrian tradition. In this regard, it is most accurate to refer to Kirzner as the most devoted and consistent Misesian of the modern Austrian school. This makes him, I believe, not only the most important, but the *best* economist of the modern Austrian school . . . ¶Kirzner’s elaboration of Misesian insights into the market process possess[es] radical implications for economic policy. Kirzner, as economist qua economist, has attempted to stay clear of ethical arguments to justify private property. He is perhaps the strictest

defender of Mises' notion of 'value freedom' in economic analysis. But, this does not mean that his analysis has nothing to say about the proper social relations of man."

- _____. "Evolution and Economics: Austrians as Institutionalists," *Research in the History of Economic Thought and Methodology*. vol. 6 (1988).
- _____. "The Political Economy of Soviet Socialism, 1918-1928," Ph.D. dissertation. George Mason University, 1988. 405pp. "While the theoretical discussion [in the economic calculation debate] proceeded at a very abstract level, it was implicitly influenced to a great degree by the socialist experiment in Russia. 'The subsequent developments of the discussion were, Polanyi argues, 'largely determined by events in Russia.' [Polanyi's *The Logic Liberty*] Including what was meant by socialism. 'At the time of L. v. Mises' first writing, the meanings of Socialism and central planning were unquestioningly identified with the elimination of the market as a means of allocating resources and its replacement by a system of direct central allocations.' . . . ¶[I]t went 'unnoticed,' Polanyi argues, that 'modern Socialist theory, by adopting the principles of commerce, has quietly abandoned the cardinal claim of Socialism: the central direction of industrial production.' . . . First, the existence of the five-year planning system, which was interpreted by everyone as central planning, suggested that socialism was indeed possible, and not devoid of economic rationality. Thus, Mises was proven wrong by the Soviet facts. Secondly, it became commonplace to view the market in the perfectly competitive framework, and to read this framework onto Mises. Thus, Mises was proven wrong by the mathematical model of general competitive equilibrium. The first reason was a failure to understand the original meaning of socialism towards which Mises' challenge was directed The second reason was a result of the confusion between the respective debaters over what they considered theory. The misunderstanding over what constituted theory did not allow either the Austrians or the market socialists to understand what the other one was saying." (pp.80-83)
- Butler, Eamonn. *Ludwig von Mises: Fountainhead of the Modern Microeconomics Revolution*. Aldershots, Hants, England; Brookfield, Vt.: Gower Publishing Co., 1988. This book summarizes Mises' views on socialism, interventionism, nationalism, the welfare state, and explains subjectivity and unpredictability of the actions of individuals, as well as economic phenomena such as entrepreneurship, profit and loss, competition, monopoly, etc. As the title indicates, Butler considers Mises the "fountainhead" of modern microeconomics. However, he believes Mises' influence has extended beyond microeconomics and that many of his ideas have been absorbed into "mainstream economics," even if in a somewhat watered-down or distorted form. Butler differs with Mises on some points, primarily on scientific method. He writes: "Mises' thoroughgoing rejection of measurement and statistical methods as practiced in general equilibrium theory raises once again the question of whether prediction is ever possible in economics. The answer which Mises appears to give is that prediction is possible, but only in a rather broad form, and never with mathematical certainty or precision ¶Mises' student, F. A. Hayek, introduced the notion of 'pattern prediction' to illustrate the limited but important prediction that is possible in the social sciences such as economics Mises did not use the phrase 'pattern prediction' himself, and indeed many of his supporters initially regarded Hayek's description of it as a radical departure from Mises' own method. Some still do ¶Nevertheless, the concept of pattern prediction has won many supporters, and the fact that we do seem able to detect general patterns in economics has reinforced it, and made many scholars conclude that Mises was too sweeping in his conclusions." (pp.183-184)
- Carson, Clarence B. *Basic Economics*. Wadley, Ala.: American Textbook Committee (1988). Cites Mises several times and includes a brief biographical sketch.
- Centro de Investigaciones sobre la Libre Empresa, A. C. "El Premio Ludwig von Mises" [The Ludwig von Mises Prize]. The 1988 Centro's essay contest, named in honor of Mises, was based on his *Human Action*.

Chabot, Jean-Luc. *Histoire de la pensée politique*. Paris: Masson, 1988. In Section III, "L'ultra-libéralisme contemporain" [Contemporary ultra-liberalism], Chabot discusses Ludwig von Mises (pp.52-53) as representing the return of the "invisible hand": "According to Mises, society is based essentially on individuals who enjoy total liberty and independence of decision. Personal interest, which is presented as the motive and basic foundation of the market society, is justified not only for its economic superiority but also for its moral and political qualities." (p.52)

Charles, Prince of Wales. Speech at Remaking Cities Conference. Pittsburgh (1988 ?). "When talking about remaking cities or bringing new economic life to certain parts of them, we must never forget that at the heart of the question is the human individual: a person who is not just a cog in a giant machine; someone who responds, often subconsciously, to things of the spirit as well as of the material. As von Mises, the Austrian economist and philosopher, said on one occasion: 'Every individual must derive a psychological, as well as an economic profit from his or her actions or else they could not act at all'." (Quoted by the Ludwig von Mises Institute, December 28, 1988)

Critical Review Chicago: Libertarian Review Foundation.

Spring/Summer 1988. Volume 2, Numbers 2 & 3.

Prychitko, David L. "Rational Expectations and General Equilibrium." pp.220-224. Commenting on Christopher Phelan's criticism: "Mises goes to some lengths to distinguish between the notions of what he calls the plain state of rest (market clearing), the final state of rest (that which the market always tends toward, but never reaches), and the evenly rotating economy (Mises' label for general equilibrium). The very fact that the economy is 'rotating' (i.e., all market transactions are constantly repeated) implies not a state of rest, but a 'ceaseless flux' of coordinated expectations and market activity . . . ¶Mises relegates the use of the equilibrium construct to that of a 'thought experiment': the fictitious world of equilibrium is contrasted with our dynamic, uncertain everyday world in order to elicit a better understanding of the everyday world."

Fall 1988. Volume 2. Number 4.

Boettke, Peter J. "The Soviet Experiment with Pure Communism." pp.149-182. Surveys the writings of Communist economists on the USSR's war communism and NEP. In a footnote: "Ludwig von Mises sparked the [economic calculation] debate in 1920 with his challenging article [Article 20.6] . . . Mises refined his argument in *Socialism* [B-4] . . . Mises' conclusion that economic calculation was (is) impossible under socialism was endorsed by Max Weber . . . This triggered responses from German socialist writers such as Karl Polanyi and Eduard Heimann . . . ¶Mises' contention was later challenged in the English-language journals during the 1930s and 1940s. The counterargument was made by Oskar Lange . . . and Abba P. Lerner, . . . among others . . . Mises' student and associate, F. A. Hayek, was an active participant in the debate with the market socialist writers . . . ¶The debate has been a subject of growing interest among economists . . . The most extensive treatment of the debate, however, is provided by Lavoie's *Rivalry and Central Planning*." (pp.177-178, n65). "It is this program of rationalization that Milyutin announced with pride in June 1920 had been accomplished . . . It is this very project of achieving *ex ante* coordination that Mises directly challenged; while Bukharin stated that the planner would know in advance how, to what and for whom to allocate resources, Mises merely asked the planners how, in the absence of monetary calculation, they would know which projects were economically feasible and which ones were not. It is this disregard on the part of the Bolsheviks for economic calculation that finally led to the collapse and the retreat to NEP." (p.181 n108)

Prychitko, David L. "Marxism and Decentralized Socialism." pp.127-148. A review of three books on Marxism by Robert Bideleux, Radoslav Selucky and Michael Albert & Robin Hahnel. Commenting on Albert & Hahnel, Prychitko writes: "If knowledge is significantly tacit . . . , then Albert and Hahnel, by abolishing the market, will be left with no means of using the bulk of this knowledge in discovering new and better ways to allocate scarce resources . . . A single mind or council of minds will not have all the knowledge necessary to rationally design a complex economy. This is the essence of what has come to be called the 'knowledge problem' posed by the Austrian-school economists, the problem Ludwig von

Mises described in his classic 1920 essay which ignited the socialist calculation debate within the economics profession ¶If it is impossible for people to think relationally in real-world markets . . . then will they be able to do so without prices? The standard economist's concern with price alone, it is true, leads to an unrealistic model of the way the world works. Albert and Hahnel's concern for dialogical processes within economic systems provides a critical turn away from the mainstream which those within the Austrian school would do well to follow. To be sure Mises recognized that 'language opens up the way for a person of exchanging thoughts with all those who use it' in such a way that its influence on 'thinking and the expression of thought, for social relations, and for all activities of life' are immensely significant. But in particular, spontaneously formed market institutions are *not* the result of atomistic individuals responding to a given array of prices, but the result of individuals already involved in truly dialogical relationships. Trade journals, industry studies, marketing agreements, business lunches, conference calls, higgling and haggling, the interpretation of accounts and so on are all part of the grand conversation we call the market process." (pp.136-137)

Davidson, Jim. "3rd Man in a 2 Party Race." *The Pittsburgh Press*. (February 7, 1988) 8-13, 18. "It wasn't until medical school at Duke that Paul [1988 Libertarian Party Presidential candidate] awakened to politics and economics. Like so many other Libertarians, he did it by reading books: the novels of Ayn Rand, Friedrich von Hayek's *The Road to Serfdom*, even *Dr. Zhivago*. Eventually he found an intellectual hero in Austrian-born economist Ludwig von Mises Mises (1881-1973) blamed government intervention for economic instability and the boom/bust cycles. Even more fundamentally, he argued that government cannot make economic decisions that work. Models and predictions are useless because human behavior is unpredictable. Whereas Keynesian economics -- the dominant school of thought for the last 50 years -- relies on government to fine-tune the economy, Misesian economics says governments inevitably wreck economies by flooding the market with 'political money' made of paper." (p. 12)

Davis, James E. & Regina McCormick. *Economics: A Resource Book for Secondary Schools*. Santa Barbara, Calif.: ABC-CLIO, 1988. Contains a short biography (pp.55-56) of Mises. "A tried and true advocate of *laissez faire* capitalism, von Mises argued for reduction of government expenditures and the freedom of market forces, thus moving an economy toward equilibrium ¶Ludwig von Mises, champion of private, market-based free enterprise, had a profound impact on later thinkers, such as Milton Friedman, who advocate an unfettered system of capitalism."

Dixon, Frederick R. "Capitalism needed tinkering." *Plain Dealer*. Cleveland, Ohio (June 17, 1988). Attacks Jim Russell's position (see above, 1986) in support of Mises' thesis that interventionism leads to socialism. Dixon states: "Austria sensibly ignored the 'irrefutable logic' of native son Mises and headed in a different direction. Today, its successful, stabilizing Social Market Policy is heavily interventionist, with Keynesian mechanisms to correct downswings as well as restraints on wages and corporate prices to control upswings."

The Free Market. Burlingame, Calif.: Ludwig von Mises Institute, 1988.

January 1988, Volume 6. Number 1:

Ebeling, Richard. "Freedom vs. Planning." *The Free Market*. pp.4-5. "The 20th century is ending with the socialist ideal in complete disarray ¶All this was anticipated by Ludwig von Mises almost seventy years ago Mises conclusively demonstrated that without market-generated prices, expressed in terms of a common medium of exchange, it is impossible to use society's scarce resources in a rational manner ¶Mises repeatedly observed that the western world was moving toward collectivism. But he also emphasized that 'the trend can be reversed as was the case with many other trends in history.' In the realm of human action no choices are 'inevitable.' History is made by men, and men are ultimately guided by ideas." Reprinted in Llewellyn H. Rockwell, Jr., ed. *The Free Market Reader*. Mises Institute, 1988. pp.239-244.

February 1988. Volume 6. Number 2:

Hoppe, Hans-Hermann. "The Intellectual Cover for Socialism." pp.1, 4. Empiricism "shields socialism from refutation by its own failure, and gives socialism whatever credibility it still has. ¶That's why the Misesian critique of socialism attacks both socialism and empiricism. It explains that there is a necessary connection between socialism and lower living standards; the Russian experience is no accident; and the empiricists' attempt to make it appear an accident is founded on intellectual error." Experience can tell the empiricist "that a particular socialist policy scheme did not reach the goal of producing more wealth. But it can never tell him if a slightly different one will produce better results . . . ¶Misesian economics shows that socialism fails because it violates the irrefutable laws of economics . . . ¶If we want to attack socialism, we must also attack the absurd intellectual error of empiricism. And if we want to defeat socialism, we must make a principled Misesian case based on the logic of human action and the irrefutable laws of economics."

April 1988. Volume 6. Number 4:

Rockwell, Llewellyn H., Jr. "The Real Secrets of the Temple." pp.1-2, 8. William Greider's *Secrets of the Temple: How the Federal Reserve Runs the Country* (1987) "serves an important purpose by shining a bright light on an institution for too long hidden in obfuscation and propaganda. But the real secrets of the temple are that: the Federal Reserve is an unconstitutional and illegitimate enterprise . . . it causes economic disasters; its officials are arrogant bumlbers; and the great statesmen and economists -- from Andrew Jackson to Ron Paul, from Ludwig von Mises to Murray N. Rothbard -- have wanted it or similar operations wiped from the face of the earth. ¶A central bank is incompatible with a free society. For the sake of our economy and our liberty, and of simple justice, we should abolish the Monster In its place we need a real gold standard and non-fraudulent free banking, as Ludwig von Mises outlined, and as the Founding Fathers intended." Reprinted in *The Free Market Reader*. Llewellyn H. Rockwell, Jr., ed. Mises Institute, 1988. pp.116-122.

July 1988. Volume 6. Number 7:

Hoppe, Hans-Hermann. "Why Socialism Must Fail." pp.1, 4-5. "Mises' insight [that rational economic calculation is impossible under socialism] is simple but extremely important: because the means of production under socialism cannot be sold, there are no market prices for them. The socialist caretaker cannot establish the monetary costs involved in using the resources or in making changes in the length of production processes. Nor can he compare these costs with the monetary income from sales. He is not allowed to take offers from others who want to use his means of production, so he cannot know what his foregone opportunities are. Without knowing foregone opportunities, he cannot know his costs. He cannot even know if the way he produces is efficient or inefficient, desired or undesired, rational or irrational. He cannot know whether he is satisfying less or more urgent needs of consumers." Reprinted in *The Free Market Reader*. Llewellyn H. Rockwell, ed. Mises Institute, 1988. 244-249.

August 1988. Volume 6. Number 8:

Rockwell, Llewellyn H., Jr. "A Plague from Both Their Houses: The Economic Advisors to Bush & Dukakis." pp.1-6. Rockwell analyzes two advisors each from the Bush and Dukakis camps -- Bush: Michael Boskin, Martin Feldstein and Dukakis: Robert Reich, Lawrence H. Summers. "Government spending can never be an investment in the private-sector sense ¶As Ludwig von Mises showed, bureaucrats -- because they operate outside of the price system -- have neither the information nor the incentive to invest. Their activities must always lead to a net social loss." (p.2) Rockwell quotes Mises: "The development of a profession of economists is an offshoot of interventionism [with] the specialist who is instrumental in designing various measures of government interference He is an expert . . . at hindering the operation of the market economy." Rockwell holds that the four economists discussed "will not exercise any real influence. Rather, like the witch-doctor, their function will be to give a pseudo-scientific cover to the interventionist policies of their candidate and his backers ¶[W]e need economists who share the vision of Ludwig von Mises, and instead of promoting the interests of big government, oppose any interference with the peaceful prosperity of the free market." (p.6)

September 1988. Volume 6. Number 9:

Rockwell, Llewellyn H., Jr. "Massachusetts and the Mussolinization of America." pp.2-3. "With guaranteed

profits," many corporations in Massachusetts today, as in Mussolini's corporate state in the 1920s in Italy, "are partially liberated from consumer control. In return, they agree to pay the above-market wages that labor unions demand, and otherwise cooperate with the state. But what will be the economic result?" Mises' argument that economic calculation is impossible under socialism, "must also apply to the corporate state. To the extent that some corporations enjoy state-privileged positions, they are partially protected from competition . . . ¶The bigger the corporate state becomes, the less consumers' desires will be satisfied. As Misesian analysis shows, the corporate state must be an economic failure, no matter what miracles are claimed. Tragically, fascism is all too often a political success."

Rothbard, Murray N. "William Harold Hutt: In Memoriam." pp.4-5. "On June 19, William Harold Hutt, one of the most productive and creative economists of this century, died in Irving, Texas, at the age of 89 ¶Hutt's first great contribution to economics was his concise and lucid *The Theory of Collective Bargaining* (1930) Ludwig von Mises wrote in the preface to the first American edition of Hutt's book: 'Professor Hutt's brilliant essay is not merely a contribution to the history of economic thought. It is rather a critical analysis of the arguments advanced by economists from Adam Smith down and by the spokesmen of the unions in favor of the thesis that unionism can raise wage rates above the market value without harm to anybody else than the "exploiters".'

October 1988. Volume 6. Number 10:

Paul, Ron. "The Coming World Central Bank." pp.1, 7-8. "The head of the European Monetary System, former French President Valery Giscard d'Estaing, says Thatcher will join when the Ecu becomes 'a real currency.' However, no government or group of governments can create a currency out of thin air. They must pay attention to the economic laws that Ludwig von Mises proved with his 'regression theorem,' namely that currencies must originate in the free market." Reprinted in Llewellyn H. Rockwell, Jr., ed. *The Free Market Reader*. Mises Institute, 1988. pp.335-338.

Rockwell, Llewellyn H., Jr. "Seeing through the Big-Government Smokescreen." pp.2, 7. "Ludwig von Mises always distinguished between the two methods of acquiring wealth: the voluntary way of the free market and the coercive means of the state."

Rothbard, Murray N. "The Collapse of Socialism." p.3. "Ludwig von Mises, at the dawn of the Socialist Century, warned . . . that socialism simply could not work: that it could not run an industrial economy, and could not even satisfy the goals of the central planners themselves, much less the mass of consumers in whose name they speak. For decades Mises was derided, and discredited, and various mathematical models were worked out in alleged 'refutation' of his lucid and elegant demonstration. ¶And now, in the leading socialist countries throughout the world . . . governments are rushing to abandon socialism Because they are really saying that Mises was right, after all, that socialism doesn't work, and that only desocialized free markets can run a modern economy."

Tucker, Jeffrey A. "The Life and Work of a Dissident Scholar." pp.4-5. "Samuel Johnson wrote that the great minds of history are 'of large general powers accidentally determined in a particular direction.' Ludwig von Mises (1881-1973) had such a mind." Tucker comments briefly on Mises major works and Rothbard's new book, *Ludwig von Mises: Scholar, Creator, Hero*. "Mises faced incredible challenges: he held no regular academic post, the Nazis ran him out of the country he loved, his brightest students abandoned him late in life, Keynesian doctrine became orthodoxy despite his work, and he watched in horror as statism and war engulfed his century ¶Yet Mises remained an uncompromising advocate of economic science and pure laissez-faire until his death. By Johnson's definition of heroism, Mises qualifies."

November 1988. Volume 6. Number 11:

Watson, Patrick. "A Wall is a Wall." pp.5-6, 8. "As Ludwig von Mises wrote in *Liberalism* (1927), freedom of movement is an idea of 'momentous significance for the future of the world.' The right to immigrate 'belongs to the very essence of society based on private ownership.' The 'fate of civilization' depends on nations eliminating walls to the free flow of goods and labor. That was correct 61 years ago, and it's right today."

December 1988. Volume 6. Number 12:

Tucker, Jeffrey A. "Socialism Comes Full Circle." pp.6-7. "A remarkable story [by Yugoslavia-based

journalist Jackson Deihl] appeared on the front page of the *Washington Post* on October 16, 1988, that confirmed Ludwig von Mises' predictions about the failure of socialism . . . Communist governments are discovering that: 'Prices are the key mechanism of the market economic system,' Deihl wrote, 'the force that links together all kinds of activity, from producing to trading to bankruptcy.' . . . ¶The failure of traditional socialism may have reduced its role as the world's major threat. However, another version of socialism may be already replacing it: a regulatory state where there is private ownership, but the government eliminates competition at the behest of established economic interests . . . ¶In the Epilogue [B-14] to *Socialism*, which Mises added in 1951, he attacks this fascist-like form of economic organization, and predicts that it, in the future, 'will be resurrected under a new label and with new slogans and symbols.' The consequences will be 'destruction and death'."

Friedman, Milton & Rose D. Friedman. "The Tide in the Affairs of Men." A chapter in *Thinking About America: The United States in the 1990s*. Annelise Anderson & Dennis L. Bark, eds. Stanford, Calif.: Hoover Institution Press, 1988. "[T]he world of ideas started to change direction just as the [Fabian Socialist] tide in the world of practice was cresting. Throughout the ascendancy of socialist ideas there had, of course, been counter-currents -- kept alive in Britain by G. K. Chesterton, Lionel Robbins, Friedrich Hayek, and some of their colleagues at the London School of Economics; in Austria by Ludwig von Mises and his disciples; and in the United States by Albert Jay Nock, H. L. Mencken, and other popular writers; Henry Simons, Frank Knight and Jacob Viner at the University of Chicago; and Gottfried Haberler and Joseph Schumpeter at Harvard -- to mention only a few." This chapter reprinted in *The Freeman*. 39:4 (April 1989) 135-143.

Gordon, David. *Ludwig von Mises: Giant of Liberty*. Auburn, Ala.: Mises Institute, 1988. 72pp. An annotated bibliography. Contains several serious errors and some of Mises' important works are omitted.

Hayek, F. A. *The Fatal Conceit: The Errors of Socialism*. Chicago: University of Chicago Press, 1988. The "fatal conceit," Hayek maintains, is the belief that human beings can *plan* society without the knowledge and the prices that derive from the market. "Although it is an error" to believe that social relationships can be "deliberately designed," Hayek writes, "it is a noble one, one that is, in Mises' words, 'grandiose . . . ambitious . . . magnificent . . . daring'." (p.75) Hayek agrees with Mises that Ricardo's principle of comparative costs could better be known as "the Ricardian Law of Association." (p.100) And he notes that it was Mises who revived Whately's term "catallactics" to refer to the market order. (p.112)

Hoppe, Hans-Hermann. *Praxeology and Economic Science*. Auburn, Ala.: Mises Institute, 1988. According to reviewer Peter G. Klein: "Hoppe shows how all the basic categories of economics . . . are all logically implied in what Austrians call the 'axiom of action': that people act to achieve goals. This method is based on the work of the German philosopher Immanuel Kant. But Mises actually went beyond Kant by applying Kant's analysis to human action. '¶Mises' great insight,' Hoppe says, 'was that economic reasoning has its foundation in just this understanding of action.' Laws of economics can all be derived from the action axiom, as Hoppe shows. They do not require empirical testing for their validation as the propositions of the natural sciences do." (*The Free Market*. Auburn, Ala.: Mises Institute. 7:3 (March 1989) 7-8.

Ikeda, Sanford. "The Theory of Resource Monopoly and Antitrust Analysis." Ph.D. dissertation, 1988. New York University. Reasoning on the basis of Misesian theory, Ikeda considers market monopoly and asks if entrepreneurs are hindered from coordinating dispersed information and from discovering and exploiting profit opportunities when, in the absence of legal restrictions, a particular resource is controlled exclusively or nearly so by the monopolist.

Keenan, John Leo. "Salute to the Great Ludwig Von Mises." *The Daily Aztec*. San Diego State University (October 24, 1988) 5. A brief summary of Mises' major works. "Free enterprise was bound to lose its greatest

defender when 92-year old Ludwig von Mises passed away on Oct. 10, 1973 In spite of his pioneering achievements, Mises never received a professorship or tenure in a European or American university, and he remained an unsalaried 'visiting professor' History might record one day that leftist movements are not morally bankrupt because their policies fail; but because they were born, and are kept alive, through the indispensable tactic of avoiding scrutiny and, yes, through intimidation ¶An insider explanation for the revealing exclusion of Ludwig von Mises is that of Mises' wife, Margit, written after his death: 'Lu's writings were hated by socialists of every type -- Nazis, communists, fascists and, as I later found, American socialists as well. . . . Mises was simply too damned good.'

Kirzner, Israel M. "Some Ethical Implications for Capitalism of the Socialist Calculation Debate." *Social Philosophy & Policy*. 6:1 (Autumn 1988) 165-182. "Traditionally the arguments for or against capitalism had, until 1920, been deeply involved in ethical questions. Mises' 1920 challenge to socialism, in contrast, was explicit in making no attempt to address any claims concerning the alleged moral superiority of socialism. He simply argued that, as an economic system, socialism was inherently incapable of fulfilling the objectives of its proponents; central planners are unable to plan centrally." (p.165) Nevertheless, according to Kirzner the Austrian position in the socialist calculation debate holds "important implications for the ethical appraisal of capitalism [of which] neither Mises nor Hayek appear to have been aware." (p.166) The Austrian calculation debate makes the "finders-keepers ethic" relevant, by viewing "the market process . . . as a process of discovery in the context of open-ended scope for ignorance." (p.181). What a person grasps when he discovers "an income opportunity in the market place is an opportunity that others have not yet perceived The . . . finders-keepers ethic declares these discovered incomes won by resource owners in the market to be rightfully theirs ¶As soon as we appreciate the nature of the market as an ongoing process of mutual discovery, we are in a position to recognize the possible applicability of this ethic to a wide range of seemingly surprising cases. ¶Mises and Hayek never did realize these ethical implications that follow from their position in the calculation debate. But, again, Mises and Hayek were themselves less than completely appreciative of the fundamentally different understanding of the market which their position reflected. Just as one byproduct of the calculation debate was the more careful articulation of the fundamentally different understanding, it is possible that yet another byproduct . . . is the crystallization of a novel approach to capitalist morality." (p.182)

Legutko, Ryszard. "Do Liberals Love Liberty?" *The Salisbury Review: A quarterly magazine of conservative thought*. London: Claridge Press. 7:1 (September 1988) 27-30. This article describes Ludwig von Mises as "a distinguished economist, the spiritual father of American libertarians." The author quotes Murray Rothbard who called Mises "a proclaimed pacifist . . . a strong proponent of national self-determination not only for national groups but for subgroups down to the village level . . . someone so hostile to immigration restrictions that he almost endorsed war against such countries as the United States and Australia to force them to open up their borders But Ludwig von Mises was still moderate," the author says, "when compared to some of his disciples." He considers libertarian psychiatrist Thomas Szasz's conclusion the "most extreme and . . . most bizarre." He "calls compulsory hospitalisation 'a crime against humanity,' fundamentally parallel to slavery ¶Since the psychiatric oppression is supported by scientism, the greatest assault on freedom is launched in the technologically and intellectually most advanced countries, like the United States Szasz even maintains that the total number of people incarcerated for political reasons in the psychiatric hospitals in the Soviet Union is but a small fraction of those incarcerated in the American hospitals for their opinions every year."

Liberty. Port Townsend, Wash.: Liberty Publishing.

Volume 1, Number 5. May 1988:

Waters, Ethan O. "The Two Libertarianisms." pp.7-11. Contrasts (1) "libertarian moralism," typified by Ayn Rand, who holds there is "only *one* fundamental right . . . a man's right to his own life," and (2) "consequentialist libertarianism," represented by Mises, for whom "liberty is valued because it enables men to optimize their wealth and happiness."

Volume 2, Number 1. September 1988:

Hoppe, Hans-Hermann. "The Ultimate Justification of the Private Property Ethic." pp.20-22. "The idea of praxeology and his [Mises'] construction of an entire body of praxeological thought earns Mises a place among the greats of the modern Western tradition of rationalism in its search for certainty. But Mises does not think it is possible to provide a similarly apodictically certain foundation for ethics." Hoppe argues, however, that "the essentially Lockean private property ethic of libertarianism can ultimately be justified ¶[T]he question of what is just or unjust . . . only arises insofar as one is capable of propositional exchanges, i.e., of argumentation." And, Hoppe says, it would be impossible to argue "if one's right to make exclusive use of one's physical body were not already presupposed [and] justified *a priori* ¶Thus, the fact that one is alive presupposes the validity of property rights to other things ¶Moreover, it shows that an *a priori* justification for this approach exists insofar as the problem of true and false, or right and wrong, does not arise outside and apart from propositional exchanges; . . . and finally, that it is argumentation, then, which requires the recognition of private property."

Machan, Tibor R., ed. *Commerce and Morality*. Totowa, N.J.: Rowman & Littlefield, 1988.

Lee, J. Roger. "Morality and the Markets." pp.94-115. "The calculation problem is best viewed as an argument showing that there is a vital problem that a central planning authority trying to coordinate the affairs of an economy by directives could not meet." (p.96) See p.111 n.6.

Market Process. Center for the Study of Market Processes, Department of Economics, George Mason University, Fairfax, Virginia. 6:1 (Spring 1988):

Ebeling, Richard M. "Expectations and Expectations Formation in Mises' Theory of the Market Process." pp.12-18. Ebeling quotes from Mises' *Theory and History*: "To know the future reactions of other people is the first task of acting man." Ebeling notes that Mises attempted "to formulate a constructive theory of expectations and their formation in the market process" and finds it "curious . . . that later Austrians have given little attention to Mises' attempted solution ¶[T]he greatest influence on Mises in terms of method seems to have been Max Weber And one of Mises' earliest essays devoted to the methodology of the social sciences [Article 29.2] was written in the form of an immanent criticism of Max Weber's concept of ideal types ¶Max Weber's conception of meaningful action is the starting point for Mises' formulation of 'praxeology,' a general theory of human action ¶Praxeology was a *logic of action* within which the specificities of concrete human choices could be analyzed. ¶The task of history, as Mises saw it, was to then apply the action framework . . . to the interpretative understanding and explanation of the residues of past human conduct ¶The primary tool of historical understanding, Mises argued (and in this he followed Weber completely), was the ideal type ¶The *ideal type* is a composite image of an individual or group of individuals created in the mind of a person wishing to either understand their actions in the past or anticipate their actions or reactions to various circumstances in the future ¶In Mises' theory of the market process, the focal point of the analysis is the entrepreneur ¶The primary tool for the entrepreneurial undertaking, Mises argued, was the interpretive tool of *Verstehen* (understanding) and the method for "understanding" the future demands and actions of others was the ideal type. ¶Having proposed a theory of expectations formation that emphasized the role of the ideal type for interpretive understanding; and having emphasized the pivotal role of the entrepreneur for market coordination, the next step would seem to be for Mises to have integrated these two elements -- ideal type constructs as an expectational tool and entrepreneurial decision-making -- into one analysis. He, however, does not do so ¶Mises' writings on monetary theory clearly reveal a strong belief on his part that market participants do not only learn from experience, they anticipate future effects from present policies, and this anticipation modifies present behavior, thereby reinforcing or nullifying the monetary influences. But, once again, this part of his writings is not integrated into his theory of expectations formation, not even in *Human Action*. His theory is incompletely developed and applied within his own system ¶While viewing the entrepreneur as the focal point of the market process, and while emphasizing that it is through the tool of interpretive

understanding of others in the market that entrepreneurs direct economic activity, Mises failed to fully integrate his ideal type conception into his theory of entrepreneurship. And as a result he left his theory of the market process incomplete. ¶It is a task that remains for the next generation of Austrian economists.”

- Horwitz, Steven. “Misreading the ‘Myth’: Rothbard on the Theory and History of Free Banking.” pp.35-40. “Because Rothbard attempts to link 100 percent reserve banking with Mises’ banking theory, . . . it might be of interest to see what Mises himself had to say about inflation. In his classic contribution to monetary theory, *The Theory of Money and Credit* [B-2], Mises argues that ‘in theoretical investigation there is only one meaning that can rationally be attached to the expression inflation: an increase in the quantity of money (in the broader sense of the term, so as to include fiduciary [fractional] media as well), that is not offset by a corresponding increase in the need for money (again in the broader sense of the term) . . .’ Clearly Mises is adopting a monetary equilibrium theory view of inflation. Increases of the supply of money need not be inflationary, even those that are in excess of increases in the monetary metal. Whatever the merits of Rothbard’s (or Mises’) view, Rothbard is not very ‘Misesian’ in his definition of inflation.” (p.37)
- Kibbe, Matthew B. “Mind, Historical Time and the Value of Money: A Tale of Two Methods.” pp.22-30. “It is important to stress the difference between Shackle’s and Mises’ uses of the term ‘rational.’ For Mises, rationality is equivalent to human purposiveness . . . While Shackle’s thought is focused on the deconstruction of the ‘rational Ideal’ of the neoclassical paradigm, Mises’ work is an attempt to break out of the mold of instrumental reasoning and construct a richer, positive alternative to the neoclassical view of man . . . ¶What Mises begins to develop with his historical regression theorem is a theory of expectations formation. It is best to view his effort as a major break with the mechanical, timeless style of thought of neoclassicism -- a ‘thrust towards subjectivism.’ Unfortunately, Mises never made his theory of the formation of price expectations explicit . . . ¶Mises’ failure to make the role of expectations explicit has led Ludwig Lachmann to the belief that they do not exist within the Misesian paradigm . . . ¶The regression theorem demonstrates that by interpreting the significance of the pattern of money prices in the present individuals are able to form what are reasonably reliable expectations about the future value of money . . . As Mises himself argues, ‘not only its supply and demand for industrial purposes, but also its supply and demand for use as a medium of exchange, have influenced the value of gold from that point onward when it was first used as money.’. . . Mises never denied the value of money as a medium of exchange. His insistence that money must be somehow linked with an already valued commodity concerns an altogether separate issue -- the theory of the evolution of money, which he inherited from Menger . . . ¶So, when speaking of an evolution of the individual mind’s perception of money. Money, in order to have value, must first be perceived as having value by individuals. ¶In this light, Mises’ insistence that money must somehow be linked with an already valued commodity becomes both relevant and even necessary to his theory. In order to be accepted at all, the value of money depends on the *trust* of the individuals within society . . . , and this can only be established through an appeal to some other already accepted value. The value of money does not magically appear out of nothingness, but rather out of the unfolding of human history itself . . . ¶Laurence Moss argues that Patinkin does indeed offer an alternative solution to the value of money problem with which Mises’ regression theorem deals . . . ¶Patinkin, who is only concerned with the equilibrium solution to the problem of the value of money, remains unable to solve the problem of how money comes to be valued in the first place . . . ¶As Hayek argues, ‘most peculiarities of [Mises’] views which at first strike many readers as strange and unacceptable trace to the fact that in the consistent development of the subjectivist approach he has for a long time moved ahead of his contemporaries . . . Unfortunately, Austrians have for a long time proven quite unable to fully articulate the uniqueness of their methodology. Mises, along with Hayek, was never ‘able to show, with the cogency their case required, the incompatibility between the idea of planned action, the very core of Austrian economic thought, and an analytical model which knows no action, but only reaction’.”

- Markovitz, Morry. "Money Talks: And What it Says to Morry Markovitz is 'Buy!'" *Barron's*. (June 30, 1988) 11, 30, 32, 34. Markovitz, a commodities trading analyst, is interviewed by *Barron's*: "I don't anticipate that we will get a great deal of inflation before the election The real problem will come next year, when inflation does heat up and stocks are a lot higher in an environment where interest rates have been maintained, for some time, at artificially low levels by the Fed The economy will be so far out on a limb that we could, well, have a more massive crash than we saw last October ¶Q: But you say it will all come to a thudding halt sometime in the not too distant future. Why's that? A: Well, to understand that, you have to know something about Austrian economics and the writings of Ludwig von Mises."
- Maybury, Richard J. "The Case for Austrian Economics: An Extraordinary Tool for Extraordinary Profits." *Personal Financial Investing*. New York (September 1988) 24, 26. "One week before the big crash last year, four investment advisors . . . warned the audience to bail out of the stock market. All four advisors used a new tool to analyze investments, a tool known as Austrian economics ¶To Austrians, the idea that politicians and bureaucrats can be trusted with money is laughable." Maybury recounts how Mises, "Perhaps the greatest Austrian economist," refused a high position with the Credit Anstalt bank because he anticipated its crash and did not want his name associated with it. In May 1931, the Credit Anstalt went bankrupt, triggering bank runs around the world.
- McGee, Robert W. "The Economic Thought of David Hume." *The Asian Economic Review*. 30:1 (April 1988) 88-117. "While Hume is not often referred to as a monetary theorist, he did have a few things to say about money Hume's version of the quantity theory is the later, sophisticated theory, not the original, crude theory [He] realizes that the money distribution is not instantaneous and even ¶Hume sees this lag as beneficial Mises disagrees ¶However, Hume and Mises were able to agree on at least one point -- the rise in prices resulting from an increase in the quantity of money will not be strictly proportional to the amount of the increase. Hume reached his conclusion based on experience, whereas Mises reached it a priori, based on logic."
- _____. "Ludwig von Mises and the New York Times." *The Asian Economic Review*. 30:1 (April 1988) 131-137. Summarizes and quotes from Mises' nine article-editorials published 1942-3 in *The New York Times*.
- Niskanen, William A. *Reaganomics*. Oxford, 1988. According to book reviewer Jacques Raimon (*Wall Street Journal*, June 15, 1988, p.22), Reagan "claims to be influenced by Mises, Smith, Hayek."
- O'Brien, D. P. *Lionel Robbins*. New York: St. Martin's Press, 1988. "Robbins was a man of extraordinarily wide reading, friendships and sympathies. In particular he had a knowledge of literature written in German [M]uch of this literature was in fact Austrian, and Robbins was particularly appreciative of the work of Mises who, like Robbins but in a much more dangerous situation, also opposed the Nazis." (p.12) "Robbins had personal contact with Mises as well as being a keen student of his writings." (p.26) "[T]here are substantial elements of a *priorism* in his [Robbins'] approach." (p.34) "[A]lthough he [Robbins] was aware of the dangers of using mathematical economics, he did not share Mises' elaborate contempt for mathematical economics." (p.38) In Chapter 3, "Methodology" (pp.23-40), O'Brien discusses the two editions of Robbins' *Essay on the Nature and Significance of Economic Science [ENSES]* (1932) and (1935). "A better idea of Robbins' sources can be obtained from the first edition of *ENSES* rather than from the more widely available second edition. In particular, seven of the Mises references in the first edition are missing from the second edition." (p.184, n.13) "A reference to the marginal utility of money in the first edition of *ENSES*, p.82, is replaced in the second edition, p.78. (p.204, n.71) "Much of Robbins' critique [of socialism and collectivism] is based upon the classic critique by Mises. This source was drawn upon extensively in *The Great Depression*; reviewing the issues more than 40 years later, Robbins was still satisfied that Mises had been correct. He argued that it was a myth that Mises had been shown to have been wrong in saying that rational allocation under collectivism was impossible -- although *some*

allocation is possible, in a society which *is*, rather than *having*, a military-industrial complex, allocation in accordance with the wishes of consumers was out of the question.” (p.64) “Robbins’ pre-war macroeconomics derived from three principal sources; English Classical economics, Wickcell and a group of Austrian writers including Mises and Hayek, with these last being for long the predominant influences ¶Perhaps the most important single influence on Robbins’ approach to the significance of changes in the quantity of money was Mises, whose *Money and Credit* [B-2] seems indeed to have been translated into English at Robbins’ instance ¶Hayek’s work had the advantages over that of Mises of being written with great clarity and of avoiding tendentious digressions, while sharing with Mises an extremely scholarly knowledge of Classical economics which would also have appealed to Robbins.” (pp.106-107)

Oser, Jacob and Stanley L. Brue. *The Evolution of Economic Thought*, 4th ed. San Diego: Harcourt Brace Jovanovich, 1988. See especially pp.401-403. Discusses the economic calculation debate. Lists Mises as a welfare economist rather than as a marginalist. “His emotion-charged style did not endear him to many economists who supported a nonideological, scientific approach to the discipline, yet in 1969 his colleagues named him a ‘Distinguished Fellow’ of the American Economic Association.” (p. 402)

Pasour, E. C. “The Farm Credit Crisis.” *The Freeman*. Irvington, N.Y.: Foundation for Economic Education, 1988. 38:3 (March 1988) 108-113. “Restrictions on banking, as they affect agricultural credit, illustrate the point made by Ludwig von Mises that government intervention creates pressures for further intervention. Government restrictions on bank branching within and between states make it much more difficult for banks in agricultural regions to diversify their portfolios -- hence, the government-created ‘need’ for government-operated and government-sponsored credit institutions.”

Pheby, John. *Methodology and Economics: A Critical Introduction*. New York: St. Martin’s Press, 1988. One chapter devoted to a discussion of Mises’ economic methodology.

Philadelphia Inquirer. “Jack Kemp.” February 7, 1988. Kemp was then considered a potential candidate for U. S. President on the 1988 Republican Party ticket. “He [Kemp] seems to embody irreconcilable differences: A football player who quotes Ludwig von Mises. A Republican who wants the GOP to be the party of poor folks. A Californian representing the Rust Belt. He can sound at once too simplistic *and* too complicated.”

Die Presse. Vienna, Austria. (May 28-29, 1988) p.9. “Gedenktafel für Ludwig von Mises enthüllt” [Memorial Plaque for Ludwig von Mises Unveiled]. “Yesterday in the Vienna Handelskammer (Chamber of Commerce) a memorial tablet for the Austrian economist Ludwig von Mises was unveiled dedicated by the American Ludwig von Mises Institute to ‘the great scholar, teacher and champion of freedom’.” (Translated from the German)

Review of Austrian Economics: 2. Auburn, Ala.: Ludwig von Mises Institute; Lexington, Mass: Lexington Books; D. C. Heath, 1988.

Block, Walter. “On Yeager’s ‘Why Subjectivism?’” pp.199-208. Comments on Yeager’s 1987 article: “Yeager sees the interest rates as the price of something or other: ‘whatever it is that the interest rate is the price of . . . the thing whose price is the interest rate’ In sharp contrast, however, exponents of the pure time preference theory see the interest rate, not as a price of anything in particular, but rather as a praxeological concept which indicates that man acts.” (p.203) Block then cites Mises’ *Human Action* in a footnote: “Time preference is a categorical requisite of human action . . .” Yeager responds (below).

Diamond, Arthur M., Jr. “The Austrian Economists and the Late Hapsburg Viennese Milieu.” pp.157-172. “[T]o trace the influence that the milieu exerted upon the achievements of genius,” according to Ludwig von Mises, was “unsound when applied to the great thinkers of Austria.” (p.157) Nevertheless, Stephen Toulmin and Allan Janik failed to heed this warning; in *Wittgenstein’s Vienna*, they described the intellectual atmosphere of pre-1919 Vienna as “neo-Kantian.” Nevertheless, Diamond says some

- Austrian economists, at least Menger and Böhm-Bawerk according to Emil Kauder, were Aristotelians. But “Mises rejected the Aristotelian methodology of the other Austrian economists in order to adopt a Kantian position.” (p.160) In a footnote (p.168 n13), Diamond suggests that “Ludwig may have been influenced in his Kantianism by his brother Richard of the Vienna Circle. Ludwig von Mises’ student, Murray Rothbard, implies a connection between the work of the two brothers when he claims that Richard ‘made a distinguished contribution to probability theory which has important implications for a sound approach to the social sciences.’ On the other hand, there are no references to Richard von Mises in Ludwig’s magnum opus *Human Action* and the only reference to Ludwig in Richard von Mises’ *Logical Positivism* is, to judge from its context, cool, if not disparaging. (Cf. Richard’s statement: ‘It is not worth while to examine the arguments of those who claim that [an application of mathematical methods to economics] is contrary to the “essence” of economics and to the “non-measurability” of its objectives, etc.’ on p.251) Of course, the most notable person putting forward such arguments was Ludwig von Mises.” Diamond then quotes from a Rothbard letter to him: “It was pretty clear that the two brothers . . . hated each other’s guts, both personally and methodologically-ideologically. When Richard’s *Logical Positivism* came out, [Rothbard] asked Lu what he thought of the book. Lu drew himself up and said in no uncertain terms, ‘I disagreed with that book from the very first sentence until the last.’” Still Rothbard believed “that Lu’s probability theory . . . is a brilliant application of Richard’s frequentist and objective probability theory to the social sciences.” (p.168 n.13)
- Kirzner, Israel M. “The Economic Calculation Debate: Lessons for Austrians.” pp.1-18. The economic calculation debate, opened by Mises in 1920, “was important for the history of economic thought in a sense not generally appreciated . . . as a catalyst in the development and articulation of the modern Austrian view of the market as a competitive-entrepreneurial process of discovery . . . [I]t was through the give-and-take of this debate that the Austrians gradually refined their understanding of their own position.” (p.1) From Hayek’s explanation of the problem of dispersed knowledge came recognition of “the problem of using the abilities that individuals possess to discover relevant concrete information (p.13) . . . ¶From the vantage point of our present understanding of the nature of dynamic competition, of the role of entrepreneurship, and of the social significance of error discovery, we can see what Mises and Hayek ‘really meant’ -- even better, perhaps, than they were themselves able to do at the time they wrote. (p.14) . . . ¶It is one thing to recognize the role of equilibrium prices as economic signals which permit instantaneous coordination of decentralized decisions, based on dispersed bodies of knowledge. It is quite another thing to recognize the role of disequilibrium prices in stimulating entrepreneurial discoveries concerning the availability of dispersed information . . . ¶Be this as it may, the modern Austrian recognition of prices as *stimulating discovery* must be seen as a further development in an unfolding series of advances that must surely be judged as having been set in motion, in significant degree, by the calculation debate.” (p.16) Reprinted in Kirzner’s *The Meaning of Market Process: Essays in the Development of Modern Austrian Economics*. pp.100-118. London/New York: Routledge, 1992.
- Osterfeld, David. “‘Social Utility’ and Government Transfers of Wealth: An Austrian Perspective.” pp.79-95. “One of the tenets of the Austrian position is that the free market invariably increases ‘social utility.’ If government interferes with the market process, Ludwig von Mises wrote, ‘it can only impair satisfaction; it can never improve it’ . . . ¶Recognition of this significant but often overlooked fact [that all government policies transfer wealth either explicitly or implicitly] has profound ramifications . . . Yet, even such insightful and normally courageous Austrians as Mises and Hayek have stopped short of pushing their analyses to their logical conclusions. Mises, for example noted that since there will always be antisocial individuals, the preservation of social order necessitates the use of violence to crush such peacebreakers . . . Unfortunately, since Mises, much like John Locke three centuries before him, never entertained the notion that police and court services could be supplied competitively, he ignored the anarchist implications of his own analysis and inconsistently advocated a (minimal) state.” (p.93)
- Rothbard, Murray N. “The Myth of Free Banking in Scotland.” pp.229-245. A critique of Lawrence H. White’s *Free Banking in Britain* (1984). “Ludwig von Mises was one of those believing that free banking in practice would approximate a 100 percent gold or silver money. Free banking and 100 percent

metallic money advocates in the nineteenth century included Henri Cernuschi and Victor Modeste in France, and Otto Hübner in Germany. Mises' approach was very similar to that of Otto Hübner . . . [whose] ideal preference would have been a state-run monopoly 100 percent specie reserve bank . . . ¶Henry Cernuschi desired 100 percent specie money . . . Victor Modeste [a follower of Cernuschi's] . . . did not adopt the free-banking policy conclusion of his mentor." As a dedicated libertarian, Modeste "frankly declared that the state is 'the master . . . the obstacle, the enemy'." His "announced goal was to replace all government by 'self-government' Like Cernuschi and Mises, Modeste agreed that freely competitive banking was far better than administrative state control or regulation of banks. And like Mises a half-century later (and like most American currency men at the time), Modeste realized that demand deposits, like bank notes beyond 100 percent reserves, are illicit, fraudulent, and inflationary as well as being generators of the business cycle."(pp.234-235)

_____. "Timberlake on the Austrian Theory of Money: A Comment." pp.179-187. Timberlake "acknowledges Mises' many penetrating insights. However, [he] unfortunately dismisses many of the most important aspects of the theory and, hence, can conclude that Austrian differences with monetarism are largely linguistic, or mere practical cautions rather than deep theoretical disagreements. As a result, he can call for strengthening what he clearly considers to be a natural alliance between the two schools of thought . . . ¶Timberlake charges Mises with ambiguity and contradiction, citing passages where Mises clearly recognizes that money is held in cash balances precisely in order to have it ready for eventual use. In fact, Mises goes further, making it clear that money is held because of the basic uncertainty of the future that also gives rise to entrepreneurship . . . ¶Mises' pathbreaking regression theorem solved the [Austrian circle] problem by engaging in what would later be called a 'period analysis'," (pp.179-181) "Professor Timberlake states that Fisher, like Mises, acknowledged the nonneutrality of money, but only *in the short run* . . . ¶Mises' view, in contrast is very different. He demonstrates that change in the money supply has important nonneutral effects on the 'real' economy, in both short run and long." (p.182) See Timberlake's response (below).

Sechrest, Larry J. "White's Free-Banking Thesis: A Case of Mistaken Identity." pp.247-257. A critique of White's *Free Banking in Britain* (1984). "As Mises has stated with characteristic clarity, the only way to prevent money-substitutes such as notes from trading at a discount against money (gold coin in the British case) is to guarantee their prompt and unconditional conversion into money on demand. Conversely, if one witnesses notes trading below par, one can safely conclude that the reason is the failure to redeem them for specie." (pp.250-251)

Selgin, G. A. "Praxeology and Understanding: An Analysis of the Controversy in Austrian Economics." pp.19-58. Selgin examines the challenge to the Austrians raised by skeptics, especially as presented in Shackle's unknowable, patternless "kaleidic" society. Selgin first sets forth the principles of praxeology, and then proceeds "to analyze the ideas of F. A. Hayek, G. L. S. Shackle and Ludwig M. Lachmann insofar as they have cast suspicion upon the praxeological approach as it was originally conceived by Mises . . . ¶Mises' particular elaboration of the Austrian method, which he called 'praxeology,' is still regarded by many Austrian economists as *the* method of the Austrian school (p.20) . . . ¶Mises' extended application of praxeological subjectivism may be viewed as a limited version of the doctrine of epistemological subjectivism or idealism; it maintains that within the realm of human action there are phenomena -- in particular, market phenomena -- that exist only by virtue of the consciousness of purposeful individuals." (p.22) Selgin then considers the implications of the views of Lachmann, Shackle, Hayek, and Kirzner concerning purposiveness, equilibrium, equilibration, coordination, causation, expectations, predictions, and the kaleidic society. Reprinted as a booklet: Auburn, Ala.: Ludwig von Mises Institute; Praxeology Press, 1990.

Timberlake, Richard H., Jr. "Reply to Comment by Murray N. Rothbard." pp.189-197. Responds to Rothbard's critique (above) of Timberlake (*Review of Austrian Economics*, 1987). "Money (as Hutt emphasized and as both Mises and Fisher sensed but did not fully explain) yields an implicit return to the holder regardless of who gets the seigniorage." (p.190)

Yeager, Leland B. "Reply to Comment by Walter Block." pp.209-210. [see above] "Buchanan showed (*Public Principles of Public Debt*) that the burden of government expenditures can indeed be shifted into

the future by deficit financing through issue of bonds. Mises, as in *Nation, State, and Economy* [B-3], pp.167-68, and *Human Action*, (2nd ed., p.227) had been unduly materialistic: the burden cannot be shifted through time, since resources are used when they are used. Buchanan exposed the error by recognizing that a burden is something subjectively perceived." (p.210)

Rockwell, Llewellyn H., Jr. "Ludwig von Mises on Individual Liberty." Letter to the Editor, *Wall Street Journal*, June 27, 1988. Comments on the confiscation of a businessman's \$3 million yacht after a warrantless search revealed a "wisp of marijuana in a wastebasket." Quotes Mises on the threat of further encroachments on freedom once government is considered responsible for protecting individuals from drugs and other possible dangers: "The mischief done by bad ideologies, surely, is much more pernicious, both for the individual and for the whole society, than that done by narcotic drugs."

Rockwell, Llewellyn H., Jr. ed. *The Free Market Reader: Essays in the Economics of Liberty*. Burlingame, Calif.: Ludwig von Mises Institute, 1988. Most articles in this anthology reprinted from the Institute's monthly, *The Free Market*; those that mentioned Mises listed when first published; those not previously listed follow:

Bethell, Tom. "Mises and Gorbachev: Why Socialism Still Doesn't Work." pp.226-230. "The great difficulty for Mr. Gorbachev is this: socialist economies all have a serious defect which cannot be resolved by vigor or good intentions. This defect was spelled out by Ludwig von Mises as long ago as 1920 -- before the evidence of socialist failure was available . . . ¶The problem is this: It is one thing for central planners to draw up a plan of production. It is quite another thing to carry it out. Here we encounter the famous 'problem of economic calculation' formulated by Mises. How can you (the planners) know what should be produced, before you know what people want? And people cannot know what they want unless they first know the price of things. But prices themselves can only be established when people are permitted to own things and to exchange them among themselves. But people do not have these rights in centrally planned economies."

Peterson, William H. "Memories of Ludwig von Mises." pp.177-180. "I was privileged to take three courses from Lu Mises at New York University's Graduate School of Business Administration in the early 1950s So eye-opening were they that I continued to participate in his seminar even after graduating and joining the faculty myself Mises' seminar . . . always attracted his great students like Murray N. Rothbard, Henry Hazlitt, Lawrence Fertig, Israel Kirzner, Ralph Raico, Hans Sennholz, Leonard Liggio, and many others." Once following a discussion of the inflationary implications of deficit finance, "a student asked why President Johnson couldn't have both 'guns and butter.' Mises smiled and replied: 'Ah, President Johnson can have both,' but added with a twinkle in his eye, 'if he is willing to pay for them.'" Peterson also told of Mises' response to Rueff at a Mont Pèlerin meeting; see Peterson under *Free Market*, May 1987 (pp.64-65, above).

Reed, Lawrence W. "Mises and the Soviet Free Market." pp.235-239. "The reason that Soviet socialism has flopped is -- as Mises proved in 1922 -- that all centrally 'planned' economies must, by their very nature, fail. ¶Given the fact of nature that everybody can't have everything they want -- that is, that there is economic scarcity -- there must be some means of directing resources to their most efficient uses. ¶One way to do this is to have central planners set prices and production, telling people what to buy, how much to buy, and when to buy." No one has ever denied that planners can decide what and how much of consumption goods should be produced. "But once this decision has been made," Mises says in *Socialism* [B-4], "there still remains the problem of ascertaining how the existing means of production can be used most effectively to produce these goods in question." That requires economic calculation. "For calculation to occur, says Mises, there must be money prices [which] can only come from free markets, never governments ¶Mises simply argues that all exchange relationships established by the government are necessarily arbitrary. In fact, any government intervention hinders economic calculation, and makes the allocation of resources an irrational process."

Rockwell, Llewellyn H., Jr. "Another Federal Crime Against Consumers." pp.144-145. "The Japanese crime is 'dumping': selling products below cost. But there is no way to tell if dumping is taking place.

Austrian economics shows us that the notion of cost is necessarily a subjective and changing one ¶Even if dumping takes place, why should the police powers of the state be used to impede it? It can't be bad for consumers, and as Ludwig von Mises taught, it is from the standpoint of consumers that all economics and economic policy must be judged ¶Mises called capitalism the system of consumer sovereignty. Anything that inhibits that sovereignty makes us all poorer -- and less free."

- _____. "Looking Beneath the Surface." pp.37-39. When working on Capitol Hill as aide to Congressman Ron Paul, Rockwell learned two lessons: "(1) Every act of government deliberately benefits an interest group coalition at the expense of the rest of us; and (2) The government and the interests always lie about it ¶When looking or listening to the government, assume the reverse of what it claims, and look to see who is getting the cash. Only this way of looking beneath the surface, which Mises called 'caste-conflict' analysis, helps explain government actions so clearly, or -- when exposed -- helps rally the people against further injustices."
- _____. "Tax Payers and Tax Eaters." pp.13-18. On page 13, Rockwell discusses Mises' distinction between the voluntary, free market, way of acquiring wealth and the coercive means of the state. He compares John C. Calhoun's view of the United States as being divided between tax payers and tax eaters to Mises' view that these two groups resulted in a "caste conflict," rather than the Marxian class conflict.
- Rothbard, Murray. "Creative Economic Semantics," pp.32-35. "Of course, government economists have been doing their part . . . to try to sugar-coat the pill of tax increases. They never refer to these changes as 'increases.' They . . . were 'revenue enhancement' and 'closing loopholes.' The best comment on the concept of 'loopholes' was that of Ludwig von Mises. Mises remarked that the very concept of 'loopholes' implies that the government rightly owns all of the money you earn, and that it becomes necessary to correct the slipup of the government's not having gotten its hands on that money long since."

Rothbard, Murray N. *Ludwig von Mises: Scholar, Creator, Hero*. Auburn, Ala.: Ludwig von Mises Institute, 1988. Explains briefly Mises epistemology, his most important contributions to the theory of money and banking, the business "cycle," and the economic calculation debate. Mises' understanding of the perils of government intervention made him a pessimist. Yet he never gave up. As Rothbard writes, he met every danger with "magnificent courage . . . no matter how desperate the circumstance." Whether battling inflation, socialism, government intervention, or Nazism, he "carried the fight forward, and deepened and expanded his great contributions to economics and to all the disciplines of human action." (p.58)

Selgin, George A. *The Theory of Free Banking: Money Supply Under Competitive Note Issue*. Washington, D.C.: Cato Institute; Totowa, N.J.: Rowman & Littlefield, 1988. Several Austrian economists, Mises especially, gave forced savings "a prominent place" in their monetary theory of the business cycle. According to them, "any credit expansion or increase in the supply of fiduciary media . . . is unwarranted. 'The notion of "normal" credit expansion,' according to Mises, 'is absurd'." (p.61) If the expansion of bank liabilities represents "a response to greater abstinence by money holders and, hence, to a fall in the 'natural' rate of interest . . . the fiduciary issue conforms with the 'golden rule' referred to by Mises ¶If some issue of fiduciary media does not involve credit creation, then Mises' 'commodity credit,' which is supposed to be credit not based on fiduciary media (and hence, in Mises' view, not having trade-cycle consequences), must be a mere fraction of what we are calling a transfer credit. In fact precisely what Mises means by commodity credit is not clear. If the phrase refers to bank issues backed 100 percent by reserves of commodity money . . . then it does not refer to credit at all. A bank holding 100 percent reserves against all of its liabilities is not a credit-granting institution, but a warehouse. ¶Alternatively, it may be that by commodity credit Mises means credit granted by banks on the basis of *time* liabilities, as opposed to liabilities redeemable on demand but not backed by 100 percent reserves. But in this case Mises confuses a difference of degree with one of substance. Holders of demand liabilities are granters of credit just as are holders of time liabilities ¶However one interprets it, Mises' view that commodity credit is the only sort of credit consistent with loan market equilibrium causes him to be critical of fractional reserve banking Indeed, Mises' support of free banking is based in part on his agreement with Cernuschi, who (along

with Modeste) believed that freedom of note issue would automatically lead to 100 percent reserve banking." (p.62)

Skousen, Mark. *What Every Investor Should Know About Austrian Economics and the Hard-Money Movement*. Auburn, Ala.: Ludwig von Mises Institute, 1988. "In addition to the gold standard, the hard-money camp also has an ideological foundation in free-market Austrian economics. We have been heavily influenced by the writings of Austrian economists, especially Ludwig von Mises and Friedrich A. Hayek . . . ¶Mises, Hayek and other Austrian economists have convincingly shown that it is government intervention, not the free market, which is responsible for the business cycle." (pp.17, 19)

Smith, T. Alexander. *Time and Public Policy*. Knoxville: University of Tennessee Press, 1988. "Where markets are free and unhampered, the time preferences of a community reflect what is called 'originary interest' or the 'pure rate of interest.' According to Ludwig von Mises, originary interest is 'the ratio of the value assigned to want-satisfaction in the immediate future and value assigned to want-satisfaction in remote periods of the future.'" (p.5) "[U]nder the orthodox gold standard, central banks and commercial banks were under constant pressure to keep their houses in order, lest a fear for the solvency of commercial banks or a belief that the currency was depreciating would soon lead citizens to exchange their dollars or francs for gold. If central banks enjoyed a monopoly from the state, they were nevertheless subject to the discipline of gold: Excessive losses of gold led to attempts to coax reserves back to the banks by raising interest rates and by reducing loans. It was precisely this freedom on the part of the individual to drain banks of specie and so force them to mend their inflationary ways which led Mises to place the gold standard on a par with political constitutions as a bulwark in the defense of individual rights." (pp.231-232) "At bottom the comparative economic wealth of societies results from many decisions being made over time which stress saving and investment at the expense of consumption and leisure. 'Lack of capital,' said Mises, 'is death of time'." (p.240)

Stevens, Richard W. "Anarchy in the Skip Zone: A Proposal for Market Allocation of High Frequency Spectrum." *Federal Communications Law Journal*. 41:1 (November 1988) 43-68. Cites the major legal works in radio property rights, the FCC's legal approach to deregulation and international radio regulation. Stevens finds the basic economic foundation for his recommendations in the works of Ludwig von Mises and he cites Mises' sources. Concerning privatization of the airwaves, Stevens stresses the importance of the market: "Purely physical characteristics of economic goods cannot determine how best to employ them to satisfy human wants. One can determine the value and most efficient use of a frequency, however, by reference to its market price (p.53) . . . ¶Our legal system can be tuned to support market operations and stimulate exchanges which benefit society. This proposal seeks to promote that goal." (p.67) .

Streissler, Erich. "The Intellectual and Political Impact of the Austrian School of Economics." *History of European Ideas*. 9:2 (1988) 191-204. Lists Mises, along with Schumpeter, as belonging to the second generation of the Austrian school. "Mises first identified 'socialism' with centralised state planning (in contrast to the standard definition of socialism before him which had simply identified it with the socialisation of the means of production). Mises then went on to state that, as a centralised system of production and distribution had no market prices, it lacked all information necessary for its being run efficiently." Reprinted (pp.24-37) in *Austrian Economics: I*. Stephen Littlechild, ed. Aldershot, Hants, England; Brookfield, Vt.: Edward Elgar, 1990.

Szasz, Thomas. "We Have Met the Enemy in the War on Drugs." Letter to the Editor, *The New York Times*. March 6, 1988. Quotes Mises' position on drugs from *Human Action*. Then concludes: "History's verdict on which is the greater evil -- a free market in drugs or unenforced and unenforceable drug prohibition -- is not yet in. Meanwhile, for those who prefer Mises to [Attorney General Edwin] Meese, the specter haunting America is not drugs, but the war on drugs."

- Tullock, Gordon. *Wealth, Poverty & Politics*. New York: Basil Blackwell, 1988. "When I came back from China [after working there for the State Department], I was sent to Yale and Cornell universities to study Chinese and related subjects and one day, in the Yale co-op, I saw a big pile of red-jacketed books, all entitled *Human Action: a Treatise on Economics* and written by a man I had never heard of, Ludwig Von Mises. I bought a copy and read it. It was the first economics book that I had ever read all the way through, although by that time economics had become rather a hobby of mine. The book had a great influence on me; I didn't realize at the time that it was presenting a special viewpoint rather than simply providing a foundation in economics. Having read it, I reread it, and, reading the methodological introduction for a second time, I suddenly realized how I could produce a theory of bureaucracies which would fit my experience in China and in the Department of State." (pp.1-2)
- Vihanto, Martti. *The Austrian Theory of Free Monetary Institutions* (Series A-4:1988). Turku (Finland): Turku School of Economics, 1988. Cites Mises throughout, especially with respect to the disruption caused by inflation. Concerning the Keynesian recommendation of interventionism for removing discoordination: "In the light of Austrian economic and social theory, it was obvious already before the Keynesian policy was put into practice that it cannot succeed in bringing about the intended consequences. In particular, Mises consistently warned of the expansionist idea even before Keynes' *General Theory* made the breakthrough (Mises, 1928 [B-7]). Austrian economists have never denied that monetary expansions can increase the visible rates of production and employment (Hayek, 1939, p.63), but they have questioned whether monetary expansions can promote a true coordination of plans." (p.52)
- Wätner, Carl. *Robert LeFevre: "Truth is Not a Half-way Place."* Foreword by Karl Hess. Gramling, S.C.: The Voluntaryists, 1988. A biography of LeFevre (1911-1986). Lists Mises as one of the professors who lectured for the Phrontistery program at LeFevre's Freedom School.

1989

- Benegas Lynch, Alberto. *Por una Argentina Mejor* [Toward a Better Argentina]. Buenos Aires: Editorial Sudamericana, 1989. "At this point in the old controversy over liberalism, it is appropriate to recall the exposition on the subject by an Austrian author, an eminent man of science, respected and admired by the most serious students of the political sciences, economic and social, Dr. Ludwig von Mises." (p.72) Benegas then quotes at some length (pp.72-74, 152-153) from Mises' *Liberalism* (1928). Benegas credits his 1950 visit to the United States, where he made contact with Mises, Hayek, Leonard E. Read and others, with having sparked his Centro de Estudios sobre la Libertad and other Argentine libertarian organizations. (pp.93-101) In Chapter 7, "Sound Money," he quotes Mises and Mises' "favorite disciple," Hans Sennholz. (pp.291ff.) (Translated from the Spanish)
- Boehm, Stephan. "The Austrian Tradition: Schumpeter and Mises." C. V. Starr Center for Applied Economics, New York University. Economic Research Reports R.R.89-02 (January 1989). "Since about the time of Mises' demise in 1973 interest in his thought may be said to have emerged from the doldrums. If one were to look for a single, catalytic event one should, with the benefit of hindsight, single out the publication of *Competition and Entrepreneurship* (1973) by Mises former student and colleague at New York University, Israel Kirzner. To be sure, this revival of interest did not match the spectacular, meteoric rise enjoyed by Schumpeter But it would be entirely misleading to infer from the relatively small number of full-blown studies of Mises' economic thought . . . that Mises' influence has been limited in *scope*. The modern Austrian revival would be literally unthinkable without the perseverance with which Mises pursued his cause against overwhelming odds. ¶Mises' lifelong crusade against virtually everything that smacked of socialism, interventionism, inflationism, egalitarianism, and trade unionism; his uncompromising championship of libertarianism; his scathing criticism of the use of mathematical and econometric techniques in economics; his unconventional, to put it mildly, views on epistemology -- any one or two of those features would have estranged him to an overwhelming majority of his fellow economists who had been nurtured on believing in the possibility of manipulating macroeconomic aggregates, and in the desirability and efficacy of interventions into market processes; but the combination of all of them stigmatized Mises' reputation indelibly. Mises' disparaging statements on the work of others were not exactly suited to endear him to the profession either. ¶Considering the extent to which Mises' approach to economics ran completely counter to prevailing views during his lifetime, recent interest in his writings is nothing short of *phenomenal*(pp.12-13) ¶It is testimony to Mises' powerful personality that he managed to establish himself, outside the university system, as the *doyen* of the Austrian school during the interwar years. It is in large measure thanks to Mises that Vienna rose to one of the world's foremost centers of research in economics at that time -- a feat for which his native Austria has, alas, never given him due credit." (pp.14-15) Reprinted in *Neoclassical Economic Theory, 1870-1930*. Klaus Hennings & Warren J. Samuels, eds. Boston: Kluwer Academic Publishers, 1989.
- Branden, Nathaniel. *Judgment Day: My Years With Ayn Rand*. Boston: Houghton Mifflin, 1989. "Through Ayn I had discovered the works of Ludwig von Mises, one of the founders of the Austrian school of economics, a brilliant scholar, a lucid thinker, an intransigent defender of capitalism. Highly esteemed in Europe, he was at this time still relatively unknown in America. I began studying his books ¶'Are you familiar,' I would say to people, 'with Ludwig von Mises' proof that in a pure socialist society, without any outside markets to refer to, *economic calculation is impossible?*' They did not know who von Mises was; but they could recite, as if it were the last word in profundity, whatever they had read most recently in the pages of *The Nation* or *The New Republic*." (p.93) "Progressively, Ayn was withdrawing from former friends -- from anyone who did not intimately share the world she was writing about ¶Notwithstanding Ayn's withdrawal, we did meet Professor Ludwig von Mises and his wife, Margit. This was very exciting for me because, having studied many of his books, I thought Dr. von Mises one of the outstanding minds of the century. He was then in his seventies -- witty, brilliant, almost impishly

charming. ¶Ayn's attitude toward von Mises was puzzling. I never saw her be anything but friendly, respectful, admiring -- although I had heard stories about them clashing once, rather heatedly, over questions of ethics. Ayn was almost girlish in the way she complimented him on his momentous achievements, and he seemed to find her delightful and stimulating. I was therefore shocked when, looking through her copy of von Mises' *Human Action*, I saw margin notes that condemned, in frank language, many of von Mises' statements. Ayn was particularly offended where he attempted to defend capitalism without reference of moral principles, or when he seemed to support Kantian epistemology (which to Ayn was a disaster) ¶'Do you really think of him as a "bastard"?' I asked Ayn. 'I can't really believe that.' She looked thoughtful for a moment, then answered, 'As a total person, no, I suppose I don't. But if I focus on that aspect of him, where he goes irrational, yes, I do.' What I interpreted this statement to mean was: von Mises is brilliant, his contribution is enormous, he is wonderful, but still, he is 'of the world'; he is not one of us ¶I was troubled by the disparity between Ayn's behavior toward von Mises and her comments in the margins of his books. To accuse Ayn of hypocrisy would not have occurred to me assuming that one day we would understand -- and that *of course* Ayn would have perfectly good reasons for her behavior. Today I recognize that it is of such attitudes that cults are made. ¶Several years later, when he read *Atlas Shrugged*, Dr. von Mises was profoundly enthusiastic and complimentary ¶He paid Ayn one compliment she treasured, related to her by Henry Hazlitt. Hazlitt told her, 'Lu Mises called you "the most courageous man in America".' 'Did he say *man*?' Ayn asked, and Hazlitt replied yes. Recounting the incident to Barbara and me, she said, 'Isn't that *wonderful*?' (pp.135-137) According to Branden, Mises and the "entire Austrian school of free enterprise economics was to gain a much broader readership in consequence of our reviews and recommendations" in *The Objectivist Newsletter*. (p. 300).

Brimelow, Peter. "No Water' Economics." *Forbes*. March 6, 1989. pp.86, 91. "Murray N. Rothbard, emits a string of comically hyperbolic epithets and cackles demonically. He is the Happy Warrior of American economics, As a leader of the 'Austrian' school of economic thought, he has such faith in free markets that he regards Milton Friedman as a species of Keynesian ¶When Rothbard opposes all government intervention he means, well, all ¶Rothbard's 'Austrianism' dates back to his attending the informal New York seminars held by the Viennese economist Ludwig von Mises At that time, American universities were almost entirely dominated by Keynesians hostile to Mises' stress on free markets ¶The classic example of the Austrian method: von Mises' famous conclusion in the 1920s that socialism could never work because no central authority could simulate by calculation the resource allocation decisions achieved under capitalism by the price mechanism. Mises argued the calculation was too complex. No amount of computational power could solve it. ¶Mises' adversaries elected to ignore him, but his analysis of socialism has arguably been borne out by the failure of the Communist bloc economics since his death."

Cato Journal. Washington, D.C.: Cato Institute.

Winter 1989. Volume 8, Number 3:

Lavoie, Don. "Economic Chaos or Spontaneous Order? Implications for Political Economy of the New View of Science." pp.613-635. "The most important critique that has been raised by economists against the traditional, centralized view of socialism is the challenge that was first issued in the 1920s by the Austrian school economist, Ludwig Mises, and substantially elaborated by his leading student, F. A. Hayek ¶The Mises/Hayek critique of socialism is well known to this day in the field of comparative economic systems and is often credited with having refuted the orthodox Marxian central planning position All too often economic reformers reject orthodox socialism only to endorse a form of orthodox capitalism that is subject to virtually the same criticism ¶The Austrians' challenge is widely thought to have been circumvented by one or both of two standard neoclassical approaches, each of which fundamentally misunderstands the critique it is supposed to answer. The microeconomic answer [of Oskar Lange] reduces the problem to a matter of pure abstract equilibrium theory and thus fails altogether to meet the practical challenge. The [Keynesian] macroeconomic answer proposes a kind of partial planning that has led to serious difficulties of inflation and unemployment throughout the Western world, for reasons the Austrians had warned about long ago. The upshot of both

of these interpretations is a simple endorsement of the idea of the 'mixed economy,' that is, a defense of the status quo economic systems of the West, systems that involve a substantial mixture of markets and state intervention ¶Interventionism does not represent either an advancement over traditional Marxism or an effective answer to the Mises/Hayek critique of centralized planning ¶The problem the calculation argument raises for the economics of socialism can be described as an application of the new view of science to the study of economic institutions. It depicts these institutions as working in a self-organizing way, establishing order by means of apparently disorderly processes. The argument emphasizes that the production process is fundamentally complex and that its adjustments take place through time by way of irreversible, evolutionary processes. And it is central to the argument that what makes the 'structure' of production hang together is the *meaning* that gets conveyed through the price system. The goods produced in the economy are not viewed as objective, physical things, but as intimately connected to human subjects and their purposes. ¶The Mises/Hayek critique of socialism contends that any system of common ownership of the means of production is inherently unable to generate and disseminate the scattered and largely tacit knowledge, including knowledge of the relative scarcities of various consumers' and producers' goods, upon which advanced technological production depends. Separate owners actively contending with one another for money profits are able to (undeliberately) impart knowledge to the system of relative prices, and in turn to orient their own actions by reference to their 'economic calculations' in terms of these prices, in such a way as to enable the millions of independent decisionmakers to coordinate their actions with one another. Without these prices to serve as 'aids to the mind,' as Mises called them, the planner would not know how to organize his or her commonly owned means of production with anything close to the degree of efficiency attained spontaneously by the rivalrous workings of the market process. Thus the argument is that there is a practical problem involving the use of knowledge facing any society that attempts to deliberately (and thus non-rivalrously) plan its economic order ¶How, then, is the 'intellectual division of labour,' as Mises put it, accomplished in the market? Here each rival is able to focus his mental capacity on but a part of a complex network of economic relationships whose overall structure no market participant knows ¶The crucial issue for Mises and Hayek was not primarily how the relative demands for consumers' goods were to be registered without competition, but rather how these consumers' goods evaluations, however determined, could be imputed through the complex network of relationships known as the capital structure [T]he real problem lies in translating these consumer evaluations into evaluations of producers' good. Producers' goods prices are not 'derived' logically from consumers' goods prices; they are 'imputed' through a historical process of competition." (pp.626-631) Essentially this same paper presented at a joint Cato Institute-Fudan University conference, Shanghai (September 1988) and published (pp.63-86) in *Economic Reform in China: Problems and Prospects*. James A. Dorn and Wang Xi, eds. University of Chicago Press, 1989/1990.

Spring/Summer 1989. Volume 9, Number 1:

Baird, Charles W. "James Buchanan and the Austrians: The Common Ground." pp.201-230. Compares some of Mises basic ideas with Buchanan's: "According to Ludwig von Mises, he and most economists used the term 'Austrian School' in the 1920s only in a history-of-thought context. The significant insights of the Austrians had been, it was thought, incorporated into contemporary mainstream analysis. It was not until the 1930s, during the height of the socialist calculation debate, that Mises and Hayek came to realize that, although mainstream economists and Austrian economists frequently used the same words in their analyses, they did not attach the same meanings to those words. For example, the mainstream understanding of such concepts as marginal utility and opportunity cost was substantially different from the Austrian understanding of the same terms. ¶Because of such differences of interpretation, Oskar Lange and Abba Lerner could claim that their model of market socialism refuted the Mises-Hayek claim of the impossibility of calculation under socialism." (pp.202-203) "In one place Buchanan writes: 'It is as much of a sin for von Mises or his followers to decry government failure on the basis of their empirically empty model [see NOTE below] as it is for Bator to neglect governmental failure in his extremely restricted model.' ¶However, as Kirzner explains, Mises' negative assessments concerning governmental economic policies were based on positive conclusions of his pure logic of choice. Those conclusions, Mises taught, demonstrate that the outcomes of proposed governmental economic policies will almost

always be different from the outcomes that the protagonists of the policies claim they intend . . . ¶In Buchanan's view, misstatements of subjectivist cost by Mises and Hayek early in the socialist calculation debate provided Lange and Lerner with grounds for claiming that market socialism solves the calculation problem. Clarifications of the subjectivist cost theory were made by non-Austrians, such as Thirlby and Robbins, as well as Austrians, such as Mises and Hayek." (pp.220-222) NOTE: Buchanan refers not only here, but also in 1969 and 1979 (see 1993 Mises bibliography, pp.293 and 347) to Mises' general theory of human action as being "empirically empty." In explanation, Baird quotes here (p.215) from a 1969 Buchanan article (*What Should Economists Do?* LibertyPress, 1979. pp.41-42): "Empirical emptiness should not . . . be equated with uselessness Commencing with the fact that choosers choose and that they do so under constraints which include the behavior of others, the economist can begin to make meaningful statements about the results that emerge from the interaction among several choosers." See Kirzner's comments on Baird, next.

Kirzner, Israel M. "The Use of Labels in Doctrinal History: Comment on Baird." pp.231-235. "Baird's paper is to be appreciated as a provocation to reconsider the use of traditional labels in doctrinal history About a half-century ago, Austrians such as Mises, Hayek, and Machlup all maintained that important Austrian insights had been successfully absorbed into the mainstream by the early 1930s, suggesting that a continued separate identity for Austrian economics was no longer required. Nevertheless, Mises and Hayek decisively distanced themselves from such a suggestion, while Machlup emphatically affirmed it to the end of his life* ¶The history of economic thought *has* singled out an Austrian tradition. History does have its claims, and one cannot appreciate the work of Mises, say, without recognizing the provenance of his thought in the Menger-Böhm-Bawerk tradition within which he was trained (pp.231-232) ¶Modern Austrian economics evolved from the study and elaboration of the ideas of Ludwig von Mises and Friedrich Hayek. Mises emphasized the entrepreneurial nature of market processes; Hayek gave us the understanding of such processes in terms of the discovery and mobilization of hitherto dispersed and useless information. Modern Austrians have articulated and welded these elements into their contemporary formulations. There is every justification, from the perspective of the history of ideas, for retaining the identification of the modern Austrian understanding of markets with the Menger-Mises-Hayek tradition." (p.234)

*"It is abundantly clear from Mises' writings since 1940 that he perceived a yawning gulf separating his own Austrian economics from mainstream doctrines. So that his 1969 statement [*Historical Setting*. . . B-21, p.41] must be read to imply that the fundamental Austrian ideas, absorbed into general economics by the 1920s came, somehow, to be lost from general economics by about 1940." (p.232n)

Fall 1989. Volume 9, Number 2:

O'Driscoll, Gerald P., Jr. "A Tribute to F. A. Hayek." pp.345-352. "I think Hayek and Mises have been completely vindicated by the events of recent years in Eastern bloc countries as well as in China [O]ld-style socialism is a failure. And it has failed for the very reason Hayek and Mises said it would -- without private property and market prices, socialist economies cannot match resources to output in any systematic way ¶Mises' original charge, which Hayek took up and amplified, was to discover how a centralized economy would acquire information about preferences and opportunity costs. Our economy does this through prices and markets. By definition a centralized economy has neither. Mises and Hayek concluded that no social mechanism would exist that could substitute for the information-producing and information-disseminating functions of the price system. Once again, they hit on the right answer because they discovered the appropriate question to ask." (pp. 348-349)

Collier, Peter & David Horowitz. *Destructive Generation: Second Thoughts About the Sixties*. New York: Summit Books, 1989. The authors mention radical Todd Gitlin's 1967 visit to Cuba and Gitlin's later confession that he had "walked on the bright side, sampling some combination of reality and wishful thinking," ignoring or making allowances for what he didn't see, and being "overcome" after leaving Cuba "with . . . nausea upon seeing an ordinary [capitalistic] advertising billboard." The authors comment: "This alienation, whether self-induced or acquired through some 'radicalizing' experience, precedes the embrace of the socialist fantasy, an observation that was made fifty years ago by Ludwig von Mises: 'Socialism is the grandiose rationalization of petty resentments.' This is why the nihilism of the Left

toward the liberal societies of the democratic West is always stronger than any secret doubts it might have about the socialist utopia it professes to believe in but whose opposite it creates." (p.247)

Critical Review. Chicago, Ill.

Spring 1989. Volume 3, Number 2:

DiZerega, Gus. "Democracy as a Spontaneous Order." *Critical Review*. pp.206-240. "One of Hayek's most important contributions in applying the insights of economic analysis to politics is his freeing us from dependence upon 'economic man.' So essential to economic analysis, nevertheless in all its guises economic man is an inappropriate and misleading construct when applied outside the sphere of economic science. This holds even for the most sophisticated version of economic man, that derived from Ludwig von Mises' praxeological approach to economics and since argued for by Murray Rothbard and Israel M. Kirzner. I shall term this construct Misesian man. ¶Misesian man separates ends and means clearly and distinctly . . . His action seeks to attain an end or goal fundamentally distinct from the action itself. In this sense, for Professor Mises and his followers, all action except that of final consumption is purely instrumental. Instrumental rationality is the rational use of pure means to attain completely separate ends. Instrumental action is always a 'cost'. . . For Misesian man all means are not only instrumental, they are costs. ¶For most of us even the briefest introspection shows that many of our actions are neither entirely costs nor entirely means. Consider my decision to walk rather than drive to campus some morning. I need to be there to teach. If I did not need to teach, I would not go. In this sense, my going to campus is an instrumental action. Getting to campus is part of the price I must pay to live where I live and teach where I teach. The most *convenient* way to get there is to drive . . . Instead, however, I walk. The morning is beautiful, the air fresh, the spring flowers are bright -- it is one of those mornings when life itself seems a blessing. Nevertheless, if I didn't have to be on campus at a certain time, I would not go. ¶Is my walking to campus under such circumstances a means or an end? A cost or a gain? Clearly it is *both* . . . Mises' logical separation of means and ends simplifies from the fact that most of our actual actions consist of varying proportions of both." (pp.228-229)

Summer/Fall 1989. Volume 3. Number 3/4:

Friedman, Jeffrey. "The New Consensus: I. The Fukuyama Thesis." pp.373-410. Discusses Fukuyama's "argument that we have recently reached 'The End of History'." "Although Mises' argument [that economic calculation is not possible under socialism] is often said to be that prices provide 'information' or 'knowledge' about supply and demand to market participants, it is more accurate to say that prices provide *substitutes for* such information. Market participants need not concern themselves with the informational meaning of price changes, except insofar as they are seeking to predict future trends. For the present, it is sufficient that when the price of gasoline goes up *regardless* of the 'meaning' of the price change -- i.e., the reason for it -- gasoline users will try to use less, and suppliers will seek to provide more . . . By providing profit opportunities that induce people to work, and act in other ways, for the common good, market prices transform what is 'information' to an economist -- or a central planner -- into an incentive for a self-interested economic agent. By contrast, the central planner/bureaucratic interventionist must search for the actual information for which market prices would substitute, if allowed to operate unhindered. This places the interventionist at an epistemic disadvantage." (p.406 n.26)

Vorhies, Frank. "Marx on Money and Crises." pp.531-541. A review of Michael Perelman's *Marx's Crises Theory* (1987). "The Austrian theory of the business cycle, developed by Mises (1966) [*Human Action*, B-16] and Hayek (1935), focuses on the effect of artificially lowering the market rate of interest."

The Free Market. Burlingame, Calif.: Ludwig von Mises Institute.

January 1989. Volume 7. No.1:

Littler, Graeme B. "The Truth About Economic Forecasting." pp.1, 4-5. "Economic statistics (i.e., history) do not imply anything about the future. Because data show the relation between price and supply to be one way for one period of time doesn't mean that it cannot change. As Mises pointed out, 'external phenomena affect different people in different ways' and 'the reactions of the same people to the same external events vary'. . . ¶Central planners try to overcome uncertainty by substituting formulas for

entrepreneurial judgment. They believe that they can replace the price system with commands, but they miss the whole purpose of individual action on the free market. As Ludwig von Mises said, they make 'not the slightest reference to the fact that the main task of action is to provide for the events of an *uncertain* future.' In that sense, central planners are no different from professional forecasters."

February 1989. Volume 7. No.2:

Rockwell, Llewellyn H., Jr. "The Socialist Holocaust in Armenia." pp.1, 5. "A roar, a shudder, and the end of the world. That was Soviet Armenia on December 7th when the great earthquake struck. Whole cities disappeared . . . more than 55,000 men, women and children were crushed to death. ¶But no matter what seemed to be the cause, these people . . . were casualties of socialism . . . ¶In Armenia, all the buildings were public, and they all collapsed." More severe quakes in Mexico (1985) and California (1965) where not all buildings are government-built caused fewer casualties. Without a market for Soviet buildings or building materials, "[e]verything is decided by central government planners, and citizens must live or work in whatever the bureaucrats erect . . . [B]uilders have no stake in the value of what they build . . . ¶Making the best use of scarce resources is impossible under socialism. As Ludwig von Mises showed in 1922, . . . rational economic calculation [is] impossible . . . [T]o take a simplified example, only a limited amount of steel, . . . must be allocated to both industry and building. Without market prices, there is no way to tell which is the more highly desired end . . . ¶The Soviets get a rough idea from Western price schedules, but that's not enough for rational economic calculation."

April 1989. Volume 7. No.4:

Ebeling, Richard M. "Eugen von Boehm-Bawerk: A Centenary Salute." pp.5, 8. "[B]etween Carl Menger and Ludwig von Mises there stands a man without whom there might not have been an 'Austrian School': Eugen von Boehm-Bawerk (1851-1914). He was a student of Menger's work and Mises' great teacher ¶With his theories, Boehm-Bawerk set the stage for Ludwig von Mises' theory of the business cycle. Interest, as the price of time, is determined by supply and demand. When government manipulates this price through monetary expansion, it disrupts the market for savings and investments and gives entrepreneurs faulty signals. This results in misallocations of labor and capital. It also leads to an economic downturn, once monetary expansion ceases to sustain the imbalance between savings and investment."

May 1989. Volume 7. No.5:

Tucker, Jeffrey A. "The Source of the Business Cycle." pp.6-7. Announces a new reprint of Hayek's *Monetary Theory and the Trade Cycle* (1st pub. 1928). "The Austrian school gained early recognition for its business cycle theory And the theory explains as much today as it did in 1912, when Ludwig von Mises wrote the *Theory of Money and Credit* [B-2]. . . . By the time Mises published his *Monetary Stabilization and Cyclical Policy* [B-7] in 1928, he had already become, according to Hayek, 'the most respected and consistent exponent of the monetary theory of the Trade Cycle' in the German-speaking world."

June 1989. Volume 7. No.6:

Ebeling, Richard M. "Ludwig von Mises on the Age of Collectivism." p.3. "Seventy years ago the Western world seemed torn asunder The Great War [World War I] appeared to have swept away all the traditions, values, and beliefs that had stood as the foundation of Western culture. ¶How had this come about? And how could this disaster have been followed, just 20 years later, by another world war even more destructive than the first? Ludwig von Mises devoted two books to answering these questions, and to offering the alternative of freedom and prosperity. The first was published in 1919 under the title of *Nation, State, and Economy* [B-3]. The other appeared in 1944 as *Omnipotent Government* [B-12]. ¶The viruses of destruction, Mises explains, have been nationalism and socialism ¶Mises also assessed the prospects for peace and prosperity after the war [World War II]. And here he saw that rather than solutions, the 'planners for peace' in the United States and in Great Britain were proposing policies that would lead to world tension and economic conflict. ¶Their ideal, Mises showed, was not free trade, but trade managed by governments. Their conception of a new monetary order was not a sound gold standard, but managed national currencies Their view of economic development was not an international capital market guided by free-market forces, but world government organizations allocating capital ¶All of these policies would fail, Mises insisted."

August 1989. Volume 7. No.8:

Bethell, Tom. "The Free-rider Confusion." pp.4-5. State-owned property doesn't work; but how about communal property? "A main reason" this too doesn't work is that "common ownership encourages 'free riding' by the joint owners What one person sows another can reap ¶Economists argue that in socialist countries, such as the Soviet Union, the free-rider problem does not exist because the ill-defined ownership of common property has been replaced by the monopoly ownership of the state -- or by a 'single will,' as Ludwig von Mises put it. ¶In practice, however, the free-rider problem exists on a giant scale in all socialist countries ¶At the end of April 1989, the Associated Press reported the following from Moscow: 'The food problem is far from solved,' Gorbachev said 'The housing problem is acute. There is a dearth of consumer goods in the shops. The list of shortages is growing. The state's financial position is grave Many people have forgotten how to work. They got used to being paid,' he said, 'just for coming to work.' ¶And there, in spades, you have the free-rider problem posing difficulties for socialism: state socialism, not just communitarian socialism."

September 1989. Volume 7. No.9:

Rockwell, Llewellyn H., Jr. "Why Bureaucracy Must Fail." pp.2, 8. "[T]he perverse economic incentives of bureaucracy are only part of the problem, as Ludwig von Mises argued in his pioneering 1944 book *Bureaucracy* [B-13]. In private markets, Mises said, prices tell us how acting individuals value competing goods and services. Using prices as a guide, market participants can direct goods and services to their most highly valued uses. Free prices are necessary for productivity, creativity, entrepreneurship, and efficiency. Without a market price mechanism, there must be irrationality and chaos. ¶As Mises was the first to show, socialism is doomed to fail because there are no market prices for the means of production. And that is also part of the reason bureaucracies can't work ¶Mises also explained that bureaucrats cannot rationally cut costs even if they want to. With the best intentions, a bureaucrat can't know what's waste and what's not, because he doesn't know what's economically desirable in the first place ¶Furthermore, Mises points out, it is futile to recommend that a bureaucracy be run like a business. 'No reform could transform a public office into a sort of private enterprise'."

October 1989. Volume 7. No.10:

Rockwell, Llewellyn H., Jr. "Our Tentative Economic Freedoms." pp.2, 8. "Despite vast U. S. government intervention into our economy, which Ludwig von Mises called 'a method of bringing about socialism by successive measures,' we are still relatively free. But our present system, as Mises also noted, is inherently unstable. It must always be moving either towards or away from omnipotent government."

December 1989. Volume 7. No.12:

Bradley, Simon. "The Wages of Sinhounds." p.3. "So far, only The Scourge of Drugs has been deemed to warrant a czar ¶'Once the principle is admitted that it is the duty of government to protect the individual against his own foolishness,' Ludwig von Mises wrote in *Human Action*, 'no serious objections can be advanced against further encroachments Why not prevent him from reading bad books and seeing bad plays, from looking at bad paintings and statues, and from hearing bad music. The mischief done by bad ideologies, surely, is much more pernicious, both for the individual and for the whole society, than that done by narcotic drugs.' . . . ¶Certainly drug abuse is far from being the only scourge we need czars to fight. For the reason Mises cites, we need an Information and Culture Czar, for example. Think of the damage to young minds done by the uncensored ravings of such thinkers as Marx, de Sade, and the Fine Young Cannibals ¶Why not, for example, a Flab Czar? Obesity is a serious problem. The typical American diet has far too much fat, sugar, salt, and cholesterol, which contribute to heart disease, stroke, and cancer, which kill far more people than drugs."

Glasner, David. *Free Banking and Monetary Reform*. Cambridge: Cambridge University Press, 1989. Glasner names "three of the better-known" explanations of the Great Depression: (1) the "overinvestment theory of the Austrian School," (2) "the Monetarist explanation that ascribes the depression to a monetary collapse resulting from bank failures unnecessarily tolerated by the Federal Reserve Board," and (3) "the anti-Monetarist, underconsumption explanation." Mises was the "originator of the Austrian business-cycle theory . . . [which] was further developed and elaborated" by Hayek. Glasner writes that the Austrian theory of the Great Depression "cannot explain why it was a Great Depression and not simply a garden-

variety business-cycle downturn . . . ¶The uniqueness of the Great Depression is simply not accounted for by the Austrian theory.” (pp.128-129n)

Greenaway, David & John R. Presley, eds. *Pioneers of Modern Economics in Britain*, Volume 2. London: Macmillan, 1989. Two papers in this collection mention Mises:

Peacock, Sir Alan. “Introduction.” pp.1ff. “Before the Second World War, graduates in economics at the LSE [London School of Economics] were expected to have a reading knowledge of two foreign languages and were referred to texts in their main courses written in French and German. It was not uncommon for the aspirant academic economist to spend a term or longer in Austria, Germany or Sweden, and to seek publication in continental journals. Hugh Gaitskell, for example, published articles on the Austrian Theory of Capital in the *Zeitschrift für Nationalökonomie* in 1936 and 1938, the result no doubt of his sojourn in Vienna as a Rockefeller Fellow. Of course, the flow of distinguished refugees from nazism and fascism maintained awareness of continental modes of thinking but, while a fair proportion resisted the growing dominance of Keynesianism -- Hayek, v Mises and Schumpeter are obvious examples -- I have always been struck by how many of them adapted to Keynesian modes of thinking and contributed to their development in such areas as fiscal policy and international trade.” (p.5)

Presley, John R. “Sir John R. Hicks: 1904-” pp.96ff. “Most great pioneers gather their stimulus from those around them and Hicks is no exception . . . The only time Hicks really belonged to a group was at the LSE from 1929-1935; this coincided with Lionel Robbins becoming head of the department in 1929 and the encouragement of a more collective approach at the LSE . . . Hicks, largely through his command of Italian and German, read not only Pareto [but] Walras, Wicksell, Myrdal and the Austrian economists. ¶The LSE was also able to offer him the acquaintance of Taussig, Viner, Mises, Schumpeter, Ohlin and Lindahl in the early 1930s. This background at the LSE was predominantly one of free market economics, with the American and Austrian influences strengthening this.” (p.98)

Hill, Roger, ed. *Keynes, Money and Monetarism: The Eighth Keynes Seminar held at the University of Kent at Canterbury, 1987*. London: Macmillan, 1989.

Harcourt G. C. During a discussion of a Samuel Brittan statement, Harcourt comments : “Both branches of monetarism come from modern developments of the general equilibrium system . . . It is quite true, as Samuel Brittan said, that the Austrians, Hayek and von Mises, and the modern American versions of that school, have stressed uncertainty in the way the system works. However, they have always searched (and this started with Hayek in *Prices and Production*) for a neutral monetary policy because they thought if you could find that, then the world would work as though it were a real economy.” (p. 33)

Hillsdale College. *Champions of Freedom: The Ludwig von Mises Lecture Series: 15. The Politics of Hunger*. Except for President George C. Roche, III’s opening “Preface,” the only mention of Mises in this volume in the ongoing Mises lecture series is as follows:

Leland, Mickey. “Is There Hunger in America? A Liberal Replies.” pp.103-112. “Not as a follower of Ludwig von Mises’ theories or the Austrian school of economics, but as an active Democrat in Congress, I have been asked to address the question, ‘Is there hunger in the United States?’ As Chairman of the House Select Committee on Hunger since 1984 I have had the responsibility of studying conditions of hunger in both the United States and the developing world. I have observed hunger from San Francisco to Brooklyn, as well as in Ethiopia. Hunger at a full table is just as bad as hunger at an empty table.” (p.103)

Holton, Robert J. & Bryan S. Turner. *Max Weber on Economy and Society*. London & New York: Routledge, 1989. Chapter 2, “Max Weber, Austrian Economics, and the New Right.” pp.30-67: Max Weber read widely in contemporary Austrian theory and commented favorably on the early work of Ludwig von Mises. “Weber took over Menger’s approach in his sociology of law. Like Menger and von Mises, he was inclined to speak of many institutional developments as the undesigned resultant of social or cultural forces constituted by individual actors. In this respect he accepted von Mises’ theory of the origins of money as undesigned rather than as an institution arising from social contract (Locke) or state intervention (Knapp).” (p.41)

Weber's "attempt to resolve the *Methodenstreit* by combining abstract ideal-typical and historical elements did not convince either the Austrian School or many subsequent sociologists. Von Mises, in a scathing attack on Weber's epistemology, accused him of blurring a vital distinction between historical and theoretical analysis" [*Epistemological Problems*, B-10] (p.50). "Von Mises praised Weber for clarifying 'the logical structure of history and historical investigation' and for demonstrating 'the inapplicability of the concepts and procedures of physics to history.'" [B-10, pp.74-5]. Weber's hostility to deductive theory was, however, directed at the search for law-like regularities within social life, akin to Newtonianism. He failed to consider the possibility that the deductive perspective could be applied to human action, as a means of understanding the logic of individually meaningful choices irrespective of the contingencies of time and place. Although von Mises gives due weight to the insightfulness of Weber's typology of genetic orientations within social action, his argument is that . . . Weber's sociology is incomplete in that it neglects synchronic features of social life, that may be conceptualized by means of generic properties of action. Within this generic framework, von Mises singles out purposeful action made under constraints of scarcity, as an a-priori property of human action which entails certain deductive consequences, such as the laws of diminishing returns and marginal utility. ¶"Von Mises' intransigent version of an a-priorist framework is not shared by all Austrian and libertarian economists, nor was it common to all Weber's methodological critics." (p.61)

Hoppe, Hans-Hermann. *A Theory of Socialism and Capitalism: Economics, Politics, and Ethics*. Boston: Kluwer Academic Publishers, 1989. An Austrian approach. A number of Mises citations, especially in footnotes. Several comments of interest. Re monopoly: "What is the definition of 'monopoly price' and, in contrast to it, of 'competitive price' according to economic orthodoxy?" Hoppe quotes Mises' *Human Action*: "Monopoly is a prerequisite for the emergence of monopoly prices, but it is not the only prerequisite. There is a further condition required, namely a certain shape of the demand curve . . . Monopoly prices are only prices at which it is more advantageous for the monopolist to restrict the total amount to be sold than to expand its sales to the limit which a competitive market would allow." (p.181) Hoppe comments: "Neither from the perspective of the monopolist himself nor from that of any outside observer could restrictive action then be distinguished conceptually from normal reallocations which simply follow anticipated changes in demand . . . As M. Rothbard sums up, "We cannot use 'restriction of production' as the test of monopoly vs. competitive price. A movement from a sub-competitive to a competitive price also involves a restriction of production of this good, coupled, of course, with an expansion of production in other lines by the released factors. There is no way whatever to distinguish such a restriction and corollary expansion from the alleged "monopoly price" situation' . . . ¶The analysis of the monopoly question, then, provides no reason whatsoever to modify the description . . . of the way a pure market economy normally works and its superiority over any sort of socialist or statist system of production. Not only is a process of monopolization highly unlikely to occur, empirically as well as theoretically, but even if it did, from the point of view of the consumers it would be harmless. Within the framework of a market system a restrictive monopolistic price could not be distinguished from a normal price hike stemming from higher demand and changes in relative prices." (pp.184-185) On large-scale ownership of land: "Mises observes [in *Socialism*, B-4] that it is normally only brought about and upheld by nonmarket forces: by coercive violence and a state-enforced legal system outlawing or hampering the selling of land." (p.246 n.15) On government: "Classical liberalism, with L. v. Mises as its foremost representative in this century, advocates a social system based on the fundamental rules of the natural theory of property. And these are also the rules that libertarianism advocates. But classical liberalism then wants to have these laws enforced by a monopolistic agency (the government, the state) -- an organization, that is, which is not exclusively dependent on voluntary, contractual support by the consumers of its respective services, but instead has the right to unilaterally determine its own income, i.e., the taxes to be imposed on consumers in order to do its job in the area of security production. Now, however plausible this might sound, it should be clear that it is inconsistent. Either the principles of the natural property theory are valid, in which case the state as a privileged monopolist is immoral, or business built on and around aggression -- the use of force and of noncontractual means of acquiring resources -- is valid, in which case one must toss out the first theory." (p.254, n.21)

Horowitz, David. "Nightmare and Dream." *Second Thoughts*. Washington, D.C.: National Forum Foundation. 1 (Summer 1989) 4, 10. For more than 100 years, the members of Horowitz's family had believed in the socialist dream. But step-by-step he became convinced that the dream of socialist equality leads only to totalitarianism. "But while we [socialists] were being wrong, others all along had been right. All those years, outside and opposed to the socialist tradition, there had been voices in the wilderness saying that not only would socialism bring tyranny and suffering, it would not work. In 1922, Ludwig von Mises wrote a book on socialism which predicted then the catastrophe we now see before us. Socialist economy, he showed was economic irrationality, and socialist planning a prescription for chaos. Only a capitalist market could provide a system of rational allocations and accounts. Only private property and the profit motive could unleash the forces of individual initiative and human creativity to produce real and expanding wealth -- not only for the rich, but for society as a whole. ¶Ludwig von Mises, Friedrich von Hayek, and other liberal theorists of a free market economy are the true prophets of the reality before us -- of socialist bankruptcy and Communist retreat Socialism makes men poor beyond their wildest dreams. The average Pole is poorer today, in 1989, than my poor grandfather was in America, 50 years ago, when I was born. The only way to wake up from the nightmare is to give up the dream." (p.10)

Instituto Cultural Ludwig von Mises. Mexico (1989) pp.1-2. "¿Quién Fué Ludwig von Mises?" [Who Was Ludwig von Mises?] A brief description of Mises' life and work.

Isaacs, Mark D. "Burocracia, productividad e inflación" {Bureaucracy, Productivity, and Inflation}. *Comercio e Industria*. El Salvador. (December 1989) 63-67. "The productivity problem, which has received much attention recently, is not the fault of society, of an inferior private sector, of the unions, of changes in the values of management because of the 'population explosion,' or of ignorance of the Japanese way of doing things. Interesting as these theories may be, the 'crisis' experts, perhaps in their efforts to discover a culprit, may have forgotten the principal problem: the unsurmountable difficulty of trying to manage, produce and sell goods in an economic climate contaminated by the government's monetary depreciation." To understand the productivity problem, Isaacs quotes and refers here and throughout the article to Mises' *Bureaucracy* (B-13) in which Mises contrasted bureaucratic with profit-and-loss management. (Translated from the Spanish)

Kirzner, Israel M. *Discovery, Capitalism, and Distributive Justice*. Oxford (England); New York: Basil Blackwell, 1989. "The one economist whose theory of profit can be unequivocally described as a discovery theory, is Ludwig Mises. It is Mises' theory of the entrepreneurial market process which is at the heart of the discovery view of the market upon which this book is based ¶But although . . . Mises' theory of profit can certainly be described as a discovery theory, the fact is that Mises did not emphasize this aspect of his theory. No doubt this has something to do with Mises' strictly utilitarian approach to issues of economic justice. In most of his work Mises never did confront the challenges of those who would question the *moral* justifiability of pure profit. It was enough to point to the wealth-and-welfare-enhancing consequences of the entrepreneur-driven market process. On the rare occasions when he did examine these ethical challenges to pure profit, Mises dismissed them. 'There is no other standard of what is morally good and morally bad than the effects produced by conduct upon social cooperation.' Obviously, given such an ethical perspective, Mises did not feel called upon to argue the justice of entrepreneurially-won profits on the basis of any conceivable ethics of discovery. ¶Yet we must recognize that Mises' profound understanding of the market process points ineluctably to the identification of *all* market-earned incomes as discovered incomes. For Mises there is an inescapable strand of entrepreneurial function in each and every market action undertaken. And, as noted, entrepreneurial gain is, in the Misesian view, *discovered* gain." (pp. 63-64) "For Mises and Hayek the idea that capitalist markets could work without profit-seeking entrepreneurs was a sheer illusion." (p.66)

Libertas. Published semi-annually by Escuela Superior de Economía y Administración de Empresas (ESEADE), Buenos Aires.

May 1989. Volume 6. Number 10:

Cortés Conde, Roberto. "Historia Económica: Nuevos Enfoques," [Economic History: A New Emphasis], pp.127-147. Discusses historicism, the neo-classical school, and institutionalism. Quotes Mises' *Epistemological Problems* (B-10) on the German historical school and the Methodenstreit.

Gallo, Ezequiel. "Notas Sobre el Liberalismo Clásico y el Nacionalismo Decimonónico," [Notes on Classical Liberalism and Nineteenth Century Nationalism] pp.149-173. Gallo quotes Mises' *Nation, State and Economy* (B-3) when discussing the incompatibility of nationalism and liberalism.

October 1989. Volume 6. Number 11:

Sarjanovic, Ivo A. "El Mercado Como Proceso: Dos Visiones Alternativas" [The Market as Process: Two Alternative Visions]. pp.169-203. Contrasts the Austrian theory of the market process with general equilibrium. One section (pp.176-179) deals specifically with Mises. Mises recognized the importance of general equilibrium as a theoretical tool for analyzing economic phenomena, but distanced himself from the school of Lausanne in order to articulate an alternate explanation of the market process. The Austrians "created a theory of economic action, not a theory of equilibrium or inaction. This theory explains prices as they actually are on the market, not as they would be in a world of unrealizable conditions. Mises said 'We must always recognize that we are studying movement, not a state of equilibrium.' For Mises, action was purposive, exchanging one felt uneasiness for a more desirable situation . . . This problem assumes major proportions when we think of the interaction of millions of individuals. Then the outcome of the plans of one person depends in great measure on the success or failure of the plans of other market participants. At this level a second component enters into play, the idea of the tendency which we have previously noticed. Passing from the level of the individual to interpersonal action, von Mises says: 'The market process is the adjustment of the actions of various individual members of society to the requirements of mutual cooperation.' According to Mises it is through the market, through a sequence of coordinating actions, that it becomes possible for most of these actions to be partially successful, even without attaining perfect coordination, and for the economy to function." (Translated from the Spanish)

Liberty. Port Townsend, Wash.: Liberty Publishing.

May 1989. Volume 2, Number 5:

Waters, Ethan O. (EOW). "Taking the Oath." pp.9-10. "Am I the only person troubled that such an important spokesman for libertarianism as David Bergland [Libertarian Party candidate for U.S.President 1984] would exclude from the movement such an illustrious libertarian intellectual as Ludwig von Mises, simply because Mises did not agree with the Libertarian Party's narrow definition of libertarian?"

September 1989. Volume 3, Number 1:

Lomasky, Loren. "The Argument from Mere Argument." pp.55-57. A review of Hans-Hermann Hoppe's *A Theory of Capitalism and Socialism*. "One promising strategy for the promotion of anarchism is to catalog the various perversions to which governments historically have shown themselves liable. 'If *that's* what states do,' one might reasonably conclude, 'we can do without!' Hoppe, though, eschews the low road of empiricism, soaring instead with Kant and von Mises through the realm of *a priori* necessities."

North, Gary. "Reconstructionists, Libertarians, and Dead Theologians." pp.48-54. Reply to Jeffrey Tucker's review of North's *Puritan Economic Experiments* (*Liberty*, July 1989). "I suspect that Mr. Tucker's recent conversion to Roman Catholicism from independent Baptist theology may have something to do with his *obiter dicta* on my book. He is now trapped on the horns of his personal dilemma: the necessity of remaining true to the economic conclusions of Misesian economics (anti-natural law, pro-utilitarian), to the Rothbardian natural rights philosophy (anti-utilitarian, but equally anti-revelational), and to the Thomistic faction (small and rapidly declining) of the Roman Catholic Church. Every time the Pope issues a statement on official economic philosophy, Mr. Tucker has to lace up his dancing shoes." (p.49)

Virkkala, Timothy. "Reason and Evolution." pp.57-61. A review of Hayek's *The Fatal Conceit: The Errors of Socialism* (1988). Hayek "began as a straightforward economist, and achieved his first fame for developing Ludwig von Mises' theory of the trade cycle During the course of the debate over it and another of Mises' contributions -- the argument that economic calculation under socialism could not yield results anywhere near those of a market economy -- Hayek abandoned a reliance on standard equilibrium theory in economics, and began articulating a more realistic 'process'. . . . ¶But since his early work, he has gone 'beyond economics,' so to speak, devoting most of his energy to social philosophy. Now, at the end of his career, he has written *The Fatal Conceit*, the perfect summation of -- and introduction to -- this latter half of his life's work ¶Hayek has, over the years, distanced himself from Ludwig von Mises' 'praxeological' grounding for economic and social science (a grounding that explains social events in terms of human purposes). He has denied not only its Neo-Kantian a-priorism but its claims to fundamental and exhaustive explanatory power, as well. Though Hayek has often mentioned his disagreements with Mises on the fundamentals of social analysis, he has not, to my knowledge, ever given Misesian theory a thorough critique. ¶This is unfortunate. The Austrian school of economics has always placed a great deal of importance on method, and Hayek's unexplained dismissal of Misesian method presents problems for present-day economists working in the tradition. Hayek's broadening the scope of economic inquiry to include subjects normally covered by anthropologists, sociologists, and linguists (and others) makes for an attractive research program, but must Austrians who wish to extend their theory abandon Misesian praxeology in the process? Hayek gives them no good reason to do so. Not surprisingly, the Austrian school of economics, though more active now than at any time since the death of Hayek's teacher, Friedrich von Wieser, is in danger of coming apart at the seams, disrupted by arcane disputes and divergent goals."

Loasby, Brian J. *The Mind and Method of the Economist: A Critical Appraisal of Major Economists in the 20th century*. Aldershot, Hants, England: Edward Elgar, 1989. "I suggest that Austrians ought to challenge one of their own institutions: their almost total lack of interest in organizations as an arena for human action. Mises (1945; 1949 [*Human Action*, B-16]) is the obvious exception, although he is more concerned with problems than possibilities." (p.166) "In the face of limited knowledge, the idea that rational behaviour implies maximization loses its force. It is still possible to suggest that an agent might choose to maximize the expected value of some subjective probability distribution, but there are other formulations which are just as plausible. Kirzner has adopted von Mises' broad concept of 'human action,' motivated by the desire to improve one's position." (p.172)

Nelson, Patricia. "Speaking of Money." *The News*. Mexico City. 40:131 (November 12, 1989) B8. Quotes Mises' "If the supply of caviar were as plentiful as the supply of potatoes, the price of caviar . . . would change considerably ¶Likewise, if the quantity of money is increased, the purchasing power of the monetary unit decreases, and the quantity of goods that can be obtained for one unit of this money decreases also." Nelson comments: "It is fitting to ponder von Mises words now: Mexico's inflation has been spurred again ¶What should be remembered is that prices are just a result -- albeit a very visible and important outcome -- of inflation ¶As Bettina Bien Greaves of the Foundation for Economic Education remarked during a seminar at CISLE (Center for Research on Free Enterprise) last week: 'Higher prices are no more the cause of inflation than wet streets are a cause of rain'."

Novak, Michael. *Free Persons and the Common Good*. Lanham, Md.: Madison Books, 1989. Novak, a Roman Catholic, includes several quotes from Mises' *Liberalism* [B-6]. He sees a similarity between liberal policy, with its emphasis on social cooperation, as stressed by Mises, and the views expressed in the U. S. Catholic bishops' recent letter on the economy: "[T]he most striking feature of recent Catholic definitions of the common good," he says, "is their emphasis upon the fulfillment of persons and their free associations. This focus tilts heavily in the direction of the liberal society, one of whose premises is the respect owed to the dignity and rights of free persons [T]he bishops recognize rightly that human beings find their own fulfillment only in community. They mean to emphasize both the liberal and the communitarian dimensions in the new concept of the common good. Is this so different from the

analogous emphasis attributed to the liberal tradition by the Austrian economist, Ludwig von Mises? 'Morality consists in the regard for the necessary requirements of social existence that must be demanded of each individual member of society . . . [A]s a member of society, a man must take into consideration, in everything he does, not only his own immediate advantage, but also the necessity, in every action, of affirming society as such. For the life of the individual in society is possible only by virtue of social cooperation, and every individual would be most seriously harmed if the social organization of life and of production were to break down'. [*Liberalism* (B-6), p.33] (p.156) "What alone enables mankind to advance and distinguishes man from the animals is social cooperation." [B-6, p.24] (p.161) Novak hopes "that during the next two hundred years, the Catholic tradition and the liberal tradition will work as allies rather than enemies, each correcting the other from its own proper viewpoint." (p.172)

Patton, Judd W. *Missing Dimensions in Economics: Understanding the World Through Economic and Moral Principles*. Bellevue, Nebraska: Bellevue College Press, 1989. "Mises' [1920] insight was that since a socialist economy has neither markets nor market prices, it therefore cannot perform economic calculation. This is socialism's fundamental economic flaw! . . . Mises labeled this the paradox of planning. A socialist economy is centrally planned and directed, but it does its planning without any informational feedback mechanism. It is planned chaos!" (p.56) In December 1988, Patton congratulated Gorbachev's chief economic adviser, Abel Aganbegyan, on the "thoughtful analysis," in his book *The Economic Challenge of Perestroika*, "of the inherent deficiencies in centrally planned economies. Indeed, your analysis reminds me of Ludwig von Mises (1881-1973). It was he who pointed out these deficiencies in a 1920 article that kicked-off the famous 'economic calculation debate' between himself, Oskar Lange, and eventually many others." (p.59) Aganbegyan replied that he was "not acquainted with" that debate and asked for information, which Patton supplied. Patton heard nothing further from Aganbegyan.

Redman, Deborah A. *Economic Methodology: A Bibliography with References to Works in the Philosophy of Science, 1860-1988*. Westport, Conn.: Greenwood Press, 1989. Includes entries, many annotated, for books by "second generation" Austrian Mises, and "third generation" Austrian economists, as well as books and papers by many contemporary "Austrians."

Review of Austrian Economics: 3. Boston, Mass.: Lexington Books, D. C. Heath; Auburn, Ala.: Ludwig von Mises Institute, 1989.

Block, Walter. "A Look at *Subjectivism, Intelligibility and Economic Understanding: Essays in Honor of Ludwig M. Lachmann on his Eightieth Birthday*." pp.215-236. For annotated entry of Lachmann Festschrift under review, see Kirzner (1986) above pp.49-51. Block's chief criticism is levied against Don Lavoie who "sets himself the herculean task of showing that Mises was really a closet hermeneutician." (p.219) Block praises Roger Garrison's contribution: "By creating a 'tendency toward equilibrium spectrum' and then placing on it Lachmann ('never'), Mises-Hayek ('sometimes'), and Lucas ('always'), Professor Garrison does more to elucidate the view of the Austrian, the Rational Expectations, and the 'kaleidic' schools of thought on the equilibrating tendencies in an economy than an essay of ten thousand words or more could have done." (p.223) By focusing on by far the best chapters in this Festschrift, Block believes he may have left the reader "with a better impression of the book than it deserves. In point of fact, this volume is replete with errors and is most disappointing for a book touted as the most modern, up-to-date version of Austrianism and as a challenge to the economics of Mises. Indeed, the majority of its chapters simply ignore the basic tenets of this school of thought. And several of those that do not ignore praxeology misconstrue it." (p.232)

Gunning, J. Patrick. "Mises on the Evenly Rotating Economy [ERE]." pp.123-135. "This article is intended to absolve Mises of the C-F [Tyler Cowen & Richard Fink] criticism." See Cowen-Fink entry (1985) above p.32. One by one, Gunning attacks Cowen-Fink's claims that: (1) "the ERE can be used to explain or 'predict' the direction of change;" (2) the "ERE is an analytical building block or stepping stone towards analyzing complex phenomena in a world of change;" (3) the "ERE is a starting point for an analysis of the effects of particular changes;" and (4) Mises puts the ERE to use as a "foil." Gunning: "In my view, Mises' *Human Action* [B-16] is at the same time the most important economics book of this

century and the easiest to misunderstand. Among its many contributions is its correct statement of the meaning and usefulness of the concept of static equilibrium or evenly rotating economy, in economic analysis. Mises' argument was that the ERE is an end point -- a complex relationship between consumers' subjective values and factors of production ¶The ERE is simply a means of conceptualizing a combination of exchanges ¶Mises warned users of the ERE that the method of imaginary constructions, of which ERE is an example, 'leads along a sharp edge: on both sides yawns the chasm of absurdity and nonsense. Only merciless self-criticism can prevent a man from falling headlong into these abysmal depths'." (pp.130-131)

_____. "Professor Caldwell on Ludwig von Mises' Methodology." pp. 163-176. Gunning comments on Caldwell's *Beyond Positivism* (1982). He calls Caldwell an "outsider like an informed tourist who has ventured into Austrian territory and returned to tell of his journey ¶Although Caldwell is sympathetic with what he takes to be Mises' position [he] offers what he calls internal criticisms," based, according to Gunning, on Caldwell's misinterpretations of Mises that: (1) there can be non-purposeful action; (2) there may be an alternative to a priori assumptions; and (3) the Misesian praxeology yields predictions that can and should be tested. "Unfortunately," Gunning concludes, "Mises' terminology was not suitable to the ideas he wished to convey. As a result, too few readers of *Human Action* recognized that his provocative criticisms of the use of positivism, scientism, statistics, and mathematics were based on his view that economics should be defined differently than it was coming to be defined in the mainstream literature and in the universities." (p.173) See above: Caldwell (1982, 1984 & 1986); also Hirsch (1986) and Rotwein (1986).

Hoppe, Hans-Hermann. "In Defense of Extreme Rationalism: Thoughts on Donald McCloskey's *The Rhetoric of Economics*." pp.179-214. According to Hoppe, McCloskey maintains that the goal of conversation and discussion is persuasiveness and entertainment, not the pursuit of truth. In arguing against McCloskey, Hoppe refers briefly to Mises on a priori knowledge of action (p.200). He also quotes Mises on the impossibility of predicting a boom's duration or turning point (p.195) due to the absence of "constant relations' in the field of human knowledge and actions." (p.211 n39)

Hutt, W. H. "Trade Unions: The Private Use of Coercive Power. pp.109-120. "The threat to strike -- 'the gun under the table' as Mises called it -- like all forms of warfare, can be used for good or noble purposes. Nevertheless, even when the objective is defensible, we are forced to regard all private use of coercive power (whether by boycott or strike) as an intolerable infringement of human freedom. We should condemn the Mafia even if it could be shown that the revenues of racketeering were being used to subsidize opera, cancer research, or civil-rights movements. Similarly, the strike is a form of private warfare." (p.110)

Rothbard, Murray N. "The Hermeneutical Invasion of Philosophy and Economics." pp.45-59. Adapted from a paper delivered in Poland, April 1987, at a Conference on Recent Trends in Philosophy and the Social Sciences held by the London Academic and Cultural Resources Fund and the Institute of Philosophy of the Jagellonian University of Krakow. In his *The Nature and Significance of Economic Science*, Robbins "presented a watered-down version of the praxeological method of Ludwig von Mises [T]he Misesian influence was watered down a bit further" in Robbins' second edition. After World War II, the "older economics was inundated by an emerging formalistic and mathematical neo-classical synthesis, of Walrasian equations covering microeconomics and Keynesian geometry taking care of macro." (p.53) Into the "state of methodological confusion" which followed Milton Friedman's "new neo-classical synthesis" and his "import into economics . . . [of] logical positivism," came hermeneutics. According to Rothbard, "this formidable apparatus of neo-classical mathematical economic theory and econometric models, all rests, from the Misesian point of view upon the treacherous quicksand of false and even absurd assumptions." (p.54)

Richter, Rudolf. *Money: Lectures on the Basis of General Equilibrium Theory and the Economics of Institutions*. Translated by Wolfgang F. Stolper. Berlin: Springer-Verlag, 1989. Quite a thorough review of the economic literature on money. Includes several references to Mises' *The Theory of Money and Credit* (B-2), 1953, and U. S. neo-Austrians. "Representatives of the Viennese school have criticized this [general equilibrium] defect of neoclassical theory, . . . The criticism of the later 'Neo-Austrians'* (*A group of economists in

the United States and in the German speaking literature under the aegis of Kirzner, Lachmann and Rothbard, who want to continue the 'Austrian tradition' as developed by Menger, Mises and Hayek) of the 'Anglo-Saxon' economic theory follows along the same lines [as the Böhm-Bawerk-Irving Fisher debate] (genetic-causal theory vs. equilibrium theory)." (p.89, 89n) "L.v.Mises understands credit money to be 'that sort of money which constitutes a claim against any physical or legal person. But these claims must not be both payable on demand and absolutely secure'." (p.106n) "L.v.Mises and other authors doubted that the [Keynesian] target of a money with constant purchasing power could be achieved. He [Mises] prefers commodity money with a fixed standard of coinage, because of its 'freedom from State influence'." (p.293)

Social Philosophy & Policy. 6:2 (Spring 1989) Oxford (England): Basil Blackwell; Bowling Green, Ohio: Bowling Green State University. This issue devoted to "Socialism."

Arnold, N. Scott. "Marx, Central Planning, and Utopian Socialism." pp.160-199. "Von Mises' paper inaugurated what came to be known as the 'socialist calculation debate' . . . ¶More than his proponents are willing to admit, von Mises himself was responsible for much of the misinterpretation of his position by the neoclassical economists who opposed him. He often stated that he proved the impossibility of socialism, and he seems to have regarded his proof as *a priori*. On the face of it, neither of these claims seems plausible. However, there is a core argument that has not yet been touched by von Mises' neoclassical critics . . . ¶Von Mises' challenge can best be understood by considering the problem of production coordination;" (pp.177-178) "Central planning proceeds by what Peter Rutland has called the method of material balances . . . If rational economic calculation requires prices which reflect relative scarcity values, then von Mises' claim that rational economic calculation is impossible in a centrally planned economy seems sustained, simply because central planning uses the method of material balances and makes no significant use of prices. ¶However, it is at least possible for central planning to use prices as expressions of relative scarcity . . . But they cannot be *market* prices . . . And the method of material balances must continue to be used if central planning is to be a genuinely centralized system in which decisions to produce use values guides production (i.e., a system of production for use) . . . ¶The coordination achieved under capitalism by market mechanisms can, with minor adjustments, be maintained by the new social order. Unfortunately this method of calculation will not be rational in an economic system whose purpose is to meet human wants and needs. The reason for this fact is, in a word, *change* . . . ¶Change is inherently disruptive to the productive apparatus of any society, but it is an economically significant fact of life." (pp.181-183) "The vision of von Mises that has been sketched here views entrepreneurial activity in a market economy as much more pervasive and basic than Schumpeter imagined . . . Entrepreneurship consists of marshaling resources to meet changing conditions, and conditions are changing all the time . . . In a world of no change . . . there would be no entrepreneurial activity." (p.184) "Von Mises' basic insight is that the abolition of market prices creates insurmountable knowledge problems for the planners . . . ¶The basic problem is that changes in the underlying economic realities are revealed directly to individuals scattered throughout the economy and not to the planners. In extending von Mises' argument, the crucial claim is that any non-market pricing mechanism in a (complex) centrally planned economy must be completely inadequate to the task of tending to reflect accurately these economically significant changes." (p.187) "Von Mises' claim about the inefficiency of Marxian socialism is an empirical one. His argument does not amount to an *a priori* proof, though he sometimes seems to have thought so." (p.191) "[T]he most important consequence of Mises' argument is that it shows that central planning will seriously fetter the development of the forces of production." (p.198)

Lomasky, Loren E. "Socialism as Classical Political Philosophy." pp.112-138. "The debate over the possibility of rational economic calculation within socialism is a late entry into what was once a vigorous contest. Mises and Hayek deny economic rationality to socialism, and Oskar Lange defends it by suggesting that the socialist economy can simulate market structures, and so derive for the planners information equivalent to that which market prices afford. Note the extreme defensiveness of Lange's position: socialist economies achieve rationality only to the extent to which they succeed in replicating a feature intrinsic to capitalism. Although the socialist planning debate still surfaces in the literature, it is the ring around the bathtub, indicating the former presence of a live body." (p. 113n)

Shapiro, Daniel. "Reviving the Socialist Calculation Debate: A Defense of Hayek Against Lange." pp.139-159. Shapiro aims "to defend Hayek against Lange by way of criticizing [Allen] Buchanan's account" of the socialist calculation debate [*Ethics, Efficiency, and the Market*, 1985]. "The beginning of the socialist calculation debate is usually attributed to Ludwig von Mises, who in 1920 argued that, without markets, economic calculation would be impossible. If Mises is interpreted as making a logical point [NOTE: I believe this interpretation of Mises is wrong, but a discussion of Mises' views would take us too far afield. Shapiro], then it is widely believed that he is wrong. About 20 years earlier, Barone and Pareto had shown that, given complete knowledge of all the relevant economic data, it is possible to solve the millions of simultaneous equations which be necessary to make rational economic decisions. Hayek's contribution, says Buchanan, was to argue 'that the more plausible interpretation of Mises' arguments was *epistemological*, rather than logical.' Even if, in principle, the equations could be solved, the amount of information that would have to be fed into the equations could not be absorbed by any individual or group of planners." (p.140)

Stewart, Donald, Jr. "Qué es el liberalismo?" [What is Liberalism?]. *Ciencia Política*. Bogota, Colombia. #14 (First quarter 1989) 11-35. "In the period between the wars, when liberal ideas had been completely abandoned, the Austrian Ludwig von Mises . . . published *Socialism*, a forceful critique of socialism as a form of social organization. In this work, Mises demonstrated irrefutably the impossibility of calculating economically in a pure socialist society . . . ¶The difficulties for the functioning of the socialist society, foreseen by Mises more than 50 years ago, are only now beginning to be recognized. The absence of a market as the mechanism for the formation of prices and the transmission of information, makes it impossible to calculate economically on the basis of real prices. And this is what led Gorbachev to assert in his book *Perestroika*: 'The essence of what we are planning to do throughout the country is to substitute predominantly economic methods for predominantly administrative methods . . . It will take two or three years to reform the means of formulating prices and the finance and credit mechanism, and five or six years to transfer to commerce the major portion of the means of production.' ¶The attempt to square the circle, which the Soviet leader is debating after 70 years of rule by the Soviet regime, becomes apparent when he asserts: 'The practice of expecting instructions in all matters from above, of relying on decisions made at a higher level, still prevails . . . The problem is that persons have gotten out of the habit of thinking and acting responsibly and independently'." (Translated from the Spanish)

Thomas, Fritz S. "Leyes y Leyes." [Laws and Laws] *Mundo Empresario*. Santa Cruz, Bolivia. #110 (September 24, 1989) 3. Quotes Mises to the effect that the difference between a person who believes in miracles and those who do not is a matter of the basis from which they reason, not of their logic. The author contrasts universal laws with legislated laws. "Above all, truth is useful to man; science is useful. Truth is a supreme value, an irreducible fact. As such it deserves to be defended, not only from the ethical point of view, but also because there is benefit to be derived from the truth." (Translated from the Spanish)

Vihanto, Martti. "The Austrian Theory of Price: An example." *Finnish Economic Papers*. 2:1 (Spring 1989) 82-94. An English-language critique of neo-classical price theory and equilibrium on the basis of Austrian theory. Discusses competition, monopoly and rent. Quotes Mises' *Human Action*: "In an unhampered market economy the absence of security, i.e., the absence of protection for vested interests, is the principle that makes for a steady improvement in material well-being." (p.87n) And cites Mises several times, for instance: "In Austrian economics, competition, or rivalry, is conceived as *a process in which individuals attempt to outdo one another by offering better opportunities in the market*" (p.89)

Voegelin, Eric. *Autobiographical Reflections*. Ellis Sandoz, ed. Baton Rouge: Louisiana State University Press, 1989. "During these three [university] years I began to form personal relationships with students of my own age . . . [through] the courses we heard in common, and especially the seminars. Three of these seminars were of major importance . . . I mention first the seminar with Othmar Spann [with its Romanticism, German Idealism, and "a strong touch of nationalism"] . . . More important for my later life, apparently because it met with my own inclinations, were the seminars of Kelsen and Mises. Through

the Kelsen seminar, and again especially the private seminar, were formed the connections with its older members . . . [and also with] people closer to my own age group . . . Third comes the private seminar of Ludwig von Mises, which I attended for many years, until the end of my stay in Austria, and where I formed connections with Friedrich August von Hayek, Oscar Morgenstern, Fritz Machlup, and Gottfried von Haberler." (pp.4-5)

Wirtschafts-politischer Blätter. Vienna: Bundeskammer der gewerblichen Wirtschaft.

1989. Volume 36. Number 2 This issue devoted to Hayek on his 90th birthday:

Furth, J. Herbert. "Erinnerungen an Wiener Tage," [Recollections of Days in Vienna]. pp.247-253. Furth, a fellow-student of Hayek's recalls attending Mises' private seminar and Mises' late evening discussions at the Ancora Verde. In a February 1931 paper on cyclical theory before the Nationalökonomische Gesellschaft [Economic Society], Hayek "developed the 'monetary' theory of our teacher Mises . . . ¶Hayek never hesitated to draw radical conclusions from his social philosophy and he rejected, as did Mises, every intervention in the market economy, every positive money-, credit- or financial-policy, even progressive income taxes and any form of social insurance, although he by no means denied that a modern society was obligated to insure, outside the market, a minimum standard of living to every participant who could not care for himself. I, on the other hand, following the example of Böhm-Bawerk and Wieser, considered not only the progressive income tax but, true to my family tradition, general social insurance also, as necessary components of a well-functioning market economy. Hayek and I discussed this difference in opinion even in our student organization but it did not hurt our friendship." (Translated from the German)

Leube, Kurt R. "Friedrich August von Hayek -- Die Stationen seines Lebens," [F. A. Hayek -- The Stages of His Life]. pp.130-139. Cites Hayek's early association with Mises in the Austrian Abrechnungsamt [Reparations office], Mises' private seminar and the Institute for Business Cycle Research. "In 1936, in his essay 'Economics and Knowledge,' Hayek developed explicitly for the first time the 'division of knowledge' thesis, a characteristic feature of his work. He points out in this paper, which is actually a criticism of Mises' strict apriorism, that although the logic of decision is aprioristic, the market, which can only be understood as an empirical process, is not." (Translated from the German)

1989. Volume 36. Number 5/6:

Browne, Martha Steffy. "Lionel Robbins." pp.612-619. An English language review of D. P. O'Brien's biography of Robbins (1988). "Like Jevons, Wicksteed and Mises, he [Robbins] rejected interpersonal comparisons. Robbins always believed that equality was a necessary moral working hypothesis and was not opposed to a degree of redistribution if one is aware of the fact that there is no scientific basis for it . . . ¶He agreed with Mises that there could be special situations [viz. wartime when the state must allocate materials] in which markets could be dispensed with . . . ¶He was opposed to any kind of totalitarianism and presented his case against socialism in view of the reduction of efficiency; in this respect his critique is similar to Mises . . . ¶It is interesting to observe that Robbins's prewar contributions were strongly influenced by the Classics, by Wickseil and Mises, but in the post-war period he was influenced by Keynes. ¶The ideas of Mises' *Theory of Money and Credit* and Hayek's *Prices and Production* were developed further in Robbins' account of changes in the conditions of the supply of savings and the relationship of interest to risk . . . ¶Up to the Second World War, Robbins supported the gold standard . . . But after the war he did not recommend a return to the gold standard. He hoped for the creation of a paper system which could perform better than a gold system."

Wohlstetter, Albert. "When Empires Are Falling, Daring is Prudence." *Wall Street Journal*. (December 12, 1989) editorial page. "When Khrushchev talked of goulash communism and said he'd bury us, he meant that centrally planned economies would soon catch up and pass the West . . . ¶[A] surprising number of Western economists agreed with Khrushchev at the time. The Western academy and the Western intelligence bureaucracies -- with some notable exceptions, from Friedrich Hayek and Ludwig von Mises in the 1930s through Warren Nutter, Harry Rowen and Charles Wolf in this decade -- greatly overestimated the economic performance of the centrally planned economies."

Wortham, Anne. "Schumpeter and the Future of Capitalism." *The World & I*. New York: Washington Times Corp. 4:4 (April 1989) 585-607. "The Mont Pèlerin Society member Schumpeter knew best was Ludwig von Mises (1881-1973), who was his most persistent critic . . . ¶Mises has written of Schumpeter's perspective: 'Because Austrian economics is a theory of human action, Schumpeter does not belong to the Austrian School . . . Economics, to him, is a theory of economic quantities,' and not of human action. His *Theory of Economic Development* is a typical product of the equilibrium theory.' ¶Mises never revised his judgment of Schumpeter as another 'mathematical economist' out of touch with economic reality." (pp.587, 588) "*Can socialism work?* 'Yes,' [Schumpeter] answers, in agreement with theories of 'welfare economics' put forth by market socialists of the early 1940s, and in disagreement with the 'rational calculation' argument put forth by Ludwig von Mises in 1919." (p.591) "Schumpeter views the evolution of capitalism into socialism as occurring out of the competition between innovative entrepreneurs and routinizing corporate bureaucrats . . . ¶For Mises, the entrepreneurial element in human decision making is not exclusive to *homo economicus* but is attributable to *homo agens*. Since the entrepreneurial element is present in all human action, the entrepreneur is not just a social type but a social role that is applicable to all participants in the market process -- capitalist, employer, and laborer alike . . . ¶Rather than disrupting an imaginary existing equilibrium as the Schumpeterian entrepreneur does, the Misesian entrepreneur adjusts *real* market discrepancies toward meeting satisfying desires of consumers."(pp.598-599)

1990

Austrian Economics Newsletter. Auburn, Ala.: Ludwig von Mises Institute.

Winter/Spring 1990. Volume 11, Number 1:

Socher, Karl. "The State of Economics in Austria Today: An Interview" by Mark Thornton and Parth Shah. pp.1-4. Austrian economics "is almost forgotten in Vienna itself We continue to uphold the Austrian tradition [at the University of Innsbruck] We call ourselves Hayekians and Misesians [R]ight now we are teaching [Austrian economics] in the 'Principles' classes. It gives us a chance to refer to Mises, Hayek, and the Austrian school." Socher said he met Mises only once "at a meeting of the Mont Pèlerin Society, in 1967, I think We were hotly debating the relative merits of flexible versus fixed exchange rates. At the end, Ludwig von Mises stood up and said, 'stability doesn't depend on the international monetary system, on whether you have more or less cooperation among the central banks, or on a new system of exchange-rate fixing. It depends on the monetary policy of each country. Each country must have a stable currency and a good monetary policy.' We all agreed, and that was the end of the conference."

Summer 1990. Volume 11, Number 2:

Rothbard, Murray N. "A Conversation with . . ." pp.1-5, 15. "After Mises had written *Human Action*, the Volker Fund . . . was looking for a college textbook that would boil it down and spell it out. Mises hardly knew me at the time since I had just started attending his seminar. I wrote a sample chapter, "Money: Free and Unfree." They showed it to Mises and he gave his endorsement. I then received a many-year grant to work on it As I kept going, I found ideas Mises had left out, or steps that were implicit in Mises that needed to be spelled out ¶I was lonely [in the 1950s]. Mises was in his sixties, Hayek and Machlup were in their fifties, and I was in my twenties. There was nobody in between [T]here was a missing generation. It had been wiped out by the New Deal ¶Mises and I had only two friendly arguments. One was on monopoly theory The other argument was on his utilitarian refutation of government intervention ¶[Hayek and Mises] had a very strange relationship. Hayek began making very arcane anti-Misesian comments in his books, but nobody knew it, not even Mises Gradually, Hayek became more and more anti-Misesian without actually refuting what he had to say. Yet Mises and Hayek are still linked in academic minds."

Fall 1990. Volume 12, Number 1:

"Robert Heilbroner Concedes 'Mises was Right!'" p.10. "Robert Heilbroner, proto-socialist economist at the New School, and author of 20 books, has admitted in *The New Yorker* (Sept. 10, 1990) [see below] that Russian socialism was a tragic mistake. 'Mises was right,' that central planners couldn't plan, he says ¶Heilbroner cites Ludwig von Mises as one of the few economists who had 'expressed doubts about the feasibility of centrally planned socialism.' He mentions the information and pricing problems, but stops short of stating the calculation argument in the way Mises did ¶He also conveniently leaves out that as late as 1970, he was defending Stalinist collectivization."

Smith, Barry. "The Question of Apriorism." pp.1-5. "Mises *qua* methodologist was very clearly tempted by the idea that the laws of praxeology should be analytic a purely formal or analytic discipline whose principles would flow from the logical analysis of certain concepts Thus while impositionism is not explicitly defended by Mises *qua* methodologist, he does insist on the analytic character of *a priori* propositions ¶When once we examine Mises' *practice*, however, then a quite different picture is presented [T]here is a veritable plenitude of non-logical primitive concepts at the root of praxeology. Indeed, Mises' descriptions of this plenitude in his actual practice in economics, and also in occasional passages in his methodological writings, can be seen to represent one of the most sustained realizations of the Aristotelian idea as outlined by Menger. ¶Action, we are told by Mises, involves *apprehension of causal relations and of regularities in the phenomena*. It presupposes *being in a position to influence causal relations*. It presupposes *felt uneasiness*. It involves the *exercise of reason*. It is a *striving to substitute a more satisfactory for a less satisfactory state of affairs*."

Tabarrok, Alexander. "Subjective Value Theory: A Reformulation." pp.5-9. "Unfortunately, Mises himself

has led to much of the confusion over subjective value theory. For example, he argues that there is 'no valid objection to usage that defines human action as the striving for happiness.' He quickly adds that praxeology employs the term happiness in a purely formal sense and reiterates that praxeology is 'valid for all kinds of action irrespective of the ends aimed at' . . . Happiness, as normally understood, is a joyful state of consciousness . . . 'Happiness,' as Mises would define it, implies nothing about a person's state of consciousness, i.e., nothing about his emotions or feelings . . . ¶By itself, Mises' peculiar definition of happiness does not necessarily imply error. However, on the basis of his definition Mises argues that the ordinary definition of happiness is meaningless."

Barton, Sarah. "The Ear." *Rothbard-Rockwell Report*. Burlingame, Calif., Center for Libertarian Studies. 1:6 (October 1990) 1-2. "Miltie Friedman gave the Keynote address at the [1990 Future of Freedom Conference] banquet. Jim Peron introduced Miltie as one of the four Mt. Rushmore giants of 20th century libertarianism, the other three being Mises, Hayek, and Rand. Friedman (standing ovation at the beginning) proceeded to trash Rand and especially Mises as 'intolerant' and 'lacking humility.' It's an old routine of Miltie's (talk of the Pot calling the Kettle black!) but why did the assembled Modals give him a standing ovation after his trashing of a man whose boots he isn't fit to lick?" Friedman's talk reprinted in *Liberty* (July 1991) annotated below, pp.140-141.

Boettke, Peter. *The Political Economy of Soviet Socialism: The Formative Years, 1918-1928*. Norwell, Mass.: Kluwer Academic Publishers, 1990. Based on Boettke's Ph.D dissertation (see above, 1988). According to reviewer Aaron Wildavsky (*The Freeman*, June 1991, pp.239-240): "Following the pioneering ideas of Michael Polanyi, Paul Craig Roberts, and Boris Brutzkus, Peter Boettke has written what must now be the major introduction to the ideas animating Communist economies."

Brookes, Warren. "Why is the Left Jubilant?" *The Washington Times*. (January 10, 1990) F2, F4. "In Poland and Eastern Europe today, they are *not* reading the smirking socialism of John Kenneth Galbraith . . . or the macro-statism of Paul Samuelson, who once wrote 'it is a vulgar mistake to think that most people in Eastern Europe are miserable.' ¶Well 'les ex-miserables' are now studying *The Road to Serfdom* by Nobel economist Friedrich A. Hayek . . . ¶Mr. Hayek's intellectual descendant, 1987 Nobelist James Buchanan . . . explains why government bureaucracies always get things wrong and make us less free . . . ¶In Budapest and Prague they are now reading *Capitalism, Freedom and Democracy*, by Mr. Hayek's scholarly offspring, Nobelist Milton Friedman . . . ¶That ugly socialist/fascist axis was played out in the brilliant but systematically unheralded life of the real godfather of communism's European crackup: The greatest Austrian economist, Ludwig von Mises, whose penetrating mind gave intellectual birth to Messrs. Hayek, Friedman, and Buchanan, and rebirth to Adam Smith."

Chaloupek, Günther K. "The Austrian Debate on Economic Calculation in a Socialist Economy." *History of Political Economy* Duke University Press. 22:4 (1990) 659-675. "[A]n overview of the Austrian part of this debate, especially of the Austrian socialist theoreticians' response to Mises' challenge." Chaloupek refers to several papers on economic calculation under socialism, including Otto Leichter's *Die Wirtschaftsrechnung in der sozialistischen Gesellschaft* (1923), Walter Schiff's "Planwirtschaft" (1932) and Otto Neurath's several works. His bibliography cites still others which appeared between the two World Wars, some of which are listed in the 1993 Mises bibliography. Chaloupek concludes: "In Austria the response of the Left to Ludwig Mises' challenge of socialism cannot compare with Lange and Lerner in intellectual brilliance." He suggests several reasons for this: "Firstly, the economic thinking of the Left was still based on the writings of Marx and Engels . . . For this reason alone, any 'solution' of the calculation problem of the Taylor-Lange type was beyond reach for Leichter or Schiff. ¶But more importantly, they would never have accepted this kind of 'solution' -- in fact they quite explicitly rejected the market-socialist approach . . . Undeniably, the economy pictured by Leichter and Schiff bears much more resemblance to the reality of the Soviet Union or the Comecon countries than Oskar Lange's market socialism."

Childs, Roy A., Jr. "Two Thrilling Audio Tapes: *Why Socialism Always Fails* by Ludwig von Mises and *Why Does Socialism Continue to Appeal to Anyone?* by Robert Hessen." *Laissez Faire Books*. (May 1990) 10. "It is positively thrilling to hear the tape *Why Socialism Fails* by the legendary Ludwig von Mises. Mises recorded the talk in Seattle, Washington, on May 5, 1970, before an overflow audience of free market enthusiasts. He was nearly ninety years old. What is striking is the vitality of the man at that age! The talk is lucid and powerful -- and haunting."

Clark, John & Aaron Wildavsky. *The Moral Collapse of Communism: Poland as a Cautionary Tale*. San Francisco, Calif.: Institute for Contemporary Studies, 1990. "The most severe condemnation of CPEs [Centrally Planned Economies] was expressed in the 1920s and 1930s by the apostles of free-market, spontaneous economic systems, the Austrian School of Friedrich von Hayek and his teacher, Ludwig von Mises . . . Their arguments come in two forms: the knowledge form and the calculation form. In the knowledge form, Hayek and von Mises claim that no central body could know enough about the interactions in the economy to figure out the relevant opportunities. And if they did know more, the calculation argument continued, they could not figure out how to apply this knowledge to the simultaneity and interdependence of market transactions." (p.283)

Critical Review. Chicago, Illinois: Center for Independent Thought, 1990.

Winter-Spring. Volume 4. Numbers 1-2:

Boettke, Peter J. "Individuals and Institutions." A review of Geoffrey Hodgson's *Economics and Institutions: A Manifesto for Modern Institutional Economics*. pp.10-26. "The core concept of the work of Mises and Hayek, for example, is to explain the origin and working of the institutional order of economic cooperation based on the division of labor -- particularly insofar as this order is a means of social cooperation in order to perceive and acquire knowledge. Mises, the product of a more rationalist age, delineates the benefits of the division of labor in assisting conscious economic activity, while Hayek stresses the tentative mix of cultural traditions and individual consciousness that underlies and shapes the working of such a system. Both, however, stress the role played by the epistemic order of the division of labor for social cooperation . . . ¶Only through the development of the subjectivist perspective, it has been argued by Mises, did the problem of economic calculation come to be understood. The allocation of capital resources, remote as they are from direct consumer evaluation, must rely on some shorthand to aid in their economic assessment. Without some institutional guide, we would be trapped, as Mises put it, 'amid the bewildering throng of economic possibilities.' ¶The institutions of private property and free capital markets, however, provide a way out of the social dilemma . . . Without the aid of economic calculation to coordinate the division of social labor, Mises argued, society would be reduced to taking 'steps in the dark.' . . . ¶Hodgson seems oblivious to the fact that Mises and Hayek are as critical of atomism and homo oeconomicus as he is. Hayek . . . has written that the mainstream concept of economic man 'belongs to the rationalist rather than to the evolutionary tradition.' And Mises is clear in his rejection of any deterministic and mechanical image of human choice." (pp.16-18)

Johnson, Gregory R. "Hermeneutics: A Protreptic." pp.173-211. "If the choice before us is not whether to interpret or not, but only whether to do so self-consciously or not, then it is clear that those who deny the inevitability of interpretation will be unaware of the interpretive context and activities at work in their own minds . . . As Ludwig von Mises put this point with reference to historians: 'Their pretension to investigate reality without any reference to what they disparage as preconceived ideas is in vain. In fact, they unwittingly apply popular doctrines long since unmasked as fallacious and contradictory.'" (p.199)

Kirzner, Israel M. "Self-Interest and the New Bashing of Economics: A Fresh Opportunity in the Perennial Debate." pp.27-40. Comments on recent textbooks which have attacked the rationality assumption in economic theory. "As Mises . . . had explained as early as 1922, there is nothing in the economist's approach which implies absence of moral restraints. There is nothing amoral or 'uncivilized' in the economist's perspective. Truly sensitive natures, Mises pointed out, need not be dismayed by the economist's way of putting things. 'Called upon to choose between bread and honour, [such truly sensitive natures] will never be at a loss how to act. If honour cannot be eaten, eating can at least be

foregone for honour'." (p.32) "[T]he revival of the Austrian tradition has enabled us to extend the classic Mises-Robbins defense with renewed vigor. Developments within the Austrian tradition have emphasized the centrality . . . of market processes of spontaneous learning sparked by entrepreneurial alertness. ¶In these processes, self-interest is indeed a central element . . . Properly understood self-interest does not exclude altruistic motivation; it depends on purposefulness, but not on any selfishness of purpose . . . [I]t is one's *own* purposes which inspire one's actions and excite one's alertness." (p.39)

Summer 1990. Volume 4, Number 3:

Jacobs, Struan. "Post-Liberalism vs. Temperate Liberalism." pp.365-375. Jacobs fails to find in John Gray's "Postscript: after liberalism" (*Liberalisms*, 1989) what he considers "the most compelling argument for liberalism and for the priority of freedom" namely that "while freedom cannot secure other values, save tolerance and security . . . without freedom almost every other value is placed in jeopardy. When 'freedom is lost,' says Popper, 'everything is lost.' ¶This argument goes hand in hand in with support for democracy . . . [O]ne interpretation of it [democracy] may be regarded as peculiarly liberal, according to which democracy's primary purpose is the protection of freedom. This view of democracy is advanced in the writings of Bentham, James Mill, John Stuart Mill, Popper, Mises and Hayek." (p.371)

Fall 1990. Volume 4, Number 4:

Friedman, Jeffrey. "The New Consensus: II. The Democratic Welfare State." pp.633-708. Considers Mises' critique of price controls inadequate as a critique of intervention in general. "Mises argued, if government could not be persuaded to turn back, the initiation of price controls would lead inexorably to central planning . . . ¶[T]he most important factor overlooked by Mises' critique of 'interventionism' is, obviously, that price controls are not by any means the only or the predominant form of state intervention in the market economy (p.668) . . . The tough conceptual challenge facing a neo-Misesian critique of interventionism, however, is to show how *all* forms of intervention suffer problems comparable to those that are fatal to price controls . . . ¶The dependence of Mises' theory of bureaucracy on the role of prices in economic calculation suggests that one might group bureaucratic inefficiency, the shortages and surpluses caused by price controls, and the critique of central planning together into one category of interventions . . . ¶The second problem with turning to a generalized version of Mises' critique of socialism for a global critique of intervention is the fact that intervention is undertaken by officials who are not, after all, automatons . . . Indeed, the worldwide movement away from nationalization and toward privatization, the removal of wage and price controls in the United States, . . . the deregulation of airlines and trucking, . . . and many other phenomena confound any notion that there is an inexorable road to serfdom." (pp.668-670)

de Jasay, Anthony. *Market Socialism: A Scrutiny: 'This Square Circle.'* London: Institute of Economic Affairs, 1990. A critique of an anthology, *Market Socialism* (Julian Le Grand & Saul Estrin, eds. Oxford: Clarendon Press, 1989). If "markets" and "socialism" are to be coupled, de Jasay writes, then "capitalism and markets" must be decoupled. Yet capitalism and markets are "wrongly yet strongly linked in the public mind," both historically and philosophically. "The philosophical link was first asserted by Mises in 1920, for whom the information embodied in prices, necessary for efficiency in resource allocation, could be generated only by a competitive market. His argument was completed by Hayek who added the essential element of a discovery process . . . ¶The socialist counter-argument, that no logical links existed between capitalism and efficient pricing, set out in the 1930s by Lerner and Lange, centred around the theoretical possibility of finding market-clearing prices by simulating the responses capitalist producers would make to perceptible shortages and surpluses of exchangeable goods." (p.11)

The Free Market. Auburn, Ala.: Ludwig von Mises Institute.

January 1990. Volume 8, Number 1:

Richman, Sheldon L. "The Old Right Was Right." pp.1,4-5, 8. "The Old Right, whose activities spanned the 1930s to the mid-1950s, was characterized by its immense distrust of concentrated political power . . . ¶The Old Right grasps intuitively, if not theoretically, Ludwig von Mises' fatal criticism of socialism as incapable of rational economic activity . . . ¶As Mises in 1952 wrote . . . 'the United States is

subsidizing all over the world the worst failure of history: socialism. But for these lavish subsidies the continuation of the socialist schemes would have become long since unfeasible.' . . . ¶As Mises wrote: 'Prosperity is not simply a matter of capital investment. It is an ideological issue. What the underdeveloped countries need first is the ideology of economic freedom,' which the United States should send them."

February 1990. Volume 8, Number 2:

Higgs, Robert. "Time for an American Perestroika." pp.1, 6-7. "Long ago Ludwig von Mises showed that the authorities in a planned economy cannot calculate to achieve an economically rational allocation of resources. Without prices ratified by consumer demands and without asset values established in open capital markets, a planned system must necessarily misallocate resources. By now everyone, including communists from Gorbachev on down, acknowledges that the planned economies of the Soviet bloc have been failures. The U. S. military economy also has been a failure, for the same reason."

March 1990. Volume 8, Number 3:

Maltsev, Yuri. "Mises in Moscow! An Interview with an Austrian Economist from the U.S.S.R." by Jeffrey A. Tucker. pp.1, 4-6. "After decades of enslavement, almost no one in the U.S.S.R. is interested . . . in the views of John Maynard Keynes . . . Even if they haven't read Mises, Hayek, and Rothbard, they are instinctive libertarians . . . ¶Imagine the U. S. if the Democratic Party ran everything, and I mean *everything*, down to the tiniest detail, and everybody was a post office employee. That's the Soviet Union. As Mises demonstrated so many years ago, such a system cannot work because there are no market prices and no profit and loss signals . . . ¶Most economists there [in the U.S.S.R.] are trained in practical, not theoretical, economics. But Mises is far more respected in the Soviet Union than Paul Samuelson or J. K. Galbraith. The government's official propaganda treats libertarians as Enemy Number One because they openly condemn the socialist system . . . ¶The best thing the U.S. can do is to export good economic thought . . . and set a good example by reducing the size of government here."

Rockwell, Llewellyn H. Jr. "Mises Vindicated." pp.2-3. "If Ludwig von Mises were alive today, he could say: 'I told you so.' For in 1920, Mises . . . crafted socialism's tombstone. ¶In all the debates over socialism, he alone cut to the heart of the matter. Socialism doesn't qualify as an economic system because it seeks to abolish economics, he said . . . ¶As the freedom revolution leapt from country to country in Eastern Europe, some leftists claimed -- as they whistled past their own graveyard -- that the people were repudiating Stalinism, not Marxism. That's baloney, of course . . . ¶Other leftists still cling to a mythical 'third way' between communism and capitalism . . . Such systems, as Mises pointed out, must ever trend towards freedom or totalitarianism, while wrecking economic havoc all the while . . . ¶Our job is to overthrow the idol of statolatry, and install in its place respect for the free market, individual liberty, private property, and sound money. Ludwig von Mises told us so." Essentially this same article published as "Economist von Mises Could Say He Told Us So." *Orange County Register*. (February 15, 1990) B-13.

Sirico, Robert A. "The Last Bastion of Marxism." p.7. "The Rev. Leonardo Boff says that capitalism is a power conspiracy against the poor. ¶But, points out Ludwig von Mises, 'The ownership of material factors of production as well as entrepreneurial or technological skills do not -- in the market economy -- bestow power in the coercive sense. Ownership of capital is a mandate entrusted to the owners, under the condition that it should be employed for the best possible satisfaction of the consumers.'"

April 1990. Volume 8, Number 4:

Rockwell, Llewellyn H., Jr. "The Internationalist Rip-off." pp.1-2. "True prices can only be established with private property and a free market, as Ludwig von Mises demonstrated 70 years ago . . . ¶When Mises' student Ludwig Erhard freed the war-sacked West German economy -- over the opposition of Harry Truman's bureaucrats -- an economic miracle took place."

May 1990. Volume 8, Number 5:

Rockwell, Llewellyn H., Jr. "In Defense of Child Labor." pp.1, 4-5. "Just the other day, hard-eyed federal cops descended on young lawbreakers all across America. Their crime wasn't drugs or gang warfare or even shoplifting. It was work." Congress had raised the minimum wage abolishing entry level jobs suitable for ill-educated youngsters. "A teenager's job is not only gainful, it's a school for life . . . the most

important school many kids attend. The government wants to kick them out. ¶This is made easier by what Ludwig von Mises identified as the ‘anti-capitalistic mentality’ of politicians and intellectuals, and the long history of socialist propaganda on this subject ¶By 1830, the life expectancy of children had vastly increased, thanks to the most explosive growth in living standards in history. Before capitalism, ‘these children were destitute,’ said Mises. ‘Their only refuge was the factory,’ which ‘saved them from death by starvation.’ . . . ¶When youth factory work was restricted by an unholy combination of upper-class bleeding hearts and socialists, it was the kids who suffered. Since they had to live, and since they would do anything to avoid the social workers, the youngsters were forced to look for usually lower-paying and more dangerous work in the countryside. Many ended up, says Mises, ‘vagabonds, beggars, tramps, robbers, and prostitutes’.”

August 1990. Volume 8, Number 6:

Rothbard, Murray N. “The Economics of Government Medical ‘Insurance’.” pp.1, 6-7 “One of Ludwig von Mises’ keenest insights was on the cumulative tendency of government intervention. The government, in its wisdom, perceives a problem (and Lord knows, there are always problems!). The government then intervenes to ‘solve’ that problem. But lo and behold! instead of solving the initial problem, the intervention creates two or three further problems, which the government feels it must intervene to heal, and so on into socialism. ¶No industry provides a more dramatic illustration of this malignant process than medical care. We stand at the seemingly inexorable brink of fully socialized medicine, or what is euphemistically called ‘national health insurance’ ¶And so, our very real medical crisis has been the product of massive government intervention, state and federal, throughout the century: in particular, an artificial boosting of demand coupled with an artificial restriction of supply. The result has been accelerating high prices and deterioration of patient care. And next, socialized medicine could easily bring us to the vaunted medical status of the Soviet Union: everyone has the right to free medical care, but there is, in effect, no medicine and no care.”

September 1990. Volume 8, Number 9:

Rockwell, Llewellyn H., Jr. “The Regulatory-Industrial Complex.” pp.2-3. “[O]ur D. C. leviathan [political organism] exists only to extract money and power from the people for itself and the special interests. ¶Ludwig von Mises called this an inevitable ‘caste conflict.’ There can be no natural class conflict in society, Mises showed, since the free market harmonizes all economic interests, but in a system of government-granted privileges, there must be struggle between those who live off the government and the rest of us. It is a disguised struggle, of course, since truth threatens the loot.”

October 1990. Volume 8, Number 10:

Rockwell, Llewellyn H., Jr. “Economic Ignorance.” pp.2-3. “The essence of the economic order is the price system. Without it, as Ludwig von Mises demonstrated in 1920, society is doomed to mass starvation.”

Thornton, Mark. “The War on Tobacco.” pp.7-8. “As Ludwig von Mises pointed out in *Human Action*, ‘. . . once the principle is admitted that it is the duty of government to protect the individual against his own foolishness, no serious objections can be advanced against further encroachments.”

November 1990. Volume 8, Number 11:

This issue includes in side-bars two notable Mises quotes from *Money, Method, and the Market Process* (B-28):

“The only method of reducing poverty and of supplying people more amply with consumers’ goods is to produce more, better, and cheaper All that a government can do in this process is to protect the operation of the market economy against violent or fraudulent aggression A governmental system that spends every year billions of dollars of the taxpayers’ money to make essential foodstuffs, cotton and many other articles more expensive should certainly have the decency not to boast of an alleged war against poverty’.” (p.5)

“If we send them [underdeveloped nations] foodstuffs to fight famines, we merely relieve their governments from the necessity of abandoning their disastrous agricultural policies If we send to the poor countries manufactures or ‘lend’ them dollars, we virtually pay for the deficits of their nationalized transportation and communication systems and their socialized mines and processing industries. The truth is that the United States is subsidizing all over the world the worst failure of history: socialism.” (p.6)

Rockwell, Llewellyn H., Jr. “A Marxoid ‘Oops’.” p.2. “When a congressman cites the Constitution, I’m glad

to hear it mentioned, but I know he's subverting it with every vote he casts. That's how I felt when left-wing economist Robert Heilbroner said in the *New Yorker* that 'Mises was right' about socialism ¶Now Heilbroner says Mises was right: 'no Central Planning Board could ever gather the enormous amount of information needed to create a workable economic system.' ¶Although true, that was not Mises' point. His critique was far more radical: that an economy couldn't function properly, i.e., economically, without a free price system ¶Mises also made an even more significant point for those of us in the West: free prices are what make an efficient economy possible."

The Freeman. Irvington, N.Y.: Foundation for Economic Education.

January 1990. Volume 40, Number 1:

Wasley, Terece P. "The Coming Push for National Health Care." pp.30-32. "Only a free market will break the spiral of ever-increasing medical costs. As Ludwig von Mises wrote, 'The pricing process of the unhampered market directs production into those channels in which it best serves the wishes of the consumers as manifested on the market.' Only a free market in health care will allow individuals maximum choice in meeting their health care needs."

June 1990. Volume 40, Number 6:

Greaves, Bettina Bien. "Consumer Sovereignty." pp.222-223. "It was Ludwig von Mises (1881-1973), leading spokesman for decades of the Austrian school, who clearly demonstrated the consumer's crucial role in production ¶Each of us acts in response to our respective values. When as consumers we buy, or refuse to buy, we send a message to the entrepreneurs who guide production. Entrepreneurs 'are at the helm and steer the ship,' Professor Mises noted. 'But they are not free to shape its course. They are not supreme, they are steersmen only, bound to obey unconditionally the captain's orders. The captain is the consumer.'" Published in Spanish translation in Argentina, Bolivia, Dominican Republic, El Salvador, Guatemala.

Fund, John. Interviewer; see Vaclav Klaus under *Reason* (below).

Gordon, David. *Resurrecting Marx: The Analytical Marxists on Freedom, Exploitation, and Justice*. New Brunswick, N.J.: Transaction Books, 1990. After analyzing Marxism, Gordon devotes one chapter to the Marxist assault on capitalism and then another to the capitalist assault on socialism. Since Mises' 1920 article and his *Socialism* (1922), Mises, Hayek and other Austrian economists have contended that "a socialist system cannot work in a developed economy. Without a market, they hold, it is (nearly) impossible to decide how to produce capital goods efficiently. Thus, existing 'socialist' regimes do not operate completely through central planning'" (p.32) "Since the appearance of [Mises'] famous article . . . the debate over socialism has shifted dramatically from where Marx left it." (p.121) Reviewer Roy A. Childs writes: "Marxism appears to have more lives than a cat. In varying forms, it has been resurrected by generation after generation of intellectuals, particularly in Western universities ¶[W]hat these movements lacked 'was a thoroughgoing reappraisal of the scientific basis of Marxism.' . . . In this book, [Gordon] takes the reconstructionists apart." (*Laissez Faire Books*, April 1991)

Gray, John. "The Anti-socialists." *National Review*. 42:14 (July 23, 1990) 26-29. "A second wave of anti-socialist thought begins . . . with the Austrian Eugen Böhm-Bawerk's classic, *Karl Marx and the Close of His System* ¶For the critique of socialism as an economic system, however, we must turn to the later theorists of the Austrian school of economics, Ludwig von Mises and Friedrich von Hayek In his books *Socialism* [B-4] and *Human Action* [B-16], Mises set out the fundamental and insoluble -- problem of socialism as a problem of calculation ¶Hayek's argument against socialist central planning is subtly but profoundly different from that of Mises. For Hayek, the fundamental problem of central planning is one not of calculation but of knowledge. In any society, economic knowledge is widely dispersed in the beliefs and perceptions of millions of individuals for the most part local knowledge of specific, and often fleeting, circumstances also practical knowledge, stored and used in the form of skills and habits, traditional expertise and entrepreneurial flair. It is not that, as for Mises, this dispersed

knowledge, once collected by a central-planning authority, throws up so many problems of calculation that it proves to be useless. It is instead, for Hayek, that *it cannot be collected at all*, in virtue of its local, practical, and ephemeral character.”

Heilbroner, Robert. “Analysis and Vision in the History of Monetary Economic Thought.” *Journal of Economic Literature*. 28 (September 1990) 1097-1114. “On what basis did Lange (and his ‘protégé,’ Schumpeter) reach their expectations with respect to the successful prospects for socialism, or Mises and Hayek their expectations of its operational failure? . . . [T]he appeal of both sides was to argument: Lange maintaining that if marketlike signals could be replicated within the workings of a planned economy, it followed that socialism could work as well as (Schumpeter went on to say better than) a capitalist system; Hayek declaring that the basis for such an outcome could never be achieved, owing to fundamental differences in the manner in which prices are generated in the two systems . . . ¶[B]ehind [this analytic disagreement] can also be located different visions -- in this case with respect to social behavior in an environment of planning. Lange’s price-setting officials are functionaries who ‘obey’ price directives because they have been instructed to do so, not because they have to do so under pain of market punishment. In appraising this conception of market socialism, Mises passed the stinging judgment that socialist[s] ‘want people to play market as children play war, railroads, or school. They do not comprehend how such childish play differs from the real thing it tries to imitate.’ Implicit here is an anti-Langean view that the energies needed to set into motion a truly market-responsive economy can only be generated when its actors are vitally bound into that system. Thus behind the analytics of the Mises-Lange dispute lie two views of ‘human nature.’ ¶I raise these levels of difference . . . to ask whether the victory of the Mises-Hayek view can be attributed entirely to the superiority of its visionary basis over that of Lange, and by extension, whether we can attribute the successes and failures of all prognoses and scenarios to the relative reliability of their visions. ¶As I see it, the relation between vision and prognosis does not permit such conclusions. Visions are the source, but not the immediate determinants of social prognoses . . . ¶Thus, the validity of underlying visions cannot be inferred from the success of prognoses built on them.” (pp.1111-1112)

_____. *The New Yorker*. (September 10, 1990) 91-100. “In the nineteen-thirties, when I was studying economics, a few economists had already expressed doubts about the feasibility of centrally planned socialism. One of them was Ludwig von Mises, . . . who had written of the ‘impossibility’ of socialism, arguing that no Central Planning Board could ever gather the enormous amount of information needed to create a workable economic system . . . Oskar Lange, a brilliant young Polish economist . . . wrote two dazzling articles showing that a Board would not need all the information that Mises said it couldn’t collect . . . Fifty years ago, it was felt that Lange had decisively won the argument for socialist planning . . . ¶It turns out, of course, that Mises was right. The Soviet system has long been dogged by a method of pricing that produced grotesque misallocations of effort . . . Inefficiency set in when projects had to be joined into a complex whole -- a process that required knowing how much things should cost. Then, as Mises foresaw, setting prices became a hopeless problem, because the economy never stood still long enough for anyone to decide anything correctly.” (p.92) “The same Ludwig von Mises who doubted whether a Central Planning Board could bring into being a coherent economy wrote that socialists want people ‘to play market as children play war, railroad, or school.’ His words raise the question of whether a market system can in fact operate vigorously unless it is played for keeps, which is to say for rewards and punishments that far outweigh medals for good behavior.” (pp.96-97) A more extensive version of this article, “Analysis and Vision in the History of Modern Economic Thought” appeared in the *Journal of Economic Literature*, September 1990 (see immediately above).

_____. “The World After Communism.” *Dissent* (Fall 1990). A letter to a friend. “There has been a massive collapse of the framework of centrally planned socialism and an equally unmistakable, although not so dramatic, decline in the magnetic appeal of ‘socialism’ in the capitalist world . . . ¶[C]apitalism has been as unmistakable a success as socialism has been a failure . . . ¶But what voice of the present generation has anticipated the demise of socialism or the ‘triumph of capitalism’? Not a single writer in the Marxian

tradition . . . ¶That leaves the right. Here is the part that is hard to swallow. It has been the Friedmans, Hayeks, von Miseses, *e tutti quanti* who have maintained that capitalism would flourish and that socialism would develop incurable ailments . . . ¶Von Mises' reasons for the 'impossibility' of socialism -- that it had no means of establishing a rational pricing system -- do not appear to be those that pulled it down . . . The planning authorities mispriced goods not just because they lacked adequate economic information about demand (as von Mises wrote) but because 'efficient' pricing would have created unendurable political tensions." Excerpt published as "Was the Right Right All Along?" in *Harper's*. (January 1991) 18-22.

Hennings, Klaus & Warren J. Samuels, eds. *Neoclassical Economic Theory, 1870 to 1930*. Boston: Kluwer, 1990.

The purpose of this anthology is to examine "the state of the interpretive literature" dealing with "neoclassical economists" of the British, Lausanne, Austrian and Swedish schools.

Boehm, Stephan. "The Austrian Tradition: Schumpeter and Mises." Chapter 6, pp.201-241. A reprint of Boehm's 1989 paper (see above). Passages quoted there appear here on pp.209-210, 212.

Hébert, Robert F. "Commentary." pp.190-200. Comments on E. W. Streissler's Chapter 5, "Menger, Böhm-Bawerk, and Wieser: the Origins of the Austrian School." The "third-generation Austrian economists, particularly Mises, Hayek, and Schumpeter, formed a bridge between the classical macroeconomic concerns with economic growth and stability on the one hand and the neoclassical effort to redirect economic inquiry toward microeconomic relationships on the other . . . ¶Austrian economics did not become a major export until many of the most able third-generation Austrians fled their native land to escape Nazi oppression . . . ¶Partly as a consequence of these migrations, the term *Austrian* has been shorn of its geographic meaning in economics . . . ¶Mises recognized that the marginal utility of money comes from two separate sources [the value of the goods it can buy and its subjective use-value for future exchange] . . . ¶The problem Mises confronted is how to measure the purchasing power of money . . . ¶True to the Austrian tradition, Mises sought the answer to this question in the actions of individuals. All valuation is done by individuals; therefore, the key to understanding the value of money must be in the mind of the individual." (pp.190-192)

Kirzner, Israel M. "Commentary." pp.242-249. Comments on Boehm's Chapter 6, "The Austrian Tradition: Schumpeter and Mises" (see above and 1989). "[N]o discussion of the work of Mises and Schumpeter could avoid taking account of the diverse paths taken by these writers after 1930, nor could any such discussion avoid coming to grips with recently revived interest in their respective works . . . ¶In fact, from the perspective of the mid-century (say, at the time of Schumpeter's death) one would have been compelled to conclude that (1) the contributions of these two writers were sufficiently divergent in spirit, purpose, and direction, to stamp them as being poles apart; (2) the life's work of neither of them, appeared to have been *both* sufficiently influential *and* sufficiently 'Austrian' to contradict the impression, then widespread in the economics profession, that the Austrian school had, in effect died with Böhm-Bawerk (or, at any rate, with Wieser) . . . ¶If one is to account for the contemporary, late-century Austrian revival, one must now recognize that the earlier Austrian tradition encompassed important ideas (or pointers toward ideas) that never were absorbed into mainstream economics. These ideas . . . somehow survived the decades-long, mid-century eclipse of the Austrian tradition and subsequently sparked the present Austrian revival." Kirzner argues that these ideas were present, "if only in embryonic form, in the writings of Menger and his disciples, and that it was the work of Schumpeter and Mises that kept these ideas alive . . . ¶During the decades between 1920 and 1950 it was surely the writings of Schumpeter and of Mises that contained the clearest statements of dissociation from an exclusively equilibrium understanding of markets . . . ¶It is true, as cited by Boehm, that Schumpeter did not have the highest regard for Mises as a theorist. It is true that Mises did not view Schumpeter as an Austrian economist (and, as cited by Boehm, indeed saw him as an equilibrium theorist) . . . But the fact remains that a student of economics searching, during the central decades of this century, for voices dissenting from the dominant preoccupation with the perfectly competitive equilibrium paradigm would be bound sooner or later, to bracket Mises and Schumpeter in this regard."

Hillsdale College. *Champions of Freedom: 16. The Ludwig von Mises Lecture Series. The Free Market and the Black Community*. Ronald L. Trowbridge, exec. ed.; Lissa Roche, gen. ed. Hillsdale, Mich.: Hillsdale College Press, 1990.

Mariotti, Steve. "Generating Entrepreneurial Activity in the Inner Cities: Hope for the Future." pp.51-61. Mariotti has gained some notoriety for turning difficult inner city high school boys and girls into promising entrepreneurs. His libertarian lawyer grandfather, Lowell B. Mason, offered young Steve, when sixteen and a socialist, \$100 to read and report on *Human Action*. "The effect on my thinking was revolutionary. Within a matter of weeks, I went from looking at life as a totalitarian to a classical liberal." (p. 55)

Javier Negri, Juan. "Mientras dure la calma: von Mises y Ecorse" [While the Calm Lasts: von Mises and Ecorse]. *La Prensa* (Buenos Aires) April 22, 1990. Quotes Mises: "[T]he idea of sound money . . . was devised as an instrument for the protection of civil liberties against despotic inroads on the part of governments. Ideologically it belongs in the same class with political constitutions and bills of rights." (*Theory of Money*, 1953 ed., p.414) Javier Negri comments: "[I]f the right to a sound money were accepted as a 'human right and if it were recognized as such by our judges and legislators, it would produce a veritable revolution: a revolution which, of course, would not be limited to students of the subject in academia, but if actually carried out would lead to the erection of legal barriers against the reprisals of government." The second part of the article concerns Ecorse, a small town in Michigan written up in *The Freeman*, that privatized some of its government enterprises. (Translated from the Spanish)

Kirzner, Israel M. "Carl Menger und die subjektivistische Tradition in der Ökonomie" [Carl Menger and the Subjectivist Tradition]. *Carl Mengers wegweisendes Werk* [Carl Menger's Pathbreaking Work]. Horst Claus Recktenwald, ed. Dusseldorf: Verlag Wirtschaft und Finanzen, GmbH, 1990. Kirzner's paper, written in English and translated into German for publication with other papers on Menger's *Grundsätze der Volkswirtschaftslehre* [Principles of Economics], credits Menger with having "inspired Ludwig von Mises and Friedrich Hayek in their long and arduous journey of articulating the Austrian vision systematically in non-equilibrium terms -- in terms which emphasize the subjectivism of ignorance and discovery, of entrepreneurship and dynamic competition An appreciation for the profound vision which the Mises-Hayek formulations presented, must surely proceed through appreciation for the subjectivism and the essentialism which shine through Carl Menger's *Grundsätze der Volkswirtschaftslehre*." Reprinted (pp.70-85) in Kirzner's *The Meaning of Market Process: Essays in the Development of Modern Austrian Economics*. London/New York: Routledge, 1992.

_____. "The Meaning of Market Process." *General Equilibrium or Market Process, Neoclassical and Austrian Theories of Economics*. A. Bosch, P. Kalikowski and R. Veit, eds. Tübingen: J. C. B. Mohr, 1990. "[T]raditional economics has demonstrated since Adam Smith, that market efficiency can prevail in spite of the absence of centralized direction. It turns out, as it happens, that the market process approach shows that such absence of centralized direction is in fact *necessary* if the kind of co-ordination (we have seen to be achievable through the market process) is to be attained at all. It is this insight that Mises and Hayek attempted to enunciate in their expositions of the problems of economic calculation that face socialist planners. As has recently been shown, the failure of post-Second World War economists to appreciate the force, and even the content of the Mises-Hayek position has much to do with their unawareness of the market process view which these Austrian economists -- perhaps unselfconsciously -- possessed." This paper reprinted (pp.38-54) in *The Meaning of Market Process: Essays in the Development of Modern Austrian Economics* (London/New York: Routledge, 1992) where this passage appears on p.51.

_____. "Menger, Classical Liberalism and the Austrian School of Economics." *History of Political Economy*. Annual Supplement to Volume 22: *Carl Menger and His Legacy in Economics*. Bruce J. Caldwell, ed. Durham, N.C.: Duke University Press, 1990. For annotation, see Kirzner's *The Meaning of the Market Process* (1992, below) where it was reprinted.

- Kornai, János. *The Road to a Free Economy: Shifting from a Socialist System: The Example of Hungary*. New York: W. W. Norton, 1990. Kornai, economics professor at Harvard and head of the research department, Institute of Economics, Hungarian Academy of Sciences, stands strongly for private enterprise, private property, and private contracts without government interference. His section on "The Private Sector," "was greatly inspired," he says, "by the literature on the theory of property rights in general . . . and especially by those writings that discuss the question of property rights as regards the socialist system. Among the latter I would like to single out the classic work by L. von Mises (1920), as well as the more recent works by D. Lavoie (1985) and G. Schroeder (1988)." (p.34n)
- Kuehnelt-Leddihn, Erik von. *Leftism Revisited: From de Sade and Marx to Hitler and Pol Pot*. Washington, D.C.: Regnery Gateway, 1990. National Socialism in Germany "was thoroughly socialistic," Kuehnelt-Leddihn writes. German manufacturers and other entrepreneurs became "mere stewards in a planned economy . . . a totalitarian state that admitted neither genuine private property nor individual decisions. In explanation, Ludwig von Mises pointed out that, in the end, the entrepreneurs preferred being reduced to the status of shop managers by the National Socialists to being 'liquidated' by the Communists in the Russian manner." (p.162) Some of the "old liberals" were "more realistic than their adversaries in their appraisal of the masses. The masses, Mises believed, were not capable of rational understanding or rational decisions." (p.178) "The old liberals were obviously too optimistic about human nature. Ludwig von Mises, the great old liberal, wrote in *Human Action* . . . [p.861]: 'After having nullified the fable of the anointed kings, the liberals fell prey to no less illusory doctrines, to the irresistible power of reason, to the infallibility of the *volonté générale*, and to the divine inspiration of majorities'." (p.407 n560) According to Kuehnelt-Leddihn, "Ludwig von Mises, former financial adviser to the Dollfuss regime and a pillar of the Austrian School of Economics, was decidedly a monarchist." (p.389 n1160)
- Kuttner, Robert. "Bleeding-Heart Conservative: Jack Kemp, Caring Republican." *The New Republic*. 202:24 (June 11, 1990) 22-25. According to Kuttner, Secretary of the U. S. Department of Housing and Urban Development Kemp's "self-description as a bleeding-heart conservative is accurate." At one time, Kemp says he "flirted with the economics of Hayek and Mises. It's great on paper. But in a democratic society, people are going to demand problem-solving by government. The fault line is no longer left versus right. It's elitist versus populist." (p.24)
- Lachmann, Ludwig M. "G. L. S. Shackle's Place in the History of Subjectivist Thought." *Unknowledge and Choice in Economics: Proceedings of a conference in honour of G. L. S. Shackle*. Stephen F. Frowen, ed. London: Macmillan, 1990. pp.1-8. "[T]here is a striking similarity between [Oxford philosopher F. G.] Collingwood's outlook and that which we find in Mises's *Human Action* (1949), though, to our knowledge, neither author knew of the other." (p.2) In footnoting this passage, Lachmann speculates that Benedetto Croce, whom both Mises and Collingwood "held in high esteem" may have been "a common ancestor." (p.8 n.1) [NOTE: Mises was familiar with Collingwood's work and frequently recommended his *The Idea of History*. See "A Reading List for an Alert Citizen," Article 50.8, p.18. B.B.G.] Quoting further from Lachmann: "Subjectivism of the first stage, in the 1870s, was a subjectivism of wants . . . ¶In Mises's work we reach the second stage. Subjectivism is now a matter of means and ends. 'In this sense we speak of the subjectivism of the general science of human action. It takes the ultimate ends chosen by acting man as data, it is entirely neutral with regard to them. The only standard which it applies is whether or not the means chosen are fit for the attainment of the ends aimed at (Mises [B-16], 1949, p.21) In a world of change the mind of the actor must continuously ponder the adequacy of the means at his disposal, but not the ends themselves which are 'given' to it." (p.6)
- Liberty*. Port Townsend, Wash.: Liberty Publishing.
 March 1990. Volume 3. Number 4:
 Hoscheidt, David. "Moderation in Principle." Letter to the editor commenting on Llewellyn Rockwell's "The Case for Paleolibertarianism" (*Liberty*, January 1990): "The LP [Libertarian Party] should adopt the

attitude and tactics of classical liberalism as Ludwig von Mises propounded them in his books *Liberalism and Human Action*. The 'non-initiation of force' oath, the 'abolish everything' attitude, and the stridency should be ditched."

November 1990. Volume 4. Number 2:

Higgs, Robert. "Rational Man and All the Rest." pp.73-76. A review of John Elster's *Nuts and Bolts for the Social Sciences* (1989). "Do people act rationally? . . . ¶One approach is to say that everybody always acts rationally . . . ¶Ludwig von Mises took this position, maintaining that rationality relates 'only to the suitability of means chosen for attaining ultimate ends.' He added that 'the choice of ultimate ends is in this sense always irrational.' Mises warned, however, that 'error, inefficiency, and failure must not be confused with irrationality . . . ¶Elster argues that people frequently act irrationally and, in particular, go astray because of what he calls 'weakness of will.' . . . ¶Elster's allegation of irrationality in connection with weakness of will illustrates the difficulties inherent in his unusually stringent conception of rationality. He supposes that an action cannot be rational unless . . . 'First, it must be the best means of realizing a person's desire, given his beliefs. Next, these beliefs must themselves be optimal, given the evidence available to him. Finally, the person must collect an optimal amount of evidence ¶Like Mises, most people who define rationality require only the first of these conditions. Adding the other two creates all sorts of trouble No wonder Elster finds so many types of irrationality loose in the world."

Machan, Tibor R. *Capitalism and Individualism: Reframing the Argument for the Free Society*. New York: St. Martin's Press, 1990. "The main source of liberalism's self-defeatism is its reliance on the *homo economicus* model of human nature." Most liberal economists "hold to the general idea, as expressed by Dennis Mueller, that 'man is an egoistic, rational, utility maximizer.' ¶Some may doubt that this is true of the Austrian school, yet an examination of von Mises' *Human Action* will show that even for the Austrians what motivates people to act is an inner drive to improve their conditions, the need to crush an uneasiness associated with unfulfilled desire." (pp.18-19)

Raico, Ralph. *Classical Liberalism in the Twentieth Century*. Fairfax, Va.: Institute for Humane Studies at George Mason University, n.d. [1990 ?]. "Mises' works were seminal in the fields of money and credit, the methodology of economics, social philosophy, and other areas But his most famous contribution was probably contained in *Socialism*: the demonstration that rational economic calculation . . . is impossible in a system where private property has been abolished, that is, under socialism Socialism was shown up as nothing more than a mirage. The continuing central relevance of Mises' argument can be gathered from today's front-page stories datelined Budapest, Warsaw, Beijing, and Moscow." (pp.8-9)

Reason. June 1990. Volume 22, Number 2:

Klaus, Vaclav. "No Third Way Out: Creating a Capitalist Czechoslovakia." pp.28-31. Interviewer John Fund of the *Wall Street Journal* asked Klaus how he had obtained permission to attend the August 1989 (Liberty Fund) conference in North Carolina where they had met. Klaus said he "had met Albert Zlabinger [the head of the Carl Menger Institute in Vienna] at a conference in Budapest in early 1989. He [Zlabinger] was very excited to find someone in the Eastern bloc who knew about Hayek and [Hayek's mentor] Ludwig von Mises." Zlabinger gave Klaus a list of Liberty Fund conferences; Klaus thought his superiors would approve of the one on competitiveness, so Klaus had attended.

Sirico, Robert A. "Replacing Liberation Theology." pp.44-45. On a recent visit to Central America, Sirico was "amazed" to meet a priest who was familiar with free market economists Hayek and Mises. The priest had been trained in Guatemala at "the prestigious Francisco Marroquín University," which requires all students to take four courses in market economics, two each on the thought of Mises and Hayek. The new Marroquín University library, currently under construction, will be named for Mises.

Review of Austrian Economics: 4. 1990. Murray N. Rothbard, & Walter Block, eds. Footnote citations by Hans-Hermann Hoppe and brief mentions of Mises by others. Salerno's paper contains the only significant discussion of Mises:

Salerno, Joseph T. "Ludwig von Mises as Social Rationalist." pp.26-54. A carefully reasoned explanation of Mises' view of society as the development of acting men who recognize the advantages of social cooperation. "If society and social evolution are emanations of the human will, a 'will-phenomenon' as Mises says, so are the ancillary social institutions, customs, and rules of conduct which facilitate the establishment and smooth functioning of the system of social relationships While these institutions were not created out of whole cloth by a single mind, political fiat or 'social contract,' they are indeed the products of rational and intentional planning by human beings, whose thoughts and actions continually reaffirm and reshape them in the course of history." (p.31) "Mises argues that the market economy is the product of conscious reason and teleological striving, it is 'the outcome of man's endeavors to adjust his action in the best possible way to the given conditions of his environment that he cannot alter.'" (p.36) "[T]he market process gives rise to 'not only the price structure but no less the social structure, the assignment of definite tasks to the various individuals.' It is the market and the market alone which permits the development and persistence of a meaningful and purposeful social order . . . ¶In Misesian social theory, therefore, the hallmark and *sine qua non* of the market society and social being itself is not its 'spontaneity' (whatever that may mean) but its purposefulness." (p.38) "For Mises, . . . the market provides for far more than a 'division of knowledge,' it produces 'the intellectual division of labor that consists in the cooperation of all entrepreneurs, landowners, and workers as producers and consumers in the formation of market prices ¶The prices of the market are historical facts expressive of a state of affairs that prevailed at a definite instant of irreversible historical time.' As such, realized prices can never serve as an unambiguous guide to production, which is always aimed at supplying a market of the more or less remote future involving a different configuration of the economic data ¶Moreover, since past prices are not causally linked to the emergence of future prices, they cannot embody knowledge relevant to the drafting of present production plans. This is an irrefutable conclusion of praxeological analysis, the neglected negative implication of Mises' regression theorem." (pp.41-42) "[W]e are led to reject the revisionist 'discovery-process view' of the socialist calculation debate recently enunciated by Israel Kirzner and Don Lavoie [This view] ignores Mises' key insight that the theory of monetary calculation and calculable action does not belong to the theory of catallactics 'It is part of the general theory of praxeology' [Mises, *Human Action*, p.398 n.1] and, as such is a logical antecedent of catallactic theorems relating to the dynamic role of the entrepreneur-promoter in the functioning of the market process. ¶The Kirzner-Lavoie approach also errs in distinguishing the advantages of economic calculation from 'the broader issue of the social advantages of the price system' Mises never made this distinction In fact, Mises conceived the social advantage of the price system to be that it made practicable human society itself ¶For Mises, then, the complex of human social relations is, in a fundamental sense, the product of rational design. Society is hardly a 'spontaneous' or 'undesigned' formation, because it is inevitable that each individual excogitate and compare before hand the prospective benefits and costs of his participation in exchange relations and the social division of labor ¶As a social rationalist, however, Mises leaves no doubt that he considers . . . ignorance of the remoter consequences of catallactic activity not as a virtue to be hailed in the name of 'spontaneity,' but as a vice which may ultimately prove destructive of the social division of labor [because] the failure of participants in the division of labor to correctly comprehend the links between their individual actions and the social outcomes invites the adoption of ideologies based on erroneous accounts of the nature of society and social progress ¶If social disintegration may occur 'spontaneously,' due to an ignorance of the remoter consequences of social action, social progress can only be assured by the widespread adoption of an ideology of social life which *consciously* and correctly accounts for these consequences. This ideology is liberalism." (pp.48-51)

Roberts, Paul Craig. *Alienation and the Soviet Economy: The Collapse of the Socialist Era.* 2nd ed. Foreword by Aaron Wildavsky. New York: Holmes & Meier; Oakland, Calif.: Independent Institute, 1990. (1st edition

1971). “[T]he program of Marxian socialism was one of transforming economic organization from a market system into a planned system of direct association in order to establish a new basis for relations between men. On this new basis a new society would arise. ‘The market itself will cease to exist,’ and man for the first time becomes ‘master of his own social organization’ . . . ¶Since it was this program of eliminating market relations toward which von Mises directed his criticism, a theory that empties socialist planning of socialist content and establishes socialism on the basis of exchange relations of the market is no answer to von Mises. Instead, by equating the achievement of competitive equilibrium with the goal of socialism, the Lange-type model takes the problem of socialist planning out of its historical context and obscures it . . . ¶The famous ‘socialist controversy’ between Western economists is not about socialism but about the logical consistency of models of market simulation, their determinacy, stability, and convergence toward equilibrium.” (pp.90-91) “¶By focusing his critique on the comparative inefficiency of the Lange-type system as an equilibrating mechanism, Hayek allowed the fact to be obscured that the function of a CPB [Central Planning Board] lies in the determination of the plan that replaces market relationships. As a consequence, the meaning of socialist planning was lost. . . and commodity production has since been represented in the literature as ‘socialist planning’ . . . ¶Mises’ formulation of his argument is itself ultimately responsible for the confusion . . . ¶Von Mises was passionate in his refutation of this socialist program. Simultaneously, he defended the concept of private property. By joining his arguments he structured the problem such that to those who later joined in the debate . . . the possibility of socialist planning could appear to turn on whether there could be rational economic criteria in the absence of a private capital market. From that time forward the definition of socialism was cut loose from the qualities that had given it historical force.” (pp.99-101)

Rockwell, Llewellyn H., Jr., ed. *The Economics of Liberty*. Auburn, Ala.: Ludwig von Mises Institute, 1990. A collection of short articles, many previously published. See for instance *The Free Market* above: 1989, January (Littler), August (Bethell), February, September and October (Rockwell); also *The Free Market*, 1990, January (Richman), February (Higgs), and March (Maltsev; Rockwell), and Richman’s review of *Liberalism* excerpted in 1993 Mises bibliography, p.125. References to Mises not previously cited as follows:

- Murchison, William. “The Great Society and 25 Years of Decline.” pp.178-182. “The Great Society enjoyed two efflorescent years, 1964 and 1965 . . . What happened afterward to the Great Society is in some degree less interesting than what didn’t happen to public perceptions of it. The Great Society fell flat ¶Are we to go on noting the failure of collectivism abroad but ignoring its baneful effects at home? All we can do is keep talking. Ludwig von Mises knew ‘the fulsome praise of the stationary economy’ to be ‘the last remaining argument’ of the statists.”
- Richman, Sheldon L. “The ‘We’ Fallacy.” pp.55-59. “Ludwig von Mises taught that we must be methodological individualists. Economic phenomena are invariably the products of individual persons acting for chosen objectives. Two persons come together for exchange if and only if each expects to come out ahead. And, assuming neither has erred, each can and does come out ahead. That is virtually all one needs to know to make sense of international trade.”
- Rockwell, Llewellyn H., Jr. “Introduction.” pp.13-16. “Mises refused to play by the socialist rules, and he challenged left-wing intellectuals with questions they were unable to answer . . . ¶In a market economy, prices tell us the needs of society and the best ways to meet those needs. Without prices, economic decision must be arbitrary. ¶Mises criticized socialism on other grounds -- that it politicizes society, fosters laziness, and relies on violence, for example -- but his calculation argument is the most important . . . ¶Mises’ case against socialism is also the case for laissez-faire capitalism.”
- _____. “Mickey Leland: Humanitarian?” pp.235-237. “Some real humanitarians include: Mother Theresa helping those in need, Ludwig von Mises spending his life showing only freedom can prevent starvation and other disasters, and Thomas Jefferson leading a revolution against government oppression.”
- _____. “The Megaeconomic Threat.” pp.253-256. “Writing in *Omnipotent Government* [B-12] in 1944, Ludwig von Mises worried about ‘the substitution of cooperative intervention of all or many governments for the independent interventionism of every national government.’ He pointed out that

domestic intervention creates 'a class of bounty receivers and a more numerous class of bounty payers.' ¶'The domestic conflicts engendered by such policies are very serious indeed,' he says. 'But in the sphere of international relations they are incomparably more disastrous.' Mises concludes: 'It would be difficult to imagine any program whose realization would contribute more to engendering future conflict and wars'."

Rothbard, Murray N. "A Radical Prescription for the Socialist Bloc." pp.342-346. "Many Eastern Europeans now realize that it is hopeless to try to induce state enterprises to be efficient, or to pay attention to prices, costs, or profits. It is becoming clearer to everyone that Ludwig von Mises was right: only genuinely private firms, private owners of the means of production, can be truly responsive to profit-and-loss incentives."

Salsman, Richard M. *Breaking the Banks: Central Banking Problems and Free Banking Solutions*. Great Barrington, Mass.: American Institute for Economic Research, 1990. "Von Mises is the most prominent exponent of the 'Austrian' school of economics, which generally defends free banking and criticizes the inherent instability and political motivations of central banking." (p.122n) Mises' *Theory of Money and Credit* [B-2], "[t]he monumental work on free-market, gold-based money and banking . . . [d]emonstrates the origin, nature, and value of money, but its primary virtue is its presentation of the principles of sound banking. Also includes a highly sophisticated analysis of government inflation policies that, intending to artificially lower interest rates, lead instead to economic distortions, booms, and busts." (p.152)

_____. "Breaking the Banks: What underlies the grave financial difficulties facing our banking system -- and what is the basic cure?" *The Intellectual Activist*. (1990) 2-7. "Despite differences in particulars, Mises, Hayek, White, Selgin and others generally characterize free banking as a laissez-faire system of privately-owned and operated banks which compete to provide the highest quality service in the provision of money and credit. To prosper in such a system, banks must place a premium on integrity and reputation . . . ¶Ludwig von Mises, describing the legal framework of free banking, writes that the government's only job is 'to place the banking business under the general rules of commercial and civil laws compelling every individual and every firm to fulfill all obligations in full compliance with the terms of the contract'." (p.6)

Schuler, Kurt. "Free Banking." *Durell Journal of Money and Banking*. Berryville, Va.: George Edward Durell Fdn. 2:3 (February 1990) 2-20. Mentions Mises' "treatment of free banking in *Human Action* [B-16]. Mises touched on the subject only briefly, and his position was ambiguous. Though he advocated open entry into the banking business and unrestricted right of note issue, he believed that all banks except those that have notes backed 100 percent by reserves (he had in mind gold or silver) would be forced out of business by demands from the noteholding public to redeem notes. There is, however, no historical evidence to support Mises' contention; the free-banking systems mentioned above had reserve ratios as low as a few percent of total liabilities, yet they met their legal obligation to redeem deposits and bank notes on demand."

Seldon, Arthur. *Capitalism*. Oxford (England): Basil Blackwell, 1990. "Human life in the West under the rising living standards of capitalism has been lengthening from the Biblical 70 years into the eighties and nineties. It has been poetic justice that the teachers of liberal market capitalism . . . [Seldon lists Mises among others] survived almost into their tenth decade. Their long lives dramatize Hayek's lesson . . . that it was capitalism that kept people alive and made possible new generations that would otherwise not have survived under primitive, stagnant and hierarchical economic systems." (p.23) "Socialist discussion is now in turmoil . . . The persistent unresolved practical task is how to incorporate the institution of the market into socialist society. The ghost of Mises, who said in 1921 that it could not be done, cannot be exorcised." (pp.30-31) "From the theoretical impossibility of rational calculation in a socialist economy demonstrated by Mises in the early 1920s to the rejection of socialism by the communist world in the late 1980s, 65 years of reasoning and evidence against socialism are spurned to maintain the beatific vision . . . ¶The familiar *non sequitur*, 'capitalism as we have known it, bad; socialism as it could be, good' (or at least better) still permeates most socialist writing." (p.223)

Shah, Parth. Co-interviewer with Mark Thornton; see above, *Austrian Economics Newsletter*, Socher.

Shand, Alexander H. *Free Market Morality: The Political Economy of the Austrian School*. London: Routledge, 1990. Many economists cannot accept Mises' insistence on a priori propositions -- defined as "necessary truths" which are "knowable a priori because they hold true for all cases at all times and in all places" (p.9) -- as the starting point for economic theory. Shand discusses Mises' position on freedom, individualism, collectivism, socialism, rationality, and morality. "[T]he individualistic element in Mises' a priorism for example, whatever its methodological faults, ensures his unyielding opposition to forms of oppressive collectivism." (p.13) "All collectives or wholes, according to Mises, are the product of our mental processes, which lead us to recognize social entities. To start the study of human action from the examination of wholes also faces an insurmountable obstacle: individuals often belong to various collective entities simultaneously. This problem 'can be solved only by methodological individualism'. . . . ¶Holism or collectivism leads inevitably to the belief that the selfishness of the individual must be sacrificed for the benefit of society, since the latter is an entity living its own life. This has led historically to various forms of theological or metaphysical faiths ¶Thus does Mises switch from methodological individualism as a way of looking at society to using it for his uncompromising attack on socialism in all its forms." (pp.30-31) "Mises firmly rejects the widespread idea that utilitarianism appeals only to man's baser instincts [A]ccording to Mises, being utilitarian in no way rules out altruism." (p.66) "Mises' view of the morality of self-interest stems from his concept that the ultimate goal of human action is always the satisfaction of the acting man's desires Mises would evidently regard any enquiry into the morality of self-interested market action as irrelevant; according to him there is a widespread social philosophy that holds that a solution to the repulsive morality of capitalist free markets would be in some way to 'ban' selfish motives such as acquisitiveness and profit-seeking. Mises, of course, is firmly opposed to any attempt to coerce people into behaving better -- less selfishly -- not only because this would be impracticable -- in which he is undoubtedly correct -- but that it would strike at the very foundations of freedom in general The big question, however, remains: is it a moral act to coerce people to behave 'better'; is redistribution of income, for instance, a morally good thing when carried out through legally-backed taxation?" (pp.72-73) "[T]he question of what kind of social system will best foster the required invention and increased output of goods becomes very important. The answer given by Mises is that capitalism works in two ways to relieve hardships: first through its undoubted capacity to generate wealth it raises all living standards . . . ; second, the increase in affluence makes possible the greater effectiveness of altruism through which hardship may be relieved. ¶Mises concedes that dependence on charity is shameful and humiliating From this he draws two conclusions: first, he seems to blame the existence of the need for private charity on government intervention, which frustrates the common man's attempts to provide for his own 'less propitious days' and second, he points to the inconsistency of those who criticize the way in which charity makes the giver self-righteous and the receiver submissive and cringing." (p.96) "Mises' opposition to equality is uncompromising and could fairly be said to be rather short on subtlety ¶The inequality of 'wealth and income is an essential feature of the market economy.' The function of inequality is to provide incentives to the individual to make the best of whatever his abilities and opportunities happen to be ¶Equality is a disincentive to saving by individuals ¶Mises makes it clear that he believes that it is a mark of a civilized society not to 'allow the incapacitated to perish.' But he does not look with favour on the substitution of a legal right to support for charitable relief." (pp.119-122)

Skousen, Mark. *The Education of a BYU [Brigham Young University] Economics Major*. Salt Lake City, Utah: Brigham Young University, 1990. An address at BYU's Austrian Economics Symposium, February 16, 1990. Skousen had been interested in economics since his high school days, but he "felt uncomfortable and frequently annoyed when [he] was exposed to . . . Keynesian and neo-classical economics . . . presented as a theory that saved capitalism from its inherent flaws." (p.13) In time Skousen encountered the writings of monetarist Milton Friedman and then of Austrian Ludwig von Mises. His initial encounter with Mises "was not that encouraging Mises was a prolific but difficult writer [Skousen] knew [he] was in

trouble when a publisher came out with a book entitled *Mises Made Easier*. Mises reminds [Skousen] of a brilliant mathematician who skipped many logical steps but always came up with the right answer. *Human Action* was long on philosophy but short on details." Then Skousen found Austrian Murray N. Rothbard and was "so impressed with Rothbard's clear writings" that he has spent the rest of his life "studying the Austrian school and applying its principles to economic problems and the financial markets." (p.27) Although Skousen's "initial reaction to Mises was largely negative," now after some years have passed and his interests have changed, he has "gained a greater appreciation of Mises and find[s] much of his writing quite valuable." (p.30)

_____. *The Structure of Production*. New York: New York University Press, 1990. Skousen attempts "to bring together the essentials of capital, production, and time into a coherent macroeconomic theory." He was led "to the intertemporal structural approach developed in this treatise upon reading Ludwig von Mises' *Theory of Money and Credit*" B-2]. He also relied, he says, on the works of Mises' followers such as Hayek, Rothbard, and Garrison. (pp.xi-xii) Skousen mentions Mises frequently throughout. For instance: "Ludwig von Mises (1881-1973) was a more consistent follower of Menger and Böhm-Bawerk [than Schumpeter]. However, Mises appears to have devoted little attention in his published writings to capital and interest theory until his magnum opus, *Human Action* [B-16]. . . ¶In *Human Action*, Mises defined capital goods as 'intermediary products which in the further course of production activities are transformed into consumers' goods.' Mises was highly critical of economists who defined capital as an aggregate of all physical goods.' . . ¶Mises challenged Böhm-Bawerk's view of time and the average period of production." (pp.36-37) Skousen recognizes that Mises rejected "overinvestment" as the cause of the business cycle and he quotes Mises' *Human Action*, p.599: 'The essence of the credit expansion boom is not overinvestment, but investment in wrong lines, i.e., malinvestment.'" (p.123 n47) Skousen also quotes (p.151) Mises' criticism of Böhm-Bawerk and others who stress the production period (*Human Action*, 3rd ed., p.489).

Sorman, Guy. *The New Wealth of Nations*. Stanford, Calif.: Hoover Institution Press, Stanford University, 1990. After Salvador Allende was ousted in Chile, Pinochet took over. According to Hernan Buchi, Pinochet's finance minister, Chile under Allende had "the highest rate of inflation and greatest disorder ever known in the history of Chile Apparently, it is customary for all economics students of the Catholic University of Santiago to complete their training in Chicago under an exchange program supervised not by Milton Friedman but by Arnold Hardberger. Hardberger belongs to the intransigent school of thought influenced by the Austrian economist Ludwig von Mises, who systematically advocated the cause of laissez-faire. When Pinochet came to power, he knew little about economics, but these youngsters [these "Chicago Boys"] were at hand, brilliant and teeming with new ideas ¶Buchi pointed out that all Chile has done is apply a basic precept of the liberal doctrine, that is, let comparative advantage take its course." (pp.12-13)

Thornton, Mark. Co-interviewer with Parth Shah of Socher; see above, *Austrian Economics Newsletter*.

Toffler, Alvin. *Power-Shift: Knowledge, Wealth and Violence at the Edge of the 21st Century*. New York: Bantam Books, 1990. "But central planning depended on knowledge, and as early as the 1920s the Austrian economist Ludwig von Mises identified its lack of knowledge or, as he termed it, its 'calculation problem,' as the Achilles heel of socialism. ¶How many shoes and what sizes should a factory in Irkutsk make? How many left-handed screws or grades of paper? What price-relationships should be set between carburetors and cucumbers? How many rubles, zlotys, or yuan should be invested in each of tens of thousands of different lines and levels of production?" (p.411, Bantam 1991 paperback)

Tucker, Jeffrey A. Interviewer; see Maltsev under *The Free Market*, above p.119.

Vihanto, Martti. "An Austrian Critique of the Neoclassical Theory of Law." Turku School of Economics and Business Administration (Finland) 1990. Paper presented September 5, 1989, at a meeting of the Austrian Group of Finland. "[T]here are economists who do not only use the market as a theoretical construction but

who argue, like Ludwig von Mises, that ‘the market economy is the only feasible system of social cooperation.’ . . . ¶Mises . . . advocates the market on utilitarian grounds and must therefore accept interventions, or violations of the principles of the market, whenever they can be expected to increase value ‘on the ground of a meticulous weighing of the costs to be incurred and the prize to be obtained’.” Vihanto argues against the neo-classical theory of law that “property rights should be assigned so that resources are allocated to those who are prepared to pay most for them under zero contracting costs;” he points out that “the information the courts are assumed to know can perhaps be discovered only through the unhampered market process, and a government invested with free discretion to interfere with the market may misuse its coercive power.” (p.122)

Wall Street Journal (January 26, 1990). “East European Mentors.” The new Czech Finance Minister, Vaclav Klaus, told a recent Comecon meeting that “The world is run by human action, not by human design.” The *Journal* editorializes that Klaus “was paraphrasing the famed Austrian economist Ludwig von Mises, whose 1949 book, *Human Action*, is among his classic works on free-market economies. Mises, of course, was also a relentless critic of economic planning . . . It appears that the Czech finance minister has that part well in hand.”

Warsh, David. “Think-Tank Approach Helped Fuel America’s Turn to the Right.” *Washington Post*. (September 5, 1990) F-3. A review of *Capitalism* (1990) by Arthur Seldon (see above). Seldon presents “in an agreeable, first-person fashion,” the story of the Institute for Economic Affairs, the British free market “think-tank.” “Those socialist countries that tried without success to jump-start their economies with a ‘big push’ found that Ludwig von Mises and Hayek had been right all along -- command economy simply couldn’t do without the information conveyed by a price system, much less produce a widespread sense of initiative and responsibility among their citizens.”

Will, George F. “Communism and Bagpipes.” *Washington Post*. February 15, 1990. Quotes Czechoslovakia’s new finance minister, Vaclav Klaus: “The Vienna School [exemplified by Friedrich von Hayek and Ludwig von Mises], may be dead in Vienna, but it is alive in Prague.” Will concludes: “Gorbachev . . . has received much, in fact quite enough, praise for saying what every store shelf in the Soviet Union says: Communism does not work. But he has never said Communism is wrong . . . ¶Gorbachevism is dangerously thin gruel, because it lacks what Vaclav Klaus and kindred spirits find so satisfying about the Vienna and Chicago ‘schools’: a fusion of economic analysis and moral philosophy.”

Yates, Steven. “To the Editor.” *The Chronicle of Higher Education* (April 25, 1990) B-3. Yates criticizes an article by a Marxist author, Samuel Bowles: “[A]s Ludwig von Mises observed, ‘all actions are performed by individuals’ and ‘a social collective comes into being through the actions of individuals’ . . . This destroys the naive world view of collectivism. The non-existence of ‘collective’ thought or action makes the society Bowles and other leftists want impossible in principle without the planning they now eschew; it explains, too, why collectivism in practice always leads to either tyranny or stagnation . . . ¶[I]t is unfortunate that the reigning hegemony in the social sciences and humanities dictates that students learn collectivists such as Marx without the balance of individualists such as von Mises or Friedrich Hayek.”

Zylberberg, Meir. “Cultura económica en el bicentenario de la muerte de Adam Smith” [Economic culture in the bicentennial year of Adam Smith’s death]. *La Prensa* (Buenos Aires). (July ? 1990. 2nd section) 2. “Two of the most important 20th century successors of the Scotch philosopher, Ludwig von Mises and Friedrich von Hayek, will each have busts in Moscow, Warsaw and Prague. The initiative came from the Cato Institute of the United States under the auspices of writer-philanthropist, George Koether. The Mises bust in the University of Warsaw is in recognition of his prediction in the early 1920s of the breakdown of communism because of the impossibility of calculating in socialist economies.” (Translated from the Spanish)

1991

Austrian Economics Newsletter. Auburn, Ala.: Ludwig von Mises Institute, 1991.

Summer 1991. Volume 12, Number 3:

Yeager, Leland B. "An interview." pp.6-9. "Utilitarianism comes in different varieties. Mises and Henry Hazlitt, both utilitarians, are on the same wavelength, as was David Hume, who inspired F. A. Hayek . . . ¶Respect for minority rights is essential to a decent society. Any reasonable version of utilitarianism takes a longer view, considering how a good society can be sustained. It is not preoccupied with the pleasures of the moment . . . ¶I have always been a bit dismayed at Mises' stern line against mathematics in economics. How can one be so farsighted as to see that nothing good can come out of applying it to economics? ¶In general, I think people should be more modest in their methodological sermonizing. Just because one theorist doesn't apply certain methods doesn't mean they should be taboo. Mathematics can be a good way of conveying some ideas . . . ¶I first came across some books by Mises in the Oberlin College library shortly after World War II -- *Omnipotent Government* [B-12] and *Bureaucracy* [B-13], as I recall. I was impressed and learned a lot. In fact, I included some of Mises' insights in my answers on a final exam in an antitrust course. A 'C' grade testified to my bad judgment on when and how to express my enthusiasm." Yeager said he met Mises several times. "At one point I asked, 'Professor Mises, are there *any* honest leftists?' He pondered for half a minute or so and then replied, in all seriousness, 'Yes: Gottfried Haberler.' . . . ¶I took an extracurricular short course in monetary theory that Mises was offering at New York University [c.1949-1950]. I'm afraid I learned more there than in all the lectures at Columbia. I credit Mises -- some might say I should blame him -- for my basic ideas on monetary economics . . . ¶I am not a card-carrying Austrian. I don't like the way the business-cycle theory gets recited again and again without any new evidence or reasoning. On capital theory, I find myself disagreeing with some present-day Austrians. Briefly, my view is that if you put together Böhm-Bawerk, Cassel, and Fisher and make the proper selection and combination of their doctrines, you have the essence of capital theory. The interest rate is determined by interaction between time preference and the productivity of roundaboutness. I don't know why this view should be considered anti-Austrian. Böhm-Bawerk and Hayek explicitly recognized both time-preference and productivity. I don't quite understand how the pure subjectivist or pure time-preference theory came to be regarded as a key part of Austrian doctrine . . . Maybe people thought that since subjectivism is good, the more subjectivism the better."

Fall 1991. Volume 13, Number 1:

"The 1991 Mises University: Another Year of Excellence in Austrian Economics." pp.1-3. "Stanford University was flooded with Austrian school economists from July 7-14, in what has become an annual pilgrimage to present 120 students from all over the world an instructional alternative to mainstream neoclassical thought. The event is the Mises University sponsored by the Ludwig von Mises Institute. Now in its seventh year, the 1991 program was a brilliant success . . . ¶Altogether, the Mises University offered 58 classes, 12 small seminars, 4 plenary lectures and discussions, and plenty of time for socializing. This amounts to 146 individual sessions conducted over the course of 7-and-a-half days. Each applicant chose the sessions he or she wanted within a framework that allowed for 40 hours of classroom time, plus seminars and plenary lectures. At any one time, 4 or 5 classes were in session. On two occasions, 12 seminars ran simultaneously."

Philbin, James P. "What Should 'Austrian' Economists do?" pp.7-10. "Mises made a valiant and commendable attempt during his lifelong crusade for the free market to justify, on utilitarian grounds, value-laden statements in economics. Although this attempt was admired by his most devoted followers, its weakness was nonetheless revealed . . . ¶Austrians can promote their ends without violating value-free science by showing how the effects of interventionist policies can lead to socialism and war. Ludwig von Mises was the quintessential example of an economist who managed to wage a constant, yet largely unspoken struggle for his ideals despite a hostile intellectual climate. He did so both as a praxeologist, and as a 'citizen.' As a citizen, Mises was an indefatigable spokesman for the free market. He was an advisor

to statesmen along with being a teacher and advocate of laissez faire to laymen. As an intellectual, Mises believed that it was imperative that the truths of his science become generally known. Despite unfavorable conditions, Mises as both praxeologist and concerned humanitarian was able to promote a philosophy while remaining value free."

Selgin, George. "Review Essay: *The New Subjectivist Revolution* by J. Patrick Gunning (1991). pp.4-7. Selgin is "quite sympathetic toward the methodological views of Ludwig von Mises, which [he, himself] once tried to elaborate and defend," but he is critical of Gunning's book: "(1) Gunning is careless in his statements about economic theory; (2) his terminology belies a misunderstanding of the praxeological method; (3) he fails to appreciate (as Mises himself did) the important difference between methods of *historical* and methods of *theoretical* investigation; (4) in connection with (3) Gunning overstates the role of 'intuition' in the Misesian approach to theory; and (5) Gunning confuses positivism with institutionalism and historicism." Selgin criticizes Gunning especially for showing "a serious neglect of the distinction between theory and history that Mises was anxious to stress."

Bolivar Simon, Fredrico. Letter to the Editor. *Tico Times*. San José, Costa Rica. (August 2, 1991) 20. Bolivar Simon criticizes Ken Secor, pro-union author of "Costa Rica Needs Unions" (July 19, 1991), says he appears to be "unschooled in 'free-market (read democratic) economics. The seminal points he espoused are myths, long ago exploded by Professor Ludwig von Mises." Bolivar Simon suggests Secor "obtain and read von Mises' book *Human Action*."

Centro de Estudios sobre la Libertad (Buenos Aires). *Ideas sobre la Libertad*. In celebration of the Centro's 33rd anniversary, congratulatory letters from Leonard E. Read, F. A. Hayek and Ludwig von Mises, are reprinted from the first issue (December 1958) of the Centro's journal; also a few Mises quotations.

Chamberlain, John. *The Turnabout Years: America's Cultural Life, 1900-1950*. "Foreword" by Priscilla Buckley. Ottawa, Illinois: Jameson Books, 1991. An anthology of Chamberlain articles and reviews from *The Freeman*, 1951-1952. From "Can Writers Think?" January 8, 1951: "There may be something to [Edmund] Wilson's hunger for an aristocratic pre-capitalist world. Certainly the old aristocratic order knew the virtues of craftsmanship. But, as Ludwig von Mises is fond of pointing out, only six million people could make their living by the practice of their various crafts in an aristocratic, pre-capitalist England. By going over to capitalism, England was able to increase her population to forty-two million. Wilson is entitled to his preferences for the good old days, but is he willing to ordain the liquidation of thirty-six million Englishmen to get back to them?" (p.36)

Cornuelle, Richard. "New Work for Invisible Hands." *Times Literary Supplement* (London, England) April 5, 1991. "In the late 1940s, I went to New York City, fresh from college, to study with Ludwig von Mises, the intrepid Austrian economist who had, thirty years before in 1920, fully explained the inevitability of the eventual collapse of socialist economies. The socialists had sent the celebrated Polish economist Oskar Lange into the lists against him, and while Mises clearly won the encounter on points, such was the emotional appeal of socialism's promise to set right the alleged iniquities of a capitalist order that Lange was lionized and Mises became something of a pariah. ¶It was a dark hour for the libertarians, and for Mises, their unanimously acknowledged intellectual godfather. In those days, libertarian ideas were considered not just unfashionable but pernicious. Mises' place in the public consciousness, if he had one at all, was in socialist demonology." Reprinted in *Cato Policy Report*. Washington, D.C.: Cato Institute. 14:1 (January/February 1992) 1,10-13. For comments, see Melton, *Rothbard-Rockwell-Report* (1992 below)

diLorenzo, Thomas J. "Introduction" to *Two Essays by Ludwig von Mises: "Liberty and Property" [Article 58.3] and "Middle-of-the-Road Policy Leads to Socialism" [Article 50.4]*. Auburn, Ala.: Praxeology Press/Ludwig von Mises Institute. "Mises exposes what is perhaps the most cynical of all arguments in favor of interventionism -- the argument that the purpose of many government interventions is to save capitalism from itself. Because of some supposedly inherent 'evils' of capitalism, the argument goes, it

must be tamed through government regulation and regimentation. Antitrust regulation, for example, was originally defended on the grounds that if government did not control the alleged excesses of large-scale production, the public would demand something more severe, such as the nationalization of industry. ¶As Mises pointed out, however, precisely the opposite is true. Far from 'saving' capitalism from itself, government regulation only weakens it and leads it down the road to socialism."

The Free Market. Auburn, Ala.: Ludwig von Mises Institute, 1991.

April 1991. Volume 9, Number 4:

Rockwell, Llewellyn H., Jr. "Dictatress of the World?" p.2. "While politicians may talk of world law and world peace, their regulatory and financial apparatus must create conflict, Mises demonstrated. 'Government can give to one group only what it takes from another.' Thus it merely creates at the world level what it begat at home: 'bounty receivers' and the 'more numerous class of bounty payers.' ¶'All talk' about a 'world authority' to bring 'world peace' is 'in vain,' wrote Mises. It would simply divide nations into two groups: 'the exploiting and the exploited; those restricting output and charging monopoly prices, and those forced to pay monopoly prices.' The 'inevitable result' must be 'new wars'."

Thornton, Mark. "Losing the Other War." pp.7-8. "It is normal for men like [ex-Drug Czar William] Bennett to pretend victory amidst defeat. As Mises noted, a bureaucrat is 'fully imbued with the idea that it is his sacred duty to fight' for the State ('his idol'), 'against the selfishness of the populace. He is, in his opinion, the champion of the eternal divine law. He does not feel himself bound *morally* by the human laws which the defenders of individualism have written into the statutes.' Mises warned that 'it is one step only from such a mentality to the perfect totalitarianism of Stalin and Hitler'."

June 1991. Volume 9, Number 6:

Tabarrok, Alexander. "Teenage Mutant Ninja Leftists." pp.1, 3. "Ludwig von Mises disliked hardboiled detective novels because he always knew who the murderer would be: not the butler, but a prosperous and respected gentleman of high social standing who pretends to virtue, but is actually a hidden criminal and sanctimonious hypocrite. Mises saw egalitarian envy in such tales."

Rockwell, Llewellyn H., Jr. "The Booby Prize." p.2. "Mises argued that *only* a free market can allocate resources rationally Lange [1904-1965] said . . . 'planners could order managers to *make up* prices based on cost of production ¶'What these neosocialists suggest is really paradoxical,' answered Mises. 'They want to abolish private control of the means of production, market exchange, market prices, and competition. But at the same time they want to organize the socialist utopia in such a way that people could act *as if* these things were still present. They want people to play market as children play war, railroad, or school. They do not comprehend how such childish play differs from the real thing it tries to imitate'."

July 1991. Volume 9, Number 7:

Rockwell, Llewellyn H., Jr. "From Socialism to Social Democracy." pp.1-2. "When socialism collapsed, as Ludwig von Mises had shown it would, we all hoped for a free market. We knew that entrenched communist elites would oppose any diminution of their power, but few of us suspected that Western institutions would aid the *nomenklatura* in its fight ¶But there are free-market parties and citizens' organizations working in Poland and the Baltics, many of which requested aid from the Mises Institute They need real, Misesian economics, and the Mises Institute will do its best to supply it."

October 1991. Volume 9, Number 10:

Maltsev, Yuri N. "Lessons from the Fizzled Coup." p.6. "Gorbachev should also have learned that there is no third way between freedom and tyranny, as Mises pointed out. The only option, absent totalitarianism, is a free market ¶Everyone in the higher reaches of power has known for some time that a coup against Gorbachev would be easy. One evening in Moscow, . . . a friend of mine, a general in the Soviet Army told me that an actual coup would be the easy part. 'We could take power in ten minutes,' he said, 'But then what? We have no sausages, no bread -- nothing to offer the people.' ¶Ironically, the failed coup illustrates that communist economic ideology has no power. The coup leaders never once spoke of Marx or Lenin. They spoke instead of continuing market reforms, however insincere they may have been."

The Freeman. Irvington-on-Hudson, N.Y.: Foundation for Economic Education, 1991.

February 1991. Volume 41. Number 2:

Prychitko, David L. "Did Horvat Answer Hayek? The Crisis of Yugoslav Self-Management." pp.64-70.
 "Seventy years ago Ludwig von Mises argued that socialism was impossible. By abolishing unhampered market exchange of the means of production -- and thus market prices that reflect underlying economic scarcities -- the central economic planners, Mises argued, would lack the knowledge necessary to rationally coordinate the economic system. They would stand confounded in the face of a 'bewildering throng of economic possibilities,' as Mises so eloquently put it."

Szasz, Susan Marie. "Resurfacing the Road to Serfdom." pp.46-49. "Ludwig von Mises revealed more than half a century ago: 'Socialism and destructionism . . . use up capital so as to achieve present wealth at the expense of the future. The policy of Liberalism is the procedure of the prudent father who saves and builds for himself and his successors. The policy of destructionism is the policy of the spendthrift who dissipates his inheritance regardless of the future' . . . ¶Today, professional economists and observers of the economic scene err in their efforts to make these human interactions into a value-free social 'science.' Accordingly, the free market must be espoused not because it 'works' (or works 'better'), but because it is the only system that recognizes the supremacy and sovereignty of the individual as a human being. The precepts of moral philosophy and economics then cannot be completely separated. They are symbiotic, the one dependent on the other. Mises was right: 'It is . . . illegitimate to regard the "economic" as a definite sphere of human action which can be sharply delimited from other spheres of action . . . The economic principle applies to all human action'."

March 1991. Volume 41. Number 3:

Glasner, David. "The End of Communism." pp.99-106. "Recent events in Eastern Europe and the Soviet Union have been startling not simply because change has come so quickly. The impact was magnified because Communism had seemed to be so solidly entrenched in those countries that fundamental change was out of the question ¶Yet the permanence of Communism was not a universally accepted proposition. Indeed, as early as the 1920s there were some who perceived that vesting ownership of all productive resources in the state was deeply irrational, for once all markets and market prices were abolished, there would be no basis for computing or comparing values and costs and no way to determine how the available resources could be used efficiently. ¶This insight was first articulated by the Austrian economist Ludwig von Mises in a critical study of socialism published in 1922 (translated into English in 1936 under the title *Socialism* [B-4]) [S]ocialist economists . . . observed that orthodox economists had already shown how to characterize the equilibrium of a market economy as the mathematical solution of a system of equations ¶[I]n response [to critics of his thesis] Mises' followers, particularly F. A. Hayek and Lionel Robbins, . . . argued, the problem in real life is that no one needs to find a concrete numerical solution to that system of equations. ¶In practice, the market more or less approximates a solution spontaneously through the profit-seeking, self-interested behavior of many millions of firms and households every hour of every day ¶To the general Mises-Hayek-Robbins critique of central planning no effective reply has ever been given, though not for want of trying ¶Thus, the last few years have belatedly provided the empirical vindication of the Mises-Hayek-Robbins critique of socialist central planning."

Greaves, Bettina Bien. "Why Communism Failed." pp.107-108. "Three years after the Russian Revolution, an Austrian economist, Ludwig von Mises, argued that Communism would fail and explained why Mises was relatively unknown when he made his controversial forecast, but he acquired some international renown later as the leading spokesman of the Austrian (free market) school of economics. Since his death in 1973, his theories have gained new adherents, some now even in Eastern Europe ¶Today, even Communists are coming to recognize that Mises was right. The U.S.S.R., a socialist society without private property and monetary calculation, is still 'floundering in the ocean of possible and conceivable economic combinations,' as Mises foresaw in 1920, 'without the compass of economic calculation.' Will she now take the important step Mises recommended of introducing private ownership of the means of production?" Published as an OpEd piece by newspapers in Alabama, Arkansas, California, Florida, Indiana, Missouri, New Jersey, New York, Pennsylvania, and, in Spanish-language translation, in New Mexico, New York, Mexico, and the Dominican Republic.

Gunning, J. Patrick. *The New Subjectivist Revolution: An Elucidation and Extension of Ludwig von Mises' Contribution to Economic Theory*. Savage, Md.: Rowman & Littlefield, 1991. After skimming *Human Action* [B-16] "piecemeal" for some time, Gunning gradually developed "a profound respect for Mises' scholarship and his methodological insight." Gunning concluded that "Mises' methodological insight did not seem to be fully appreciated by others." "Before [he] could understand how the different parts of *Human Action* combine to form an integrated whole, [Gunning] had to work out the theoretical implications of the method that Mises proposed for studying human action in general and economic interaction in particular. This book is essentially a report of this work. [Gunning's] most important discovery by far," he wrote, "was that Mises' method of doing economics . . . revealed insights and contained implications that appeared nowhere else, not even in the writings of Mises' students." Gunning purposely does not discuss Mises' monetary theory which he finds "sufficiently different from his epistemology that his epistemology can be treated separately." Also, Gunning says, "Mises' integration of the economic method with the theory of money is both difficult to follow and not entirely successful." (pp.xi-xii) Gunning discusses his interpretations of Mises' views throughout. Reviewed by George Selgin; see *Austrian Economics Newsletter* (above).

Haberler, Gottfried. "What Happened to the Business Cycle?" pp.81-88. *Electronic Money Flows*. E. H. Solomon, ed. Kluwer Academic Publishers, 1991. After the April 1933 to May 1937 New Deal expansion "the Federal Reserve felt it was forced to step hard on the monetary brake. The result was a short but vicious depression, from May 1937 to June 1938 . . . ¶This clearly was an enormous overreaction. It reminds me of what my old teacher Ludwig von Mises said: Trying to cure an overdose of inflation by an overdose of deflation is like trying to put a man who has been run down by an automobile back on his feet by letting the car run over him in the opposite direction." (p.83)

Harisalo, Risto and others. *Hallinnon Tutkimus* [Administrative Studies]. Vammala: Vammalan Kirjapaino Oy. 10:4 (1991). Published quarterly by Finnish Association for Administrative Studies. This special English-language issue dedicated to Professor Ludwig von Mises. Several articles discuss Misesian theories:

de Witt, Marco. "On the Misesian epistemology." pp.300-305. A careful analysis of apriori, the contributions and limitations of logic. "However, it was not epistemology that made von Mises a great Austrian. Epistemology was only the starting point of his thinking. From praxeology he deduced the science of economics by starting from the praxeological fact of utility maximization from which he deduced the law of marginal utility, which in turn is the foundation of the law of supply and demand."

Harisalo, Risto. "Ludwig von Mises--the theorist of the next century." pp.249-251. "Although Karl Marx is so far held as a genuine friend of the poor and miserable, it is possible that Ludwig von Mises will take his place. In spite of the claims that socialism and statism have a more virtuous morality than the free market economy, they have been unable to solve the problem of world poverty and deprivation. On the contrary, as Mises has shown, they have exacerbated these problems . . . ¶For millions of really poor and uneducated people in the Third World, Ludwig von Mises is an ally, who has demanded abolition of privileges which secure the positions of the affluent and rich minority and protect them from unconditional competition."

_____. "A critique of equality in the light of Austrian theory." pp.306-317. After discussing and rejecting ontological equality, equality of possibilities and equality of outcomes, Risto concludes that "equality before the law" is the only kind of equality toward which society should aim. "For the Austrians the liberty of all men is not possible at all without equality before the law . . . Equality before the law is not possible if it must rest on the conception of modern democracy which presupposes the rights of the majority of democratically elected representatives to decide whatever they will. For the Austrian theory equality before the law is then incompatible with unlimited democracy."

Vihanto, Martti. "The four approaches to Austrian social theory." pp.259-269. After considering Hayek's evolutionary approach, Buchanan's contractarian approach, and Rothbard's naturalistic approach, Vihanto analyzes Mises' utilitarian approach. "Since the practical conclusions of both Mises' praxeological analysis and the theory of natural law are rather similar, it has sometimes been concluded that the

praxeology of Mises is in fact a natural law philosophy . . . This interpretation is incorrect because as we have seen, the *method* of attaining the conclusion about the superiority of the market is completely different in the two social theories. Mises explicitly points out that ‘the teachings of utilitarian philosophy and classical economics have nothing at all to do with the doctrine of natural right,’ and private property and freedom are recommended ‘not because they are natural and just, but because they are beneficial’.”

Heilbroner, Robert L. “Just because socialism has lost does not mean that capitalism has won.” Interview by Mark Skousen. *Forbes*. (May 27, 1991) 130-135. “I never had any particularly high expectations for the Soviet Union. It seemed to be in a steady state -- clinking along, producing small quantities of bad consumer goods and large quantities of quite good military goods. Everyone, including me, thought that would be the future. But no one expected a collapse.” Skousen asked Heilbroner why he doesn’t mention Mises, and hardly quotes Hayek at all in the latest edition of his *The Worldly Philosophers*, even though “these Austrian economists have proven so prescient.” Heilbroner admits that Hayek “writes beautifully” but he finds Mises “impossible.” Heilbroner says “I just don’t buy the practicality of his theory of praxeology. I can’t take his book *Human Action* seriously. He said socialism is impossible, and he turned out to be right. But he was not terribly convincing to me. He was so dogmatic . . . ¶On the other hand, what Friedman, Hayek and Mises don’t say, and what I do say, is that tremendous problems come out of the workings of the market.” Reprinted in *Liberty* 4:6 (July 1991) 45-50, 69.

Hillsdale College. *Champions of Freedom: 17. Austrian Economics: Perspectives on the Past and Prospects for the Future. The Ludwig von Mises Lecture Series*. Ebeling, Richard M., ed. Hillsdale, Mich.: Hillsdale College, 1991. Papers presented at the April 1990 Hillsdale Conference on Austrian Economics.

Several significant references to Mises:

Boettke, Peter J. “The Austrian Critique and the Demise of Socialism: The Soviet Case.” pp.181-231. “Ludwig von Mises was the first theorist to address the problem that the socialist system confronts in mobilizing the ‘intellectual division of labor’ that exists within an advanced industrial society. ¶Mises argued that understanding the problem of the utilization of diffuse knowledge within society was made possible only with the further developments of economic understanding made possible by the subjectivist revolution . . . The exchange ratios established on the market, according to Mises, were the result of a process that was ‘anchored deep in the human mind’.” (pp.183-184)

Ebeling, Richard M. “Commentary: Stable Prices, Falling Prices, and Market-Determined Prices.” pp.481-499. Ebeling comments on George A. Selgin’s “Monetary Equilibrium, and the ‘Productivity Norm’ of Price-Level Policy,” pp.433-464 in this volume: “For the Austrians, the high ‘purchasing power’ policies of the Hoover administration and then the New Deal system of Fascist-like controls and interventions during the Roosevelt administration are the explanation of the Great Depression’s depth and duration. As Ludwig von Mises expressed it in 1932, ‘The crisis under which the world is suffering is the crisis of interventionism . . . in short the crisis of anti-capitalistic policies’ [Article 32.2; see *The Clash of Group Interests*, (B-26)]. ¶If the Austrians were among the economists in the 1920s and 1930s who criticized price-level stabilization as the goal of monetary policy, what did they see as a desirable objective for monetary policy? . . . It was clear to all of them that a falling price level arising from increases in productivity and cost efficiencies were neither harmful nor should on principle be interfered with. And [yet] most believed that circumstances existed when it would be desirable for the monetary authority to intervene to assure sufficient quantities of the medium of exchange. The only one who took a radically different view was Mises.” (p.490)

Gunning, J. Patrick. “Commentary: Praxeology, Economics, and Ethical Philosophy.” pp.107-137. Comments on Hans-Hermann Hoppe’s “Austrian Rationalism in the Age of the Decline of Positivism,” pp.59-96 in this volume. “Ludwig von Mises confidently maintained that praxeology and its most highly developed branch, economics, was value free. This was not an afterthought. In the 1920s Mises systematically investigated Max Weber’s penetrating writings on the subject. The result was several essays that dealt with the topic. Contrary to Mises, Hans Hoppe’s paper claims to develop an ethical basis for praxeology and economics by adding the Frankfurt school’s theory of communicative interaction

and its philosophy relating to argumentation. Unfortunately, Hoppe's writings have completely ignored Mises' views on the value question. Indeed, since Hoppe cites Mises in his paper, he leaves the mistaken impression that Mises might even approve of an Austrian-based ethics. ¶In my view, Mises' claim of value neutrality has not been adequately dealt with by the modern Austrians because they have not succeeded in understanding Mises' crucial distinction between theory and history and, most important, the different types of assumptions that enable one to differentiate praxeology proper from its various branches ¶Mises identified the a priori categories, which are presumably what Hoppe is referring to when he uses the term axiom of action. But so far as I know, Mises had absolutely nothing to say about what Hoppe calls the axiom of argumentation." (pp.107, 123)

Kirzner, Israel M. "The Driving Force of the Market: The Idea of 'Competition' in Contemporary Economic Theory and in the Austrian Theory of the Market Process." pp.139-160. Discusses Mises' views on competition and monopoly. "Following Ludwig von Mises in his conception of the market as a dynamic entrepreneurial process, rather than as an array of mutually sustaining optimal exchange decisions, Austrians have drawn the attention of economists back to an earlier classical notion of competition as a rivalrous process." (p.143) "Mises made it clear that government intervention in a market system can -- and has historically very frequently indeed -- generated monopolized markets ¶Without government blocking of competitive entry, the number of firms in an industry, no matter how small, does not insulate them from the cold winds of potential competition; they are subject to the threat of the process of competitive entry. With the possibility, however, of a single owner of a scarce essential resource, Mises argued, we must recognize the possibility that this owner may be able to obtain greater revenue out of his resource by withholding part of it from the market Mises did *not* consider this possibility to be of much practical importance ¶Just as in the case of other markets, price in the monopolized market emerges through the rough and tumble of competing entrants It is the process of such competition that guides the monopoly resource owner to his best obtainable position. Mises points out that the 'monopolist does not know the shape of the curve of demand' for his resource." (pp.149-150) "Monopoly, for Mises, has been reduced to a particular, not-very-important case of a resource-owner who, by virtue of history and market conditions, happens to be the sole owner of a scarce essential ingredient in the production of a good With all supplies of the scarce essential resource concentrated in the hands of one owner, the forces of market competition may not tend to induce him to sell all of his supply; they may teach him how to enhance his sales revenue from the resource by throwing some of it into the sea. Such a possibility, Mises argued, would, if ever realized, pit the interests of the consuming public against those of the exclusive resource owner. It was this theoretical possibility that Mises recognized (without considering it to be of much practical significance)." (p.155)

Salerno, Joseph T. "Commentary: The Concept of Coordination in Austrian Macroeconomics." pp.325-343. Comments on Robert W. Garrison's "Austrian Capital Theory and the Future of Macroeconomics," pp.303-324 in this volume. "[P]rice coordination . . . is the indispensable complement to the concept of an evenly rotating economy based on constant data. As Ludwig von Mises has repeatedly emphasized, the latter, although an imaginary state which can never be realized in the unfolding of the historical market process, is yet indispensable to the identification and analysis of the entrepreneurial function of the real world Price coordination, therefore, is not a phenomenon associated with an unrealizable state of equilibrium, however the latter is conceived; rather price coordination is the essential characteristic of the plain state of rest, which, as Mises tells us, '. . . is not an imaginary construction but the adequate description of what happens again and again on every market'." (p.326) "Mises, too, stresses the importance of detailed nonprice information for the formulation of business forecasts, stating that: 'No businessman may safely neglect any available source of information. Thus no businessman can refuse to pay close attention to newspaper reports.' Indeed, for Mises, the accuracy of a judgment regarding the future state of the market depends upon a close reading of many details of catallactic experience, and, therefore, the entrepreneur '. . . takes information about the past state of affairs from experts in the fields of law, statistics, and technology'." (p.328)

Hillsdale College. *Champions of Freedom: 18. Austrian Economics: A Reader. The Ludwig von Mises Lecture Series.* Richard M. Ebeling, ed. Hillsdale, Mich.: Hillsdale College, 1991. Reprints several Mises

articles: "The Non-Neutrality of Money," pp.505-517 (Article 38.7; misdated, should be 1946), "Social Science and Natural Science," pp.92-109 (Article 42.2), "Capitalism versus Socialism," pp.553-569 (Article 69.1); also excerpts from Mises' *Human Action, Bureaucracy, Liberalism*. Included are a number of papers about Mises, listed above in this bibliography: Ebeling (p.17, 1983; and p.32, 1985); Garrison (p.33, 1985) and Rothbard (p.71 under *New Palgrave*, 1987). Also several articles about Mises listed in the 1993 Mises bibliography: Hayek (p.244, 1945); Kirzner (p.334, under Moss, 1976; and p.343, 1978); Lachmann (pp.264-265, under M.Sennholz, 1956; and p.289, 1966); Rothbard, p.314 (1973).

Inoki, Takenori. "The Austrian School and Economic Science in Japan: A Brief Historical Survey." *Osaka Economic Papers*. 40:3-4 (March 1991) 277-283. A discussion of how the ideas of Austrian economists reached Japan through (1) translations and (2) Japanese students who visited Vienna. Mises is placed in the "second generation" of Austrian economists. "Although his [Mises'] important contribution to the criticism of economic calculation in socialist economy and his emphasis on monetary aspects of business cycles cannot be overestimated, Ludwig von Mises was not discussed so much by the academic circle of Japanese economists until recently. None of his works had been translated until around 1950 although there were a few unpublished translations of his work[s] during the interwar period. This was probably due to the fact that Mises had been constantly misunderstood as a politically-oriented ideologue because of his merciless attack on the anti-capitalistic mentality."

Institute for Humane Studies. *European Network Newsletter*. Winter 1991. p.3. Richard Vernier, graduate student in American History at UCLA, won the 1990 International Ludwig von Mises essay contest. IHS Europe and Centre Jean-Baptiste Say, affiliated with the Instituto Cultural Ludwig von Mises (Mexico) announce the theme for the 1991 International Ludwig von Mises European Prize: "Education and Liberty: Education Liberates, Freedom Educates."

Lavoie, Don. "The Discovery and Interpretation of Profit Opportunities: Culture and the Kirznerian Entrepreneur." pp.33-51 in *The Culture of Entrepreneurship*. Brigitte Berger, ed. San Francisco, Calif.: Institute for Contemporary Studies, 1991. "If Kirzner benefits from the strengths of his teachers, von Mises and Hayek, he has also inherited some of their apparent shortcomings . . . ¶Although von Mises' economics leans more toward an interpretive orientation than can be found in mainstream economics, von Mises was not willing or able to go all the way to a fully interpretive approach. Kirzner too seems unwilling to commit himself fully to an interpretive economics . . . Much of the problem with Kirzner's theory of the entrepreneur, however, stems from his unfortunate selection of illustrative examples . . . ¶Kirzner likens the arbitrageur's discovery of profit to finding a twenty-dollar bill on the beach. This example reinforces the impression of profit that one gets from mainstream economics, that it is an objective 'find' that does not require interpretation. Most acts of entrepreneurship are not like an isolated individual finding things on beaches; they require efforts of the creative imagination, skillful judgments of future cost and revenue possibilities, and an ability to read the significance of complex social situations."

Lehrer, James. Interview of Senator Moynihan; see Moynihan, below.

Liberty Port Townsend, Wash.: Liberty Publishing.

July 1991. Volume 4. Number 6.

Friedman, Milton. "Say 'No' to Intolerance." pp.17-20. An edited transcript of a talk given before an August 1990 libertarian conference in San Francisco. "There is no doubt in my mind that Ludwig von Mises has done more to spread the fundamental ideas of free markets than any other individual. There is no doubt in my mind that nobody has done more than Ayn Rand to develop a popular following for many of these ideas. And yet there is also no doubt that both of them were extremely intolerant. ¶I recall a personal episode at the first meeting of the Mont Pelerin Society -- the founding meeting in 1947 in Mont Pelerin, Switzerland. Ludwig von Mises was one of the people who was there. I was also . . . One afternoon, the discussion was on the distribution of income, taxes, progressive taxes, and so on. The people in that room included Friedrich von Hayek, Fritz Machlup, George Stigler, Frank Knight,

Henry Hazlitt, John Jewkes, Lionel Robbins, Leonard Read -- hardly a group whom you would regard as leftists. In the middle of that discussion von Mises got up and said 'You're all a bunch of socialists,' and stomped out of the room . . . ¶Barbara Branden tells a story that refers to both Rand and von Mises: 'One evening, the Hazlitts . . . invited Ayn [Rand] and Frank [Ayn's husband] to dinner with Dr. and Mrs. von Mises. The evening was a disaster. It was the first time Ayn had discussed moral philosophy in depth with either of the two men. "My impression," she was to say, "was that von Mises did not care to consider moral issues, and Henry was seriously committed to altruism . . . We argued quite violently. At one point von Mises lost his patience and screamed at me. We did not part enemies -- except for von Mises at the moment; about a year later he and I met at a conservative dinner and his wife made peace between us". . . ¶Let me close by noting that admirers of von Mises seldom quote the following of his statements: 'Government as such is not only not an evil but the most necessary and beneficial institution, as without it no lasting cooperation and no civilization could be developed and preserved.' Now that's an idea to chew over." For comments on this August 1990 talk, see Barton, *Rothbard-Rockwell-Report* (1990 above); also Rockwell under *Rothbard-Rockwell-Report* (1991 below)

Richman, Sheldon L. "A Long Way from Philadelphia: In the halls of the Communist Party Central Committee, supporters of individual liberty plot the transformation of the evil empire into a free society." pp.41-44. "There I was, sitting on the stage of a hall built for the Soviet Communist Party's Central Committee, lecturing on why socialism cannot be reformed and why, as Mises and Hayek had long ago explained, an industrial economy was doomed without private ownership of the means of production. I couldn't tell how my remarks were being received, but I could hear the translator turning my English into Russian as his voice was piped into the spectators' ear pieces. All I could think of was how far -- literally and figuratively -- this Jewish kid from Philly had come."

McElroy, Wendy. "Abortion." pp.145-156 in *Freedom, Feminism, and the State: An Overview of Individualist Feminism*. 2nd ed. New York: Holmes & Meier, 1991. 1st ed., 1982. "Individualist feminism has incorporated Austrian economics as expounded by Mises, Hayek, and Rothbard into its theoretical framework. ¶The one point of continued agreement is that government interference in the economic realm, as in all other realms, is disastrous." (p.156)

Moynihan, Daniel Patrick (U.S.Senator from New York). Interviewed by James Lehrer on the MacNiel-Lehrer program, September 12, 1991, on why communism failed. Lehrer: "What was wrong with the Communist approach to economics?" Moynihan: "I think you have to go back to those Austrian economists who said they could not produce a pricing system so they never knew what anything was worth. And absent a pricing system, they -- basically they had no information in their system."

Murata, Toshio. "Fascinated by Mises for 35 Years." *Shunju*. (July 1991) 1-4.

_____. "On the Occasion of the 110th Birthday of Mises." *Sekai Keizai* [World Economy]. 46:10 (October 1991) 2-9.

Norton, Rob. "The Triumph of the Market." *Fortune*. (January 14, 1991) 38-39. "The destruction of the Berlin Wall will surely endure as the symbol of the end of Communism. But in the history of ideas, 1990 may be remembered mostly for the simple notion that provoked the upheaval: Market economies work best . . . ¶The Austrian economist Ludwig von Mises had the last word back in 1947 [*Planned Chaos*, B-14], when the Red Army was imposing central planning from the Baltic to the Mediterranean and socialists everywhere were dreaming that they had the key to a better world: 'A socialist management of production . . . will squander the scarce factors of production, both material and human. Chaos and poverty for all will unavoidably result'."

Oliver, Daniel T. "'Progressive' Or Regressive Philanthropy?" *Alternatives in Philanthropy* Capital Research Center Washington, D.C. (October 1991). Refers to the contradiction in the reasoning of those who equate inequality with injustice, yet, as pointed out by Hayek, require individuals to be treated unequally to attain

their particular brand of “social justice.” Also quotes Mises on the likely effects of philanthropy intended to promote “social justice” or “redistribute” wealth: “Economists have long argued that income redistribution cannot have the effect its proponents ostensibly seek. Ludwig von Mises writes that ‘Most people who demand the greatest possible equality of incomes . . . imagine that the sum of incomes will remain unchanged and that all they need to do is distribute it more equally than it is distributed in the social order based on private property.’ ¶When greater work effort brings higher state appropriations rather than increased economic rewards, ability and productivity are penalized: ‘In order for human labor to attain its highest attainable productivity, the worker must be free, because only the free worker, enjoying in the form of wages the fruits of his own industry, will exert himself to the full’.”

Paul, Ron. *The Ron Paul Money Book*. Auburn, Ala.: Mises Institute, 1991. According to *The Free Market* (August 1991) this book “covers the history of U. S. money and banking in brilliant depth, and argues eloquently for the Constitutional gold standard and the abolition of the Federal Reserve.” Also includes “a wonderful analysis of Mises, and a chilling report on the New Money.”

Persky, Joseph. “Retrospectives: Lange and von Mises, Large-Scale Enterprises, and the Economic Case for Socialism.” *Journal of Economic Perspectives*. University of Illinois, Chicago. 5:4 (Fall 1991) 229-236. According to Persky, the basic difference between Mises and Lange lay in their different attitudes toward monopoly. Lange “waxed eloquent,” Persky says, “on the historical contributions of early competitive capitalism to economic development;” he was not opposed to “private enterprise and private property of the means of production in those fields where real competition still prevails, i.e., in small-scale industry and farming.” However, he feared that “monopolistic firms with considerable fixed capital had a powerful incentive to protect the value of such investments in the face of potential technological changes ¶Lange and von Mises both knew monopoly was bad,” Persky says, but Mises counted on competition to curb monopoly power. The Austrians “maintained that with the exception of a few natural resource monopolies, the competitive pressures of capitalism, including those generated by potential entrants, disciplined large-scale firms. They thought socialism would prove a nightmare of bureaucracy.”

Peterson, William. “Has Gorbachev Learned? Policy Caused Soviet Economy to Become Sicker.” *The Daily Record*. Dunn, N.C. (August 29, 1991). “‘The whole of society,’ Lenin grandly declared, is to ‘become one office and one factory.’ His declaration meant that not only was the economic freedom of Soviet citizens to dissolve but their political freedom as well. ¶Ludwig von Mises caught Lenin’s meaning and saw that freedom is indivisible. He said in his classic challenge to Soviet planning, *Socialism* [B-4], that denial of private property rights -- including consumer choice among competing brands of soap or soup -- necessarily means denial of citizen choice among competing political parties and candidates. Socialism spells bondage. ¶Mr. Mises held, further, that denial of economic freedom causes ‘planned chaos’ -- central planners flying blind, massively wasting resources, especially human resources. From Mr. Mises’ *Human Action*, ‘What is called a planned economy is no economy at all’.”

Radnitzky, Gerard. “The Social Market and the Constitution of Liberty.” pp.1-14. *Britain’s Constitutional Future*. London: Institute of Economic Affairs, 1991. In this anthology of papers by various authors, Radnitzky writes: “In an advanced social market democracy the free market will fade away like the Cheshire Cat. Socialism will come in through the back door of majoritarian democracy, and in the long run it will destroy the market order and with it one of the necessary conditions for democracy. In the end the social-democratic compromise will lead to bankruptcy and leave little room for freedom. Ludwig von Mises foresaw this development as early as 1940. He criticised the idea of a social market economy even before it was so christened by the German Christian Democrats. He called the idea ‘hampered’ market economy ¶In summary, the idea of a social market turns out to be a wolf in sheep’s (capitalism’s) clothing.” (pp.8-9).

Review of Austrian Economics: 5:1. Murray N. Rothbard & Walter Block, eds. Boston, Mass.: Kluwer; Auburn, Ala.: Ludwig von Mises Institute, 1991.

Garrison, Roger W. “New Classical and Old Austrian Economics: Equilibrium Business Cycle Theory in

Perspective.” pp.91-103. “Cowen and Fink [see above, p.32 (1985)] find a contradiction between ABCT [Austrian Business Cycle Theory] and the assumed initial conditions that link business-cycle theory with established price theory. They base their case on the most thorough-going concept of equilibrium in the Austrian literature, the Evenly Rotating Economy (ERE) so designated by Mises. The complete coordination of all economic activities, which defines the ERE, precludes disequilibrium of any sort . . . ¶All Cowen and Fink have shown, however, is that Mises’ ERE is not the appropriate equilibrium concept to serve as the initial conditions for ABCT.” (p.95) “In the spirit of Mises, theory and history are shown to yield complementary accounts of a particular instance of boom and bust, an instance that is understood to have occurred independent of our theoretical understanding of it. And the process analysis that provides the theoretical understanding requires, as its empirical complement, an economic history that gives full play to monetary institutions, policy goals, and beliefs held by opinion makers, public officials and key Federal Reserve operatives, as well as to the more narrowly conceived macroeconomic data.” (p.100)

Gordon, David. Review of Robert Formaini’s *The Myth of Scientific Public Policy*.” pp.129-134. “Ludwig von Mises contended that the calculus of probability, which he termed class probability, does not apply to individual events at all . . . Mises would contend that one can properly speak only about the mathematical chances of classes of events. Nothing about an individual event, the drawing of a particular card, follows from class probability.” (p.131)

Higgs, Robert. “Eighteen Problematic Propositions in the Analysis of the Growth of Government.” pp.3-40. “**Proposition 15:** *Government grows in order to supply public goods that the public demands but the free market won’t supply.* As already indicated, this proposition belongs to the class of ‘market failure’ explanations of the growth of government . . . Nor is the necessity of government provision affirmed only by mainstream economists. Mises himself concluded that ‘in a world full of unswerving aggressors and enslavers . . . isolated attempts on the part of each individual to resist are doomed to failure [and therefore] the only workable way is to organize resistance by the government.’ Mises went even further, supporting conscription of people to serve in the armed forces.” (pp.26-27) “Although no laws of history exist -- indeed, as Mises explained, ‘the notion of a law of historical change is self-contradictory’ -- the study of history can reveal patterns and probable relations. Mises called the search for this kind of understanding ‘thymology’. . . ¶It is no accident that many of the leading lights of Austrian economics -- Mises, Hayek, Rothbard -- have taken historical understanding seriously and devoted much effort to historical research. Mises went so far as to describe historical understanding as not only essential for practical action but worthwhile in another sense as well. ‘It opens the mind toward an understanding of human nature and destiny. It increases wisdom. It is the very essence of that much misinterpreted concept, a liberal education’.” (p.34)

Osterfeld, David. “Marxism, Capitalism and Mercantilism.” A review of *Traders versus the State* by Gracia Clark. pp.107-111. “While Mises sees peace as the necessary precondition for free trade, mercantilism, he says tersely, is ‘the philosophy of war’.” (p.111)

Review of Austrian Economics: 5:2. Murray N. Rothbard & Walter Block, eds. Boston, Mass.: Kluwer; Auburn, Ala.: Ludwig von Mises Institute, 1991.

Herbener, Jeffrey M. “Ludwig von Mises and the Austrian School.” pp.33-50. “Everyone carries a part of society on his shoulders: no one is relieved of his share of responsibility by others . . .” (Mises’ *Socialism*) “Now, as the battle appears to be turning in favor of freedom,” Herbener writes, “is an appropriate time to reconsider the role of economic theory in these world-wide changes. Specifically, it is time to consider the work of Mises and the Austrian school in the development and dissemination of the economic principles of social progress. Two steps are necessary to complete this task. The first is to demonstrate the pre-eminence of the Austrian school in developing the principles of free enterprise. The second is to demonstrate that Mises is the champion of this tradition in the twentieth century.” (p.33) Herbener contrasts Menger’s explanation of social institutions as the outcome of individual action and Mises’ interpretation of society “as a strategy of acting individuals in their struggle against scarcity; purposefulness [being] the essence of the market, not spontaneity,” with Hayek’s reliance on “allusions and analogies . . . mystic forces and . . . evolution.” The principles of Mises and of the Austrian

tradition “representing the pinnacle of free-market economic theory, cannot be found in any other modern school of economic thought. By failing to correctly understand the process of the social creation of wealth these other schools have not played a significant independent role in the current advancement of freedom ¶The outcome of changes in Europe depend upon understanding and accepting these Misesian ideas ¶We are all participating in this great ideological struggle and thus economic education holds paramount importance ¶The Austrian tradition is identified by and built upon praxeology -- the application of deductive reasoning to the irrefutable fact of human action. This method is the red thread that runs from Menger to Böhm-Bawerk to Mises to Murray Rothbard and the modern practitioners of Austrian economics. Working within this tradition, economists have produced a great edifice of irrefutable, universally applicable economic theory. They have shown how the free market advances mankind in its struggle against scarcity and why socialism cannot do so. They have taught us that we must choose one of these two social arrangements, since no system exists between them. We must make our selection and advance, by education and persuasion, either capitalism or socialism. Let us choose wisely.” (pp.49-50)

Hoppe, Hans-Hermann. “De-Socialization in a United Germany.” pp.77-104.” “From the outset Erhard’s free-market reforms had been far from pure. He had not introduced a *Marktwirtschaft*, but a *soziale Marktwirtschaft*, and theoretical observers such as Ludwig von Mises had warned early -- prophetically -- that this concession to a *social* economy would ultimately lead to welfare state socialism” (p.87)

Rothbard, Murray N. “The End of Socialism and the Calculation Debate Revisited.” pp.51-76. An analysis of Mises’ position on economic calculation under socialism and a critique not only of the Lange-Taylor-Lerner position, but also those of Robbins, Schumpeter, Knight, Hayek and Kirzner. “Before Ludwig von Mises raised the calculation problem in his celebrated article in 1920, everyone, socialists and non-socialists alike, had long realized that socialism suffered from an *incentive problem* ¶But the uniqueness and the crucial importance of Mises’ challenge to socialism is that it was totally unrelated to the well-known incentive problem. Mises in effect said: All right, suppose that the socialists have been able to create a mighty army of citizens all eager to do the bidding of their masters, the socialist planners. What exactly would those planners tell this army to do? How would they know what products to order their eager slaves to produce, at what stage of production, how much of the product at each stage, what techniques or raw materials to use in that production and how much of each, and where specifically to locate all this production? How would they know their costs, or what process of production is or is not efficient? ¶Mises pointed out that the planning board could not answer these questions because socialism would lack the indispensable tool that private entrepreneurs use to appraise and calculate: the existence of a market in the means of production, a market that brings about money prices based on genuine profit-seeking exchanges by private owners of these means of production.” (pp.51-53) “For Mises, in short, the key to the capitalist market economy and its successful functioning is the entrepreneurial forecasting and decisionmaking of private owners and investors.” (p.60) “For Hayek, the major problem for the socialist planning board is its lack of *knowledge* ¶But to Mises the central problem is not *knowledge* [W]hat acting man is interested in, in committing resources into production and sale, is *future* prices, and the present committing of resources is accomplished by the entrepreneur, whose function is to *appraise* -- to anticipate -- future prices, and to allocate resources accordingly. It is precisely this central and vital role of the *appraising entrepreneur*, driven by the quest for profits and the avoidance of losses, that cannot be fulfilled by the socialist planning board, for lack of a market in the means of production ¶More philosophically, the entire Hayekian emphasis on ‘knowledge’ is misplaced and misconceived. The purpose of human action is not to ‘know’ but to employ means to satisfy goals.” (p.66)

Vedder, Richard K. & Lowell Gallaway. “The Great Depression of 1946.” pp.3-31. “A small band of economists, including Ludwig von Mises, F. A. Hayek, Benjamin Anderson and W. H. Hutt, never abandoned the notion that wages are critical in unemployment determination, but these voices carried no weight in the development of the consensus interpretation of why America avoided a depression after World War II.” (p.22)

Rothbard, Murray N. *Freedom, Inequality, Primitivism, and the Division of Labor*. Auburn, Ala.: Praxeology Press/Ludwig von Mises Institute, 1991. Prepared for the Symposium on Human Differentiation, August 1970, held at the Institute of Paper Chemistry (Appleton, Wisconsin) under the sponsorship of the Institute for Humane Studies. In the new (February 1991) introduction written by Rothbard for this edition: "I have come to realize, since writing this essay, that I overweighted the contributions and importance of Adam Smith on the division of labor. And to my surprise, I did not sufficiently appreciate the contributions of Ludwig von Mises . . . ¶[T]he recent work of Professor Joseph Salerno has illuminated the profound contributions of Ludwig von Mises' emphasis on the division of labor as the 'essence of society' and the 'fundamental social phenomenon.' For Mises . . . the division of labor stems from the diversity and inequality of human beings and of nature. Salerno, in addition, brings out with unparalleled clarity that for Mises the division of labor is a conscious choice of mutual gain and economic development. The process of social evolution therefore becomes 'the development of the division of labor,' and this allows Mises to refer to the world-wide division of labor as a vital 'social organism' or '*oecumene*.' Mises also points out that division of labor is at the heart of biological organisms, and 'the fundamental principle of all forms of life.' The difference of the 'social organism' is that, in contrast to biological organisms, 'reason and will are the originating and sustaining form of the organic coalescence.' Therefore, for Mises 'human society is thus spiritual and teleological,' the 'product of thought and will' . . . Indeed, for someone who thought that he had absorbed all of Mises' work many years ago, it is a constant source of surprise how rereading Mises continues to provide a source of fresh insights and of new ways of looking at seemingly trite situations." (pp.19-21) For annotation of 1970 essay, see below, Addendum (1971) p.208.

Rothbard-Rockwell Report. Burlingame, Calif.: Center for Libertarian Studies. 2:8 (August 1991)

January 1991. Volume 2, Number 1:

Rockwell, Llewellyn H., Jr. "Banks, S & Ls, and Other Organized Crime." pp.15-24. "Money was not, Ludwig von Mises demonstrated, an invention of some king or other form of government. It was a market innovation that was later nationalized by the state for its own purposes, and debauched." (p.21)

August 1991. Volume 2, Number 8:

Rockwell, Llewellyn H., Jr. "Must We Tolerate Tolerance?" pp.17-18. Comments on Friedman's talk at a 1990 libertarian conference; see Friedman under *Liberty* (above). "Mises was so intolerant, Friedman says, that he once called some pro-tax economists (including Friedman) 'a bunch of socialists.' Worse, Mises advocated a method, praxeology, that deduces economic laws from the premise that 'man acts,' that is, that human beings have purposes, and that they seek to achieve them. Friedman calls this idea unscientific and 'religious' (his worst epithet). Praxeology must lead, he said, to social strife . . . ¶Contra Mises, says Friedman, we can't know anything a priori. Imagine, he says, that 'Your house is next door' to his and you 'play your hi-fi at an enormously high decibel count. Are you violating my private property?' You can't know this in advance through logical deduction, he says. It is a practical question requiring an answer 'based on experience.' . . . ¶(Note: the positivist methodologist whom Friedman holds up as the tolerant alternative to Mises is Karl Popper, a paranoid cult leader whose hatred for any deviation from his doctrine, and frenzied accusations of intellectual theft against similar theorists, makes Rand look like Little Mary Sunshine.) . . . ¶Boom-box owners ought to respect Friedman's property. But do we have to tolerate his ideas? As usual, Mises gives us the answer: 'Liberalism demands tolerance as a matter of principle' only of the state; 'against what is stupid, nonsensical, erroneous, and evil, liberalism fights with the weapons of the mind'."

Schroeder, Gertrude E. "The Dismal Fate of Soviet-type Economies: Mises Was Right." *Cato Journal*. Washington, D.C.: Cato Institute. 11:1 (Spring/Summer 1991) 13-25. Based on a paper given at the November 18-20, 1990, New Orleans, meeting of the Southern Economic Association. "Mises foresaw with uncanny prescience the consequences of attempts to create an economic order based on pervasive public ownership of property: 'In place of the economy of the "anarchic" method of production, recourse will be had to the senseless output of an absurd apparatus. The wheels will turn, but will run to no effect' . . . ¶To quote Mises once more, 'Communism is a feature of backward countries and results in general poverty.' Living standards in the USSR and Eastern Europe, even after decades of industrialization, are low by

comparison with Western Europe, and the gaps have been widening overall, especially in the past two decades ¶Mises' basic argument is that with social ownership of land and capital there cannot be markets for those factors of production. Without markets for them, these scarce factors cannot be priced so as to reflect their values in alternative uses and their changing relative scarcities ¶The second fundamental consideration underlying the poor performance of socialist economies is the system of incentives. To quote Mises, 'The exclusion of free initiative and individual responsibility, on which the successes of private enterprise depend, constitutes the most serious menace to socialist economic organization.' . . . ¶Mises predicted the outcome many decades ago: 'The problems of socialization cannot be solved by civil-service instructions and reforms of organization.' ¶A major theme in the successive waves of reforms in most countries was the use of so-called economic levers -- sales, prices, profits, bank credits, and formation of enterprise incentive funds -- in an attempt to orient the socialist business firms toward pleasing customers and economizing on resources The aim was to get socialist firms to behave like capitalist firms by aping market forms Such attempts were like trying to square the circle. They were doomed to failure. Mises put it thus: 'A popular slogan affirms that if we think less bureaucratically and more commercially in communal enterprises, they will work just as well as private enterprises [But] the entrepreneur's commercial attitude and activity arise from his position in the economic process and is lost with its disappearance'."

Skousen, Mark. *Economics on Trial: Lies, Myths, and Realities*. Homewood, Ill.: Business One Irwin, 1991. A critique of ten top college economics textbooks. Skousen credits Mises for his explanation of economic depressions (p.104), includes Mises among those economists who "have criticized the gold standard for being too expensive and a waste of resources" (p.140) and recognizes his contributions to the economic calculation problem (p.228). Skousen deplores the neglect of the Austrian school in textbooks: "Most students can go through an entire year of economics courses without hearing the names Ludwig von Mises or Friedrich Hayek Only a handful of textbooks offer biographical essays on Ludwig von Mises or Friedrich Hayek, the founders of modern Austrian economics. Most have something to say about Joseph Schumpeter, but the coverage is not extensive A review of name indexes in the backs of the top 10 textbooks reveals how little interest there is in Mises, Hayek, Schumpeter, and the modern Austrians compared to Keynes and those in other more popular schools of thought." (p.275)

_____. Interviewer; see Heilbroner (above, p.138).

Suchard, Leon. Letter to the editor, *Wall Street Journal*, September 4, 1991. Suchard would add the names of Ludwig von Mises and Ayn Rand to those cited in *WSJ* editorial (August 26, 1991) as having "contributed to the demise of communism." Suchard describes Mises as "The man who, in 1922 (*Socialism*), debunked all the myths of a scientific base for socialist theories. We owe him an enormous debt for this work, and for a lot more."

Swedberg, Richard. *Schumpeter: A Biography*. Princeton, N.J.: Princeton University Press, 1991. "Schumpeter was only one of a number of outstanding students" attending Böhm-Bawerk's University of Vienna seminar in 1905-1906. "There were, for example, Ludwig von Mises and Emil Lederer, both destined to become famous economists." (p.14) In 1924 the University of Bonn faculty was asked to find a replacement for Heinrich Dietzel, "a well-known liberal economist who among other things had helped to introduce the notion of *Sozialökonomik* into Germany." Mises and Schumpeter were among five persons suggested. According to the Prussian Ministry of Education's response (July 2, 1925) "von Mises was accused of being so caught up in his own ideas that he was unable to relate to other viewpoints in economics. Effective as of 15 October 1925, Schumpeter was appointed Professor of Public Finance at the University of Bonn." (p.69) According to Swedberg, Schumpeter holds that "There is no reason to believe that economists like Ludwig von Mises are right when they argue that socialism will not work since rational economic behaviour presupposes markets and these supposedly only exist in capitalist societies. Perfectly satisfactory economic theorems for socialist economies have been worked out by people like Enrico Barone, Schumpeter says, and it is clear that a rational socialist economic system with its own equivalents to

prices, salaries and markets can be constructed. ¶Indeed, there are good reasons, according to Schumpeter, to believe in the *superiority* of the socialist economy as compared to the capitalist economy.” (p.160) Swedberg reproduces a March 20, 1933, letter to Haberler from Schumpeter: “I am not astonished that you begin to find fault with the Mises-Hayek [business cycle] theory. What I was astonished about is that you ever had a taste for it even to the point of expounding it in your Chicago address [1932; see 1993 bibliography, p.219] which I was very sorry to read . . . and if you allow me to say so, that address would have been a mistake even if that theory were more valuable than it is.” (p.215)

Thies, Clifford F. “The Austrian School of Economics.” *Magill’s Survey of Social Science: Economics*. Frank N. Magill, ed. Englewood Cliffs, N.J.: Salem Press, 1991. pp.101-106. “Another contributing factor to the demise of a distinct Austrian school was the dispersal of Austrian economists that took place during the 1930’s. Machlup, Mises, Hayek, and other prominent economists, including Gottfried Haberler, Oskar Morgenstern, Paul N. Rosenstein-Rodan, and Joseph Schumpeter, left their country in response both to offers from major universities and to the specter of Nazism ¶For a time, the Austrian school continued as little more than an episode in the history of economic thought and as a convenient label for certain champions of economic liberalism ¶Austrian economists are particularly concerned with nature or ‘constitution’ of money, banking, and credit. Throughout his career, Mises advocated a gold standard specifically because it removed money from government.”

Thornton, Mark. *The Economics of Prohibition*; Salt Lake City, Utah: University of Utah Press, 1991. A study of the origins, economics, and effects of the legal prohibition of alcohol and other drugs. Thornton analyzes prohibition from the Austrian point of view as an example of government intervention: “Ludwig von Mises described the economic approach of analyzing public policy: ‘We are exclusively concerned with those acts of interference which aim at forcing the entrepreneurs and capitalists to employ the factors of production in a way different from what they would have done if they merely obeyed the dictates of the market’” (p.73) He quotes Mises (*Human Action* pp.733-734) on “the important political consequences of direct interference with consumption as it relates to the prohibition of drugs” (pp.86-87) and on the corruption prohibition inevitably brings with it: “An analysis of interventionism would be incomplete if it were not to refer to the phenomenon of corruption.” (p.111)

Universidad Francisco Marroquín (Guatemala). *Annual Report*. Foundation Francisco Marroquín, 1991. p.16. Inauguration of the new Von Mises Library on the university campus.

Wall Street Journal. “Notable & Quotable.” (February 26, 1991) editorial page. “Ludwig von Mises explaining why the Gorbachev economic reforms would fail: ‘Some . . . socialists believe that the socialist community could solve the problem of economic calculation by the creation of an artificial market for the means of production. Unfortunately the supporters of such proposals do not see (or perhaps will not see) that it is not possible to divorce the market and its functions in regard to the formation of prices from the working of a society which is based on private property in the means of production and in which, subject to the rules of such a society, the landlords, capitalists and entrepreneurs can dispose of their property as they think fit. For the motive force of the whole process which gives rise to market prices for the factors of production is the ceaseless search on the part of the capitalists and the entrepreneurs to maximize their profits by serving the consumers’ wishes.’” (*Socialism*, 1922)

1992

Bennett, James T. *Official Lies: How Washington Misleads Us.* Alexandria, Virginia: Groom Books, 1992. Quotes Mises on the possibility that "government interference with consumption" of drugs might lead "unwittingly . . . to censorship, inquisition, intolerance, and the persecution of dissenters." (*Human Action* [B-16] 1949 ed., pp.728-729; 1963 ed., p.734; 1966, pp.733-734) Bennett comments: "Mises was prophetic. The censors are still busy. They were at work in Cincinnati, Ohio, in 1990, when the city government tried to shut down an exhibition of Robert Mapplethorpe's homoerotic photographs. They were at work in Broward County, Florida, prosecuting the profanity-spouting rap group 2 Live Crew. Whatever one thinks of Mapplethorpe and the Crew, these actions smacked of thought control. Once art is labeled 'offensive' and is banned, books inevitably suffer the same fate. 'Offensive' speech is next to be forbidden, as we have so vividly witnessed with the political correctness movement on college and university campuses . . . ¶Mises predicted that banning substances such as opium and morphine would lead to the prohibition of nicotine and alcohol. The propaganda campaign now taking shape in the Congress against tobacco and the tobacco industry may eventually prove him correct." (p.218)

Cordato, Roy E. *Welfare Economics and Externalities in an Open Ended Universe: A Modern Austrian Perspective.* Boston: Kluwer Academic Publishers, 1992. As a graduate student at the University of Hartford, Cordato was intrigued by the fact that economic efficiency was "almost completely absent from the Austrian literature" and that the word "efficiency" did not even appear in "the index of any of the major Austrian writings, including Mises' *Human Action* or Rothbard's *Man, Economy, and State.*" Only in Kirzner's *Market Theory and the Price System* (1963) did Cordato find "a strictly Misesian perspective" carefully laid out with "definitions for both individual and social efficiency." (pp.xv-xvi) In attempting to determine the Austrian theory of economic welfare, Cordato discusses Mises' views of external costs, external benefits, and property rights.

Critical Review New Haven, Conn. 1992.

Winter 1992. Volume 6, Number 1:

Cornuelle, Richard. "The Power and Poverty of Libertarian Thought." pp.1-10. A slightly expanded version of Cornuelle's "New Work for Invisible Hands" (see above, 1991). "When I joined Mises' seminar, it was meeting twice a week in the late evening in a low-ceilinged cellar room, as befitted an underground movement, in the shadow of Trinity Church in lower Manhattan. We were usually about a dozen. Mises arrived last, always on the stroke of the appointed hour, impeccably dressed. He took a single page of notes in German from a small envelope, grasped the edge of the table with his palms flat on the top and his thumbs under, and spoke without interruption for an hour and a half, in a kind of accented chant as if he were reciting scripture from memory. Then there were questions, which he usually answered by repeating, almost word for word, the part of his recitation the question suggested. His method seemed entirely appropriate. We sensed we were in the presence of a towering and uncommonly disciplined intelligence, martyred and misunderstood. We knew Mises had paid dearly for his beliefs. When his monumental *Human Action* was published in 1949, the year I joined the seminar, the *New York Times Book Review's* reaction was to reproach the Yale University Press for publishing it. This sort of thing, of course, only intensified our devotion. We would, except for the practical difficulties, have carved our notes in stone. ¶So if the collapse of communism caught the CIA and others unawares, it was certainly no surprise to the students of Mises' N.Y.U. seminar. We had been expecting it for forty years . . . [W]e knew socialism was doomed and we knew why." Cornuelle then discusses later shifts in libertarian thinking and his own personal scheme for privatizing social services. "I believe Mises himself would have welcomed enthusiastically the continuing enlargement of libertarian thought. Unique among economists, his knowledge of economics was so complete that he understood its limitations. In *Human Action* he said, with his customary clarity, that in the vast spectrum of human activities, economics

treated only a slice, those which result in an exchange. Mises knew that economics is the beginning of the inquiry into the nature and metabolism of human action and certainly not the end of it."

Doering, Detmar, ed. *Kleines Lesebuch über den Liberalismus* [Little Reader on Liberalism]. Institut für Politische Bildung, Forschung und Politikberatung, Friedrich-Naumann-Stiftung. Sankt Agustin: COMDOK, 1992. A collection of readings from thinkers of the last three hundred years. Included are excerpts from the Introduction to Mises *Liberalism* (B-6).

The Free Market. Auburn, Ala.: Ludwig von Mises Institute.

January 1992. Volume 10, Number 1:

diLorenzo, Thomas. "Bush's Recession." pp.3-4. "The Washington establishment has learned absolutely nothing from the collapse of socialism. It *still* ignores Ludwig von Mises and the Austrian School by responding to its worldwide collapse with -- you guessed it -- more socialism."

Hoffman, Matthew. "The 'Sustainable Development' Scam." pp.4-5. "Ludwig von Mises proved the impossibility of central economic planning seventy years ago, but Bureaucratic International has never let reality intrude."

February 1992. Volume 10, Number 2:

Maltsev, Yuri N. "Obituary: The Soviet Union, 74, Dies." p.4. "The first physician to diagnose the [Soviet Union's] fatal disease was Ludwig von Mises who in 1921 predicted the U.S.S.R.'s death as inevitable unless his prescription of free markets and private property were followed. The patient laughed them off."

Rockwell, Llewellyn H., Jr. "Nationalism and the Immigration Question." p.2. "As Ludwig von Mises pointed out, 'the idea of liberty is Western,' and whatever the enemies of our civilization claim, they 'look with envy upon its achievements, want to reproduce them, and thereby implicitly admit its superiority'. . . . ¶In 19th-century America, our booming free market easily absorbed everyone who wanted to work Immigrants became English-speakers because they wanted to become Americans. 'What is specifically national lies in language,' says Mises, and 'individuals belong only to one nation.' After he emigrated to America, Mises wrote and spoke English ¶Bitter social conflict is inevitable when the dominant culture and language are displaced by immigrants -- as Americans in border towns know. Mises, who favored the free immigration ideal, said fears of majority displacement in a mixed economy were 'justified.' 'As long as the state is granted the vast powers which it has today,' he wrote in 1919, 'the thought of having to live in a state whose government is in the hands of members of a foreign nationality is positively terrifying'."

Tucker, Jeffrey A. "The Kemp Myth." pp.3-5. "Despite [Jack] Kemp's reputation as a free marketer, he is a big-government, big-spending social planner ¶Early in his tenure, Kemp was asked by this writer why U.S. taxpayers should entrust their money to the agency [Department of Housing and Urban Development] after its long history of waste, fraud, and abuse. 'Because I'm in charge now,' he said. A 'conservative' may be running HUD, and 'conservatives' may staff its rabbit warren of offices, but taxpayers can't tell the difference. ¶'I flirted with the economics of Mises and Hayek,' said Kemp. 'It's great on paper. But in a democratic society, people are going to demand problem-solving by government'."

March 1992. Volume 10, Number 3:

Rockwell, Llewellyn H., Jr. "Economics: the Weather-Vane Profession." p.2. "We cannot rely on politicians, although we should try to elect the rare good one. Most economists are useless as well. That is why we need the public, guided by the right intellectuals. As Ludwig von Mises pointed out, economics is far too important to leave to the economists. Everyone should know at least the basics."

June 1992. Volume 10, Number 6:

See Hayek, Friedrich A., Obituaries: Rothbard (below, p.154).

August 1992. Volume 10, Number 8:

Rockwell, Llewellyn H., Jr. "Myths of the Mixed Economy." pp.2-3. An analysis of a 1000-page symposium, *The Planned Society* (1937). "[T]he book was honest. It linked Stalin and Keynes, fascism and the New Deal. The plans were not identical, of course, but all agreed on government

'rationality' as versus the 'chaos' of the free market. ¶Most of the authors advocated the 'mixed economy,' Mises' name for an admixture of capitalism and socialism. Such a combination, he showed, is necessarily unstable, and our own mixed economy is tilting towards etatism, with such regulatory disasters in the last few years as the Clean Air Act, the Americans With Disabilities Act, and the Civil Rights Act."

October 1992. Volume 10, Number 10:

Mixon, J. Wilson, Jr. "Civics Texts and Labor Myths." pp.3-4. "The history of American labor is easy to put in a nutshell. Since the beginning of the Industrial Revolution, technical inventiveness and entrepreneurial innovation have increased the productivity of labor. This, coupled with competitive markets, has resulted in higher wages, better working conditions, and more leisure. ¶Modern civics texts, however, do not even hint at such a story . . . The status of workers becomes a matter of the 'power' of management relative to that of union and government. Wages are determined by a power struggle, not peaceful market forces . . . ¶The authors [of modern civics texts] show no awareness of the concerns raised by Ludwig von Mises: 'It is a distortion to say that factories carried off the housewives from nurseries and the kitchens and the children from their play. These women had nothing to cook with and to feed their children. These children were destitute and starving'."

November 1992. Volume 10, Number 11:

Hanke, Steve H. "Abolish the Federal Reserve." p.7. "What we desperately need is an improved currency, one whose purchasing power can be depended upon . . . [W]e could define the dollar as a weight of gold, as Ludwig von Mises argued, which would give money an anchor that politicians could not shift."

Paul, Ron. "Cause of the Currency Chaos." pp.1, 4-5. "[W]e've been on the wrong track for nearly 80 years, with politicians driving out good money with bad. None of their promises have panned out . . . ¶We cannot trust politicians or bureaucrats to run anything else in the economy. Any sector that presently experiences dislocations and instability is owned or controlled by these people . . . As Ludwig von Mises explained, government management of currencies can never work, because economic law will win in the end. The fiat money system may soon confront its own unraveling."

Rockwell, Llewellyn H., Jr. "The 'Free-Trade' Racket." p.2. "Here's what real, and extremely beneficial, free trade means: companies can export and import without government hindrance, and consumers can buy the foreign-made goods they want. Consumers under free trade would, for example, be able to drive to Mexico or Canada, fill their cars with goods, and cross the U.S. border with only a wave from the guards. Try that today, and you land in jail. Try it under NAFTA, and you still land in jail . . . ¶All of NAFTA, in fact, does a North American hat dance on the graves of Adam Smith, David Ricardo, Henry George, and Ludwig von Mises -- the great champions of free trade."

December 1992. Volume 10, Number 12:

Murchison, William. "Children's What?" pp.1, 6-7. "The political question of the day is: should children, theoretically for their own good, gain the rights of adults? . . . ¶As Ludwig von Mises reminds us in *Socialism* [B-4] 'proposals to transform the relations between the sexes have long gone hand in hand with plans for the socialization of the means of production.' ¶The children's rights movement, if crowned with success, will reduce parents to serfs without making children any happier than welfare recipients."

Gray, John. *The Moral Foundations of Market Institutions*. London: The IEA [Institute of Economic Affairs] Health and Welfare Unit, 1992. "There can, then, be no doubt that the catastrophic failure of Soviet-style planning is in large part to be accounted for by the absence of the benign incentives provided by the disciplines of market competition and the presence of incentives to mismanagement and mal-investment. The deeper explanation of the failure of socialist central planning is, however, not one that appeals to artificial distortion of incentives, but one that invokes instead insuperable limitations of human knowledge. At its simplest, this is expressed in the 'calculation argument,' stated classically by L. von Mises, and developed and enriched by Hayek . . . Mises' argument is that, without market pricing of assets, their relative scarcities are unknowable, since simulating market pricing is a calculational impossibility in an economy where billions of market exchanges take place and pricing is in a state of dynamic flux . . . For

Mises there cannot be a socialist economy, since rational economic planning by individuals and enterprises is feasible only with the assistance of the information provided by market pricing. One might even say that, for Mises, a socialist system is not an economy at all, but an *anti-economy*." (p.6)

Hayek, F. A. *The Collected Works of. Volume 4. The Fortunes of Liberalism: Essays on Austrian Economics and the Ideal of Freedom.* Peter G. Klein, ed. Chicago: University of Chicago Press, 1992. One in the series of volumes conceived by W. W. Bartley III, who died of cancer in February 1990. As projected, these volumes are to include all of Hayek's works.

Introduction by Peter G. Klein, pp.1-15:

Klein reviews Hayek's position as a representative of the Austrian tradition: "Of special interest here, though, is the exact nature of Hayek's relationship with Mises; Undoubtedly no economist has had a greater impact on Hayek's thinking than Mises -- not even Wieser, from whom Hayek learned his craft but who died in 1927 when Hayek was still a young man Mises clearly considered Hayek the brightest of his generation Yet, as Hayek reminds us, he was from the beginning always something less than a pure follower ¶There are two frequently discussed areas of disagreement between Hayek and Mises: the socialist calculation debate, and Mises' 'apriorist' methodology. The issue on socialism is whether a socialist economy is 'impossible', as Mises charged in 1920, or simply less efficient or more difficult to implement. Hayek now maintains that Mises' 'central thesis was not, as it is sometimes misleadingly put, that socialism is impossible, but that it cannot achieve an efficient utilisation of resources Hayek's response in the cited text, that Mises' actual position has been widely misunderstood, receives support from the primary revisionist historian of the calculation debate, Don Lavoie ¶Second, there is Mises' insistence that economic theory (unlike history) is a purely deductive, wholly a priori exercise requiring no empirical confirmation of its propositions. It is clear that Hayek was uncomfortable with this opinion, sometimes arguing that Mises' position was actually more moderate, and at other times simply distancing himself from his mentor." (pp.9-10)

The papers in Volume 4 of Hayek's Collected Works that refer significantly to Mises include several Hayek pieces published earlier, as follows:

- 1941, pp.149-152:** Review of *Nationalökonomie*, 1940. (B-11). See Mises 1993 bibliography, p.130.
- 1956: pp.129-136:** Hayek's remarks upon the presentation of the Mary Sennholz Festschrift, *On Freedom and Free Enterprise*, in honor of the 50th anniversary of Mises' doctorate. Published in the Appendices of Margit von Mises' *My Years with Ludwig von Mises* (1976 & 1984). See 1993 Mises bibliography, p.262.
- 1964, pp.147-149:** Review of English-language 1960 translation of *Epistemological Problems of Economics* (B-10). *Teachers College Record*. (March 1964) 556-557. "When these essays were first published they marked the transition of the author then mainly known for his theory of money and credit and his critical analysis of socialism from an economist in the narrow sense of the term to a general theorist and philosopher of society His critical efforts are directed against the view that theory can, as it were be distilled from historical experience, and his main contention . . . is that logically the statements of theories are independent of any particular experience If his emphasis on the a priori character of theory sometimes gives the impression of a more extreme position than the author in fact holds, it should be remembered that in a certain sense the abstract descriptions of a kind of pattern, as it is provided by logic and mathematics, is always deductive and analytical; only the assertion that this or that pattern will be found in certain circumstances can be tested empirically. Thus, on examination, the difference between the views which Professor Mises has long held and the modern 'hypothetico-deductive' interpretation of theoretical science (e.g., as stated by Karl Popper in 1935) is comparatively small, while both are separated by a wide gulf from the naive empiricism which has long been predominant ¶The translation, made less difficult by Professor Mises' limpid German than is often the case with works in this field, still deserves praise for its faithfulness and fluency." This review not discovered in time to be included in 1993 Mises bibliography.
- 1968, pp.42-52:** "The Austrian School of Economics." *International Encyclopedia of the Social Sciences*. See 1993 Mises bibliography, p.291.

1973, pp.126-129: "Tribute to von Mises, Vienna Years," *National Review*, November 9, 1973, pp.1244-1246, 1260. See 1993 Mises bibliography (1973 obituaries), p.317.

1976, pp.143-147: Introduction to German-language reprint of *Critique of Interventionism* (B-8). See 1993 Mises bibliography (1976), p.332.

Included here are some items not published before and some, only now in English, that discuss Mises' views.

1959: pp.195-197: "Tribute to Röpke" on the occasion of his 75th birthday. Previously published in German in Röpke's *Gegen die Brandung: Zeugnisse eines Gelehrtenlebens unserer Zeit* [Against the Tide: Tributes to a Scholar of Our Age]. Albert Hunold ed. (Erlenbach-Zurich: Eugen Rentsch, 1959); the English translation of Röpke's book (Regnery, 1969) did not include the tributes to Röpke; Hayek's tribute mentioned Mises as "a young professor when we [Hayek and Röpke] were students whose decisive work had just appeared when we concluded our studies. In his *Gemeinwirtschaft* [Socialism, B-4], which appeared in 1922, Ludwig von Mises had demonstrated how economic thought can serve as the basis for a comprehensive social philosophy and can provide answers to the pressing problems of the time. Irrespective of his success in convincing us immediately, the decisive influence of this work largely determined the common development of our generation, even for those of us who turned to general problems only at a later stage." (p.196). Translated from the German by Dr. Grete Heinz.

1963, "The Economics of the 1920s as Seen from Vienna," pp.19-38: Lecture given October 1963, at the University of Chicago, not edited for publication by Hayek: "Mises had already in 1912 published his *Theory of Money* [B-2] and I scarcely exaggerate when I say that during the great inflation he was the only person in Vienna, or perhaps in the German-speaking world, who really understood what was happening . . . ¶Mises had broken away and deliberately stood apart as an isolated intransigent liberal . . . ¶Mises' liberalism not only involved him in a running controversy with the strong group of Marxist intellectuals in Vienna -- some of whose leading lights had indeed been his schoolmates and who, through Otto Neurath, had very great influence on the group of neo-positivist philosophers of the 'Vienna circle' which was then forming; it was also unpalatable to the large group of middle-of-the-road liberals which then probably included the majority of the intellectually active young men. Or, strictly speaking, all of us who were not Marxists in the beginning belonged to that group and only some of us were slowly and gradually won over to [Mises'] point of view. Even in the *Privatseminar*, I suspect, the majority was long half-socialist at heart, and even more kept away because they resented the constant return of the discussion to the principles of liberalism -- though the systematic asking of what would happen if the state did not interfere was one of the chief sources of the strength of these discussions." (pp.29-30)

1978, Introduction to German-language edition of *Notes and Recollections* (B-23), pp.153-159: Reprinted from Hoppe's translation; see Hayek (above) under *Austrian Economics Newsletter* (p.76). For additional quotes, see 1993 Mises bibliography, p.343; also below, pp.213-214.

1978, "Foreword" to 1981 Liberty Fund edition of Mises' *Socialism* (B-4), pp.136-143: "When *Socialism* first appeared in 1922, its impact was profound. It gradually but fundamentally altered the outlook of many of the young idealists returning to their university studies after World War I. I know, for I was one of them . . . ¶*Socialism* will always be his decisive contribution. It challenged the outlook of a generation and altered, if only slowly, the thinking of many . . . ¶Mises became increasingly aware that what separated him from his critics was his wholly different intellectual approach to social and economic problems, rather than mere differences of interpretation of particular facts. To convince them, he would have to impress on them the necessity of an altogether different methodology. This of course became his central concern . . . ¶I must admit, however, that I was surprised at how much of it [*Socialism*] is still highly relevant to current disputes, but how many of its arguments, which I initially had only half accepted or regarded as exaggerated and one-sided, have since proved remarkably true. I still do not agree with all of it, nor do I believe that Mises would. He certainly was not one to expect that his followers receive his conclusions uncritically and not progress beyond them. In all, though, I find that I differ rather less than I expected. ¶One of my differences is over a statement . . . of basic philosophy . . . Mises asserts in this passage that liberalism 'regards all social cooperation as an emanation of rationally recognized utility, in which all power is based on public opinion, and can

undertake no course of action that would hinder the free decision of thinking men.' It is the first part of this statement only which I now think is wrong. The extreme rationalism of this passage . . . now seems to me factually mistaken. It certainly was not rational insight into its general benefits that led to the spreading of the market economy. It seems to me that the thrust of Mises' teaching is to show that we have *not* adopted freedom because we understood what benefits it would bring . . . Man has *chosen* it only in the sense that he has learned to prefer something that already operated, and through greater understanding has been able to improve the conditions for its operation . . . ¶Mises as much as anybody has helped us to understand something which we have not designed."

1983, "The Rediscovery of Freedom: Personal Recollections," pp.185-195: Lecture given February 1983 in Bonn-Bad Godesberg, West Germany, published as "Die Wiederentdeckung der Freiheit -- Persönliche Erinnerungen" in *Produktivität, Eigenverantwortung, Beschäftigung: für eine wirtschaftspolitische Vorwärtsstrategie*. Verein Deutscher Maschinenbau-Anstalten (VDMA) & Institut der deutschen Wirtschaft (IW), eds. Cologne: Deutscher Instituts-Verlag, 1983. "An evil fate befell German efforts to defend the ideal of liberty in general and in the field of economics in particular, with the result that today I am almost the only survivor of a generation that set out in the wake of the First World War to devote all its energies to the preservation of a civilised society, a generation that set itself the task to build a better society in a systematic fashion and to learn to understand, and to some extent defend a tradition that had civilised the world. Primarily under the impetus of Ludwig von Mises, a very small group of us dedicated ourselves to this task in the post-war years." (p.185) "It was almost impossible in Germany [after World War I] ". . . to become a theorist in the social sciences. Anyone who, like me, had his first scholarly experience with inflation in Austria and then in Germany -- and was simultaneously exposed to the caustic comments of his mentor Ludwig von Mises, who kept pointing out what nonsense was being spouted on inflation by German economists, such as Mr. [Rudolf] Havenstein's assertion that it was not inflation but a shortage of money that had to be alleviated, or the very prominent author of a widely used textbook on monetary institutions, [Karl] Helfferich, making the most ridiculous pronouncements about monetary policy -- could not help but conclude that economics as a science was defunct in Germany. ¶Mises, who was anything but kind in this respect, always singled out three or four exceptions" -- Adolf Weber, Richard Passow, Heinrich Dietzel, Ludwig Pohle. "But with these exceptions, Mises thought that there were no economists in Germany. And he was not altogether mistaken." (p.186) Translated from the German by Dr. Grete Heinz.

Undated, pp.53-60: Previously unpublished excerpts from an unfinished essay Hayek was writing for the *New Palgrave* (published 1987), presented here as an addendum to the 1968 *International Encyclopedia of the Social Sciences* essay (see above and the 1993 Mises bibliography, p.291): "Mises himself, however, was rather more than the earlier Austrians a strictly rationalist utilitarian, which was not entirely reconcilable with his basic subjectivism and particularly his own denial of the possibility of an interpersonal comparison of utilities, or a measurement of welfare. This deprived his epistemology and his elaborate criticism of socialism of their full effects . . . ¶Mises . . . had taken a somewhat extreme position in his reaction to the dominant scientific positivism of that time. But at the same time he was also making greater concessions to rationalist utilitarianism of the Anglo-American tradition than fitted the Austrian methodological tradition. The distinctive form this had taken in his teaching was that all economic theory had a logically deductive *a priori* character. ¶Against this the present writer . . . contended that while it was true that the pure logic of choice by which the Austrian theory interpreted individual action was indeed purely deductive, as soon as the explanation moved to the interpersonal activities of the market, the crucial processes were those by which information was transmitted among individuals, and as such were purely empirical (Mises never explicitly rejected this criticism but no longer was prepared to reconstruct his by then fully developed system) . . ." (pp.55-56)

Hayek, Friedrich A. (1899-1992). Obituaries:

Raico, Ralph. "F. A. Hayek, R.I.P." *Laissez Faire Books* . (May 1992) 9. "Led to the classical liberal world-view in the 1920s by reading Ludwig von Mises' *Socialism* [B-4] and by participating in Mises' famous Vienna seminar, Hayek devoted much of his extraordinary energies to a lifelong crusade for the free

society . . . ¶He devoted his life to reason -- with outstanding success -- in part because that is what he loved, in part to help better the lot of his fellow men. At a crucial historical juncture, Hayek applied his prodigious capacities to the utmost, so that freedom might not die in the West. With his death, we have lost a great scholar and a great and good man. ¶Now the name of Friedrich von Hayek goes to join the others in the line of the immortal liberal thinkers . . . the line of Adam Smith and Benjamin Constant, Alexis de Tocqueville and Lord Acton, Carl Menger and Ludwig von Mises, and all the rest.”

Rothbard, Murray N. “Friedrich August von Hayek, 1899-1992.” *The Free Market*. Auburn, Ala.: Ludwig von Mises Institute. 10:6 (June 1992) 4-5. “The death of F. A. Hayek at the age of 92 marks the end of an era, the Mises-Hayek era. Converted from Fabian socialism by Ludwig von Mises’ devastating critique, *Socialism* [B-4], in the early 1920s, Hayek took his place as the greatest of the glittering generation of economists and social scientists who became followers of Mises in the Vienna of the 1920s, and who took part in Mises’ famed weekly *Privatseminar* held in his office at the Chamber of Commerce . . . ¶In 1974, perhaps not coincidentally the year after his mentor Ludwig von Mises died, F. A. Hayek received the Nobel Prize . . . ¶Increasingly, Hayek’s interests shifted from economics to social and political philosophy. But here his approach differed strikingly from Mises’ ventures into broader realms. Mises’ entire lifework is virtually a seamless web, a mighty architectonic, a system in which he added to and enriched monetary and cycle theory by wider economic political and social theories. But Hayek, instead of providing a more elaborate and developed system, kept changing his focus and viewpoint in a contradictory and muddled fashion. His major problem, and his major divergence from Mises, is that Hayek, instead of analyzing man as a rational, conscious, and purposive being, considered man to be irrational, acting virtually unconsciously and unknowingly.”

Seldon, Arthur. Source unidentified. London, England. March 25, 1992. “In the mid-1930s Hayek had led in the refutation of the notion, now revived by economists who have had to accept that centralised planning has failed, that socialism could be saved by the price mechanism in the new form of ‘market socialism.’ He wrote the first and final pieces in *Collectivist Economic Planning* (1935), an assembly of essays by his teacher Ludwig von Mises and others on the impossibility of rational socialist calculation. Apart from refinements, nothing has been added in the last half-century to the argument . . . ¶Ludwig von Mises is now honoured in several former communist countries as the scholar who spoke the truth about communism while Marx spoke untruths about capitalism. Hayek shares Mises’ honour.”

Veryser, Harry C. “Friedrich August von Hayek: *Requiescat in Pace*.” *Intercollegiate Review*. 28:1 (Fall 1992) 57-59. Bryn Mawr, Penna.: Intercollegiate Studies Institute. “After graduation [from the University of Vienna], Hayek was introduced to another Austrian economist, Ludwig von Mises (1881-1973). Mises became his life-long mentor and friend. Mises had already established a solid reputation in both monetary theory and social criticism. It was the reading of Mises’ monumental study *Socialism* [B-4], in which he argued that socialism is impossible as an economic system due to the lack of a price system, that changed the entire direction of Hayek’s academic career. ¶Hayek and Mises became close collaborators in their study of economics. In 1927, Hayek became director of the Institute for Business Cycle Research, which he and Mises founded . . . Both Mises and Hayek successfully predicted the crisis of 1929 and the ensuing Depression of the 1930s.”

Hillsdale College. *Champions of Freedom: 19. The Ludwig von Mises Lecture Series*. Richard M. Ebeling, ed. *The Global Failure of Socialism*. Hillsdale, Mich.: Hillsdale College Press, 1992. The following papers mention Mises:

Ebeling, Richard M. “Introduction.” pp.1-10. Cites Mises’ 1920 Article 20.6 on economic calculation. Even if planners had complete knowledge of resources, work force, and technology, without “valuational comparisons” they would be “rudderless.” “What enables such valuational comparisons in a capitalist economy, Ludwig von Mises argued, are market prices . . . Market prices are like a mirror: They absorb information from every participant in the market about their willingness to buy and sell; and they reflect this information out again to each and every participant of the market so they can compare and contrast the value of desired goods and services in relation to the costs . . . This, Mises said, is the core of a rational economic system.”

Maltsev, Yuri. "The Road from Serfdom: Transition in the Former Soviet Union." pp.93-118. We have a 1920 prediction by Ludwig von Mises about the future socialist society: "There will be hundreds and thousands of factories in operation. Very few of these will be producing wares ready for use . . . Every good will go through a whole series of stages before it is ready for use. In the ceaseless toil and moil of this process . . . the administration will be without any means of testing their bearings'."

Shtromas, Aleksandras. "The Inevitable Collapse of Socialism." pp.71-91. Socialists "assume that if only people will work for the society as a whole . . . they will do a better job . . . This . . . assumption . . . was undergirded by another: the belief that science, when applied to central planning, will allegedly render it faultless in all economic and social respects. ¶Ludwig von Mises was one of the first economic analysts in the world to prove with almost mathematical precision that these assumptions were wrong and that socialism was an unworkable and unrealizable concept."

Tomlinson, Kenneth Y. "Freedom's Victory: What We Owe to Faith and the Free Market." pp.11-18. "Mises saw the marketplace rather than the state as the prototype of democratic institutions; supreme power is vested in the buyers and the vendors succeed only by satisfying in the best possible way the wants of the buyers. Private ownership of production forces the owners -- entrepreneurs -- to serve the customers."

Huerta de Soto, Jesus. *Socialismo, Cálculo Económico y Función Empresarial* [Socialism, Economic Calculation and Entrepreneurship]. Madrid: Unión Editorial, 1992. Huerta de Soto dedicates this book "to the glorious memory of Ludwig von Mises on the 70th anniversary of his work, *Socialism*." He quotes Mises' on the importance of carefully examining "the idea of socialism" which "is at once grandiose and simple . . . We may say, in fact, that it is one of the most ambitious creations of the human spirit . . . so magnificent, so daring, that it has rightly aroused the greatest admiration. If we wish to save the world from barbarism we have to refute socialism, but we cannot thrust it carelessly aside." Huerta de Soto examines socialism at length, referring to Mises throughout. He devotes much time to the economic calculation debate as presented by Mises and by his socialist critics. Huerta de Soto quotes from a posthumously published paper by one of Mises' earliest and most widely-cited critics, Oskar Lange (1904-1965): "Let us put the simultaneous equations in an electronic computer and we shall obtain the solution in less than a second. *The market process may be considered as a computing device of the pre-electronic age.*" (pp.346-347) In this connection, Huerta de Soto's thesis that computers make socialism even more difficult is of interest: "The 'information' which is stored in computers is not 'known' information, i.e., consciously assimilated or interpreted by human minds, which can be converted into relevant practical information from the social point of view. The 'filed information' on a computer disquette or any other type of similar support is identical to the 'information' contained in books, graphics, maps and specialized newspapers and magazines . . . In other words, 'stored information is not information in the sense that we have given to the term of relevant practical knowledge interpreted, known and used by the actor in the context of a specific action . . . ¶Computer systems, therefore, are of no help in making possible the coordination of the process of social adjustment by commands, as this process only comes into operation and advances as a result of the essentially creative nature of human action." (pp.106-107) Translated from the Spanish by Huerta de Soto.

Infantino, Lorenzo. *Ludwig von Mises e la Società Aperta* [Ludwig von Mises and the Open Society] Rome: Libera Università Internazionale degli Studi Sociali, Centro di Metodologia delle Scienze Sociali, 1992. Reviews Mises' ideas and his contributions, the Austrian marginal utility theory, the refutation of Marx's labor theory of value, the economic calculation debate, methodology, and the international order. The final section on proposals for social revolution, "Total Freedom as Justification for Total Power," concludes with Mises' thought on the anticapitalistic mentality: "'Avant guard' revolutionaries are not victims of the market. Rather they are the mortal enemies of the only sound method known for living in peaceful cooperation and well-being." (Translated from the Italian)

Ioannides, Stavros. *The Market, Competition and Democracy* Aldershots, Hants, England; Brookfield, Vt.: Edward Elgar, 1992. An abridged version of Ioannides' 1989 Ph.D. thesis, Pantion University of Social and

Political Sciences, Athens, Greece. Ioannides was “reared in the Keynesian reappraisal school and Marxist economics.” In the 1980s, he attacked “conscientiously” the growing volume of pro-free-market literature -- until he “encountered a stumbling block in the form of an individual called Hayek.” Hayek offered “one of the most powerful, and thus difficult to confront, arguments for the linkage between economic and political freedom put forward in our century.” But Ioannides could not accept “his epistemological outlook.” According to Ioannides, “the differences between the neoclassical and the neo-Austrian views are not as significant as the supporters of the latter school believe them to be. However, . . . contrary to what neo-Austrians believe, scientific and, thus, ‘objective’ understanding of social processes is indeed possible.” Moreover, he argues “the idea of democracy must not be seen merely as a technique for the election of the administrators of public affairs but, most importantly, as an absolute value which has the character of a prerequisite for human freedom.” Therefore, Ioannides considers that it is “the neo-Austrians’ mistrust of the democratic ideal which, in the final analysis, undermines their plea for liberty.” (pp.xi-xii) Ioannides refers to Mises frequently as he runs the gamut of neo-Austrian theory, covering praxeology, the market, competition, entrepreneurship, equilibrium, capital theory, money, the regression theorem, the trade cycle, the socialist calculation debate, democracy, etc. On praxeology: “At the heart of Mises’ methodological stance, a unique view about the consequences of the subjectivist theory of value is found. He believed that the element of subjectivism does not only allow a more comprehensive theory of exchange than the one espoused by classical political economy, but it also creates the possibility of a more comprehensive understanding of all social, and not only economic, phenomena as products of ‘human action’.” (p.20) On equilibrium: “Let us present two characteristic examples of deductive reasoning. The first concerns the epistemological nature of the equilibrium concept. According to Mises, the tendency toward equilibrium is not an economic law derived from empirical observation but is, instead, a corollary of the a priori category of human action. As action always aims at the improvement of the individual’s position, it follows that the state of rest is the situation where action has achieved its ends and the individual has no further inducement to act. Thus, on the basis of the a priori category of human action, Mises has reached a conclusion about the behaviour of the economic system as a whole. The second example comes from the major political conclusion of his theory. Mises claimed that liberalism is the only social system that ensures social progress. As this conclusion was reached through the elaboration of the fundamental category of action, it must, in his view . . . , necessarily be considered normatively neutral. Therefore, whoever disagrees with the principles of liberalism, cannot be seen as simply holding a different set of principles for the organization of society, but rather, as committing a serious scientific error.” (p.29 n23)

Kaufmann, Felix. *Wiener Lieder zu Philosophie und Ökonomie* [Viennese Songs on Philosophy and Economics]. Gottfried von Haberler & Ernst Helmstädter, eds. Introduction by J. Herbert Furth. Stuttgart (Germany): Gustav Fischer, 1992. Kaufmann (1895-1949), a philosopher and regular participant in Mises’ 1920-1934 private seminar, wrote several rhymes to the tune of Austrian folk songs and classical melodies. These songs, sung and enjoyed at the time by the seminar participants, are now available to a larger audience. Haberler, who helped organize this collection, notes in the Foreword that he could recall by heart, even decades later, many of Kaufmann’s rhymes; each dealt with a theme that had been discussed and debated in the seminar and was set to the music of a familiar tune. A few titles translated from the German: “The Destruction of the Business Cycle Through Research,” “The Last Grenadier of Marginal Utility,” “The Researcher and Methodology,” “The Lament of the Mises Circle,” “The Economic Theorist in Paradise.”

Kirzner, Israel. *The Meaning of the Market Process: Essays in the Development of Modern Austrian Economics*. London/New York: Routledge, 1992. Basically a collection of previously published essays. Except for the following, those mentioning Mises listed previously under date of original publication:

“Market Process Theory: In Defence of the Austrian Middle Ground.” Chapter 1, pp.3-37. “Mises stressed the autonomy of individual choice, the uncertainty of the environment within which choices are made, the entrepreneurial character of market decisions, and the overriding importance of human purposefulness. Hayek stressed the role of knowledge and discovery as facilitated during the process of dynamic competition. For Mises and Hayek these subjectivist insights in no way compromised the traditional

centrality, within Austrian economics, of systematic market co-ordination and consumer sovereignty . . . ¶A good deal of the criticism [new subjectivist criticism of the modern Austrian approach] has been directed at this writer's attempt to restate the Mises-Hayek extension of Austrian theory in terms of an explicitly entrepreneur-driven market process of equilibration." (pp.11-12)

"Menger, Classical Liberalism and the Austrian School of economics." Chapter 5, pp.86-99. Originally published in *History of Political Economy: Annual Supplement to Volume 22: Carl Menger and His Legacy in Economics*. Bruce J. Caldwell, ed. Durham, N.C.: Duke University Press, 1990. "There can be little doubt that Mises was thoroughly familiar with the political stance of the members of the Austrian School. Although he did not study under Menger, he could not but have been aware of what Menger's political views were understood to be. For Mises there seems to have been not a shadow of doubt that the Austrians saw themselves (and were seen by their contemporaries) as vindicating not merely an abstract science of economics (against historicist challenges), but also at the same time the effectiveness of the market economy (against its socialist and statist detractors) . . . ¶It is true that Mises recognized that when 'Menger, Böhm-Bawerk and Wieser began their scientific careers, they were not concerned with the problems of economic policies and with the rejection of interventionism by Classical economics. They considered it as their vocation to put economic theory on a sound basis and they were ready to dedicate themselves entirely to this cause.' But this passage is followed by the flat assertion that 'Menger heartily disapproved of the interventionist policies that the Austrian Government . . . had adopted.' A sceptic might be tempted to wonder if Mises (writing in 1969) was not perhaps independently reading into his teachers' attitudes the *laissez-faire* stance which he himself came to adopt in his own career. But a fair-minded reader of Mises' many references to the political implications of the *Methodenstreit* will find it difficult to avoid concluding that Mises is simply expressing the generally held perception of the Austrians as being strongly opposed to the statist intervention espoused by the Historical School." (pp.88-89) "As Mises was to emphasize throughout his career, the key to economic literacy is the understanding that entrepreneurial decision making is grounded entirely in the incentive to anticipate consumer preferences . . . It was this thoroughly Mengerian insight which nourished Mises' lifelong polemic against socialist and interventionist misunderstandings of the market economy." (p.93)

Kyklos: International Review for Social Sciences. Quarterly. Basel, Switzerland. Volume 45 (1992)

Richter, Rudolf. "A Socialist Market Economy -- Can It Work?" No.2, pp. 185-207. Since the breakdown of the communist regimes in eastern Europe, "true socialists," Richter says, "seem to regard the present malaise of socialism as an episode, a breathing space before the next round of socialist experiments -- this time of democratic market socialism." (p.185) Richter says the major flaw of Mises' critics -- Oskar Lange (1938), Joseph Schumpeter (1942) and Jaroslav Vanek (1970) -- has been their failure to recognize Mises' emphasis in the economic calculation debate on the uncertainty of a "forever changing" world. Richter says that "applicability (not only logical possibility) is Lange's or other market socialists' main concern. Even though, so far at least, economists are not sued for damages, they should be somewhat concerned with the practical implementation of their theoretical constructs, particularly if they make such far-reaching suggestions as, i.e., market socialists do." (p.194) Richter on the danger of political control: "Apparently, a basic constitutional problem of the socialist market economy results from the claim of the state to exclusive ownership of the means of production. In the real existing socialism this claim was brutally enforced . . . ¶The presumption seems justified that in a socialist economy with or without socialist markets a tendency towards a totalitarian state is inherent. The politicians here are simply far too powerful. In any case, after the experiences with socialism during the last 70 years economists cannot go on analyzing only 'whether or not socialism is workable from the economic angle'." (p.199) "As for the Mises-Lange debate, it is disappointing if not alarming how much time of highly qualified theorists has been invested in an attempt to 'prove' the workability of a socialist market economy by use of a model, the Walrasian system . . . General equilibrium theory is simply not constructed for such purposes. To deal with the question of whether a competitive market economy without private ownership in firms is, theoretically at least, a workable or even efficient social arrangement, one needs a model in which the institution of ownership (property rights) plays an essential role. Modern institutional

economics, such as property rights analysis, the transaction-cost approach or the new economics of organization provide some clues of how one could proceed in that matter.” (p.203)

- Rothschild, Kurt W. “The End of History: Afterthoughts to an Article by Rudolf Richter.” No.4, pp.555-559. Rothschild “want[s] to say a few words in defence of Oskar Lange It is true that Mises and Hayek had based their ‘impossibility’ theorem of a socialist economy on an Austrian position where both the lack of adequate current economic calculation *and* the difficulties of advancing into an uncertain future were considered. But the main thrust of this debate in the USA and elsewhere circled round the question of planning vs. market and was discussed in the framework of the ruling mainstream economics It was within this framework that it was argued that free capitalist markets are the only means to assure efficient and consumer-oriented production, and it was this neoclassical argument which Lange tried to answer within its own premises. He wanted to show that a society with wide-spread public ownership of the means of production and egalitarian aspirations could make use of the market mechanism so as to achieve allocative efficiency on the basis of neoclassical principles through appropriate management rules and price and output adjustment procedures.” (p.556) “But there are other societal targets besides efficiency. Socialism in its widest sense has always been concerned with these other targets the problems of inequality of income and wealth, of poverty, unemployment and of dependency (‘exploitation’) But what has been seen as the ‘ugly face’ of capitalism in the past has not disappeared because of the failure of the Soviet system. Of the ideals of the French revolution of ‘liberty, equality, fraternity’ the Soviets betrayed liberty and liberalism forgot about equality. If ‘market socialism’ is to mean something special it has to put more weight on these neglected targets.” (p.559)

Ludwig von Mises Institute (Auburn, Ala.). *Liberty and Economics: The Ludwig von Mises Legacy.* A VHS videotape portraying Mises as a man, economist, opponent of socialism and champion of capitalism and free markets.

- Malia, Martin;. “From Under the Rubble, What?” *Problems of Communism.* January-April 1992. p.96. After *glasnost*, Soviet economists confirmed the death of Communism, as Mises had anticipated: “[T]hrough the voices of Nikolay Shmelev, Gavriil Popov, Vasilii Selyunin, Grigory Khanin, Larisa Piyasheva, Mikhail Berger, and subsequently Grigoriy Yavlinksy and Yegor Gaydar, they offered us a portrait of the Soviet that was in full accord with the evaluation of . . . Ludwig von Mises, whose book contains hardly a single figure and not a word about GNP’.” Quoted by Yuri N. Maltsev in *Requiem for Marx.* Auburn, Ala.: Ludwig von Mises Institute, 1993 (p.12n).

McGee, Robert W., ed. *The Market Solution to Economic Development in Eastern Europe.* Lewiston, N.Y.: Edwin Mellen Press, 1992. Several papers in this collection refer to Mises:

- Horwitz, Steven. “Poland and the Political Economy of Price Reform.” pp.245-262. “In market competition, conditions are created that allow the emergence of money prices and profits, which serve as knowledge surrogates, or in Mises’ words ‘aids to the mind,’ to guide the decisions of the numerous owners of the means of production. Instead of having to access this knowledge directly, money prices provide producers with a way to utilize the knowledge of countless unknown others informing their decisions about what goods to produce and what capital goods to use in producing them.” (p.246)
- Lingle, Christopher. “Interest Groups and Structural Reform of Authoritarian Socialist Regimes.” pp.147-164. Lingle’s theme is a quote from Mises’ *Human Action* [B-16]: “In an unhampered market economy the absence of security, i.e., the absence of protection for vested interests, is the principle that makes for a steady improvement in material well-being.”
- Machan, Tibor R. “How to Understand Eastern European Developments.” pp.207-222. “Consider that the most recent admission of the failure of collectivism -- in the wake of the collapse of the Soviet-bloc economies (something most enthusiasts refused to expect, based on the kind of predictions advanced by Ludwig von Mises and F. A. Hayek) -- comes from Professor Robert Heilbroner, one of socialism’s most intelligent and loyal champions for the last several decades. ¶In his recent essay, ‘After Communism’ Heilbroner notes that ‘Ludwig von Mises . . . had written of the “impossibility” of socialism, arguing

- that no Central Planning Board could ever gather the enormous amount of information needed to create a workable economic system . . . It turns out, of course, that Mises was right'." (p.218)
- Maltsev, Yuri N. "The Soviet Road from Serfdom: Some Problems of Economics of Transition." pp.179-206. "It is precisely the missing market-based form of accounting that led to the collapse of socialism. On an economic level, we have a prediction made in 1920 by Ludwig von Mises, who said that socialist economizing is made impossible by the absence of a rational accounting system." (p.189)
- McGee, Robert W. "The Theory of Secession: How to Apply It To Emerging Democracies." pp.103-119. "The legitimacy of government is based on the consent of the governed . . . ¶Once the idea of the right to secede is accepted, there is no logical stopping point . . . If just one individual or a small group of individuals do not want to be part of a certain political unit, they should not have to be a part of it. They should be able to form their own political unit . . . So it becomes a question of where is the cut-off point? ¶Ludwig von Mises makes the following observation: 'The right of self-determination in regard to the question of membership in a state thus means: whenever the inhabitants of a particular territory, whether it be a single village, a whole district, or a series of adjacent districts, make it known, by a freely conducted plebiscite, that they no longer wish to remain united to the state to which they belong at the time, but wish either to form an independent state or to attach themselves to some other state, their wishes are to be respected and complied with.' . . . ¶Mises approaches the fine line that separates minarchism from anarchism but stops short of recognizing the right of every individual to secede on technical grounds." (pp.113-115) "The [Leon] Louw and [Francis] Kendall approach [*After Apartheid: The Solution for South Africa*, (1987) advocating a separation of responsibilities between a South African federation of Swiss canton-like districts which would deal with national and international affairs, and the several canton-like districts which would handle social and economic affairs] provides more choice than that advocated by Mises, since Mises would stop short of advocating secession at the individual level.*" NOTE: **Perhaps if [Mises] had read Louw and Kendall (he could not, since he died in 1973), he might have agreed with their solution. His apparent opposition to secession at lower levels was based on technical problems rather than philosophy. Louw and Kendall seem to have overcome some of these technical difficulties." (p.119, 119n)
- Ostaszewski, Krzysztof. "The Boldest Social Experiment of the Twentieth Century." pp.223-244. "Why did the communists give up their power? There are at least three explanations popular among commentators. The first one, favored by the media, is 'People Power'. . . ¶For the second explanation, I would like to refer to the 1989 annual report of an investment fund run by the famous New York investor, Mario Gabelli, who wrote that 'A pen may be mightier than a sword, but in 1989 Coca-Cola and blue jeans proved to be more powerful than either one.' I like to call this the 'Monroe Doctrine' -- but I am referring to Marilyn Monroe . . . ¶The third, and final explanation is probably the most truthful one -- and it starts with a reference to Ludwig von Mises. In *Human Action* (p.187) he writes about politicians demanding easy credit: 'They want to reduce the rate of interest to zero and thus abolish altogether the scarcity of capital'. . . The communists eliminated the greedy scrooges [private investors], and were free to allocate capital any way they pleased. ¶And so allocate they did. They created the greatest economic black hole the human race ever knew." (pp.228-229)
- Osterfeld, David. "The Marxist Taxonomy and the Collapse of Communism." pp.7-39. "In their zeal to defend socialism from the Misesian critique as well as to exonerate it from the debacle of War Communism, such proponents of socialism as Oscar Lange, H. G. Dickinson and others, introduced the oxymoronic concept of 'market socialism,' i.e., markets controlled by a central planning agency. What is significant here is that [in] their attempt to rescue socialism from the Misesian critique the proponents of socialism in fact conceded Mises' argument: a non-market economy is not possible. In the process, however, they introduced a radical change in the meaning of the term. Since, for Marx and Lenin the purpose of socialism was to replace the market, they would regard 'market socialism' as a contradiction in terms." (pp.25-26)
- Salerno, Joseph T. "Why Socialist Economy is Impossible." pp.61-74. Previously published as "Postscript" to Mises Institute reprint (1990) of Mises' "Economic Calculation in the Socialist Commonwealth" (Article 20.6; English translation, Article 35.1). Mises "establishes that the necessary and sufficient

conditions of the existence and evolution of human society are Liberty, Property, and Sound Money: the liberty of each individual to produce and exchange according to independently formed value judgments and price appraisements; unrestricted private ownership of all types and orders of producers' goods as well as of consumers' goods; and the existence of a universal medium of exchange whose value is not subject to large or unforeseeable variations. Abolish all or even one of these institutions and human society disintegrates amid a congeries of isolated household economies and predatory tribes. But not only does abolition of private ownership of the means of production by a world embracing socialist state render human social existence impossible: Mises' analysis also implies that socialism destroys the praxeological significance of time and nullifies humanity's uniquely teleological contribution to the universe (pp.61-62) . . . ¶Mises emphasized the point . . . that the existence of the Soviet Union and other centrally controlled economies was no refutation of his thesis regarding the impossibility of socialist economy. Their gross inefficiency notwithstanding, these economies in fact do eke out a precarious existence as parasites on the social appraisal process and integrated capital structure produced by the surrounding world market (p.65) . . . ¶Mises' analysis of the effects of socialism also has another momentous implication. With the impossibility of building up and maintaining a capital structure in the absence of monetary calculation, human economy under socialism comes to consist of super-short and repetitive household processes utilizing minimal capital and with little scope for adjustment to new wants . . . Men and women, in their capitalless, hand-to-mouth existence, begin to passively experience time as the brute beasts do -- not actively as a tool of planning and action but passively as mere duration." (p.66)

Wolfram, Gary. "Lithuania and its Transition to a Market Economy: How to Begin." pp.269-294. Mises' *Human Action* [B-16] is cited as Wolfram's authority: "[P]ast experience in this region of the world, and elsewhere, has shown that political stability is necessary for the market system to develop. Political instability, which results as the economic system fails, can lead to authoritarian regimes." (p.272)

_____. "A Note on Converting the Ruble." pp.315-318. "Ludwig von Mises established in *The Theory of Money and Credit* [B-2] (1912) that money is simply a medium of exchange. It is a good that is desired not primarily for direct use, but because it can be traded for a good that the consumer wishes to use . . . ¶It has been suggested that backing the ruble with gold will make it a convertible currency . . . ¶Why would anyone want a gold-backed ruble? . . . ¶As Mises and others have pointed out, the primary advantage of a gold-backed currency is that it puts constraints on the issuing government that disallow the debasing of the currency . . . ¶Once a free market economic system is established, a gold-backed ruble would certainly trade in world markets for goods and services as well as exchange for foreign currency."

Melton, Joe. "Left-Libertarianism: The Cato-Cornuelle Connection." *Rothbard-Rockwell Report*. 3:4 (April 1992) 8-14. Melton describes Richard Cornuelle's evolution from being "one of the early hard-core Misesian anarcho-capitalist libertarians" when he was a graduate student in Ludwig von Mises' seminar in 1949, to "one of the rising social theoreticians of the 'new' or 'modern' Republicans of the 1960s." Cornuelle has now surfaced again, Melton says, in the pages of the *Times Literary Supplement* (see above 1991). There he "reminisces about Mises' seminar and states that Misesian libertarians were right about the inevitable collapse of socialism. As he has done before, Cornuelle sneers at Mises in the guise of an affectionate memoir, falsely claiming that Mises lectured 'in a kind of accented chant as if he were reciting scripture from memory'." Cornuelle has "proposed that the federal government set up a Secretary for the Independent Sector . . . each state government . . . to have a secretary for its own independent sector, thus insuring proper private-state-federal coordination. Dick Cornuelle had sure come a long way from Misesian libertarianism, let alone anarcho-capitalism." Cornuelle "might profit . . . from reading Mises' classic *Bureaucracy* [B-13]."

North, Gary. *The Coase Theorem: A Study in Economic Epistemology*. Tyler, Texas: Institute for Christian Economics, 1992. Concerning measurements in economics: "Ludwig von Mises writes: 'The truth is that there are only variables and no constants. It is pointless to talk of variables where there are no invariables.'" (p.15 n.11) "Rothbard is no longer willing to affirm, as Mises the utilitarian affirmed, that

‘when the superior efficiency of economic freedom could no longer be questioned, social philosophy entered the scene and demolished the ideology of the status system.’ The debate over the free market is over ethics, not economic efficiency.* *FOOTNOTE: F. A. Harper told me that he had pressed Mises to answer this question: ‘If the socialist economy were more efficient than the free market, would you favor socialism?’ Mises replied: ‘But it isn’t more efficient.’ Harper repeated the question, and Mises repeated the answer. Harper said that Mises’ utilitarian defense of the free market made him blind to the ethical issue between socialism and the free market economy, which Harper regarded as the fundamental issue.’ (pp.56-57, 57 n.18) “The search for a timeless, rational mental construct as the basis of a science of human action is fruitless. Even the great Mises was partially sidetracked by this quest. What confidence can we legitimately have in an explanation of market processes which argues that as entrepreneurship becomes successful, it ‘tends toward’ the creation of a world in which human action and human choice is impossible, a world of automatons rather than people? Yet this is the explanatory model used by Mises (and almost all other economists). As he says in *Human Action* [B-16] concerning his theoretical construct, the Evenly Rotating Economy: ‘Action is change, and change is the temporal sequence. but in the evenly rotating economy change and succession of events are eliminated. Action is to make choices and to cope with an uncertain future. But in the evenly rotating economy there is no choosing and the future is not uncertain as it does not differ from the present known state. Such a rigid system is not peopled with living men making choices and liable to error; it is a world of soulless unthinking automatons; it is not a human society, it is an ant hill.’ Nevertheless, he states flatly: ‘The theorems implied in the notion of the plain state of rest are valid with regard to all transactions without exception.’ For the modern economist, all human action tends toward a final state in which human beings become omniscient and therefore take on one of the attributes of God. The problem is, their view of God is that He could not possibly act if He existed. He would be a ‘rule-following automaton,’ [Buchanan, *Cost and Choice*] because ‘A perfect being would not act.’ [Mises, *Epistemological Problems* . . . B-10] ¶Mises relies on this limiting concept of a hypothetical economy filled with soulless people in order to explain the operations of real-world market forces . . . Nevertheless, with absolute confidence (even ‘apodictic certainty,’ one of Mises’ favorite terms), Mises proclaims that ‘These insoluble contradictions, however, do not affect the service which this imaginary construction renders . . .’ Or even more forcefully: ‘Even imaginary constructions which are inconceivable, self-contradictory, or unrealizable can render useful, even indispensable services in the comprehension of reality, provided the economist knows how to use them properly.’ That word, ‘provided,’ covers a multitude of epistemological sins. So does the word ‘properly.’” (pp.58-60) “The retreat of the socialists after 1988 was a paradigm shift based overwhelmingly on the public admission by Soviet leaders that the Communist system was not working according to plan, especially five-year plans. It was not the logic of Mises in his 1920 essay on the irrationality of socialist economic calculation that persuaded the socialists; it was Gorbachev’s new Party line in 1988. He needed Western credits, and he was willing to admit the economic failure of Communism in order to get them.” (p.89) “The standard textbooks in European economic history say that the development of double entry bookkeeping was a turning point in the history of capitalism, and therefore in Western civilization . . . ¶Scholars debate endlessly about the dating of this remarkable invention . . . The techniques were popularized in 1494 by Luca Pacioli of Venice, as a section of a book on mathematics. Double entry bookkeeping spread through Europe, changing every society it touched.” Shepard Bancroft Clough and Charles Woolsey Cole (*Economic History of Europe*. 3rd ed., 1952) quote Pacioli “as evidence of a new spirit of capitalism and rational management in the West. Ludwig von Mises is even more laudatory: ‘Our civilization is inseparably linked with our methods of economic calculation. It would perish if we were to abandon this most precious intellectual tool of acting. Goethe was right in calling bookkeeping by double entry “one of the finest inventions of the human mind”.’ . . . ¶Mises and other economists point to rational accounting techniques as the central factor in the development of modern capitalism. Without rational economic calculation, the modern division of labor would become impossible. Civilization would collapse. Mises made himself famous with his 1920 essay on the impossibility of rational economic calculation under socialist ownership . . . Recent studies indicate that no one has yet refuted Mises on this point.” (pp.106-110)

Osterfeld, David. *Prosperity versus Planning: How Government Stifles Economic Growth*. New York: Oxford University Press, 1992. The author writes that he has "been influenced by the work and ideas of many individuals" but four stand out: "The two noted Austrian economists, Ludwig von Mises and Friedrich A. Hayek, . . . Lord Peter Bauer . . . and Julian Simon." (pp.viii-ix) The problems raised by Mises in the economic calculation debate are discussed: "For Mises the impossibility of economic calculation under socialism did not stem so much from the problem of obtaining or even processing adequate information or data on either the desires of the citizens or the existing factors of production, available stocks of resources, and even the latest scientific knowledge. Although the technical problem of data gathering and processing may well be insoluble, the essential problem of socialism lay in the inability of the planning board to choose the appropriate means to attain the desired ends . . . The current state of science and technology, Mises commented, makes it possible to produce just about anything out of just about anything. Consequently, 'no single man can ever master all the possibilities of production, innumerable as they are, as to be in a position to make straightaway evident judgments of value without the aid of some system of computation'. . . ¶Further, even if the proper proportions and methods could somehow be established in a socialist society, this would be just the beginning of the problem, since the real world is not one of static relationships but of ceaseless change in economic conditions. Even if a socialist society could miraculously establish the appropriate allocation of all resources today, the allocation would be inappropriate tomorrow and become ever more inappropriate with the passage of time." (pp.23-25)

Reisman, George. "The Toxicity of Environmentalism." *The Freeman*. Irvington, N.Y.: Foundation for Economic Education. 42:9 (September 1992) 336-350. "[T]he real problem of the industrialized world is not 'environmental pollution' but *philosophical corruption*. The so-called *intellectual mainstream* of the Western world has been fouled with a whole array of intellectual toxins resulting from the undermining of reason and the status of man, and which further contribute to this deadly process. Among them, besides environmentalism, are collectivism in its various forms of Marxism, racism, nationalism, and feminism; and cultural relativism, determinism, logical positivism, existentialism, linguistic analysis, behaviorism, Freudianism, Keynesianism, and more . . . ¶These intellectual toxins can be seen bobbing up and down in the 'intellectual mainstream,' just as raw sewage can be seen floating in a dirty river . . . ¶Clearly, the most urgent task confronting the Western world, and the new intellectuals who must lead it, is a *philosophical and intellectual cleanup*. Without it, Western civilization simply cannot survive. It will be killed by the poison of environmentalism. ¶To accomplish this cleanup, only the most powerful, industrial-strength, philosophical and intellectual cleansing agents will do. These cleansing agents are, above all, the writings of Ayn Rand and Ludwig von Mises. These two towering intellectuals are, respectively, the leading advocates of reason and capitalism in the twentieth century. A philosophical-intellectual cleanup requires that all or most of their writings be introduced into colleges and universities as an essential part of the core curriculum, and that what is not included in the core curriculum be included in the more advanced programs. The incorporation of the writings of Ayn Rand and Ludwig von Mises into a prominent place in the educational curriculum is the central goal that everyone should work for who is concerned about the cultural environment and the impact of that environment on his life and well being." Excerpted from Reisman's forthcoming book, *Capitalism: A Treatise on Economics*; reprinted in FEE's *Man and Nature* (1993).

Review of Austrian Economics. Volume 6, Number 1. Murray N. Rothbard & Walter Block, eds. Auburn, Ala.: Ludwig von Mises Institute; Boston: Kluwer, 1992.

Gordon, David. A review of Paul Edward Gottfried's *Carl Schmitt: Politics and Theory*. pp.117-120. "Economists have in recent years extended their distinctive methods of analysis to the state. According to the public choice school, government officials, like everyone else, attempt to advance their own interests. The possession of power changes their situation but leaves untouched their motivation. The state does not differ in its nature from other institutions. ¶Ludwig von Mises adopted an entirely different approach to the state. The state in his view rests on force. The economic or 'catallactic' sphere, based on exchange, does not encompass the state. Quite the contrary, it operates on antithetical principles. ¶In

taking this view of the state, Mises showed his affinity for a conservative tradition whose foremost twentieth-century representative was Carl Schmitt. Mises and Schmitt did not know each other, so far as I am aware, although both knew Max Weber; and Mises speaks disparagingly of Schmitt in *Omnipotent Government* [B-12]. Nevertheless, the similarities are unmistakable . . . ¶Like Schmitt, Mises thought that the state had one key duty, the preservation of order. Unlike Schmitt, he did not stress the importance of the exception [making exceptions to legal principles to deal with emergencies]. But both Mises and Schmitt could say, with de Maistre, 'The state rests on the executioner'." (pp.117-118)

Herbener, Jeffrey M. "The Role of Entrepreneurship in Desocialization." pp.79-93. "Socialism's most obvious economic failure is its inability to produce the goods necessary for its citizens to have even a modest standard of living by Western, capitalist standards. Because, as Ludwig von Mises stressed, the entrepreneur is the driving force behind the social creation of wealth, any policy of desocialization must incorporate an understanding of the role of entrepreneurship in social production." (p.79) Mises is cited throughout with reference to entrepreneurship, individual action, subjective values, profit vs. bureaucratic management, etc.

Rothbard, Murray N. "Aurophobia: or, Free Banking on What Standard?" pp.97-108. A review of Richard H. Timberlake's *Gold, Greenbacks, and the Constitution*. "In recent years, disillusionment with the record of central banking has led a number of economists to return to the nineteenth-century concept of 'free banking': [t]hat is, free and unregulated banking without a central bank. Unfortunately, this return has not been toward the Currency Principle/Mises tradition of free banking *within* a firm matrix of demand liabilities (notes or deposits) grounded in 100 percent reserves in specie (gold or silver). Instead, this new movement has harked back to the contrasting inflationary credit generated by what used to be known as 'wildcat banking'." (p.97) "In his conclusion, Timberlake brusquely dismisses the gold standard. Gold, he says, has been subject to government manipulation by central banks. Very true, but how about the gold standard that also abolished the central bank? This Misesian solution is not mentioned, nor indeed is the extensive Jacksonian literature to the same effect . . . His [Timberlake's] other point is the disingenuous one that even Ludwig von Mises, a champion of gold, admits that gold 'introduces an incalculable factor into economic activity.' But Timberlake fails to note Mises' very next point: that this incalculable factor, stemming from variations in the supply of gold, has been minuscule compared to the volatility introduced by government and by bank manipulations of the supply of money." (p.103)

Salerno, Joseph T. "The Development of Keynes's Economics: From Marshall to Millennialism." pp.3-64. "The teleological aspect of social millennialism has been well-described by Ludwig von Mises [*Socialism* (B-4), p.287] . . . ¶As Mises points out, in the rationalist view, '[t]he end of social evolution can be no other than that of society itself.' The law of comparative advantage which is 'the law of social evolution' yields 'insight, not into man's destiny, but into man's doings'." (p.5)

Robbins, John W. & Mark Spangler. eds. *A Man of Principle: Essays in Honor of Hans F. Sennholz*. Presented on the Occasion of his Seventieth Birthday, February 3, 1992. Grove City, Penna.: Grove City College Press, 1992. As Sennholz earned a doctorate under Mises and was a leading spokesman for Mises' views, many contributors to this Festschrift cite his influence on Sennholz:

Boettke, Peter. "Economic Education and Social Change." pp.63-73. "Mises' ideas, for example, have a much greater opportunity for impact on the intellectual climate of opinion today than at any time in his own life. But the possibility of acting on that opportunity is only available because Mises labored in almost complete isolation for decades when his ideas ran contrary to the received wisdom of his day." (p.72)

Cachanosky, Juan C. "The Theory of Value and the Austrian School." pp.75-89. "Some scholars think that Aristotle and St. Thomas had a subjective theory of value . . . the classical economists . . . an objective one . . . However the assertion of Ludwig von Mises is more correct: 'An inveterate fallacy asserted that things and services exchanged are of equal value . . . This fallacy frustrated Aristotle's approach to economic problems and, for almost two thousand years, the reasoning of all those for whom Aristotle's opinions were authoritative. It seriously vitiated the marvelous achievement of the classical economists and rendered the writings of their epigones, especially those of Marx and the Marxian school, entirely futile.' ¶Mises was quite right since almost all scholastic thinkers followed Aristotle and St. Thomas in

their writings. In recent years, however, some scholars have argued that scholastic thinkers, especially those of the School of Salamanca, advanced a subjective theory of value. The fact is that these scholastic doctors never truly departed from elements of 'objective' value or holistic reasoning." (pp.77-78)

Castorina, Camille P. "On some Forgotten Passages in the History of Liberty." pp.105-118. Quotes from Mises' *Human Action* [B-16] as follows: "The body of economic knowledge is an essential element in the structure of human civilization; it is the foundation upon which modern industrialism, and all the moral, intellectual, technological, and therapeutical achievements of the last centuries have been built. It rests with men whether they will make the proper use of the rich treasure with which this knowledge provides them or whether they will leave it unused. But if they fail to take the best advantage of it and disregard its teachings and warnings, they will not annul economics. They will stamp out society and the human race." (p.106)

Ebeling, Richard M. "Variations on the Demand for Money Theme: Ludwig von Mises and some Twentieth-Century Views." pp.127-138. "Following in the footsteps of Carl Menger, Mises is seen as having developed a monetary theory that escaped from the 'Austrian Circle' (through use of the regression theorem) and which pioneered what has come to be called the 'cash balance' approach to the demand for money. He also formulated an original method for defining money and its various component elements." (p.129) Ebeling then contrasts Mises' theory of the demand for money with the theories of A. C. Pigou, the Keynesians and the Monetarists. "[F]ollowing Menger, Mises sees its [money's] origin in the inconveniences of barter with, over time, one or a few commodities possessing the characteristics most useful for the facilitation of transactions becoming the money good(s). But this means that the exchange value of the money good is inseparable from the structure of relative prices, because money begins as one of the 'real' economy goods and merely extends its exchange relationship with other commodities as its role as the general medium of exchange results, at the limit, in its being on one side of every exchange. ¶ . . . Mises' formulation establishes a *direct* connection between 'micro' variations and a 'macro' change ¶ The individual demands for money, Mises admits, are influenced by custom, habits, institutional arrangements of production and exchange -- but they are not determined by them ¶ In Mises' theory there exists no counterpart of a stable money demand function All market relationships and patterns originate in the actions of individual men; and men are open to re-evaluation and change, both concerning their beliefs and their preferences ¶ Secondly, and more importantly from Mises' perspective, it is inappropriate to speak about *the* demand for money and *its* stability. There are as many demands for money as transactors entering the nexus of exchange in the money-using economy. *The* demand for money is a statistical illusion created by the quantitatively minded economic historian investigating a specific period of economic history ¶ The Austrian emphasis on the non-neutrality of money follows from the 'Misesian' concept of the demand for money and money's exchange relationship to the commodities against which it trades ¶ Furthermore, from the Misesian perspective the aggregate approach can easily create the impression of macroeconomic money-demand stability when, in fact, the demands for money may have been shifting significantly among individuals in various sectors of the economy." (pp.131-137)

Greaves, Bettina Bien. "Mises' New York University Seminar and the Austrian School of Economics in the United States." pp.155-167. Reviews Mises' influence on students and colleagues in Europe and the U.S. Mises' "persistence in the pursuit of truth made him friends, but it also made him enemies. In spite of intellectual differences, his socialist and interventionist antagonists came to respect his honesty and integrity. His writings and active participation in economic meetings earned him respect, if not affection, and international recognition in Europe [B]ecause Mises continued to teach and to write 'to spread the ideas of the Austrian School'. . . he has been influential in this country." (pp.158-159) Greaves credits Hans F. Sennholz, Murray N. Rothbard, Israel M. Kirzner, Percy L. Greaves, Jr., and Henry Hazlitt, all participants in Mises' NYU seminar, with having helped to advance in this country the free market, classical liberal ideas Mises espoused. "As Mises wrote, 'Ideas and only ideas can light the darkness. These ideas must be brought to the public in such a way that they persuade people Our civilization will and must survive. And it will survive through better ideas than those which now govern most of the world today, and these better ideas will be developed by the rising generation.' . . . ¶ The

- Austrian school of economics has marshaled the theories on which a truly liberal free market society must be based The students of Mises' seminar in the United States have furthered these free market Austrian ideas. One hopes that the 'rising generation,' . . . followers of these seminar participants, will bring these ideas to the public 'in such a way that they persuade the people'." (pp.158, 165)
- Hendrickson, Mark W. "The Key Question." pp.185-200. "By hewing to the utilitarian approach and eschewing the moral dimension, Mises ceded the moral high ground to his opponents by default. ¶Mises was by no means blind to the moral evil of government despotism, which he showed to be economically destructive. He showed a well developed humanistic awareness of the dehumanizing effects of tyranny . . . ¶Still, by not defending freedom on ethical grounds, Mises left economic freedom defenseless against assaults (however spurious) by those claiming moral superiority for government intervention; . . . ¶Mises' praxeology may be perfectly true, but will his dispassionate, *wertfrei* utilitarianism be able to inspire a new generation of thought leaders or mobilize the masses as effectively as impassioned appeals to justice, kindness, and brotherly love?" pp.193-194.
- Ikeda, Sanford. "The Dynamics of Government Intervention: Theory and Implications." pp.201-212. In Mises' *Critique of Interventionism*, Ikeda writes, Mises "points out the instability and illogicality of what threatens to become, after the demise of socialism, the ruling doctrine of our times . . . ¶Mises in this and several other studies has offered a splendid argument for the futility of interventionism as a doctrine, but what may be necessary in a world where most countries have (more or less) mixed economies in transition is a more systematic theory of what can be called the 'interventionist process.' For example, Mises' and F. A. Hayek's brilliant theory of the trade cycle is but one aspect of a more general phenomenon whose framework has yet to be fully elaborated." (pp.201-202) "The two prongs of Mises' criticism of interventionism are (1) the impossibility of rational socialist calculation and (2) the irrationality of a mixed economy. Although Mises himself did not state it this way, the reasoning underlying his critiques of both socialism and interventionism are the same -- the existence of the knowledge problem makes the consequences of government intervention nasty and unexpected. And as the interventionist process drives the economic system closer to socialism, ever more of the problems that plague socialism reveal themselves progressively." (p.208)
- Kirzner, Israel M. "Human Action, Freedom, and Economic Science." pp.241-249. Kirzner presents his 1991 understanding of the market process to expand on his Ph.D. thesis, written under Mises, *The Economic Point of View* (1960): "When Mises identified the concept of human action as the essential building block for a praxeological economic science, it is now clear to me that this implies far more than simply the importance of purposefulness for the analysis of *decisions made in given situations*. The concept of human action . . . is important in the Misesian system because of its fruitfulness in explaining how *economic agents discover changes that have occurred in their very market situations*, and generate, as a consequence, those systematic market processes which are so central to Misesian economics ¶What sets Mises' conception of human action (as the foundation of economics) apart from the mainstream neoclassical conception of the rational economizing decision (in that same role) is . . . that, unlike the latter, the concept of human action illuminates directly those dynamic processes through which the market absorbs and responds to exogenous changes. When we challenge the erroneous belief that the efficiency of market outcomes depends upon selfishness, we are able to do so by showing how the flexibility and responsiveness of market adjustments is rooted, not necessarily in man's passion for material wealth, (and certainly not in any programmed pattern of allocative maximization) but in man's entrepreneurial propensity to discover changes which can redound to his benefit (i.e., to the more successful attainment of his goals, *whatever* they may be) ¶A Misesian appreciation for the existence of a uniquely economic point of view rests . . . squarely on that understanding of the discovery-potential in human action which constitutes its entrepreneurial aspect ¶We can now see . . . that human action drives the market in a sense that is quite distinct from any of the implications of the maximizing rationality which governs [Lionel] Robbinsian equilibrium economics. Human action drives the market, more fundamentally, in that it expresses the changes in agents' awareness of their environment and of their visions of the future -- changes which are inspired by their 'entrepreneurial' alertness to the dynamic world in which we live. This alertness is motivated by the purposefulness

which defines and identifies conscious human action; . . . ¶[O]ur deepened understanding of the manner in which human action inspires the market process and identifies the economic aspect of social phenomena affords us a correspondingly deeper appreciation for the role of individual freedom in Misesian economics. Individual freedom, quite apart from its ethical or philosophical appeal, is important, of course, for all schools of microeconomics, as a prerequisite for the beneficial operation of the market system. But for a science of human action this observation means more than the simple insight that free individuals can be relied upon to squeeze maximum benefits from any given situation. For the science of human action, freedom is the circumstance which permits and inspires market participants *to become aware* of beneficial (or other) *changes* in their circumstances.” (pp.244-248)

- Miller, Robert H. “Supply Side Economics: A Critique.” pp.289-308. Only brief mentions of Mises: Reagan credits Mises with having influenced his thinking (p.290); according to Gregory Wolfe, Mises and the Austrian economists laid the groundwork for “supply-side economics” (p.291); “a so-called ‘free banking’ system permitting fractional reserves with the knowledge and contractual concurrence of depositors is an option which would employ competitive market forces (i.e., the desire of issuing banks to attract depositors) and is defended by Mises.” (p.305)
- North, Gary. “The Beacon Factor.” pp.11-29. “The disciples of the master [Mises] have not retained the whole of the master’s world view. This is the fate of every man-made intellectual movement . . . ¶The founder cannot determine in advance which elements of his original legacy will be preserved . . . What did not survive intact in Mises’ system was its Kantianism . . . ¶What does Sennholz still defend? He defends Mises’ critique of socialist economic planning, his monetary theory, his theory of the trade cycle, his defense of free trade, his theory of profits and entrepreneurship, and his hostility to the use of state power to redistribute wealth. But here we find the key difference between the master and the pupil. Sennholz insists that the fundamental evil of coercive wealth redistribution is in fact its fundamental *evil*. It is immoral . . . ¶Mises was a philosophical utilitarian . . . ¶Mises made it clear what he thought should be primary in economics: autonomous human reason . . . ¶In his dedication to the approach to economics that Mises set forth in many of his works . . . Sennholz always displayed a devotion to principle that has served as a beacon to younger scholars, including me. This was not merely a devotion to intellectual principle, as Mises himself displayed; it was also devotion to moral principle. I believe that it was his willingness to serve as a beacon in the midst of seemingly impenetrable darkness that constitutes the most important legacy from Mises that Sennholz preserved and passed on intact to the next generation of students and scholars. He learned more than economics from Mises; he learned to take his stand in the face of implacable intellectual opposition from his professional peers.” (pp.13-16)
- Patton, Judd W. “The Inseparable Link between Morality and Economics.” pp.309-326. “Only one neoclassical school of economics has not followed the humanist, no-truth, empirical methodology. Founded by Austrian Carl Menger at the University of Vienna, and developed most notably by Ludwig von Mises, this tradition has developed a body of economic principles based on the self-evident axiom that mankind acts purposefully.” (p.312) “Since its inception, the Austrian tradition in general has been keenly aware of epistemological issues for economic science, most notably by Ludwig von Mises . . . [I]t was Mises who developed most of this phenomenal body of economic principles or laws in his magnum opus, *Human Action*.” (p.318) “Socialism contains an economic paradox: the economy is planned but planners have no mechanism or means to assess the profitability of any endeavor. Therefore, unbalanced production, shortages and unusable surpluses, duplication, time lags, inefficiency, and appalling economic waste are guaranteed. Mises labeled socialism ‘planned chaos’.” (p.320)
- Peterson, William H. “America’s Second Democracy.” pp.327-337. Peterson contrasts the second democracy, i.e. the “ubiquitous market place,” with the first (political) democracy. The second democracy “comes without taxation, without political parties, without corruption, politics and politicians, at least as far as those terms are commonly understood, and even without a second bureaucracy spinning out red tape and telling the citizen what he can or cannot do . . . ¶Moreover, as Ludwig von Mises points out, comparing economic with political democracy is imperfect in the sense that minority voting in the market place ‘has the power to work on the production process.’ . . . [T]he processed food industry not only prepares packaged food for the masses but esoteric health food for a relatively tiny minority . . . In

- our first democracy, on the other hand, generally only the votes cast for the majority candidate play a role in deciding the course of political events. Voters in the minority column have no say." (pp.327, 330)
- Petro, Sylvester. "Capitalism, Democracy, and Elections." pp.339-362. "The survival of capitalism, which is a matter of the survival of civilization, as Ludwig von Mises has said, cannot be trusted to committed socialists such as Gorbachev and Brandt, or to their counterparts sitting at present in the Congress of the United States and in its myriad bureaus . . . ¶Ludwig von Mises wrote in the twenties, when communism was the darling of the intellectuals here and abroad, that government ownership and operation of the means of production could not possibly satisfy human wants optimally, as does a market economy, all things considered; and that socialism constituted a deadly onslaught on all the institutions the western world had created over the centuries, the institutions that constituted its society, the ones that made it tick." (p.345). Petro quotes Mises on the decline of ancient civilization in part as follows: "A social order is doomed if the actions which its normal functioning requires are rejected by the standards of morality, are declared illegal by the laws of the country, and are prosecuted as criminal by the courts and the police. The Roman Empire crumbled to dust because it lacked the spirit of liberalism and free enterprise." Here Mises compares the interventionism that led to the downfall of the Roman Empire with "the anti-capitalistic, anti-private-property spirit now inhibiting the American economy." (p.347)
- Reed, Lawrence W. "The Perils of Forecasting." pp.363-372. "Propounded first by Ludwig von Mises and later elaborated by Nobel laureate F. A. Hayek, the Austrian [malinvestment] theory holds that the source of the cycle lies in money and credit expansion by central banking authorities. It is the theory which enabled Mises during the subtle inflation of the 1920s to warn of a coming depression." (p.370)
- Robbins, John W. "The *Sine Qua Non* of Enduring Freedom." pp.391-408. "Ludwig von Mises chose utilitarianism [to defend a free society]. It was an odd choice for a refugee from totalitarianism, for if utilitarianism could justify any political regime, it would surely be totalitarianism . . . ¶Other students of Mises have chosen some form of natural law theory as the basis for their defense of a free society." (p.392) "It is remarkable that Ludwig von Mises, the economic genius who pointed out the impossibility of economic calculation under socialism, accepted utilitarianism and the possibility of hedonic calculation. Utilitarian calculation is even more absurd than socialist economic calculation." (p.408 n8)
- Short, Gary G. "Deposit Insurance, the Use of Information, and the Current Crisis in the Financial Industry." pp.417-427. "Indeed, it is ironic that at this time in history when the Soviet Union and Eastern bloc countries have apparently rejected governmental controls and embraced the market (thus vindicating the work of Mises and Hayek), the United States is unwilling to abolish the federal deposit insurance system and give markets an opportunity to function efficiently." (pp.425-426)
- Spangler, Mark. "Behind the Bottom Line." pp.453-467. "In the early part of this century, Ludwig von Mises, masterful economist of the Austrian school, began to develop his explanation of the distinguishing features of profit management as contrasted to bureaucratic management. [*Liberalism* (B-6), 1927] In 1944 he devoted an entire book to the subject [*Bureaucracy* (B-13), 1944] . . . Mises' analysis comes to bear on the problems faced by accountants in characterizing organizations and accounting for their affairs." (pp.457-458)
- White, Lawrence H. "Mises on Free Banking and Fractional Reserves." pp.517-533. "Professor Hans F. Sennholz has long been an outstanding exponent of the monetary economics of Ludwig von Mises (1881-1973), whom Sennholz has justly called 'the late dean of monetary theory.' Another leading Misesian monetary economist is Murray N. Rothbard. Both Sennholz and Rothbard attended Mises' seminar at New York University, both share Mises' appreciation for the gold standard, and both cite his work frequently in their own contributions. It is therefore noteworthy that Sennholz and Rothbard appear to differ on a fundamental point concerning the proper banking policy for a free society . . . ¶Sennholz advocates free banking, that is, banking subject only to the ordinary law of contract and not to any special legal restrictions . . . ¶Rothbard, by contrast, advocates limiting the freedom of the banking industry by outlawing fractional-reserve . . . ¶Rothbard has stated that 'Mises' sole argument against 100 percent gold banking is that this would admit the unfortunate precedent of government control of the banking system' We will find that in fact Mises offered several other arguments in favor of free banking

and against 100 percent reserves.” (pp.517-518) These arguments, according to Reed, are “1. An appreciating monetary unit can disrupt the economy . . . 2. A high purchasing power of gold makes the stock of media of exchange more costly . . . [and] 3. [A] third benefit historically conveyed by fiduciary media [is] the stimulus their issue gave to the development of banking . . . ¶In summary, although he [Mises] recognized the risk that a fractional-reserve bank might at some time fail to meet its redemption demands, either through mismanagement of its reserves or through the occurrence of a run, Mises appeared to view that risk as a small disadvantage to be set against larger advantages. He viewed fractional-reserve banking as a natural and desirable development in a free society, most importantly because it reduced the resource costs associated with the payments system.* (pp.520-522) . . .*Thus, I am puzzled by Percy Greaves’ statement that Mises ‘considered [fractional reserve banking] a deviation from capitalism which free banking would have eliminated, if governments had not intervened.’ (p.531 n20) “Ludwig von Mises argued against a legal ban on fractional reserve banking in the context of a gold standard, primarily on the grounds that such a ban (1) would make the economy more vulnerable to money demand shocks, and (2) would needlessly increase the cost of supplying the economy with media of exchange . . . Mises concluded that monetary freedom, and not any program of restrictions or privileges, offers the only real remedy for the monetary upheavals the world has known. In reaffirming this conclusion, Hans F.Sennholz has followed in the best Misesian tradition.” (pp.528-529)

White, Richard A. “The Ethical Setting of the Market: The Perspective of Röpke.” pp.535-545. Footnote 1. “Röpke influenced the Minister of Economic Affairs, Ludwig Erhard, who after the War [World War II] was instrumental in dismantling Germany’s planned economy. Writing in 1966, Ludwig von Mises stated that ‘most of what is reasonable and beneficial in present-day Germany’s monetary and commercial policy credit is to be attributed to Röpke’s influence’.” (p.542 n.1)

Rockwell, Llewellyn H., Jr. “Morning After in America: The Austrian View of the Recession.” *Policy Review*. Washington, D.C.: Heritage Foundation. No.60 (Spring 1992) 73-77. “Not until 1912, with the publication of Ludwig von Mises’ *Theory of Money and Credit*, was there an entirely satisfactory explanation of cycles. Mises elaborated on the theory in later works, and Friedrich Hayek, a student of Mises, formalized and modeled it in the 1920s [sic], for which he later won the Nobel Prize . . . ¶The Austrian theory is unique in starting its analysis with the boom. If prosperity is not artificially stimulated, there will be no bust. Credit expansion is healthy if its source is growing savings (or, in the case of the gold standard, more gold discoveries). But if new credit is created by the central bank and injected via the commercial banks, Mises and the Austrians see only trouble ahead.”

Skousen, Mark, ed. *Dissent on Keynes: A Critical Appraisal of Keynesian Economics*. Published under the auspices of the Ludwig von Mises Institute. New York: Praeger, 1992.

Bartlett, Bruce R. “Keynesian Policy and Development Economics.” pp.103-116. “The Industrial Revolution began in England in the late 1700s . . . [T]he intellectual climate of laissez-faire contributed to ridding the nation of stifling regulations, tariffs, and other barriers to economic growth. As Ludwig von Mises puts it, ‘The laissez-faire ideology . . . blasted the ideological barriers and institutional barriers to progress and welfare’.” (p.105)

Garrison, Roger W. “Is Milton Friedman a Keynesian?” pp.131-147. “While the Austrians, beginning with Mises, adopted Wicksell’s formulation as the basis for their own theorizing, deviating from it only in terms of the consequences of a credit-induced macroeconomic disequilibrium, neither Keynesians nor Monetarists share Wicksell’s concern about the relationship between the bank rate and the natural rate. In summary terms, Keynes denied that the concept of the natural rate had any significance; Friedman, who accepts the concept denies that there can be deviations of any significance from the natural rate . . . ¶While the Wicksell-styled dynamics in labor markets have been of some concern to Monetarists, the corresponding loan-market dynamics play no role at all in Monetarism. The bank rate of interest never deviates from the natural rate for long enough to have any significant macroeconomic consequences . . . Friedman summarily dismisses all such interest-rate effects, as spelled out by modern Keynesians (Tobin) and by Austrians (Mises), and affirms that his own macroeconomics is characterized by its according

- 'almost no importance to first-round effects'." (pp.140-141)
- Gordon, David. "Keynes' First Principles." pp.149-160. "It is interesting to note here a point of agreement between Keynes and his polar opposite in economics, Ludwig von Mises. Like Keynes, Mises argued that inductive evidence was limited to showing past historical configurations. It did not suffice by itself to prove laws of economics." (p.153) "Critics of Keynes, such as Mises and Henry Hazlitt, have pointed out that Keynes' inflationary prescription depends upon an attempt to deceive workers and unions. If prices rise relative to wages, then real wages have fallen. Keynes, in the view of his critics, thinks that workers will not realize that their wages have decreased. According to Mises and Hazlitt, Keynes underestimated the ability of workers, particularly under the guidance of union leaders and labor economists, to discover the truth." (p.159)
- Herbener, Jeffrey M. "The Fallacy of the Phillips Curve." pp.51-71. "To the extent that the Phillips curve trade-off does exist, it is explained by the Misesian theory of the business cycle." (p.63)
- _____. "The Myths of the Multiplier and the Accelerator." pp.73-88. Citing Mises' critique of mathematical economics: "The characteristic mark . . . [of mathematical economists] is that they are openly and consciously intent upon solving catallactic problems without any reference to the market process. Their ideal is to construct an economic theory according to the pattern of mechanics." (pp.79-80)
- Hoppe, Hans-Hermann. "The Misesian Case against Keynes." pp.199-223. Hoppe presents Mises' analysis of employment, money, interest, and the capitalist process. Using this Austrian/Misesian theory to critique Keynes, Hoppe concludes: "Here we have Keynes, then: the twentieth century's most famous 'economist.' Out of false theories of employment, money, and interest, he has distilled a fantastically wrong theory of capitalism and of a socialist paradise erected out of paper money." (p.220)
- Rothbard, Murray N. "Keynes, the Man." pp.171-198. A biographical study. Keynes' 1914 critical review of Mises' 1912 book on money (see Mises 1993 bibliography, pp.182-183) as being "neither 'constructive' nor 'original'. . . . managed to kill any interest in Mises' book in Great Britain The peculiar point about Keynes' review is that Mises' book was highly constructive and systematic, as well as remarkably original. How could Keynes not have seen that? This puzzle was cleared up a decade and a half later, when, in a footnote to his own *Treatise on Money*, Keynes impishly admitted that 'in German, I can only clearly understand what I already know -- so that new ideas are apt to be veiled from me by the difficulties of the language.' Such unmitigated gall." (p.179) "During the early 1930s, Hayek at the LSE [London School of Economics] and Keynes at Cambridge were the polar antipodes in British economics, with Hayek converting many of Britain's leading young economists to Austrian (that is, Misesian) monetary, capital, and business-cycle theory. Additionally, Hayek, in a series of articles, had brilliantly demolished Keynes' earlier work, his two-volume *Treatise on Money*, and many of the fallacies Hayek exposed applied equally well to *The General Theory*. For Hayek's students and followers, then, it must be said that they knew better. In the realm of theory, they had already been inoculated against *The General Theory*. And yet, by the end of the 1930s, every one of Hayek's followers had jumped on the Keynesian bandwagon, including Lionel Robbins, John R. Hicks, Abba P. Lerner, Nicholas Kaldor, G. L. S. Shackle, and Kenneth E. Boulding. ¶Perhaps the most astonishing conversion was that of Lionel Robbins. Not only had Robbins been a convert to Misesian methodology as well as to monetary and business-cycle theory, but he had also been a diehard pro-Austrian activist. A convert since his attendance at the Mises *Privatseminar* in Vienna in the 1920s, Robbins, highly influential in the economics department at LSE, had succeeded in bringing Hayek to LSE in 1931 and in translating and publishing Hayek's and Mises' works." (pp.186-187)
- Skousen, Mark. "This Trumpet Gives an Uncertain Sound: The Free-Market Response to Keynesian Economics." pp.9-34. Discusses the leading free market critics of Keynes including Henry Hazlitt, W. H. Hutt, Murray N. Rothbard, James Buchanan, and Mises. Skousen writes about Mises in part as follows: "Thinking that Keynes was not a revolutionary but a vulgar inflationist who simply rehashed the older 'monetary cranks,' Mises was convinced that Keynesianism would die out fairly quickly. In 1948, the very year when the new economics was being hailed by Keynes' rapidly growing number of disciples as the 'wave of the future' and the savior of capitalism, with literally hundreds of articles and dozens of books being published, . . . Mises wrote his short article 'Stones into Bread, the Keynesian

Miracle' for a conservative publication, *Plain Talk*. In it, Mises misread the times in declaring the premature death of Keynesianism . . . ¶Interestingly, in the same article, Mises contended that 'it is one of the tasks of economics to analyze carefully each of the inflationist plans,' yet he chose not to analyze Keynes in detail . . . ¶Mises' approach was largely antagonistic toward the academic statist and Keynesian apologists. He engaged in polemics and exchanged ad hominem attacks with the enemy. The Keynesians dismissed the free-market critics as 'reactionary,' 'narrow-minded fanatics' and as 'old-fashioned.' Mises responded by calling the interventionists 'anti-economists,' 'pseudo-progressives,' and 'ignorant zealots.' There was a lot of bad blood. ¶Mises also had little patience with political conservatives who began accepting various forms of interventionism . . . ¶Mises' contribution to the anti-Keynesian debate was small but powerful. First, he argued that Keynes did not actually refute Say's law . . . Second, Mises noted that inflationary policies were effective only in the short run and were therefore bankrupt policies . . . Third, Mises recognized Keynes' anti-savings and anti-capital bias . . . Furthermore, 'Keynes did not teach us how to perform the "miracle . . . of turning a stone into bread," but [taught instead] the not at all miraculous procedure of eating the seed corn.'" (pp.15-17)

Steele, David Ramsay. *From Marx to Mises: Post-capitalist Society and the Challenge of Economic Calculation*. La Salle, Ill.: Open Court, 1992. Steele recognizes that "Mises' argument against the practical feasibility of what he calls 'socialism' does not hinge upon questions of motivation, but rather claims that, with the best will in the world, humans *are not able* to operate a society on 'socialist' lines, because modern industry cannot be successfully guided or administered without the information provided by market prices of factors of production . . . ¶In a new twist to his argument, responding to the 'market socialist' proposals of the 1920s, Mises later claimed [*Socialism*, B-4] that even factor markets, such as might conceivably exist among commonly-owned or publicly-owned enterprises in a completely socialized economy, would not be enough to make a socialist industrial order practicable. Financial markets, notably markets in stocks, bonds, and loanable funds, were also essential. This important extension of Mises' position has been largely ignored." (pp.2, 5) Steele discusses Mises' views of the market's intellectual division of labor (pp.88-93), his critics (pp.109-119) and his defenders (pp.119-122). Concerning apriorism: "Mises proposes that there is a whole science of human action, called 'praxeology,' . . . founded on a few synthetic *a priori* propositions, and that this science includes the whole of economic theory . . . Other singular Misesian positions include the claims that all human action is rational, and that mathematics is always out of place in economics . . . ¶The Misesian or praxeological view is sometimes called the 'Austrian' methodology, but no Austrian predecessor of Mises held any such view, nor has it been held by many recent Austrian-School economists, for instance Hayek, Lachmann, or Machlup . . . The Misesian conception is more akin to that of Cairnes or even Senior." (pp.96-97) "Mises doesn't offer any 'proof' that NFM [Non-Factor-Market] socialism cannot work." (p.102). Steele discusses Mises' ideas on private property: "Mises distinguishes between ownership as a 'sociological and economic' concept and ownership as a juristic concept . . . Mises contends that ownership of consumption goods is different from ownership of production goods (factors), in that the latter form of ownership 'can be divided in the natural sense.' Further, with production goods 'the *having* [ownership relation] is always two-fold: there is a physical *having* (direct), and a social *having* (indirect). The physical *having* is his who holds the commodity physically and used it productively; the social *having* belongs to him who, unable to dispose physically or legally of the commodity, may yet dispose indirectly of the effects of its use . . . Mises' point is that the 'owners' of production goods in an exchange economy are the consumers, since it is the consumers who determine how means of production are deployed . . . ¶In the light of the theory which I have outlined above, we can see that Mises' theory is inadequate." (pp.187-188) "The shortcomings of Mises' property theory arise from his insistence that 'ownership' be conceived as a simple relationship between a person and a thing owned, and not as a bundle of rights which may change its composition. Mises perceives that different legal formulas may give rise to fundamentally similar property systems. He therefore points out that what we mean by 'state ownership' can arise without formal expropriation. Increasing state regulation of production may be tantamount to nationalization. Private property can be abolished in fact whilst preserved in name. Mises seems blind to the converse: that insofar as the state's central organ of industrial

planning relinquishes actual control or direction of industrial activity, devolving it to lower levels, individuals at these levels thereby acquire *de facto* property rights. Because of this blind spot, his arguments in the 1930s were less convincing than they might have been ¶Mises' position is vulnerable in another respect. Arguing for the indispensability of capital and money markets, Mises maintains that a socialist society could not incorporate these institutions ¶Here Mises resorts to an incentives argument, whereas elsewhere he characterizes the economic calculation argument as applying irrespective of people's motives. It is true that Mises is merely dismissing the hypothetical proposal that a socialist society would arrange for securities trading, banking, futures markets, and all the other paraphernalia of financial markets, with the traders in these markets handing over any gains to 'the community.' Mises believes that no socialist would seriously advance such a proposal. But something like this has been suggested by [Joseph H.] Carens, whose scheme I consider in the next chapter." (pp.190-191). This book reviewed in 1993, see Boettke (*Freeman*), Brittan (*Financial Times*), and Yeager (*Liberty*).

Turk, James. *Social Security: Lies, Myths and Reality*. Greenwich, Conn.: Greenfield Books, 1992. "The growing burden of debt will soon push the U.S. government toward the 30% threshold likely to threaten its solvency, unless interest rates fall further or other government spending is reduced The collapse of government credit will end the illusions that Social Security is financially sound, accumulating a surplus, and that government debt is 'risk free.' ¶This harsh assessment may no doubt be shocking to some readers, but consider the historical perspective provided in the following words by Ludwig von Mises. They were penned in 1932, so he was obviously writing about a different government, for a different time. Nevertheless, his words ring true, and could have been spoken just yesterday ¶'The State was thought to have eternal existence and its promises to pay were accorded unconditional faith. Consequently, government bonds appeared as a means to remove wealth and income from the uncertainties of life into the sphere of "eternity." We need not waste any more words on the fallacy of this idea. It is sufficient to point out that even States can fall and that States can repudiate their debts' [Article 32.1]." (p.5)

Vihanto, Martti. "Competition Between Local Governments as a Discovery Procedure." *Journal of Institutional and Theoretical Economics*. 148:3 (1992) pp.411-436. Vihanto refers to Mises' critique of some government interventions: "Progressive income taxation most affects the alertness of those with high incomes, and thus tends to discourage precisely those individuals who are presumably the most capable of discovering new opportunities." (p.422) "[M]onetary expansions always change the distribution of the circulating money among the money users, and irrespective of their immediate effects on measured macroeconomic aggregates, monetary expansions change relative prices and create new discoordinations." (p.429)

Wall Street Journal.

Deming, John W. "The Political Enemy is Politics Itself." Letter to the Editor. April 20, 1992. "The virtuous public servant is one of the biggest figments of imagination ever. Of course, the evil public servant is an idea just as false. Most bureaucrats are simply regular people practicing the social equivalent of alchemy and astrology. They are operating under an illusion. You won't get stronger metals or gold using alchemical formulas. And you won't get financial security, sound money, crime-free streets or good schools using political means. Ever. ¶Ludwig von Mises defined the political state thusly: 'Government is in the last resort the employment of armed men, of policemen, gendarmes, soldiers, prison guards, and hangmen. The essential feature of government is the enforcement of its decrees by beating, killing, and imprisoning. Those who are asking for more government interference are asking ultimately for more compulsion and less freedom'."

Shelton, Judy. "Let Gold, not Germans, Drive the Dollar." September 15, 1992. "Ludwig von Mises, a noninterventionist of the 'Austrian school' of monetary economics, would have been appalled [by 'managed exchanged rates']. He was vehemently opposed to any scheme that would subject purchasing power to the 'ambitions and machinations of governments, of dictators, of political parties, and of pressure groups.' For Mises, the only way to have sound money was to implement a gold standard."

1993

Adams, Walter & James W. Brock. *Adam Smith Goes to Moscow: A Dialogue on Radical Reform*. Introduction by Robert Heilbroner. Princeton, N.J.: Princeton University Press, 1993. Heilbroner writes in his "Introduction:" "This is that rara avis in economics books -- a drama The plot consists of the agonizing choices that must be made by the Prime Minister -- the central protagonist, who must create for a nation, newly emerged from the rubble of the collapsed Soviet empire, some kind of viable economic framework. The Prime Minister's adversary and would-be guide is the Advisor, urging a course of action that if successful, will put the newly liberated nation on a trajectory of economic progress, but that if unsuccessful, would plunge it into anarchy and exhaustion ¶What Walter Adams and James Brock have done is to present both sides of this debate in the form of a colloquy between a skeptical, wise, but extremely worried Prime Minister charged with making this fateful choice, and a hopeful, perhaps sometimes overly hopeful, Advisor who advocates a leap into capitalism." In the chapter on "Privatization," the authors footnote Mises' *Socialism* when they quote the Advisor as follows: "But you can't divorce private ownership of the means of production from the market system and the critical function of prices. The motive force of the entire process is the ceaseless search by capitalists to maximize their profits by serving their customers. It is the prospect of private profit that directs production into channels that best serve consumer demand at the least cost. It is private ownership that puts society's resources in the hands of those who best know how to use them. Every step that leads away from private property in production is a step away from rational economic behavior." (pp.73-74)

Arnold, Ron & Alan Gottlieb. *Trashing the Economy: How Runaway Environmentalism is Wrecking America*. Bellevue, Wash.: Free Enterprise Press, 1993. "First, are environmental groups intervening in private property and free markets sufficiently to eliminate the profit margin of the American society? Second, are environmental groups working to do more than hamper markets -- to overthrow the market system entirely and create an eco-socialist society? Or, third and even more horrendous, do environmental groups work to disassemble the motors of civilization itself, for example, by violently crippling scientific, engineering and production capability so that industrial society slowly crumbles from lack of nourishment? ¶The question of an incipient eco-socialism is most troubling, and much more than mere name-calling. The clearest -- and most profound -- analysis of socialism was written by the economist Ludwig von Mises, whose *Human Action* had a lot to say about it. There are two patterns for the realization of socialism ¶It is clear that we must take pains to distinguish between Interventionists and Eco-socialists in our analysis of the environmental movement." (pp.68-69)

Benegas Lynch, Alberto Jr. *Hacia el Autogobierno: Una Crítica al Poder Político*. [Toward Self-Government: A Critique of Political Power]. Prologue by James M. Buchanan. Buenos Aires: Emecé Editores, 1993. The author's first "formal contact" with liberal thought was through Professor Ludwig von Mises in 1959, when Mises lectured in Buenos Aires at the invitation of Benegas' father. In 1966, with a scholarship from the Foundation for Economic Education, Benegas came to the U.S. and had a chance to attend Mises' classes in New York. Benegas includes several quotes from Mises and cites his books in footnotes throughout.

Boettke, Peter. "From Marx to Mises: A Review Essay." *The Freeman*. 43:8 (August 1993) 322-325. A review of David Ramsay Steele's *From Marx to Mises* (see above, 1992) "[W]hat truly distinguished Mises was his contribution to the study of comparative economic systems. His identification of the crucial flaw in socialist proposals was the most important economic discovery of the twentieth century ¶Steele provides a deep appreciation and understanding of the challenge that Mises' economic argument presents for socialist theory. Not only is *From Marx to Mises* an excellent examination of Mises' thought, but Steele also provides a primer on Marx's thought ¶A small note of caution, however, is in order. Steele does make a few errors in interpretation to my mind with regard to (1) the philosophical weaknesses of Misesian

apriorism, (2) Hayek's critique of scientism and the engineering mentality, and (3) the importance of Leon Walras' contributions to economic science. On all three counts I would side with orthodox Austrianism and against the arguments presented by Steele. Despite these quibbles Steele's book represents a major contribution to the literature."

———. *Why Perestroika Failed: The Politics and Economics of Socialist Transformation*. New York: Routledge, 1993. Boettke's analysis reflects Misesian influence throughout. Perestroika failed, he says, due to Soviet failure to understand (1) the actual economic system and (2) the prerequisites for a market economy. Boettke describes the popularity of economic planning during the 1930s: "The Great Depression shook an entire generation's faith in the efficacy of capitalist markets. Rational planning of the economy came to be viewed not only as the most viable alternative, but the only alternative . . . ¶The intellectual *gestalt* of the time could neither appreciate nor tolerate the challenge to economic planning offered by its critics, namely Ludwig von Mises and F. A. Hayek." (pp.16, 19) "The Soviet economy never conformed to the ideal picture of a rationally planned Communist economy that would abolish completely commodity production because that system is a hopeless and unachievable utopia, as Mises demonstrated in theory in 1920 and Soviet performance demonstrated in practice in 1921. The only attempt to achieve that utopia (1917-21) ended in what William Chamberlin described as 'one of the greatest and most overwhelming failures in history'." (p.31) "Without doubt the twentieth-century has been the age of socialism. The socialist idea promised a social order that was both more productive and moral than the capitalist system. 'Whatever our view of its utility or its practicability,' Ludwig von Mises wrote [*Socialism* (B-4) p.52; 1981 ed., p.41], 'it must be admitted that the idea of Socialism is at once grandiose and simple. Even its most determined opponents will not be able to deny it a detailed examination.'" (p.46) "A private market economy . . . does not need to be created," Boettke writes. "A market economy evolves spontaneously wherever opportunities for economic gain present themselves . . . Well-functioning markets, however, do require the establishment of rules which protect private property and ensure the freedom of entry." (pp.70-71)

Bolch, Ben & Harold Lyons. *Apocalypse Not: Science, Economics, and Environmentalism*. Washington, D.C.: Cato Institute, 1993. "In the 1920s and 1930s, when large numbers of American and European intellectuals were asserting that communism would soon defeat capitalism, the Viennese economist Ludwig von Mises dissented. Mises knew, as do all economists, that every resource is scarce and must somehow be rationed. Capitalism rations by means of market prices while socialism hopes to ration by means of enlightened bureaucrats. Mises pointed out that no matter how well-meaning, benevolent, or intelligent the bureaucrats might be, they were doomed to fail because of the lack of market-generated prices . . . ¶The ongoing collapse of socialism everywhere in the world has certainly vindicated Mises." (p.117) "Much environmentalism is a counsel of fear and despair that advises the forfeiture of income, wealth, freedom, and even life to prevent such a far-fetched terror as global warming. Why? Because, like Armageddon, the consequences are simply too terrible to contemplate . . . ¶It is all too easy to become depressed by these messianic 'defenders' of the environment, but the attitude must be resisted. Mises, we remember, was a prescient thinker who in the midst of the rise of both Soviet and Nazi socialism (calamities among the greatest ever faced by mankind) refused to be a pessimist. He wrote: 'The main error of this widespread pessimism is the belief that the destructionist ideas and policies of our age sprang from the proletarians and are a "revolt of the masses." In fact, the masses, precisely because they are not creative and do not develop philosophies of their own, follow the leaders. The ideologies which produced all the mischiefs and catastrophes of our century are not an achievement of the mob. They are the feat of pseudo-scholars and pseudo-intellectuals . . . These ideologies owe the power they have today to the fact that all means of communication have been turned over to their supporters and almost all dissenters have been virtually silenced. What is needed to turn the flood is to change the mentality of the intellectuals'." (pp.130-131)

Comanescu, Dan Cristian. "The Need for an Introduction." *Cotidianul*. Bucharest, Romania. #38: 123 (October 4, 1993). Comanescu had been "captivated" by Mises' central argument in Article 20.6 (1920) on economic

calculation under socialism. By simulating market pricing without individual property rights, socialist reformers, so-called “socialists with a human face,” are still trying to refute his thesis that the capitalistic pricing system is indispensable for rational economic calculation. The issue has been confused not only by socialists, but also by some of Mises disciples who, like Hayek are sidetracked into discussing the knowledge problem of how to centralize widely scattered information. “It was Mises himself who showed that the solution [to economic calculation] rests on methodological individualism, the hard core of liberal economics which has become the scourge of statism everywhere In estimating the ‘political chances of genuine liberalism,’ we must go to Mises’ explanation that a coherent and rigorous analysis of social cooperation rests on the individual’s choosing and acting according to his interests and valuations.” Mises’ overall economic vision, as summarized by M.N.Rothbard in his *The Essential von Mises*, provides a good preliminary acquaintance with methodological individualism. Annotation based on translation from the Romanian by Carmen-Luiza Savescu. Also included in this issue of *Cotidianul* are excerpts from Mises *Human Action* (B-16) and Murray N. Rothbard’s *The Essential von Mises*.

Cornuelle, Richard. “The First Libertarian Revival and the Next: Where We Were and Where We Are.” *Critical Review Update*. No.2 (April 1993) 1-4. “I am a living relic of what libertarian paleontologists have come to call the Old Right. I was not one of the major players, but in the earliest days a kind of hanger-on and sometime batboy, and later a full-time functionary. I ‘enlisted’ in the movement in 1948, when I came to New York from Los Angeles to study with Ludwig von Mises. I was twenty-one ¶Ludwig von Mises was the great grey eminence of the libertarian movement, but his student Friedrich A. Hayek was far more important in determining its character. *The Road to Serfdom*, which appeared in 1944, with its legendary dedication ‘To Socialists of All Parties,’ established the terms of the libertarian response for a generation ¶[T]he particular requirements of scholarship were under continuous pressure from the ‘practical’ requirements of the movement, so the distinction between scholarship and activism blurred. Mises always maintained his dignity and his distance, but Hayek, for better and for worse, had irrepressible activist propensities.”

_____. *Reclaiming the American Dream: The Role of Private Individuals and Voluntary Associations*. With a New Introduction by Frank Annunziata and an Afterword by the Author. New Brunswick, N.J.: Transaction Publishers, 1993. 1st ed., 1965. Cornuelle in his “Afterword:” “When I joined Mises’ seminar in 1949 it was a dark hour for libertarians and for Mises, their unanimously acknowledged intellectual godfather. In those days, libertarian ideas were considered not just unfashionable but pernicious. Mises’ place in the public consciousness, if he had one at all, was in leftist demonology. He was teaching part time at the Graduate School of Business Administration at New York University because it was the only job he could get, and then only when an obscure California foundation, realizing that libertarian scholars were becoming extinct had arranged to pay his stipend. Mises could afford just one subscription to the opera and he and his wife attended alternate performances When Robert Heilbroner graciously acknowledged Mises’ remarkable foresight in *The New Yorker* in 1990, it was almost certainly the first time his name had been mentioned in that discriminating periodical. The recent collapse of the socialist economies is in part a tribute to the tremendous power of an intellectual movement that, forty years before, would have fitted into a phone booth.” (p.172)

Cox, Stephen. “Introduction” to the new (1993) edition of Isabel Paterson’s *The God of the Machine*. (New Brunswick, N.J.: Transaction Publishers). pp.ix-liv. “As a theorist, she [Paterson] was an independent discoverer of several of the most potent ideas of such European foes of collectivism as Friedrich Hayek, whose *The Road to Serfdom* was published the year after *The God of the Machine*. Like Hayek and his mentor Ludwig von Mises, Paterson argued that because values are objects of individual choice, it is nonsense to expect central planning to provide an adequate supply of ‘socially valuable’ goods and services; that such planning is likely to result in a closed and coercive society, unable to achieve even its narrow economic goals; and that the leadership of such a society necessarily devolves upon vicious and destructive people.” (p.xlviii)

Cubeddu, Raimondo. *The Philosophy of the Austrian School*. Translated by Rachel M. Costa, née Barritt. London & New York: Routledge, 1993. "This book is an exploration of the consequences that the various issues raised by the Austrian School's 'theory of subjective values' may have on *political philosophy* understood as a *critical and practical science* . . . ¶Whatever the differences observable between Menger, Mises and Hayek, economics was for them part of a philosophical system . . . ¶Thus, Menger, Mises and Hayek were not so much economists who also delved into politics, or dreamers conjuring up visions of a utopian better world, but rather thinkers who elaborated a theory of the 'best political regime' on the basis of a conception of human action and the nature of society." (pp.ix-x) Refers to Mises throughout, to his views on historicism, positivism, methodological individualism, socialism, totalitarianism, interventionism, liberalism, and to the distinctions between his positions and those of Menger and Hayek. "The differences between Menger and Mises have their origin in diverging assumptions concerning the relation between laws governing phenomena of the natural and social world, on the one hand, and thought processes on the other. Menger, like Aristotle, believed this relation to be of a natural order, whereas Mises thought that 'reason and experience show us two separate realms: the external world of physical [. . .] phenomena and the internal world of thought, feeling, valuation, and purposeful action. No bridge connects [. . .] these two spheres.' . . . ¶What had disappeared in Mises' framework was the relation between individual interest and the naturalness of phenomena (and of action) which characterized Menger's thought. It was replaced by *subjectivism* aiming at discovering the universal and a priori laws that regulate action itself and allow the achievement of individual ends." (pp.10-11) "Mises built the foundation of liberalism on a conception of society. The superiority of this society consists not so much in its capacity to function even though individuals may not be virtuous, as in the fact that it would not be founded on ethical values different from eudemonism seen as social co-operation ¶But the chief criticism levelled by Mises against contemporary philosophers, namely the accusation that they purported to be dealing with social philosophy without having any knowledge of economic science, also highlighted the fact that when deprived of an economic foundation, liberalism ceases to be a political force, and becomes reduced to a 'religion' of a handful of intellectuals ¶The cornerstones of this break with tradition are represented by the emphasis placed by Mises on rejecting the charge that liberalism conceives society as a collection of 'atoms,' and by his endeavour to expose the misunderstanding concerning the role of the system of ownership in a liberal society. The objection put forward to parry the first accusation consisted in reaffirming that liberal society is founded on the system of the division of labour, and that far from 'atomizing society, it encourages the formation of strong cohesive bonds, since it makes the satisfaction of individual needs dependent on satisfaction of the needs of the other members of society. To tackle the misconception centering around the system of ownership, on the other hand, Mises pointed out that in the liberal society the system of property has a social function, since it is placed in the hands of those who best know how to obtain the maximum benefit from it on behalf of common prosperity, thereby abolishing privileges and static situations." (pp.209-210)

Ebeling, Richard M. "Liberalism and Collectivism in the 20th Century." *Political Studies*. Oxford, England; Cambridge, Mass.: Blackwell. 41 (1993) 66-77. "In 1932, the Austrian economist, Ludwig von Mises, admitted that, 'I know only too well how hopeless it seems to convince impassioned supporters of the Socialist Idea by logical demonstration that their views are preposterous and absurd. I know too well that they do not want to hear, to see, or above all to think, and they are open to no argument. But new generations grow up with clear eyes and open minds. And they will approach things from a disinterested, unprejudiced standpoint, they will weigh and examine, will think and act with forethought.' At the threshold of the 21st century, we can only hope that such a new generation may finally arise and triumph. Another century of various experiments in attempting to apply variations on the Collectivist theme is too high a price for society to pay just so some can indulge their fantasies in trying to remake the political and economic orders in their preferred images." (p.77)

Financial Times (London, England)

Brittan, Samuel. "‘Socialism’ and Human Nature." May 20, 1993. A review of David Ramsay Steele's *From Marx to Mises* (Open Court, 1992). "The basic argument against full-blooded socialism has little to do with selfishness. It is that without a functioning ‘capitalist’ market even the most noble-minded would lack the information to go about their jobs effectively . . . ¶[W]ithout a pricing system which tells us about the relative scarcity of these different inputs, a manager cannot begin to act rationally . . . ¶The main originator of this informational critique of socialism was Ludwig von Mises, an Austrian-born economist who lived from 1881 to 1973. But after enjoying a vogue in the 1920s and 1930s von Mises faded out of view of mainstream economists who wrongly believed he had been answered. ¶A new book makes a comparison with Karl Marx. Both thinkers ‘combined erudition with a combative, frequently vituperative style of presentation, displaying in their writings little patience with critics. They each attracted a small, industrious band of dedicated disciples prepared to brave -- and reciprocate -- the disdain of conventional thinkers.’ ¶This is a passage in *From Marx to Mises* by David Ramsay Steele . . . Steele was a British Marxist in the 1960s, and then became a Mises disciple . . . He is thus well qualified to summarise the debate and put it into perspective . . . ¶By far the best section [of the book] is that in chapter 10, summarizing the modern analysis of property ownership as bundles of rights which may change their composition. Ownership is a matter of degree. Just as restrictions in capitalist countries (for example rent control) may dilute the content of ownership, so *de facto* property rights can emerge in a nominally socialist country, as the managers of enterprises acquire more and more rights, whether legally or otherwise. If Steele had followed up this line of thought he might have reached interesting conclusions on whether, for instance, ‘nomenklatura capitalism’ is better than slow privatization in the former communist world. ¶The author’s own ending is quite different. It is a call for more rather than less utopian speculation."

Prowse, Michael. "Time to Rediscover Ludwig von Mises." June 28, 1993. "In recent years the work of Friedrich von Hayek, the late Austrian economist and social philosopher, has become steadily better known . . . It is curious, therefore, that . . . the work of his teacher and mentor, Ludwig von Mises, remains largely unknown. ¶If Mises is remembered at all, it is for being the first economist to argue cogently that rational economic calculation would be impossible under communism . . . ¶[Mises'] 900-page magnum opus, *Human Action* [B-16], which contains asides on everything from religion to the nature of creative genius, was published by Yale University Press in 1949. ¶There were a few appreciative reviews . . . Professional economists, however, totally ignored Mises' work . . . ¶*Human Action* . . . is an attempt to convince the intelligent lay person that economics cannot be regarded as a subject such as engineering, on which it is safe to have no opinion. Mises sets himself the heroic task of demonstrating that the doctrines of market economics in fact follow logically from a few simple assumptions about the nature of all human action . . . ¶Mises' style is admittedly an acquired taste . . . But, allowing for this, *Human Action* remains a fascinating synthesis of economics, philosophy and political science . . . Having been proved right on socialism, Mises now deserves a broader readership."

The Free Market. Auburn, Ala.: Ludwig von Mises Institute.

January 1992. Volume II, Number 1:

Rockwell, Llewellyn H., Jr. "Reinventing Statism. pp.2-3. A review of David Osborne's *Reinventing Government*. "Government cannot, by its very nature, be anything but bureaucratic, as Max Weber and Ludwig von Mises have shown. Government gets its money not in the market, but from unwilling ‘consumers.’ It has no profit and loss test, and therefore can do no cost accounting . . . ¶Say the Clothespin Safety Administration gets \$1 million this fiscal year, but only spends \$750,000. The budget director then cuts the budget, which creates incentives for the agency to spend to the limit. ¶Osborne condemns this as old-style government. His suggestion is to increase the budget when the agency spends less than its appropriation, but he overlooks the fact that this causes people to be even less concerned about costs. And it does not solve the central problem: how do we know how much the Clothespin Safety Administration should get in the first place? It has no consumers and no means of

determining profit and loss, so it must be ruled arbitrarily.”

September 1993. Volume 11, Number 9:

Rothbard, Murray N. “Margit von Mises, 1890-1993.” pp.1, 7. “Margit von Mises died on June 25, just a week short of her 103rd birthday. While physically frail the last few years, Margit remained mentally alert until a few months before her death . . . Indeed since the death of her husband Ludwig von Mises 20 years ago, one had the impression she could out think and outsmart everyone with whom she came into contact. ¶After the death of her beloved Lu, Margit swung into action to become an indefatigable one-woman ‘Mises industry.’ She dug up unpublished manuscripts of Lu’s, had them translated and edited, and supervised their publication. She also supervised reprints and translations of Mises published work. She was chairman of the Ludwig von Mises Institute. And she was fervent in pressing the cause of her late husband, as well as the ideas of freedom and free markets to which he had devoted his life. She refused to let any slighting or denigration of Mises by his genuine or less-than-genuine admirers or disciples go unremarked or go unchastised . . . ¶Margit and Ludwig von Mises were a magnificent team . . . Those who knew Margit know that she was one of the strongest-minded women they have ever met. And yet, despite or perhaps because of that fact, Margit was unsurpassed in devotion to Mises the person in life and in perpetuating his memory and his ideas after his death.”

October 1993. Volume 11, Number 10:

Maltsev, Yuri N. “Marx Matters.” pp.1, 5-6. “Ludwig von Mises identified Marx’s tendency to assert that everything ‘bourgeois,’ even bourgeois argumentation, should be rejected in favor of ‘proletarian’ ways of looking at the world. Mises called this polylogism, the belief there are several possible logics and those logics are determined and used according to class.”

Raimondo, Justin. “Son of ‘64.” pp.4, 8. “As Mises pointed out, any hindrance to the free use of private property introduces the same calculation problems that destroyed the Communist nation.”

Rockwell, Llewellyn H., Jr. “Nafta’s Dangerous Side Agreements.” pp.2-3. “The widespread hatred of Nafta would not have surprised Ludwig von Mises. When law is impartially applied, such as contract law that allows free trade with anybody, anywhere, people understand the rationale. But when governments conspire to create a trade bloc, as Mises wrote in *The Free and Prosperous Commonwealth*, the public is invariably and rightly suspicious of preferential treatment.”

December 1993. Volume 11, Number 12:

Rockwell, Llewellyn H., Jr. “The Medical Socialism of V. I. Magaziner.” pp.2-3, 6. “Every time a new socialist proposal is advanced, I turn to Ludwig von Mises’ *Socialism* [B-4]. Written in 1922, it’s still the best guide to the schemes of the Left. ¶The destructive ‘aspect of accident and health insurance,’ Mises wrote, ‘lies above all in the fact that such institutions promote accidents and illness, hinder recovery, and very often create, or at any rate intensify and lengthen, the functional disorders which follow illness or accident . . . ¶‘By weakening or completely destroying the will to be well and able to work, social insurance creates illness and inability to work; it produces the habit of complaining -- which is in itself a neurosis -- and neuroses of other kinds. In short, it is an institution which tends to encourage disease, not to say accidents, and to intensify considerably the physical and psychic result of accidents and illnesses. As a social institution it makes a people sick bodily and mentally, or at least helps to multiply, lengthen, and intensify disease’.”

Gordon, David. *The Philosophical Origins of Austrian Economics*. Auburn, Ala.: Praxeology Press (Ludwig von Mises Institute), 1993. Gordon discusses several philosophical trains of thought as they crop up in the teachings of economists. It is “normally quite difficult” to establish the influences on a particular author. However, the deductive method of Austrian economics stems, he says, from Aristotle although when it comes to Ludwig von Mises, “Aristotle seems absent from the scene. Instead, Mises resorts to a distinctively neo-Kantian terminology: in particular, he regards the propositions of Austrian economics as synthetic a priori truths. The action axiom assumes free choice, but this to Mises is but a postulate . . . ¶Mises’ chief importance for our purposes does not lie in his Kantian veneer. Rather a group of philosophers, the logical positivists, who arose in the 1920s developed doctrines that threatened to undermine the Austrian system. Their views, to the extent they impinged on Mises’ system, did not

challenge his economics; it was instead his deductive method that roused the positivists to protest. For Mises, then, our focus is not on the philosophers who influenced him, but on those who attacked him. In his response to these attacks, Mises further developed and clarified the Austrian position.” (pp.30-31)

- Gottfried, Paul. *The Conservative Movement*. Rev. ed. New York: Twayne Publishers, 1993. 1st ed., 1988. “Postwar libertarians benefited from their contact with members of the Austrian School of Economics, which had been criticizing socialist programs and Marxian views of capitalism since the 1870s. One influential member was Ludwig von Mises, who had secured an international reputation during the twenties and thirties for his analysis of the business cycle. Mises had emigrated to New York in 1940; however, because of the unfashionable anti-Marxist tenor of his thought, his two wartime books, *Bureaucracy* (Yale 1944) [B-13] and *Omnipotent Government* (Yale 1944) [B-12], attracted little attention.” (p.9)
- Greaves, Bettina Bien & Robert W. McGee, compilers. *Mises: An Annotated Bibliography. A Comprehensive Listing of Books and Articles by and About Ludwig von Mises*. Irvington-on-Hudson, N. Y.: Foundation for Economic Education, 1993. Includes chronology of important dates in Mises’ life, detailed information about his many books and articles, with data about their various editions and translations. Also included are reviews of Mises books, as well as books and articles about him through 1981, the 100th anniversary of his birth; these “abouts” often include extensive annotations or quotes; some reviews of Mises’ books are even quoted in full. The listing of “abouts” is updated in the present volume from 1982 through 1993, with an Addendum of pre-1982 items discovered since the publication of the 1993 Mises bibliography.
- Hayek, F. A. (1899-1992) “In Memoriam.” *Austrian Economics Newsletter*. Auburn, Ala.: Ludwig von Mises Institute. 14:1 (Spring 1993) 1-3. Mentions Mises’ influence on Hayek through his book, *Socialism* [B-4], and his *Privatseminar*. “Within the Austrian school, Hayek’s influence, while undeniably enormous, has very recently become the subject of some controversy. His emphasis on spontaneous order and his work on complex systems has been widely influential among many Austrians, some of whom have moved into hermeneutics and other non-traditional areas. Others have preferred to stress Hayek’s work in technical economics, particularly on capital and the business cycle, citing a tension between some of Hayek’s and Mises’ views on the social order. (While Mises was a rationalist and a utilitarian, Hayek focused on the limits to reason, basing his defense of capitalism on its ability to use limited knowledge and learning by trial and error.)”
- Heilbroner, Robert. *21st Century Capitalism*. New York: W. W. Norton, 1993. “During the 1930s there was a famous debate between the conservative economist Ludwig von Mises and the socialist economist Oskar Lange as to the prospects for a coherent system of central planning. Mises declared flatly that such a system was ‘impossible’ because the planners could never amass the information that a market system continuously and effortlessly displayed in the price ‘signals’ that told marketers what to do. Lange claimed that precisely the same information would be available in a planned system in the form of inventory levels, which would rise when supply exceeded demand and fall when demand exceeded supply. When inventories rose, planners would know that supplies had to be reduced, so they would lower prices paid to suppliers and raise them for consumers, thereby discouraging output. When inventories fell, planners would do the opposite Thus inventory levels would give the planners the exact same information that they would get from price signals in a market system. ¶History proved Mises to be devastatingly correct as to outcome, but, I think, not for the right reason. The enemy was not an absence of information -- the staffs of the planning apparatus in the Soviet Union knew when shoes were in short supply or (more rarely) in surplus. What they lacked was the incentive to do anything about it. Self-interest counselled leaving things alone, not doing something. Hence bureaucratic inertia was the enemy -- in the end, the mortal enemy -- of the planning system. Ironically, Lange had sensed that this was the crux: ‘*The real danger of socialism*,’ he wrote in italics, ‘*is that of a bureaucratization of economic life.*’ But he took away the sting when he added, without italics, ‘Unfortunately, we do not see how the same, or even greater, danger can be averted under monopolistic capitalism’.” (pp.101-102)

- Henderson, David R., ed. *The FORTUNE Encyclopedia of Economics*. New York: Warner Books, 1993. Henderson, Senior Research Fellow, Stanford University's Hoover Institution and Associate Professor of Economics at Naval Postgraduate School, Monterey, California, has assembled short articles by 141 economists and economic journalists representing a wide spectrum of economic thinking. Mises is mentioned in several: "Austrian Economics" by Deborah L. Walker (p.105); "Socialism" by Robert Heilbroner (p.163); "Perestroika" by Marshall I. Goldman (p.747); and "Labor Unions," where Morgan O. Reynolds characterized Mises as an "anti-union economist" (p.494). Also included are biographies, written by Henderson himself, of 74 economists; one is of Mises (pp.818-819)
- Herbener, Jeffrey M., ed. *The Meaning of Ludwig von Mises*. Auburn, Ala: Praxeology Press (Ludwig von Mises Institute); Norwell, Mass.: Kluwer, 1993. Essays originating in a Mises Institute conference (October 16-17, 1987), Pace University, New York City.
- Arnold, Roger. "Praxeology, Positivism, and Public Choice: Was Mises a Public Choicer?" pp.47-55. "Mises, the Austrian economist, and Buchanan, the public choice economist, . . . are methodological individualists. Also, both Mises and Buchanan have discussed *homo economicus* in much the same way ¶Mises was not an anarchist . . . ¶[He] saw government as necessary to the provision of protection, and indirectly, to the preservation of liberty." (pp.47-49) However, Arnold concludes that "Mises was not a public choicer. He did not view 'politics-as-exchange'; he did not accept the super-firm theory of the state Mises was a praxeologist One cannot be a praxeologist (exclusively) and public choicer, too." (p.55)
- Ebeling, Richard M. "Economic Calculation under Socialism: Ludwig von Mises and His Predecessors." pp.56-101. Ebeling compares five pre-Misesian critics of socialism (Albert Schäffle, Paul Leroy Beaulieu, William Graham, Victor Cathrein, and Benedict Elder) with Mises. "[T]hese 'forgotten' contributors to the debate over socialist planning . . . stand extremely close to the Austrian side of the debate." (p.83) But Mises explained more fully than they the problem of economic calculation under socialism: "[T]wo things were required for such calculation to be feasible: 'First, not only goods ready for consumption but also goods of higher orders [i.e., the factors of production] must be exchangeable In the second place, there must be a general medium of exchange, a money, in use.'" (p.88) "Mises was firmly convinced that all that is generally referred to as a prosperous civilization rests upon the capacity for market actors to utilize a form of economic calculation in their use of the scarce resources available to them. But Mises was equally insistent on emphasizing that economic calculation has been and is only possible because of the emergence and maintenance of a social order respectful of private property, and containing relatively free competition and a fairly stable medium of exchange ¶The hallmark of Mises' approach in *Human Action* [B-16] is the insistence that all social economic theory must be grounded in *methodological individualism* [the doctrine which explains complex market phenomena as the consequences of actions and interactions of individuals pursuing various purposes with the means available to them] and *methodological subjectivism* [recognition that all human actions are 'meaningful,' i.e., purposeful, and have meaning to the actor]." (pp.92-93) Mises pointed out also that prices reflect not only the bids and asks of market participants but their *expectations*. "Thus, the formation of prices and the meaning of prices are always contextual from the respective actors' points-of-view And, therefore, what is 'meaningful' in terms of pricing and production possibilities for one individual may be 'meaningless' from the perspective of another." (p.95) "An appreciation of the 'subjectivist' perspective means that the Misesian message is still as relevant as ever. Unfortunately, it also means that it is a message still waiting to be fully understood." (p.101)
- Garrison, Roger. "Mises and His Methods." pp.102-117. "Recent developments in econometric methods and in mathematical modeling techniques allow the contrast between Mises and the more modern practitioners to be sharpened ¶For Mises causality was the central concern. His methodological individualism has as its goal the establishment of a causal linking of individual actions to observed economic phenomena. The very title [*Human Action*] of Mises' *magnum opus* identifies his starting point. Human action is the root cause of all economic phenomena. The task of the economist, in Mises' view, is to draw out the historically relevant implications of the fact that individuals act -- that they employ means to achieve

ends. Alternatively stated, the economist's task is to devise a logic of action -- a praxeology, to use the Misesian term ¶Systems of equations can be suitably employed to describe the consequences of human action, but such mathematical descriptions are inherently blind to notions of intentionality and causality." (p.103-105) "For Mises the notion of cause and effect as used by economists is presupposed by the notion of means and ends, where both cause and means are to be understood in terms of the purposes and plans of acting individuals. None of these notions are adequately illuminated by the methods of mathematical economists or econometricians." (p.109) Therefore, Garrison cautions against blurring the boundary between economics and mathematics; he issues two warnings: "Do not allow the applicability of mathematical or statistical methods to define the scope of economics" and "[R]efrain from drawing conclusions about real-world economies that hinge critically on some assumption made for the sake of mathematical tractability." (pp.116-117)

Gordon, David. "Ludwig von Mises and the Philosophy of History." pp.118-133. "Ludwig von Mises made important contributions to the critical philosophy of history [P]rincipally in *Human Action* [B-16] and *Theory and History* [B-20], [he] offered a devastating criticism of speculative history." (p.119) Methodological individualism, as developed by Mises, destroys the historical laws of Oswald Spengler and Arnold Toynbee and the productive forces of Karl Marx and Friedrich Engels. "Mises did not confine his criticism of speculative philosophies of history to their flouting of individualism. Another principal failing of many of these theories was what Mises somewhat inelegantly termed 'polylogism' [the view that all civilizations, or classes, do not use the same logic, do not think in the same fashion] ¶If cultures differ so much that someone cannot understand the thought of another, how can Spengler purport to describe the cultures his own theory declares one cannot understand? ¶The difficulties of Spengler's position are easy to see; by looking at them, one can get a clear idea of the meaning of 'polylogism.' The name suggests a doctrine that denies that the laws of logic are universally valid." (pp.123-124) Using his criticism of polylogism, Mises also demolishes the Marxian theory of class interests. "Mises amusingly points out a problem Marx's class-based version of polylogism raises for his own system. Marx claims that class position determines thought; but Marx himself was a middle-class academic married to a Prussian noblewoman and his collaborator Engels a wealthy manufacturer. However hard Marx and Engels tried to arrive at a proletarian position, would not their own class position render their attempt self-defeating?" (p.126) In his historical writings, Mises explained logically the development of national-socialism: "Mises placed primary blame for this on intellectuals who in his view taught false doctrine. In alliance with interests that sought to benefit by using the power of the state to their own advantage, these intellectuals either forced out entirely or drastically restricted the teaching of correct economics ¶The free market principle that exchange is to the mutual benefit of participants was abandoned: now the economic sphere was regarded as an arena in which one country's gain was another's loss ¶Mises' view of nationalism, whether right or wrong, is provocative and worthy of much more attention from historians than it has so far received. Like his criticism of speculative philosophy of history, it is the product of a thinker of surpassing originality and power." (pp.132-133)

Herbener, Jeffrey M. "Introduction." pp.7-46. Herbener comments on the several contributions in this volume, quoting extensively from Mises' *Human Action* [B-16]. He compares Mises in many respects with Menger. "Convincing the vast majority to accept the teaching of praxeology and act accordingly was, for Mises, an unscientific endeavor in changing their ethical values ¶The gap between this [recognizing that different people have different subjective ultimate ends] and reasoning out the consequences of laissez-faire is filled by strategy -- educating and persuading people in their 'rightly understood interests' ¶Mises was the embodiment of his strategy for advancing truth: the twin concepts of scholarship and popular advocacy. On the first he built the high road of praxeological economics; on the second he lived his principles to the benefit of all mankind. Mises has paved the way for a world-wide renaissance of freedom. Those who stand on his shoulders will fight what he called, 'the decisive battle into which our epoch has plunged us. Without him the battle would already be lost. This is the meaning of Ludwig von Mises.'" (pp.43-46)

Hoppe, Hans-Hermann. "On Praxeology and the Praxeological Foundations of Epistemology and Ethics." pp.134-165. Hoppe's two-fold goal is: (1) "to explain the solution which Mises advances regarding the

problem of the ultimate foundation of economic science, i.e., his idea of a pure theory of action, or 'praxeology' (2) to demonstrate why Mises' solution is much more than just an incontestable insight into the nature of economics and economic propositions." This, he says, "also enables us to understand the foundation on which epistemology and ethics ultimately rest and hence that Mises, aside from his great achievements as an economist, also contributed invaluable insights regarding the justification of the entire enterprise of rationalist philosophy." (p.135) "It is one of Mises' greatest achievements to have shown precisely this: that there are insights implied in this psychologically speaking trivial axiom of action that were not themselves psychologically self-evident as well; and that it is these insights which provide the foundation for the theorems of economics as true a priori synthetic propositions." (p.144) Even the economic categories such as values, ends, means, choice, preference, cost, profit and loss, Hoppe says, are "implied in the axiom of action." (p.145)

Kirzner, Israel M. "The Pure Time Preference Theory of Interest: An Attempt at Clarification." pp.166-192. "The pure time-preference theory (PTPT) was developed, largely from roots in Böhm-Bawerk, by Frank Fetter in the United States, and later by Mises [T]he interest problem consists in the dilemma posed by the apparent failure of the market price of the [fruit] tree to equal the value of the total fruit output. Simple theory tells us, after all, that the value of inputs and the value of outputs tend to equality in competitive markets. ¶The productivity-of-waiting theory of interest escapes this criticism by arguing that *besides* the [physically productive] machine, *besides* the tree, yet another 'input' is required in order to command the flow of rentals (or fruit). This additional input is 'waiting'; once the services of waiting are properly included in the list of needed inputs, the interest dilemma evaporates. Competition indeed squeezes out all surplus above marginal productivity returns. Interest *is*, in this view, the marginal productivity return on a scarce factor, viz., waiting. ¶The Fisherian 'productivity-of-waiting' theory emphatically recognizes the significance of time-preference . . . ¶The alternative 'Austrian' theory of interest that we wish to clarify in this paper, the PTPT, is that pursued consistently by the American Frank Fetter and by Ludwig von Mises. This theory solves the interest problem by appeal to widespread (possibly universal) positive time preference." (pp.169-171)

Rothbard, Murray N. "Mises and the Role of the Economist in Public Policy." pp.193-208. "Mises as utilitarian economist accepts common social ends -- i.e. abundance and prosperity -- but points out that statist measures will cripple that prosperity while freedom and property rights will advance it. However, I am concerned here . . . to ponder how Mises *as a person* could continue to fight so passionately in the face of a general social rejection of his arguments and of his entire world outlook." (p.194) Rothbard describes some of Mises' battles against statism and inflation in Austria. "Why did he [Mises] continue to battle for the truths of laissez-faire against all odds, against the tides of history, against the *Zeitgeist* [spirit of the age] itself, in what seemed a hopeless cause? . . . Mises was not really a utilitarian in the standard cost-benefit, calculating sense. He was much more. He was not even a 'rule utilitarian' who believed that a certain set of rules was more conducive for human happiness than another set. For Mises was committed to the view that the struggle for laissez-faire was literally a life-and-death struggle for mankind, for human civilization, for the existence of the human race itself." (p.202) "Mises' epistemology and social philosophy reinforced his inner tendency to battle unwaveringly for the truth. Civilization and human existence are at stake -- and to preserve and expand it, high theory and scholarship, though important, is [sic] not enough. Especially in an age of galloping statism, the classical liberal, the advocate of the free market, has an obligation to carry the struggle to all levels of society -- to government, to the general public, to political parties. Not for Mises the view that general education or even political action was somehow beneath his dignity as a theorist and scholar. Not for Mises the artificial separation between theory and practice; with civilization at stake, and with freedom vitally important, there was no time for such pussyfooting. And even though Mises strongly believed that economic science was value-free, and that values are not objective, he also passionately committed himself to the ideology -- yes the values -- of classical liberalism -- of freedom, peace, and free markets. For unlike standard utilitarianism, his insight in social affairs taught him that human life and happiness were at stake, and he was willing to take the 'non-objective' step of coming out squarely in favor of human life and high living standards. Never for Mises, in short, the gathering of academic robes around

- him or refusing to engage in political controversy in the name of 'value freedom.' Economic science may be value-free, but men can never be, and Ludwig von Mises never shirked the responsibilities of being human." (p.208)
- Salerno, Joseph. "Ludwig von Mises as Social Rationalist." pp.209-246. Published earlier; for annotation see Salerno above under *Review of Austrian Economics* (1990).
- Skousen, Mark. "Who Predicted the 1929 Crash?" pp.247-283. Discusses predictions of the optimistic "financial bulls" of the 1920s and of the bearish advocates of "sound money." "In Europe, the only group of economists to predict a market collapse and worldwide depression were the Viennese economists, Ludwig von Mises and Friedrich A. Hayek . . . ¶The Austrian economists were able to forecast the economic debacle, particularly in the United States, because they looked beyond general price indices and stable macroeconomic phenomena such as wage levels and consumer spending. They focused on the *micro* foundations of the economy, and how artificially low interest rates and credit expansion encouraged 'a dangerous stock market and real estate boom'." (pp.264, 267) "If a conservative investor followed Mises' prediction of a 'big smash' as early as 1924, he would not have participated in either the boom or the bust Despite his own 'gift of prophecy,' Mises was undoubtedly the most outspokenly antagonist toward the virtues of forecasting among Austrian economists. Mises was well aware of the desire of businessmen and investors to know the precise time to act. While he recognized the inevitable results of inflation, price controls and other forms of government intervention, he was adamant that no one can predict a specific date when an event or crisis will occur." (p.279)
- Tucker, Jeffrey A. & Llewellyn H. Rockwell, Jr. "The Cultural Thought of Ludwig von Mises." pp.284-320. "The central theme in Mises' cultural traditionalism was the fact of human inequality. He therefore opposed all forms of egalitarianism ¶The market makes society's existence possible, primarily because it is the only means of social cooperation that takes into account the inherent inequality of men." (pp.286-287) Reasoning from this premise, Mises sees capitalism and social cooperation, and the tolerance for individual differences which they foster, as the hope for eliminating conflict in sexual and racial relations. Women's rights have evolved only since the pre-capitalist age of violence; after the onset of capitalism, Mises says, marriage came to be seen "as a contract, which makes the 'wife a partner with equal rights' . . . [and which] can be entered into only with the free will of both parties." (p.294) "Mises makes a sharp distinction between two kinds of equality. The first demands that the law treat everyone impartially. The second wages war on nature by demanding that all natural and social inequalities be eliminated It is because Mises praised equality before the law, and rejected 'radical equality' that he had no sympathies for the feminists." (p.297) The authors discuss Mises' views on sex, family, and feminism; race and ethnicity; "multiculturalism;" and literature and the arts.
- Yeager, Leland. "Mises and His Critics on Ethics, Rights, and Law." pp.321-344. "Ludwig von Mises was a utilitarian and has been criticized for being one. Utilitarianism is a particular approach to ethics in personal life and public affairs Institutions and practices and attitudes that facilitate fruitful cooperation among individuals as they pursue their own diverse specific ends score ahead of ones that make for destructive clashes. 'Social cooperation' (so called by Mises and many other thinkers in the utilitarian and libertarian traditions) is so nearly essential to individuals' success in their own diverse pursuits that it is a nearly ultimate criterion of institutions, ethical precepts, character traits, and so forth. On this criterion, truth-telling and promise-keeping command approval. So does respect for justice, property rights, and other human rights." (p.321) Yeager then analyzes the positions taken by Karen Vaughn, Murray Rothbard, and Walter Block as advocates of natural rights and critics of Mises' utilitarianism. Yeager notes, as Mises recognized years ago, that "cheap shots" have long been levelled at utilitarianism. "Mises was forthright, even courageous, in his utilitarianism. For this his reputation continues to suffer even among eminent economists and social philosophers who in other respects are carrying on his work. I urge them to reconsider. I am not saying that Mises developed the distinction between the act and rules or indirect versions of utilitarianism and fully articulated the latter version. I am not saying that he examined and demolished the axiomatic rights approach offered as an alternative by some of his disciples. Doing all this was not necessary for his work in economics. However, a sophisticated utilitarianism does fit within and extend the philosophical framework that Mises adopted.

Hazlitt, for one, extended it. Mises was on the right track.” (p.344)

Hillsdale College. *Champions of Freedom: 20. The Ludwig von Mises Lecture Series*. Richard M. Ebeling, ed. *Global Free Trade: Rhetoric or Reality?* Hillsdale, Mich.: Hillsdale College Press, 1993. In addition to these May 1992 lectures, this volume reprints Mises’ “Autarky and Its Consequences” (Article 43.4 in the 1993 Mises bibliography), pp.139-162, and excerpts from the writings on free trade by William Graham Sumner and Frederic Bastiat. The following papers mention Mises:

Armev, Dick. “An Open Letter to the President: Free Trade Works.” pp.111-117. “Armev’s Axiom #1 is that *freedom works* Armev’s Axiom #2 is that *if you love peace more than freedom, you will lose both*. ¶These are two of the most insightful observations I have ever come up with, which means I probably read them in Hayek’s *Road to Serfdom* or Mises’ *Human Action* years ago. These two economists have profoundly shaped my thinking. So, too, has Adam Smith, who virtually invented the discipline of economics in 1776 with the publication of his monumental treatise known today as *The Wealth of Nations*.”

Bovard, James. “‘Economic Justice’ and the Chimera of Special Interest Politics.” pp.27-38. “The dumping law exists supposedly to prevent predatory behavior but the vast majority if not all foreign companies convicted had no reason to behave in a predatory manner. ¶The insights of Mises and others gives us an excellent tool to understand the absurdity of the dumping law. U. S. government officials basically take a Marxian type approach to valuing imports. In the case of potato imports from Canada the U.S. Commerce Department . . . found that the Canadian farmers were cheating because the sales price of their potatoes did not include the cost of labor of a farmer’s sons and daughters who worked on the farm. Naturally American farmers’ sales prices don’t include the value of their children’s labor either -- but that’s different.” (p.30)

Ebeling, Richard M. “Economic Freedom and a New Liberal International Order.” pp.11-25. “No longer are privileges limited to the few, as under the old system of the 18th century. Now privileges and favors from the state are available to all. The Age of Democratized Privilege has arrived. And with the Politics of Democratized Privilege has come the New Protectionism ¶And the New Protectionism is an indispensable requirement if the state is to secure the privileges bestowed on various groups in the domestic economy. As Ludwig von Mises pointed out in his essay, ‘Economic Nationalism and Peaceful Economic Cooperation’ [Article 42.10]: ‘. . . There can be Protectionism in a country with domestic free trade, but where there is no domestic free trade, protectionism is indispensable When the domestic market is not to some extent insulated from the foreign markets, there can be no question of government control. The further a nation goes on the way toward public regulation and regimentation, the more it is pushed toward economic isolation. International division of labor becomes suspect because it hinders the full use of national sovereignty. The trend toward [protectionism] is essentially a trend of domestic economic policies; it is the outcome of the endeavors to make the state paramount in economic matters’.” (pp.19-21)

_____. “Introduction.” pp.1-10. “The annual Ludwig von Mises Lecture series for 1992 was devoted to the problems and prospects of the new global economy. The participants attempted to analyze the fallacies in contemporary trade policy and propose policy alternatives for the future. Their common premise was that only a policy of free trade could assure both prosperity and reduced international conflict. And in this they all reflected the ideas and the spirit of the Austrian economist in whose name these lectures are dedicated. For Ludwig von Mises, free trade among nations was the method by which the peoples of the world had opened up previously unimaginable prosperity for themselves ¶Mises believed that classical liberalism and capitalism were able to achieve these economic wonders of rising global prosperity only because they were universal in their principles, those principles being private property, individual liberty and peaceful cooperation through market competition.” (pp.8-9)

McKenzie, Richard. “The Technical Revolution: Destroying Global Economic Barriers.” pp.59-91. “Mises was a remarkable man. Alive, he changed the way many people thought. Certainly, he influenced me. In death, his influence on the intellectual climate of the world continued to grow.”

Roche, George C., III. “Foreword.” pp.vii-viii. “When the history of the twentieth century is written, the

Mises' name will surely be remembered as that of the foremost economist of our age. Certainly the history of one period during this century ought to include his name writ large: the one in which we are now living, the one that will be forever remembered as the time when the Berlin wall finally came crashing down. The man who took out the first brick was Ludwig von Mises. He did it with books such as *The Theory of Money and Credit* [B-2], *The Free and Prosperous Commonwealth* [B-6], *Omnipotent Government* [B-12], *Bureaucracy* [B-13], and *Human Action* [B-16]. ¶Mises based his theory of economics on the supremacy of the individual ¶It was Mises who wrote so eloquently and forcefully that the state could never successfully control the marketplace any more than it could control the lives of men."

Shelton, Judy. "A Monetary System for the Global Economy." pp.93-110. "Mises was highly distrustful of government control in general, and particularly government control over money. For Mises, the only way to guarantee the integrity of money was to make it legally redeemable into gold. Only the gold standard, Mises pointed out: 'makes the determination of money's purchasing power independent of the ambitions and machinations of governments, of dictators, of political parties, and of pressure groups. The gold standard alone is what the nineteenth-century freedom-loving leaders (who championed representative government, civil liberties and prosperity for all) called "sound money".' ¶Sound money. That is what Mises considered the ideal. In fact, Mises believed that the establishment of sound money was a prerequisite for the operation of a free market. Without sound money, all aspects of the economy -- prices, wages, employment, output -- would be distorted. Mises was specific about calling for sound money; he did not mean 'stable' money ¶Nor did Mises call for neutral money ¶What Mises advocated in calling for sound money was money that could not be compromised by the government ¶To bring up monetary manipulation and the intervention of political authorities and to criticize the false signals that lead to economic distortions is to utilize Mises' genius to comprehend the world's most pressing economic challenge today. We are on the threshold of having a truly global economy based on free trade. Yet this grand vision is held hostage by an international monetary system that elevates personal power over market processes. The current system of managed floating rates would constitute an intellectual nightmare for Mises because it leaves money utterly vulnerable to the 'ambitions and machinations of governments, of dictators, of political parties, and of pressure groups'." (pp.105-107)

Holtz, William. *The Ghost in the Little House: A Life of Rose Wilder Lane*. Columbia, Missouri: University of Missouri Press, 1993. "She [Rose Wilder Lane] had never considered herself an intellectual, most of whom were Marxists or, at least, socialists or Keynesians, she feared; but she did discover and admire the theories of Friedrich Hayek and Ludwig von Mises." (p.328)

Hoppe, Hans-Hermann. *Economics and the Ethics of Private Property: Studies in Political Economy and Philosophy* Boston: Kluwer, 1993. Hoppe compares Mises and Rothbard, as he does in his contribution to the Rothbard Festschrift, *Man, Economy, and Liberty* (see pp.77-78). He cites Mises frequently and comments on his works. For example: "All true economic propositions, and this is what praxeology is all about and what Mises' great insight consists of, can be deduced by means of formal logic from this incontestably true material knowledge regarding the meaning of action and its categories. More precisely, all true economic theorems consist of (a) an understanding of the meaning of action, (b) a situation or situational change . . . , and (c) a logical deduction of the consequences." (pp.149, 151) "According to Mises there exists no ultimate justification for ethical propositions in the same sense as there exists one for economic propositions. Economics, to be sure, can inform us whether or not certain means are appropriate for bringing about certain ends; yet whether or not the ends can be regarded as just can neither be decided by economics nor any other science. There is no justification for choosing this rather than that end. In the last resort, what end is chosen is arbitrary from a scientific point of view, a matter of subjective whim, incapable of any justification beyond the mere fact of simply being liked. ¶Many libertarians (not to speak here of non-libertarians) have followed Mises on this point. Like Mises, they have given up the idea of a rational foundation of ethics." (pp.203-204)

- _____. "Einführung: Ludwig von Mises und der Liberalismus" [Introduction: Ludwig von Mises and Liberalism]. *Liberalismus* (German-language reprint of B-6). Sankt Augustin, Germany: Academia Verlag, 1993. Hoppe's introduction (pp.7-41) is practically a biography, describing the most important events in Mises' life, writings, major contributions, and the opposition he encountered from contemporaries. Mises had the misfortune of living in Europe when socialism was on the rise and of arriving in the United States when Keynesianism dominated government policy and university teaching, so his free market message fell on deaf ears. Hoppe describes the revival of interest in Mises' ideas since his death in 1973. However, they still encounter considerable opposition. In closing, Hoppe quotes from Mises' Preface to the 1962 English-language translation of this book. Mises had not expected that his analysis of classical liberalism "would prevent the impending catastrophes to which the policies adopted by the European nations were manifestly [then, 1927] leading." He only hoped "to offer to the small minority of thoughtful people an opportunity to learn something about the aims of classical liberalism and its achievements and thus to pave the way for a resurrection of the spirit of freedom *after* the coming debacle."
- Infantino, Lorenzo. "Il Mercato Garanzia di Libertà" [The Market Guarantees Freedom]. *Il Giornale* (Milan, Italy). 20:235 (October 7, 1993) 5. On the 20th anniversary of Mises' death, Infantino reviews briefly his major contributions and his difficult life outside the intellectual mainstream. Due to the rise of Nazism, he left his native Austria and then Europe, emigrating to the U.S. The main thesis of Mises' economic teachings, Infantino says, is that the economic problem stems from the very nature of man. Economic "scarcity" is not "an unnatural and perverse invention of the market; it is a fact that coincides with the human condition. Man does not live in a Land of Cockaigne, nor is life eternal. As the means at his disposal are limited, he must economize. Market prices are the indicators that enable him to compare alternatives and to calculate." Mises pointed out that under socialism, where there are no market prices, economic calculation and, thus, rational planning would not be possible. "Prices are a product of the market, of the freedom of individual choice . . . Liberty begets the market and is its prerequisite." Infantino concludes: "Mises was a 'hero' of freedom. He paid the price of heroism. However, he was able to live honestly, pursuing truth . . . The downfall of socialism really delivers to him today a grand posthumous triumph, which will be measured in terms of freedom for millions of men." (Translated from the Italian)
- Instituto Libertad y Desarrollo (Santiago, Chile). "Restricciones a la Libertad de Comercio" [Restrictions on Commercial Freedom]. *Informe Legislativo*. No.46 (March 1993) 4-13. "As von Mises explained, profits perform a social role in this [market] process, by assigning society's scarce resources to those entrepreneurs who can make the best use of them. Who are these entrepreneurs? Those who produce goods and services which the community will find useful. By exercising their power to buy, consumers reveal their true demands and the uses they have for a product. In this way they reward those entrepreneurs who offer the best products. The counterpart of profits are economic losses which cause entrepreneurs, who do not find favor with consumers, to reduce their sales and eventually to lose their invested capital. However, Mises assures us, these losses fulfill a social role also, by withdrawing resources from the entrepreneurs who do not succeed in order to hand them over to those who do." (Translated from the Spanish)
- Jaramillo, Mario. "Resurge Ludwig on Mises: Padre del Neoliberalismo" [The Resurgence of Ludwig von Mises, Father of Neoliberalism]. *Tópicos de Actualidad*. Centro de Estudios Económico-Sociales (Guatemala, C. A.). 34:785 (November 1, 1993) 124-127. Throughout his life, Jaramillo says, Mises was discouraged and ignored by his contemporaries. However, "his influence in development economics has become evident through his followers in the post World War II restructuring of the European economies, especially in Germany where a student, Wilhelm Röpke, provided the intellectual basis for transforming the destroyed Nazi economy into a market economy. His teachings even reached Mexico at the end of the 1940s, under the government of Manuel Avila Camacho; there they were translated into a stage of economic stabilization approaching an 8% growth rate." (Translated from the Spanish)

Kelley, Michael. *On Stone or Sand: The Ethics of Christianity, Capitalism, & Socialism*. Carson, N.D.: Pleroma Press, 1993. "Every anticapitalist position requires the rigging up of a moral high ground from which to look down on capitalism. Socialists are aware that they have lost the case in the trial of performance; they can't claim the superiority of socialism by an appeal to socialist reality, and can't say that socialism is of greater *economic* benefit than capitalism. They must instead resort to moral posturing to oppose capitalist economics. They will, claims Mises, 'consider it superogatory to examine the economic problems involved,' and instead will insist that we 'shift the discussion of pros and cons of the market economy from the field of economic analysis to what they call a higher sphere.'" (p.126) "Two works present the utilitarian argument in its clearest light: *The Foundations of Morality*, by Henry Hazlitt, and *Theory and History* [B-20], by Ludwig von Mises . . . These are the best modern utilitarian thinkers on the subject of ethics. They are entirely humanist in their suppositions, and throughout each I sense a determination to pit the utilitarian outlook against Christianity." (p.170) "Mises says, 'Modern economics traces all human action back to the value judgments of individuals.' Clearly value is subjective. From this assertion Mises draws his conclusion: Since 'all judgments of value are personal and subjective . . . it is useless to talk about absolute and eternal values.' . . . ¶That assertion leaves us at the mercy of relativism: *whatever pleases me is what is right*. Mises attempts to correct the misconception that utilitarianism is an ethic of relativism and anarchy by saying: 'This does not mean that every individual draws his valuations from his own mind. The immense majority of people take their valuations from the social environment into which they were born, in which they grew up, that moulded their personality and educated them.'" (p.172) "At the beginning of this book, I quoted Mises, who said that socialism is the watchword and catchword of our day, and that 'the socialist idea dominates the modern spirit.' In one sense he was merely paying tribute to the obvious: an ethical change had gained such general acceptance it hardly gave pause for reflection. Mises is saying that a transformation so thorough has come about in the moral sensibilities of our society that we've almost ceased to be aware of it. What is now orthodoxy was at one time, of course, heresy. Capitalism and socialism have switched places. Capitalism, it is now believed, cannot possibly deliver happiness or well-being, nor self-esteem, while socialism produces equality, eliminates poverty, and promotes peace for all. This change in popular belief requires an explanation . . . ¶As an ethical theory, however, utilitarianism was the fox in the hen house. Its appearance in the minds of many of that day demonstrates an already incipient anticapitalism, which in the long run produced the outlook on government and society that destroyed capitalism." (pp.212-213)

Landreth, Harry & David Colander. *History of Economic Thought*. 3rd ed. Boston, Mass.: Houghton Mifflin, 1993. "The essential question of the technical debate asks how resources will be allocated under socialism. Marx said nothing; no one paid attention to the literature on this question, from Schäffle to Barone, or to the economics of socialism in general, until the 1920s. Ludwig von Mises (1881-1973), an Austrian, had a good deal of influence on subsequent developments on this issue, possibly because of the force of his attack on socialism or because he concentrated on these issues for a good part of his life. He was later joined in this issue by his student Friedrich von Hayek (1889-1992). ¶In 1920 Mises published an article in which he contended that a rational allocation of resources was not possible under socialism . . . ¶The debate grew as F. A. Hayek, later a Nobel Prize winner, and Lionel Robbins (1898-1984) started a new argument. They contended that although the solution to the allocation problem under socialism was theoretically possible, it was practically impossible . . . ¶This phase of the debate was effectively closed by Oskar Lange (1904-1965) in two essays published in 1936-1937 . . . Lange contended that the clearing of markets under socialism would be brought about by state planners adjusting prices on a trial-and-error basis. A price that is too high would bring about surpluses and indicate to the planners the necessity of lowering prices. Too low a price would result in shortages . . . ¶By 1940 there was agreement in the profession that Mises and Hayek had been wrong and that socialism could rationally allocate resources . . . ¶It was only in the 1970s that these issues were raised again. From the 1930s to the 1970s the central argument that socialism was theoretically and practically able to rationally allocate resources was accepted by the economics profession, nonsocialists and socialists, with few exceptions." (pp.365-368)

Liberales Institut (Zurich, Switzerland). *Reflexion* 31. November 1993.

Nef, Robert. "Arbeitslosigkeit als Schicksalsproblem" [Unemployment as a Problem of the Future]. pp.15-21. A fictional interview with Ludwig von Mises, his responses drawn from *Nationalökonomie* (B-11), the 1940 German-language predecessor to *Human Action* (B-16). For instance, in response to "interviewer" Nef's question about the European, even worldwide, problem of unemployment, Mises is quoted as saying: "The fact that millions are shut out of the production process is a situation that cannot long be endured. The individual who is unemployed wants to work. He wants to compete because he values the advantages the wage will bring him more than the dubious value continued leisure will have for the destitute. The fact that he cannot find work drives him to despair. The adventurers, the Storm Troopers, who strive for dictatorship, are drawn from among the unemployed." (Translated from the German)

Winterberger, Andreas K. "Ludwig von Mises oder der Sieg des Laissez-faire-Liberalismus" [Ludwig von Mises or the Victory of Laissez-faire Liberalism]. pp.23-28. A review of Mises' major ideas and contributions, written on the 20th anniversary of Mises' death. "Through his books, his numerous articles and his New York University seminar -- from which emerged the fifth generation of the Austrian School with prominent participants such as Murray Rothbard and Israel Kirzner -- the intellectual basis was planted, making possible a renewal of conservatism which had been in retreat since Roosevelt's New Deal. Without Ludwig von Mises and without Friedrich A. von Hayek, who was teaching at the University of Chicago at the same time, the victorious advance of the 'new ideal Conservatism,' at the expense of the hitherto dominant American 'Liberalism' (a mixture of social-democracy, socialism and left-liberal thought), would have been inconceivable. Thus it is no coincidence that the most important economic-, financial-, and socio-political advisers of ex-President Ronald Reagan as well as numerous officials look to von Hayek and von Mises as their intellectual models. Misesians such as Murray N. Rothbard now seek, in common with Conservatives such as Russell Kirk, to restore Republicans in the tradition of the 'Old Right' (Albert Jay Nock, H. L. Mencken)." (Translated from the German)

Liberty Port Townsend, Wash.: Liberty Publishing.

April 1993. Volume 6, Number 4:

Childs, Roy A., Jr. "Ayn Rand, Objectivism and All That." pp.31-42, 46. Childs died in May 1992, at about 43 years of age. This wide-ranging interview by Jeff Walker dates from about 1991. Mises is referred to several times briefly: "Before Rand, the defense of freedom and capitalism was pretty chintzy. Everything was theological -- God gives you rights -- and everything was on this very lowbrow level. And then you have a handful of people -- most notably Mises, Hayek, and her [Rand], and later Friedman -- who start giving some backbone to this whole classical liberal/libertarian/Objectivist point of view. And the defense of capitalism was kicked upstairs by those three figures." (p.32) "Mises' books were pushed [by Buckley], but Mises himself was not that prominent. He was not a personality in that sense. It's not that the right wing adopted him and got him on the lecture circuit . . . They didn't. They pushed his books but he himself was isolated. He had a job at a business school at NYU, but he was not even salaried. A handful of businessmen paid his salary all those years from 1946 on." (p.37) In the 1960s, "[t]here were two radicalisms, not one. In the one were people like myself who were busy reading Rand and Mises, Hayek and Friedman and all these others who were individualists and pro-reason and pro-capitalism and anti-war, pro-legalizing drugs -- influenced by Szasz . . . And the fact is this individualist philosophy was pieced together starting in the '20s and '30s with people like Albert Jay Nock, Rose Wilder Lane, Isabel Paterson, and Mises and later on Hayek and Rand and Rothbard and all these others. But this had no public organ. They had no *New York Times* magazine or *New York Review of Books* . . . and by and large everyone was aware of the left-wing radicalism but not the libertarian-individualist radicalism. So the '60s was by no means totally a left-wing decade . . . ¶The seeds of both the Left and libertarian movements were in the '50s . . . ¶Everything was bubbling as the baby boom started to grow up a little bit and start looking at things. So in these coffee shops you had everybody from Murray Rothbard and Ayn Rand and Mises and his followers on the one hand . . . and on the other you had the Kerouacs and other cultural figures like Ginsburg, C. Wright Mills, the budding young Michael Harrington." (pp.40-41)

June 1993. Volume 6, Number 5:

Yeager, Leland B. "Socialism: Dead or Alive?" pp.59-60. A review of David Ramsay Steele's *From Marx to Mises* (see 1992 above). "David Ramsay Steele reviews the debate between Mises and the academic socialists . . . ¶Steele attributes to Mises' opponents in the economic-calculation debate a slide along the following chain of fallacious arguments: (1) Mises has not proved that non-factor-market (NFM) socialism cannot work; (2) there is no proof that NFM socialism cannot work; (3) NFM socialism can work; (4) there is a proof that NFM socialism can work. ¶Several followers of Mises have recently launched an emphatic distinction between the 'calculation' and 'knowledge' aspects of the socialist problem. (These include Joseph Salerno, Jeffrey Herbener and Murray Rothbard, writing respectively in a postscript to a new reprint of Mises' 1920 article and in the *Review of Austrian Economics*, 1990 and 1991.) These Misesians suggest that F. A. Hayek's elaboration of the 'knowledge' aspect of the issue perverted Mises' correct analysis."

Maltsev, Yuri N., ed. *Requiem for Marx*. Auburn, Ala.: Praxeology Press (Ludwig von Mises Institute), 1993.

Gordon, David. "The Marxist Case for Socialism." pp.33-49. "As Ludwig von Mises noted with his characteristic surgical precision, Marx's 'forces of production' have all the properties of a human mind even though of course they are not a mind but merely an aggregate of tools of various sorts . . . ¶Marx thinks that socialism is due to arrive because it will be vastly more productive than capitalism. But Mises' famous calculation argument shows that socialism, far from being *more* productive than capitalism, cannot work at all. An economics system must have a way of deciding how to produce things efficiently. How is an economy to choose between the various methods of production that are technologically possible? Mises contends that only a private market can answer this question; a centrally directed economy cannot. Marx, oblivious of this, relied on central planning for the increase of production he thought socialism would bring . . . ¶But even if we turn a blind eye to Mises' demonstration, Marx's argument still does not work. Even if a socialist system *could* function, what reason is there to think it more productive than capitalism? Marx never devoted more than a few lines to socialism; unlike Moses, he could not catch sight of his Promised Land even from across its borders [T]he assumption of the superior productivity of socialism is mere assertion." (pp.42-44)

Hoppe, Hans-Hermann. "Marxist and Austrian Class Analysis." pp.51-73. "Mises' contributions to the theory of exploitation and class are unsystematic . . . [T]hroughout his writings he presents sociological and historical interpretations that are class analyses, if only implicitly. Noteworthy here is in particular his acute analysis of the collaboration between government and banking elite in destroying the gold standard in order to increase their inflationary powers as a means of fraudulent, exploitative income and wealth redistribution in their own favor Yet Mises does not give systematic status to class analysis and exploitation theory because he ultimately misconceives of exploitation as merely an intellectual error which correct economic reasoning can dispel. He fails to fully recognize that exploitation is also and probably even more so a moral-motivational problem that exists regardless of all economic reasoning." (p.58n)

Maltsev, Yuri N. "Introduction." pp.7-31. "Long before any other school [of economics] came around to understanding the deep flaws in the Marxian approach, the Austrians had devoted an enormous amount of intellectual power to exposing its fallacies and dangers. Carl Menger refuted the labor theory of value, his student Eugen von Böhm-Bawerk demolished Marx's views of capital, F. A. Hayek showed the incompatibility between socialism and political freedom, and Ludwig von Mises attacked the core of socialist economic theory. ¶It was Mises' criticism which has proven to be the most prescient 'As soon as one gives up the conception of a freely established monetary price for goods of a higher order,' Mises wrote 'rational production becomes completely impossible.' The central planners of an industrial economy will find themselves in a perpetual state of confusion and ignorance, 'groping in the dark'." On page 12, Maltsev quotes Martin Malia (1992) on the confirmation of Mises' pronouncement by post-*glasnost* Soviet economists.

North, Gary. "The Marx Nobody Knows." pp.75-124. "The fact is, Marx had very little influence prior to 1917, especially in the United States. Had it not been for Lenin, references to Marx would be limited to

a series of obscure footnotes, rather than a library of books. ¶But Lenin and his colleagues did pull off the Russian revolution, much to the surprise of Europe. I am reminded of the comment by Herr Schober, the petty police official who later became Chancellor of Austria. Ludwig von Mises records this about him: 'Toward the end of 1915 he reported to his superiors that he doubted the possibility of a Russian revolution. "Who, then, could made this revolution? Surely not this Mr. Trotsky, who used to read newspapers in Café Central.' [Quoted from Mises' *Notes and Recollections*, B-23] . . . ¶In short, had it not been for Lenin, you would never have heard about Marx." (p.120)

Osterfeld, David. "Marxism, Method, and Mercantilism." pp.125-188. "Marx's use of the *ceteris paribus* device has a long tradition in the social sciences in general and economics in particular . . . ¶The procedure is that one stipulates certain assumptions from which certain theorems are then deduced. If the assumptions are correct and the deductions are properly drawn, then the theory *must* be correct . . . ¶This is the procedure used, *at times*, by Marx and it is remarkably similar, in intent at least, to the 'pure theory' of Carl Menger and especially the praxeological method of Ludwig von Mises . . . The principal difference is that while Mises' assumptions, such as the action axiom, are *a priori*, Marx's are not. An *a priori* assumption is a 'self-evident proposition' . . . and thus 'not empirically falsifiable.' *A priori* assumptions are not categories that are tested by recourse to human action. On the contrary, such categories are logically prior to, and therefore enable us to understand and explain, human action." (pp.155-156)

Raico, Ralph. "Classical Liberal Roots of the Marxist Doctrine of Classes." pp.189-220. Quotes Mises' *Theory and History* [B-20]: "Marx obfuscated the problem by confusing the notions of caste and class." (p.190n) "A scholar who stressed the role of the state in creating corporatist forms and hence 'class interest;' (although he preferred the sociologically more accurate term 'caste' to 'class') was Ludwig von Mises . . . who examined this topic thirty years ago." (pp.219-220n)

Rothbard, Murray N. "Karl Marx: Communist as Religious Eschatologist." pp.221-294. Rothbard holds that "the nature of Marxism-as-religion cuts deeper than the follies and evasions of Marxists or the cryptic and often unintelligible nature of Marxian writings;" its goal, communism, is "an atheized version of a certain type of religious eschatology;" the dialectic is "an atheistic form of the same religious laws of history;" the problem of "alienation" is "an atheistic version of the selfsame religion's metaphysical grievance at the entire created universe." Rothbard calls this "reabsorption theology." He contrasts the "nature and profound implications" of this "reabsorption theology" with "Christian orthodoxy . . . Why did God create the universe? The orthodox Christian answer is that God created the universe out of a benevolent and overflowing love for his creatures. Creation was therefore good and wondrous; the fly in the ointment was introduced by man's disobedience to God's laws, for which sin he was cast out of Eden . . . Note that the Fall was a moral one, and that Creation itself remains metaphysically good. Note, too, that in orthodox Christianity, each human individual, made in the image of God, is of supreme importance, and each individual's salvation becomes of critical concern. ¶Reabsorption theology, however, originates in a very different creatology. One of its crucial tenets is that, *before* Creation, man -- obviously the collective-species man and not each individual -- existed in happy union, in some sort of mighty cosmic blob, united with God and even with Nature. In the Christian view, God, unlike man, is perfect, and therefore does not, like man, perform actions in order to improve his lot. But for the reabsorptionists, God acts analogously with humans: God acts out of what Mises called 'felt uneasiness,' out of dissatisfaction with his current lot. God, in other words, creates the universe out of loneliness, dissatisfaction, or, generally, in order to develop his undeveloped faculties. God creates the universe out of felt need. ¶In the reabsorptionist view, Creation, instead of being wondrous and good, is essentially and metaphysically evil. For it generates diversity, individuality, and separateness, and thereby cuts off man from his beloved cosmic union with God. Man is now permanently 'alienated' from God, the fundamental alienation; and also from other men, and from nature." (pp.226-228)

Meyerson, Adam. "Mr. Kaplan, Tear Down This Wall: Barlett's Missing Quotations." *Policy Review*. No.66 (Fall 1993) 4-19. Meyerson takes Justin Kaplan, editor of *Bartlett's Familiar Quotations* (16th ed.), to task for the politically anti-conservative bias of his selections. Among the quotations suggested for consideration

by the editor of *Bartlett's* 17th edition is a Mises quote from the 1962 *Macmillan Book of Business and Economic Quotations* (Michael Jackman, ed.): "There is simply no other choice than this; either abstain from interference in the free play of the market, or to delegate the entire management of production and distribution to the government. Either capitalism or socialism: there exists no middle way." (p.12)

Nordbakken, Lars Peder. "Den liberale renessansen" [The Liberal Renaissance]. *Ideer om Frihet*. 14:1 (Summer 1993) 43-47. A review of F. A. Hayek's *The Fortunes of Liberalism: Essays on Austrian Economics and the Ideal of Freedom* (London: Routledge, 1992). One section of this Norwegian-language review deals with Mises and his relationship with Hayek.

Patton, Judd W. "NAFTA: North American FAIR Trade Agreement." *The Bottom Line*. Bellevue, Nebraska: Bellevue College. 10:3 (Fall 1983) 1-3. "Few proponents of Nafta are conscious, as Ludwig Mises expounded in his book *Human Action*, that middle-of-the-road, interventionist policies -- like 'Fair Trade' -- ultimately lead to socialism, not capitalism."

Poole, Robert W., Jr. & Virginia I. Postrel, eds. *Free Minds & Free Markets: Twenty-five Years of Reason*. San Francisco, Calif.: Pacific Research Institute for Public Policy, 1993. An anthology of articles that appeared in *Reason* magazine. Included are two brief mentions of Mises:

Hayek, F. A., interviewed by Thomas W. Hazlett. "The Road from Serfdom." *Reason*. July 1992. pp.123-133).

Interviewer: "Your teacher, Ludwig von Mises, wrote *Socialism* in 1920 [sic]. It became the opening round in a controversy that is still brewing over whether a socialist economy was even logically possible Hayek: "I've always doubted that the socialists had a leg to stand on intellectually [O]nce you begin to understand that prices are an instrument of communication and guidance which embody more information than we directly have, the whole idea that you can bring about the same order based on the division of labor by simple direction falls to the ground If you need prices, including the prices of labor, to direct people to go where they are needed, you cannot have another distribution except the one from the market principle. I think that intellectually there is just nothing left of socialism." (p.130)

Reagan, Ronald, interviewed by Manuel S. Klausner. "Inside Ronald Reagan." *Reason*, July 1975. (pp.111-122): Reagan: "Oh, it would be hard for me to pinpoint [books, authors, or economists that influenced my intellectual development] I'm an inveterate reader. Bastiat and von Mises, and Hayek and Hazlitt -- I'm one for the classical economists." (p.122)

Powell, Jim. "How Ludwig von Mises Heroically Defended Freedom Amidst the Most Ferocious Assaults in Human History." *Laissez Faire Books*. C113 (April 1993) 7. A review of *MISES: An Annotated Bibliography*. Bettina Bien Greaves & Robert W. McGee, compilers. Irvington: Foundation for Economic Education, 1993. Mises' "saga comes alive in this lavishly annotated bibliography [which] goes far beyond a list of Mises' work, though providing vital information about it, reproducing excerpts from books, articles and reviews -- sometimes entire reviews -- which talk about Mises ¶The cut-off date for this bibliography is 1981 Soon, happily, Greaves will begin work on a companion volume. Meanwhile, you have this one which shows how an authentic intellectual hero dueled with villains and inspired people around the world."

Raimondo, Justin. *Reclaiming the American Right: The Lost Legacy of the Conservative Movement*. Burlingame, Calif.: Center for Libertarian Studies, 1993. "Although a bit thin in the postwar years, the ranks of the Remnant were reinforced by Ludwig von Mises, the emigre economist and founder of the radical free market 'Austrian' school of economics, whose monumental *Human Action* [B-16] was to become the libertarian equivalent of Marx's *Capital* in future years ¶Nineteen forty-three was a banner year for right-wing individualist authors. Three important works on libertarian themes came out, all by women authors: *The Discovery of Freedom*, by Rose Wilder Lane, *The God of the Machine*, by Isabel Paterson, and *The Fountainhead*, by Ayn Rand ¶Shortly after the First World War, Lane traveled to

Russia, the Balkans and the Near East . . . ¶The year was 1920, the Bolshevik coup was four years old and the village [in Transcaucasian Russia] was solidly Communist -- at least on the surface. Rose Wilder Lane was no ordinary tourist but a proud partisan come to stand shoulder to shoulder with the workers and peasants of the New Russia. She was therefore puzzled to discover that her enthusiasm for the Soviet regime was not shared by her peasant hosts. 'My host astounded me by the force with which he said that he did not like the new government,' she wrote. ¶'I could hardly believe that a lifelong communist, with the proofs of successful communism thick about us, was opposed to a communist government. He repeated that he did not like it. "No! No!" ¶'His complaint was government interference with village affairs. He protested against the growing bureaucracy that was taking more and more men from productive work. He predicted chaos and suffering from the centralizing of economic power in Moscow . . . ¶"It is too big," he said. "Too big. At the top, it is too small. It will not work. In Moscow there are only men, and man is not God. A man has only a man's head, and one hundred heads together do not make one great head. No. Only God can know Russia.' ¶Thus a simple Russian peasant summed up Ludwig von Mises' theory of the impossibility of economic calculation under socialism -- and accurately predicted the downfall of such an unworkable system." (pp.157, 159)

Reed, Lawrence W. *A Lesson from the Past: The Silver Panic of 1893*. Irvington, N.Y.: Foundation for Economic Education, 1993. "Increasing the supply of the medium of exchange can result in far more dire consequences than merely higher prices. At this point the phenomenon of the business cycle enters the picture. If the money supply is augmented by fractional reserve banking, then the stage is set for a 'boom' to be followed by the inevitable 'bust.' This is the Austrian malinvestment theory of the business cycle, developed chiefly by the late Ludwig von Mises and popularized by Nobel Prize-winner Friedrich A. Hayek . . . ¶The rate of interest is one factor that enters into the businessmen's calculation . . . If a drop in the interest rate results purely from an increased desire on the part of the public to save and make its savings available for lending, then businessmen receive a clear and accurate signal from consumers to invest in future production. Banks will extend new credit to businessmen on the basis of additional real savings on deposit. But a decline in the rate of interest can also result from newly created money pouring forth from inflating banks. Ludwig von Mises explained: 'The drop in interest rates falsifies the businessman's calculation . . . The result of such calculations is therefore misleading. They make some projects appear profitable and realizable which a correct calculation, based on an interest rate not manipulated by credit expansion, would have shown as unrealizable. Entrepreneurs embark upon the execution of such projects. Business activities are stimulated. A boom begins'."

Review of Austrian Economics. Murray N. Rothbard & Walter Block, eds. Volume 6, Number 2. Auburn, Ala.: Ludwig von Mises Institute; Boston: Kluwer, 1993.

Benson, Bruce L. "The Impetus for Recognizing Private Property and Adopting Ethical Behavior in a Market Economy: Natural Law, Government Law, or Evolving Self-Interest." pp.43-80. "Mises convincingly argues that, *given* the existence of the long-run objectives instilled by private property rights, cooperation in the form of division of labor and trade emerge naturally; and therefore, under these circumstances, 'there is no need to enforce cooperation by special orders or prohibitions.' . . . ¶Mises correctly rejects the natural law doctrine . . . ¶Mises also rejects parts of the legal positivist view . . . ¶Without the state, Mises expects that anarchy à la Hobbes will prevail. In fact, despite recognizing that the state is always a threat to property rights, Mises maintains that it is also the source of those rights, or at least of their protection . . . ¶Thus, the purpose of the following presentation is to extend, to a more fundamental level, the theoretical explanation offered by Mises as to 'why the market economy can operate without government orders telling everybody precisely what he should do and how he should do it.' by demonstrating that the same reasoning also applies to incentives for cooperation in establishing, recognizing, and enforcing private property rights." (pp.43-46)

Eshelman, Larry J. "Ludwig von Mises on Principle." pp.3-41. "Ludwig von Mises was one of this century's most principled and uncompromising defenders of *laissez faire*." While Eshelman agrees with Rothbard "that utilitarianism, whether direct or indirect, cannot provide a principled defense of *laissez faire*," he

believes “that Mises’ method of justifying laissez faire has more in common with the natural rights approach of Herbert Spencer and Auberon Herbert than the utilitarianism of Bentham and Mill.” (p.3) Eshelman analyzes Mises’ position on property rights: “Any ethic . . . must start with the existing property distribution. Furthermore, if it is to really qualify as an ethical principle, providing a basis for conflict-free interaction and not be equivalent, for all practical purposes, to might is right, it must also provide for a principle of restitution.” (p.37) Mises rejected natural law and natural rights because he equated them with “intuitionism.” But, Eshelman claims, Mises “did not reject the categorical moral framework that underlies much of that tradition [T]he essential premises for his moral defense of laissez faire is not the arbitrariness of all values, but the facts of scarcity (including scarcity of time) and diversity (including diversity of opinion concerning values *and means*) -- two facts that play an essential role in his praxeological methodology It is this insight, articulated by Locke, that Mises turns into a powerful moral argument against socialism and in favor of laissez faire.” (p.38)

Gordon, David. “Toward a Deconstruction of Utility and Welfare Economics.” pp.99-112. A review of Roy E. Cordato’s *Welfare Economics and Externalities in an Open-Ended Universe: A Modern Austrian Perspective*. (Kluwer, 1992). Cordato “very usefully contrasts the position of Mises and Rothbard, on the one hand, with that of Hayek on the other. Mises and Rothbard distinguish sharply between positive and negative externalities ¶Although most economists group Hayek and Mises together, Cordato rightly points out that they differ on externalities. Hayek did not adopt Mises’ position but instead adhered to the ‘standard’ view of both positive and negative externalities.” (pp.101-102)

Salerno, Joseph T. “Mises and Hayek Dehomogenized.” pp.112-146. A review of *A Man of Principle: Essays in Honor of Hans F. Sennholz* John W. Robbins and Mark Spangler, eds. Grove City College Press, 1992. For annotation of the Sennholz Festschrift, see Robbins/Spangler (1992). A critique primarily of four of the 36 contributions. Salerno distinguishes the “Misesian” paradigm from the “Hayekian” paradigm. He believes that each of the four authors whose papers he reviews “imputes to Mises implicit or explicit support for or authorship of one or more positions originated by Hayek or rooted in a Hayekian view of the market’s pricing process.” (p.118) Salerno discusses (1) Israel M. Kirzner’s “Human Action, Freedom and Economic Science,” (2) Richard M. Ebeling’s “Variations on the Demand for Money Theme: Ludwig von Mises and Some Twentieth-Century Views,” (3) Sanford Ikeda’s “The Dynamics of Government Intervention: Theory and Implications,” and (4) Lawrence H. White’s “Mises on Free Banking and Fractional Reserves.” In Salerno’s view “the homogenization of the views of two brilliant but very different thinkers [Mises and Hayek] serves no purpose today but to significantly impede the quest for knowledge and truth among those working within the Mengerian tradition.” (p.146)

Rockwell, Llewellyn, Jr. “How the von Mises Dream Came True.” *Washington Times*. June 30, 1993. “According to feminist mythology, strong women can’t be happy wives. But no one who knew Margit von Mises could overlook her strength, although her chosen role was as wife to Ludwig von Mises (1881-1973), the eminent economist who inspired four generations of scholars in Europe and the United States. ¶As his wife, she was his essential helper. As his widow, she was his tireless advocate. Now her work is ended. Margit von Mises died on June 25, at the age of 102 ¶After his death, Margit became what famed economist Murray N. Rothbard called a ‘one-woman Mises industry’ ¶God bless this great lady. May the ideas that she worked so hard to advance live on, and triumph.”

Rothbard, Murray N. “Preface: Revised Edition.” *Man, Economy and State*. Auburn, Ala.: Ludwig von Mises Institute, 1993. (1st ed., Van Nostrand, 1962). vii-xv. “I think it fair to say that, with only a single exception (Ludwig von Mises’ *Human Action* [B-16]) *not one* general treatise on economic principles has appeared since World War I ¶The only place where we can find economics treated with any degree of breadth is in the elementary textbooks Since they must, by their nature, present only currently received doctrine, their work is uninteresting to the established economist. Furthermore, since they may only boil down the existing literature, they must of necessity present to the student a hodgepodge of fragmented chapters, each with little or no relation to the other. ¶Many economists see no loss in all this; in fact they herald these developments as signs of the enormous progress the science has made on all fronts

. . . . The plain fact is that economics is fragmented precisely *because* it is no longer regarded as an edifice; since it is considered a congeries of isolated splinters, it is treated as such. ¶Perhaps the key to this change is that formerly economics was regarded as a logical structure Hence the treatise on economic 'principles' -- for if economics proceeds by deductive logic grounded on a few simple and evident axioms, then the corpus of economics can be presented as an interrelated whole to the intelligent layman with no loss of ultimate rigor." (pp.viii-ix) Mises' *Human Action* made "economics *whole* once more, once again an edifice. Not only that -- here was a structure of economics with many of the components newly contributed by Professor Mises himself ¶*Human Action* is a general treatise, but not an old-style Principles. Instead, it assumes considerable previous economic knowledge and includes within its spacious confines numerous philosophic and historical insights. In one sense, the present work [Rothbard's *Man, Economy and State*] attempts to isolate the economic, fill in the interstices, and spell out the detailed implications, as I see them, of the Misesian structure [I]t is my hope that this work may succeed in adding a few bricks to the noble structure of economic science that has reached its most modern and developed form in the pages of *Human Action*." (p.xi)

Sennholz, Hans F. "Introduction." Written in English to be translated into Russian and included in the forthcoming Russian-language edition of Mises' *Liberalism* (B-6). "For Ludwig von Mises, the private-property order, commonly called capitalism, was the only feasible social and economic order ¶It is difficult to find an unhampered capitalistic order anywhere in the world. Governments interfere with nearly every manifestation of economic life ¶In most parts of the world, capitalism is the system of last resort. When the communal order has brought poverty and hunger, when every measure of political coercion has failed repeatedly and the political mind is incapable of concocting another economic folly, when the police are exhausted from regulating economic production and the courts are paralyzed by immense case loads of economic crimes, the time has come for the private property order. It needs no political plan, no economic legislation, no economic police, only freedom ¶The rays of capitalism penetrated the Soviet Union throughout the postwar era. No matter how strong and impenetrable the Iron Curtain may have been, it could not withstand the power of ideas ¶Property rights are the roots of any capitalistic order. They are tender shoots in Russia. May this edition of a great book help to feed and fortify them."

Sikorski, Radek. "Polish Town Goes Private: Free-Market Mayor More Radical Than Thatcher." *Freedom Network News* (San Francisco, Calif.: International Society for Individual Liberty). (Fall 1993) p.10. "Mrs. Thatcher tried her best to reform the British economy, but we're more radical here,' says Stefan Oleszczuk, mayor of Kamien Pomorski, a town of 15,000 in north-western Poland. ¶Wearing a black bow-tie, and sitting under a vault in his 15th-century town hall office, the young former grocer holds forth good-naturedly -- occasionally tapping a small booklet by Ludwig von Mises, the Austrian precursor of Hayek and Friedman."

Streissler, Erich & Monika. "Friedrich August von Hayek: Denker der Freiheit" [Friedrich August von Hayek: Freedom Thinker]. Institut für Forschung und Begabtenförderung, Friedrich-Naumann-Stiftung (Königswinter, Germany). Sankt Augustin: COMDOK, 1993. Hayek's intellectual development was influenced, the authors say, by Mises, a follower of Carl Menger. Mises was "one of the first economists to point out to the German-speaking world the unworkability of central planning." (p.14) Hayek attended Mises' private seminar, helped Mises found the Austrian Institute for Business Cycle Research, and became the Institute's first Director.

Suprynowicz, Vin. "Government as Self-therapy: Prof calls Clintonomics 'psychotic'." *Las Vegas Review-Journal*. (April 18, 1993) p.1F. "Nineteenth century pragmatism brought us the idea "Who cares about principle, whatever works",' Rothbard says. 'Now it doesn't even have to work as long as we feel good about ourselves. It's sort of psychotic.' ¶Murray Rothbard studied with the legendary Austrian economist Ludwig von Mises while acquiring his Ph.D. at Columbia University. It was von Mises who predicted in 1920 -- elaborating the theory in 1922 in his classic work *Socialism* [B-4] -- that communism would

collapse, because its abolition of free markets left government planners without the information they needed to determine the relative value of goods or services . . . Von Mises was first ridiculed, and then -- after Franklin Roosevelt embraced John Maynard Keynes' theories of beneficent government manipulation of the economy -- ignored. ¶The only thing von Mises' theories have going for them, in fact, is that they turned out to be right."

Surratt, Marshall E. *What's Happening to U.S. Banking: . . . How You Can Be Protected (from the final meltdown)*. Dallas, Commercial Publishers, 1993. "Economist Ludwig von Mises, in discussing the collapse of the monetary and banking system of Germany which took place in 1924, said (translated from German into English): 'What do all the failures of the banks-of-issue and clearing banks matter in comparison with the complete collapse of the banking system in Germany? Everything that has been said in favor of control of the banking system pales into insignificance beside the objections that can nowadays be advanced against state regulation of the issue of notes.' . . . ¶To paraphrase von Mises, how can we have sound bank and S & L regulation when deficit government spending drives down the value of the dollar -- that threatens the entire monetary and banking system? ¶Americans don't want a worthless dollar . . . They need a gold standard, with the U. S. paper dollar exchangeable for a gold dollar." (pp.140-141)

Taylor, Joan Kennedy. "Women's Issues: Feminism, Classical Liberalism, and the Future." *Essays in Public Policy* Stanford, Calif.: Hoover Institution on War, Revolution and Peace, Stanford University, 1993. In arguing for equal rights for women as individuals, in conformity with the principles of classical liberalism, Taylor writes: "As one leading thinker said about feminism more than fifty years ago: 'So far as feminism seeks to adjust the legal position of woman to that of man, so far as it seeks to offer her legal and economic freedom to develop and act in accordance with her inclinations, desires, and economic circumstances -- so far it is nothing more than a branch of the great liberal movement, which advocates peaceful and free evolution. When, going beyond this, it attacks the institutions of social life under the impression that it will thus be able to remove the natural barriers, it is a spiritual child of Socialism. For it is a characteristic of Socialism to discover in social institutions the origin of unalterable facts of nature, and to endeavor, by reforming these institutions, to reform nature.' ¶When Ludwig von Mises wrote that passage in his great book *Socialism* [B-4], first translated into English in 1936, he had no way of knowing how many arrangements of society that he considered 'unalterable facts of nature' would have disappeared by today." (pp.11-12)

Vedder, Richard & Lowell Gallaway. *Out of Work: Unemployment and Government in Twentieth-Century America*. Foreword by Martin Bronfenbrenner. New York: Holmes & Meier, 1993. "The classical tradition that emphasized the importance of relative prices and the market mechanism was far more entrenched in Europe than in the United States. In Britain, prominent economists like A. C. Pigou, Henry Clay, Edwin Cannan, W. H. Beveridge, and Lionel Robbins all stressed the importance of high wages in explaining unemployment. On the continent, the Austrian economists, led by Ludwig von Mises, argued strongly that unemployment reflected a discoordination of markets." (p.99)

Vihanto, Martti. "Social Contract, Natural Law and Spontaneous Evolution: An Austrian Perspective." *Journal des Economistes et des Etudes Humaines*. 4:1 (March 1993) 65-92. "Austrian economists do not constitute a monolithic group . . . There does not currently exist any single theory of society that all Austrian economists could accept, and in fact almost all the main traditions of social philosophy are represented in the approaches they support. Hence, Friedrich A. Hayek is one of the most perceptive advocates of the evolutionary approach among the social theorists of this century. James M. Buchanan has pioneered the introduction of social contract thinking into economics. Murray N. Rothbard is known by his persistent efforts to rehabilitate the philosophy of natural law, and Ludwig von Mises is an unflinching utilitarian." (p.66) Vihanto then discusses the several approaches.

ADDENDUM

Reprints and Translations of Books by Ludwig von Mises

B-4 *Socialism*. (1922)

1994 Russian translation by Boris Pinsker. Moscow (Russia): Catallaxy, 1994.

B-6 *Liberalism* (1927).

1993 Reprint of German original. New Introduction (pp.7-41) by Hans-Herman Hoppe, annotated above, p.185.

1994 *Liberalizmas*. Lithuanian translation from the German by Algirdas Degutis and Gintaras Miskinis. Kaunas, 1994.

Russian translation by Julia Kotchetygova, scheduled for publication. New Introduction by Hans F. Sennholz, annotated above, p.193.

B-7 *Monetary Stabilization and Cyclical Policy* (1928).

1993 Excerpt of English translation (Part II, Chapters 3 & 4; pp.131-147, of *On Monetary Manipulation and Credit* [B-24]) reprinted, pp.3-19, in *Free Banking: 3*. Lawrence H. White, ed. Aldershot, Hants, England; Brookfield, Vt.: Edward Elgar, 1993.

1994 English translation of German original reprinted in full from *On Monetary Manipulation and Credit* (B-24) in *Classics in Austrian Tradition: 3*. Israel M. Kirzner, ed. London: Pickering & Chatto, 1994.

B-13 *Bureaucracy* (1944)

1992 *Biurakratija*. Lithuanian translation by Algirdas Degutis. Kaunas (Lithuania): Institutas Catallaxis, 1992.

1993 Russian translation by Boris Pinsker. Published together with Pinsker's Russian translations of *Planned Chaos* (B-14) and *The Anti-Capitalistic Mentality* (B-19). Moscow (Russia): Catallaxy, 1993.

B-14 *Planned Chaos* (1947)

1993 Russian translation by Boris Pinsker, published together with Pinsker's translations of *Bureaucracy* (B-13) and *The Anti-Capitalistic Mentality* (B-19). Moscow (Russia): Catallaxy, 1993.

B-19 *The Anti-Capitalistic Mentality* (1956)

1992 Russian translation by Boris Pinsker. Moscow: Catallaxy; New York: Telex (printer), 1992.
Also published together with Pinsker's translations of *Bureaucracy* (B-13) and *Planned Chaos* (B-14). Moscow (Russia): Catallaxy, 1993.

1994 *Antikapitalistická Mentalita*. Czech translation by Jirí Pilucka. Prague (Czech Republic): Obcansky Institut, 1994.

B-27 *Economic Policy: Thoughts for Today and Tomorrow* (1979)

1992 *Ekonomine Politika*. Lithuanian translation by Gintanos Miskinis. Kaunas (Lithuania), 1992.

ADDENDUM

The articles on this page were discovered
after the publication of the 1993 Mises bibliography.

Articles by Ludwig von Mises

- 1925 A review of Robert Michels' *Zur Soziologie des Parteiwesens in der modernen Demokratie* [The Sociology of the Party System in Modern Democracy]. *Zeitschrift für öffentliches Recht*. 5:2 (n.d. [1925?]). This book "made Michels one of the most well known and esteemed sociological authors of the present time With his work Michels consummated not only a scientific achievement but also a political feat, in that he destroyed part of the legend of social democracy [However] Michels . . . proceeds from this [socialist-Marxist] point of view to assert that in the order of society which rests upon private ownership of the means of production the permanency of an ideal democracy as a form of government is impossible ¶Already the starting assumption is incorrect. It is not true that democracy is an ideal which cannot be realized in a society resting on private ownership of the means of production. Just the opposite is true It is no accident that the most ardent fighters for democracy were and are at the same time the most zealous supporters of private property. . . . ¶What Michels accomplishes in his book is not the proof of the unfeasibility of democracy but only the unfeasibility of some Marxist postulates." (Translation from the German found among Mises' papers, translator unknown)
- 1933 "The Return to a Free Foreign Exchange Market." Paris: International Chamber of Commerce, May 30, 1933. Mimeographed; cited (p.2n) by Howard S. Ellis in "Exchange Control in Austria and Hungary." *Quarterly Journal of Economics*. 54:1 (November 1939) 1-186.
- 1948 "Eugen Richter. *Plain Talk*. (January 1948) 49-50. Introduction to excerpts of Richter's *Pictures of the Socialistic Future* (1891). Mises comments on Richter (1838-1906), leader of the German liberal party, who "tried to stem the rising tide of totalitarianism."
- 1964 "Indefatigable Leader." Tribute to Henry Hazlitt on the occasion of Hazlitt's 70th birthday, November 28, 1964. First published in *The Wisdom of Henry Hazlitt*. Irvington-on-Hudson, N.Y.: Foundation for Economic Education, 1993. pp.35-36. "We are assembled tonight to celebrate your 70th birthday. We are only a small group out of the great number of your admirers. But our meeting is not simply a private affair because you do not belong only to us, you belong to the nation and to the world. In this age of the great struggle in favor of freedom and the social system in which men can live as free men, you are our leader. You have indefatigably fought against the step by step advance of the powers anxious to destroy everything that human civilization has created over a long period of centuries ¶But let us not forget that there is rising a new generation of defenders of freedom [I]f they succeed, this will be to a great extent your merit, the fruit of the work that you have done in the first 70 years of your life."

ADDENDUM

The reviews of Mises books in this section
were discovered only after the publication
of the 1993 Mises bibliography.

Reviews of Books by Ludwig von Mises

The Causes of the Economic Crisis (B-9). Original German title, *Die Ursachen der Wirtschaftskrise: Ein Vortrag*
English translation included in *On the Manipulation of Money and Credit* (B-24).

Röpke, Wilhelm]. "Konjunkturtheorie" [Business Cycle Theory]. Mises: *Die Ursachen der Wirtschaftskrise: Ein Vortrag*. Tübingen: J. C. B. Mohr, 1931. A review in *Zeitschrift für Nationalökonomie*. 4:5 (1933) 273-275. "Many events have occurred since the appearance of this valuable little work on the causes of the economic crisis, permitting us to see the judgments of the author from another angle. Even so, it is still generally worth reading today. For one reason at least: it offers an interesting opportunity to see what conclusions such a relentless foe of every form of state intervention and such an ardent advocate of economic freedom and its economic system draws from the devastation of the present world crisis. With refreshing clarity and convincing arguments, Mises shows that the very popular charges levied against capitalism today are directed at the wrong target; we are not experiencing a capitalistic crisis but an interventionist crisis. And every argument in favor of our present economic system is in no way weakened by the present world crisis. Even cyclical economic crises, generally viewed as being closely associated with the character of our economic system, are absolved of this connection and characterized as the consequence of interventions in the monetary and credit system. To explain the strength and persistence of the present world crisis, interventions of another kind appear here, interventions more numerous and more intense than ever before (especially in the formation of wages and prices). Other explanations are rejected, for instance those which would trace the crisis to the insufficiency of gold production. Thus for Mises, there is only one way out of the crisis: 'Forego every attempt to prevent the impact of market prices on production. Give up the pursuit of policies which seek to establish interest rates, wage rates and commodity prices different from those the market indicates.' Mises concludes with the following sentences: 'Today all governments and political parties have full confidence in interventionism and it is not likely that they will abandon their program. However, it is perhaps not too optimistic to assume that those governments and parties whose policies have led to this crisis will some day disappear from the stage and make way for men whose economic program leads, not to destruction and chaos, but to economic development and progress.' ¶The reviewer actively applauds this statement; he emphasizes that it is pointless to consider a radical rejection of capitalism during the present world crisis and to push perhaps for some form of economic planning. However, one cannot suppress the question whether the highly-renowned author does not seek to establish too much in this paper. It seems to me that the attempt to absolve capitalism of responsibility for the cyclical economic crises is not really successful and that it is going too far to attempt to represent periodic credit expansion, together with the investment boom associated with it, as an 'intervention.' Is one really ashamed of capitalistic cyclical waves? Are they not the form in which rapid economic development is carried out? Are not these periodic powerful explosions of capitalism precisely something worth admiring? If a periodic downswing is unavoidable we should ask whether slower economic expansion should not be exchanged for a less volatile economic system. This is a dilemma, however, which faces every economic

ADDENDUM

system, even the socialist. I believe capitalism can be defended more convincingly and in an essentially more rational way than through the line of reasoning adopted here by Mises. Surely one can concede that the basic cause of the present crisis is connected with something that stems from the mechanics of capitalism, namely the exceedingly fast tempo of the economic expansion and increase in wealth during the recent boom, and therefore the rapid and powerful capitalistic bust. However, if the present crisis had shrunk to such a 'cyclical' crisis, the world would not have turned on its axis; the future of capitalism would not have become the question of the day. Rather the frightful deepening of the crisis is due to circumstances for which capitalism should in no way be held responsible. For that also, interventionism is above all accountable, intervention the destructiveness of which Mises demonstrates with extreme relentlessness. The reviewer sympathizes with the author on this point, but with some qualification when it comes to diagnosing the present situation and the crisis therapy now being employed. In the present phase of the crisis, it seems to me completely wrong to expect a reestablishment of equilibrium through a reduction in the level of wages. By paralyzing investment ability, every reduction in prices and incomes prolongs the sterilization of purchasing power -- in the form of increased bank liquidity -- and thus leads to a continued postponement of equilibrium. What Mises and all like-minded persons often do not consider sufficiently is the fact that we possess today tremendous reserves of idle resources and thus a huge surplus of capital, for which obviously an expansion of credit is required. For this reason, it is not true that public investment deprives the private economy resources. The paradox, not understandable on the ground of pure static performance, is that the resources available to the private economy may actually be increased as a result. If the reviewer had the least suspicion of inflationism, he would certainly not have arrived at these views." (Translated here in full from the German)

Epistemological Problems of Economics (B-10)

Hayek, F. A. *Teachers College Record* (March 1964) 556-557. Reprinted (pp.147-149) Volume 4, *The Collected Works of F. A. Hayek: The Fortunes of Liberalism*. Peter G. Klein, ed. University of Chicago Press, 1992. For annotation, see above, Hayek (1992) p.151.

Kemp, Arthur. Reviewed jointly with *The Theory of Money and Credit* (B-2) in *Modern Age*. 26:3-4 (Summer/Fall 1982) 403-405. "Mises' importance among those who have come to be called collectively the 'Austrian School of Economics,' with its emphasis upon subjective elements in economic analysis, has become that of a giant intellect among giant intellects ¶*Epistemological Problems of Economics* will undoubtedly be on the required reading list for followers of the so-called Austrian School. Perhaps even more importantly, it can also be recommended to those whose methodology is essentially empirical."

Schutz, Alfred. "Staat-Gesellschaft-Recht-Wirtschaft." *Deutsche Literaturzeitung*. 1 (January 1934) 36-42. According to Peter Kurrild-Klitgaard (January 25, 1993 letter), a review of 1933 German-language edition of Mises' *Grundprobleme...* [Epistemological Problems, B-10].

ADDENDUM

Human Action (B-16)

Inoki, Takenori. "Economic Theory Emphasizing 'Process:' Valuable Hints on How to Adopt a Market Economy." *Shukan Dokushojin* (October 1991). "Few books by Ludwig von Mises, the great leader of the Austrian School of Economics, have ever been read directly in Japanese . . . partly because the significance of the problems he raised was not understood in Japanese academia, which is strongly influenced by Marxian economics, and partly because those who could recognize the theoretical meaning of economic problems paid attention only to their mathematical and formal aspect. Thus, it may be said that his name was not mentioned except as a mere liberal ideologue or as the instigator of the "economic calculation debate." . . . ¶Thus, I am pleased to note that Mises' *magnum opus*, *HUMAN ACTION* . . . has now been translated into Japanese by Professor Toshio Murata who had close ties with Mises ¶Mises rejected mechanics and statics in every sphere of economic theory and emphasized 'process.' Such theories of Mises provide important clues to the procedure for adopting a market economy, which is now being discussed all over the world; there are few such straightforward, reliable economists in the world as Mises." (Translated from the Japanese by Toshio Murata)

Madelin, Alain. "Avez-vous lu Mises?" [Have you read Mises?]. 1986 (?) Source and date not identified on compiler's copy. A review of the French translation (1985). "The liberalism of Mises rests on three strong, solidly argued, points: (1) it springs from man himself, man who chooses, acts, undertakes; . . . (2) it comprises all human actions; . . . (3) human action conforms to laws, to a logic of action which exists independently of the motivations of the actors, independent of notions of good and bad, and of all concepts of what is normal ¶*Human Action* consists of a collection of logical demonstrations in which politicians should be interested if they want to calculate the impact of their actions. To be sure, it is a theoretical work, with an approach that is difficult at times. It will undoubtedly never be among the 'best sellers' on liberalism. But *Human Action* will be an indispensable reference work in the revival of French liberalism. It helps us to think 'liberal,' that is to think fairly."

Im Namen des Staates: oder Die Gefahren des Kollektivismus. (B-25) Early German version of English-language *Omnipotent Government* (B-12).

Frankfurter Allgemeine Zeitung. #23 (January 27, 1979) 16. "Das schöne Ammenmärchen von Marx: Über die Gefahren des Kollektivismus." [Marx's lovely nursery tale: On the Dangers of Collectivism]. Mises wrote this book when living in Geneva 1934-1940. "It presents a radical treatment of German history and political power, a mixture of the ideas of social- and welfare-statism and nationalism. Neither Prussia nor the German Reich finds favor in his eyes and he strikes out left and right at both." Includes an excerpt, pp.270-230, from one chapter not in English version (B-12). (Translated from the German).

Dimitag (Bonn). April 18, 1969. If Ludwig Erhard's 1932 warning had been heeded, the reviewer writes, much hardship and crisis would have been avoided. "A similar speculative treatment is presented in this [1940] book by Ludwig von Mises, one of the greatest of the Austrian school who had the misfortune to live at a time when the world was not ready for its warning and apt to ignore it . . . It is no exaggeration to say that this book is most pertinent to our government and our economic political situation. Mises criticizes socialism mercilessly and logically, making it crystal clear that the fate of the world depends on the functioning of its liberal forces. Collectivism has never been and, short of a miracle, never can be, more pitilessly refuted than here." (Translated from the German)

ADDENDUM

Money, Method, and the Market Process: Essays by Ludwig von Mises. Richard M. Ebeling, ed. Boston: Kluwer Academic Publishers, 1990. (B-28)

Hoppe, Hans-Hermann. *Austrian Economics Newsletter*. 13:2 (Spring 1992) 8-10. "For the Misesian expert, there is nothing fundamentally new in these essays; . . . Yet this volume is undoubtedly the best introduction to Misesian thought, and it rewards even the experienced Mises reader with fresh perspectives . . . The present work fills an important gap by offering an introduction to all major aspects of the Misesian system, including those in which Mises made his most original contributions." The book's "balanced selection of pieces" is organized under five headings: Method, Money, Trade, Comparative Economic Systems, and Ideas. In this last section, "Mises restates the Humean insight, which has only recently received another dramatic confirmation with the sudden collapse of the seemingly impregnable power of the communist rulers of the Soviet Union, that no government can last without majority support, be it active or passive."

Socialism (B-4)

Schwiedland, E. *Economic Journal*. 33 (September 1923) 406-408. "If Liberalism may be called an English idea, Socialism is certainly a German one . . . Liberalism has never taken root in Germany, where it has always been suspected in the eyes of the authorities, philosophers and even economists alike . . . The opponents of Marxism in Germany are therefore by no means Liberals . . . ¶In these circumstances it is remarkable indeed that Professor Mises of the University of Vienna endeavours in a large work to refute Socialism and to defend Capitalism. In his earlier treatises (*Theory of Money*, 1912 [B-2]; *Nation, State and Economy*, 1919 [B-3]) Mises has already proved that he sees things in a different light from that in which the leading official economists see them. He now makes a more severe attack on the Socialist ideal than has ever been made before in any German book ¶. . . Now, in fact, in a Socialist society the efficiency of labour must be much worse than in a capitalist one; Socialism, therefore, would not have the disposal of such a quantity of goods as the modern capitalist society; it could not distribute so much among its consumers as Capitalism could. Mises insists further that a Socialist commonwealth would not even be able to calculate well . . . In a Socialist society, where there are no prices, there would be no measure of value for commercial and technical reckoning. ¶Mises contests also the theory that social evolution must necessarily bring about a Socialist future . . . In the opinion of Mises the ethical argument for Socialism too is false . . . ¶[Mises] omits none of the underlying questions nor any of the ideas of socialism. He deals with political constitution in its relation to private property as well as with family life, religion, factory legislation, old age pensions, etc., and he criticises frankly the Socialist doctrines, which he sharply calls 'Destructionism.' The actual success of his book is worth mentioning. Prof. Herkner of Berlin, the leader of the German so-called 'University-Socialists,' and president of their 'Association for Social Policy,' recently characterised this work as an excellent refutation of all the conceptions of any Socialist system."

ADDENDUM

The Theory of Money and Credit (B-2)

Kemp, Arthur. Reviewed jointly with *Epistemological Problems of Economics* (B-10) in *Modern Age*. 26:3-4 (Winter 1982) 403-405. "After reading *The Theory of Money and Credit* after the passage of many years, this reviewer was struck by the applicability of its content to monetary problems of the present day. The monetary and financial problems to which Mises addressed himself seventy years ago are virtually the same we are confronted with today. Have we learned anything at all? Or have we refused to learn? Or, indeed, do we really want to learn? Moreover, the foresight and clarity which Mises' work displays cannot fail to impress many of those who read it in 1982 for the first time. The end, as the saying goes, is not yet."

ADDENDUM

Pre-1982 Books and Articles that Refer to Ludwig von Mises

1923

Leichter. "Die Wirtschaftsrechnung in der sozialistischen Gesellschaft" [Economic Calculation in the Socialist Society]. *Marxstudien*. Vienna. 5:1 (1923). "The mere admission that such a question [as the possibility of economic calculation] exists and the understanding of the tremendous importance of its solution, are so hard to achieve, that one can well understand the paucity of the attempts made to solve it. To Max Weber and Ludwig Mises really belongs the merit of having so energetically drawn the attention of socialists to this question. However little it was the intention of Mises to contribute by his criticism to the positive development of socialist theory and praxis, yet honor must be given where honor is due It is neither more nor less than a question of the possibility of socialist economy as such, for an economy in which it is not possible to compare expenditure and result, to say nothing of bringing them intentionally into a certain, desirable relationship, is irrational. Such an economy . . . is in the long run impossible, for it must soon become bankrupt and sink into a state of complete unsurveyability. The question of whether or not economic calculation is possible in a socialist society is, in fact, one of the questions on which depends the fate of socialism." Quoted in Trygve Hoff's *Economic Calculation in the Socialist Society* (1949), pp.3, 9-10. For Mises' comments on this article, see 1993 bibliography, p.207.

1934

Schutz, Alfred. "Staat-Gesellschaft-Recht-Wirtschaft." *Deutsche Literaturzeitung*. 1 (January 1934) 36-42. According to Peter Kurrild-Klitgaard (January 25, 1993 letter), a review of 1933 German-language edition of Mises' *Grundprobleme...* [Epistemological Problems, B-10].

1935

Lerner, A. P. "Economic Theory and Socialist Economy." *Review of Economic Studies*. 2 (1934-1935) 51-61. "Economic discussions of socialist problems fit peculiarly well into the dialectical system of theses, antitheses and syntheses [F]or the understanding of the present state of this argument we can take as our primary thesis that view which is most closely connected with, and can be represented by, the name of Mises. ¶According to this view, the economy of a socialist society is bound to be shattered upon the rock of *Wirtschaftsrechnung*. In the absence of the unhampered markets of a competitive capitalist economy, there can be no possibility of maintaining that rational economic calculus which is essential to the efficient organisation of production ¶The antithesis to this view was that of the socialists, and particularly of those who were engaged in the building up of a socialist society. They simply denied both the relevance and validity of the 'Mises' arguments, and considered them as baseless and calumnious inventions for turning the mind of the multitude away from the socialist path. The arguments were denounced as meaningless anti-socialist propaganda, produced by reactionary professors sacrificing their interest in scientific truth at the altar of class interest The department to deal with 'Mises' was not the 'Gosplan' but the OGPU." Lerner contrasts the views of M. Dobb and H. D. Dickinson with those of Mises. Dobb's thesis represented the *antithesis*: "The categories of capitalist economy are inapplicable to the socialist

ADDENDUM

society.” (p.52) Dickinson presented a *synthesis* of the views of economists and socialists, holding that a socialist economy can supply economic calculation, prices and markets “at least as efficiently as a Capitalist or private exchange economy and probably much more efficiently.” Concerning Dickinson, Lerner concludes: “In the name of the OGPU one may attack ‘Dickinson’ with the sword of Mises in the left hand and the club of Hitler in the right.” (p.55) For another comment on Lerner, see Mises 1993 bibliography, p.227.

1936

Bowley, Marian. “Nassau Senior’s Contribution to the Methodology of Economics,” *Economica*. (August 1936) 281-305. By defining “wealth” as including immaterial as well as material goods and relying on deduction, Senior overcame a weakness in J. S. Mill’s thinking and contributed to the development of value theory. Mises’ *Grundprobleme...* [Epistemological Problems, B-10] continues “the discussion of the problems of the deductive method . . . and argues that economic analysis must proceed from positive premises . . . and that the essential premise is the recognized characteristic of man to truck and barter From this one fundamental characteristic all the general concepts of economics which are relevant to the formulation of general laws are derived.”

1937

Hawtrey, R. G. *Capital and Employment*. London; New York: Longmans, Green & Co., 1937. “Professor Hayek’s theory of interest is an elaboration of certain ideas employed by Professor Mises in his *Theory of Money and Credit* (Part III, Chapter V).” (p.235)

1939

Lunn, Arnold. *Revolutionary Socialism in Theory and Practice*. London: Right Book Club, 1939. Commenting on the “advocacy of free love . . . in the interests of world revolution,” Lunn quotes Mises’ *Socialism*: “‘It is significant,’ writes von Mises, ‘that no other German Socialist book was more widely read or more effective as propaganda than Bebel’s *Woman and Socialism*, which is dedicated above all to the message of free love’.” (p.168) Lunn also quotes Mises’ *Socialism* on the distinction between bureaucracy which “offers a classic example of human indolence” and the system of private ownership of the means of production in which “all stimulus to improvements in process comes from those entrepreneurs who . . . hope to make a profit.” (p.194) In Chapter XIX, “The Inherent Weaknesses of the Socialist State,” Lunn relies heavily on Mises’ *Socialism*. For instance: “‘All production,’ writes von Mises, ‘must bend to the consumers’ will The lord of production is the consumer. From this point of view the capitalist society is a democracy in which every penny represents a ballot paper. It is a democracy with an imperative and immediately revocable mandate to its deputies.’ ¶ Von Mises’ analogy is not based on one man, one vote democracy, but on plural voting. The labourer with the small income has far fewer votes than his employer, but he has one vote for every penny he earns ¶ In Russia the discriminating consumer has long since disappeared; it is the indiscriminating consumer of any food that will keep body and soul together who is the principal victim of Russia’s Socialist economy.” (pp.202-203) Lunn is “not convinced that accurate economic calculations are impossible in a Socialist State,” as Mises insists, “but he has certainly proved that they would be very difficult Lothrop Stoddard has described the world

ADDENDUM

revolution as the war of the hand against the brain. The denigration of education and specialized training is a valuable revolutionary weapon of immense importance, with a sure appeal to the lowest elements in the population. ¶Socialists, adds von Mises, 'have no greater perception of the essentials of economic life than the errand boy, whose only idea of the work of the entrepreneur is that he covers pieces of paper with letters and figures.' . . . ¶Von Mises is an extreme exponent of *laissez-faire* Liberalism, but even those anti-Socialists who, like the present writer, are resigned to a far greater measure of State control than von Mises considers necessary, will find it difficult to refute any particular instance cited by von Mises of incompetent State control. His brilliant book represents a welcome reaction from a universal tendency even in countries which formally reject Socialism, and if more widely read, might do something to counteract the prevailing defeatism of those who dislike Socialism, but who are taking no active steps to resist the ever-increasing encroachments of the State." (pp.202-204)

1947

Müller-Armack, Alfred. "Die Wirtschaftsordnung, sozial gesehen" [The Social Aspect of the Economic System], *Denkschrift vom 1. Juli 1947* (Oberursel: Berlebach). Reprinted in *Alfred Müller-Armack, Genealogie der Sozialen Marktwirtschaft. Frühschriften und weiter führende Konzepte* (Bern-Stuttgart: Haupt, 1974). Also reprinted (pp.19-34) in *Grundtexte zur Sozialen Marktwirtschaft* (Wolfgang Stützel, and others, eds. Gustav Fischer, 1981); English translation (pp.9-21) in *Standard Texts on the Social Market Economy* (Gustav Fischer, 1982). "More than twenty years have passed since *Ludwig von Mises* pointed out that a centrally planned economy, by its very nature, was not capable of acquiring a definitive and solid form. In no way has it fulfilled its essential promise that it would give the broadest sections of the population a stable and settled basis of life. On the contrary, the system of central planning has turned out to be one of restless constraint, proceeding from one case of interference to the next because each interference further disturbs the economic equilibrium, which in turn calls for further interventions, and so on -- the upshot being a complete paralysis of total central planning." Passage quoted from p.11 of English-language edition.

1948

Dempsey, Bernard W. *Interest and Usury* With an introduction by Joseph A. Schumpeter. London: Dennis Dobson, 1948. Dempsey explores Wicksell's thesis concerning the consequences when the actual rate of money interest deviates from the natural rate. "Mises goes further and shows that, even if the banks do not bring the rates into conjunction, an inevitable reaction does so through the effect upon the rate of saving occasioned by the income displacement involved in forced saving . . . Mises emphasized the income displacements and distortions of the price structure which the price shifts imply (p.48) . . . Mises . . . also put his finger on the fact that once we depart from the theoretical sequence of annual markets, the income displacement occasioned by credit expansion moves across the economy from one group to the next irregularly, at the same time that the price level for the economy as a whole starts moving up." (p.58)

ADDENDUM

1950

Bye, Raymond T. *Social Economy and the Price System: An Essay in Welfare Economics*. New York: Macmillan, 1950. "The crux of the problem of allocating resources in a collective economy centers on the pricing of the factors of production[F]actor prices must be derived from the values imputed to them in their possible alternative uses. In a normative price system this is worked out by competitive bidding for the scarce means of production We must now inquire whether a collectivist economy can utilize this principle of pricing, or some equivalent. ¶To this question, von Mises replies with an emphatic no. He holds that collectivism might be able to work out a satisfactory means of pricing consumers' goods, but it could not evaluate producers' goods because there would be no market to register the forces of demand and supply for them 'Because no production good will ever become the object of exchange, it will be impossible to determine its monetary value.' Indeed von Mises is so completely convinced of the correctness of this reasoning, that he says 'It has been demonstrated in an irrefutable way that a socialist commonwealth would not be in a position to apply economic calculation.' Notwithstanding this bold assertion, von Mises is surely wrong ¶. . . . The rule that prices should be set in such a way as to equate demands and supplies must be applied to the productive factors as well as to finished goods The real problem is how to make these principles effective in a collective economy where there is no free market in which the factors of production are bought and sold, or rented and hired. This is the problem posed by von Mises. ¶There is reason to think that something equivalent to a market can exist in a régime of collectivism. Even though producing establishments are owned and operated by state agencies, a system of accounting within each of the collective enterprises will be necessary as a check on its efficiency and to provide the planning commission with the necessary data for its guidance. . . . In the collective economy . . . accounting methods would be standardized ¶Thus a collective economy may start out with a going structure of prices for consumption goods, producers' goods, and productive factors The management of each establishment must then be instructed to follow two rules: It must minimize costs by substituting cheaper for dearer factors wherever possible, thereby giving effect to the law of substitution; and it must employ as many units of each factor as will bring the value of its marginal product into equality with its price So, on the basis of known physical marginal productivities and given prices, it should be possible to make the value of the marginal product approximately equal to the price in every case." (pp.333-335)

1951

Saal, John J., Jr. "Mises' *Human Action* Considered in the Light of the Social Teaching of the Church." Fordham University. M.A. Thesis in Political Philosophy. The author concludes that Mises' philosophy conflicts with his interpretation of Christian teachings.

1959

Brown, Norman O. *Life Against Death: The Psychoanalytical Meaning of History*. Middletown, Conn.: Wesleyan University Press, 1959. "The great economist von Mises tried to refute socialism by demonstrating that in abolishing exchange, socialism made economic calculation, and hence economic rationality, impossible But if von Mises is right, then what he discovered is not a refutation but a psychoanalytical justification of socialism, as a system which by its very nature transcends the psychology of *Homo economicus*. ¶It is one of the sad ironies of contemporary intellectual life that

ADDENDUM

the reply of socialist economists to von Mises' arguments was to attempt to show that socialism was not incompatible with 'rational economic calculation' -- that is to say, that it could retain the inhuman principle of economizing." (pp.238-239)

1961

Nagel, Ernest. *The Structure of Science: Problems in the Logic of Scientific Explanation*. New York: Harcourt, Brace & World, 1961. Cites Mises' *Theory and History* (B- 20) in footnotes with reference to: (1) the subjectivity of economics, i.e., the social scientist can construct "models of motivation" and impute values to human agents only because he is himself an actor with "subjective" experiences (p.475); (2) the distinction between "purely reflex action (such as a knee jerk) and purposive behavior" (p.478); and (3) the "aim of the social sciences . . . to 'understand' social phenomena by explaining them in terms of the 'motivationally meaningful' (or 'subjective') categories of human experience" (p.540). Discusses Mises as an exponent not only of "methodological individualism" but also of "marginal utility analysis." (p.543).

1964

Vikor, D. *Economic Romanticism in the Twentieth Century: Spann's Attempt to Revolutionize Economic Theory*. New Delhi: New Book Society of India, 1964. "Since Spann waged a war against individualism, liberalism and marxism, many thought that he was closely associated with the nazi cause." FOOTNOTE: "Professor Ludwig Mises refers to him as a 'Nazi philosopher,' He claims that Spann 'explicitly declared that the realization of his plans would bring about a state of affairs in which the institution of private property will be preserved only in a "formal sense, while in fact there will be only public ownership".' *Human Action*, 1949, p.679." (p.38)

1966

Hoff, Trygve J. B. "The Great Failure of Socialism." *Farmand*. Oslo, Norway. #21 (May 21, 1966). "We hear that Professor Leif Johansen is regarded as being Norway's leading economist -- greater, even, than Professor Ragnar Frisch . . . ¶Professor Johansen believes he has made a *new discovery*, viz., that Communism suffers from an innate weakness, viz. the price system (or, to be more precise, the lack of a price system. However, the professor has not discovered anything new at all ¶Professor Johansen cites Oskar Lange (the lately deceased professor) as the man who has contributed most to the discussion on Socialist economics. This is not correct either: The real pioneer is Professor Ludwig von Mises, and before him there was the German sociologist Max Weber ¶As far back as 1923 the Marxist professor Otto Leichter wrote . . . : 'all honour to Max Weber and Ludwig von Mises for drawing the Socialists' attention to this question with such vigour.' ¶A third pioneer in this field was Boris Brutzkus ¶No credit at all is due to Socialist economists for having raised the central problem of prices, but in a strange way they have -- against their will -- helped to illuminate it. ¶The fact is that, firmly convinced that Mises' theory was wrong, they have submitted their own theories on how the problem should be solved ¶I myself laboured under the delusion that I was one of the first to realise the difficulties that the Socialist states would find in calculating, because there is no free price-setting and they cannot operate with free markets, as the state is sole owner of all means of production. ¶It was a strange experience to learn that Professor

ADDENDUM

Mises had said the same thing, more or less *en passant*, as early as in 1920. And it was a little depressing to realise that I was not, after all, the international pioneer I had in my more exalted moments flattered myself that I was. But at the same time it was comforting to know that one was not alone in subscribing to what appeared to be a rather wild hypothesis.”

_____. “The Fateful Question for Socialism.” *Farmand*. 52 (December 24, 1966). “[O]n 13 October 1966 Leif Johansen, Ph.D., who is Professor of Economics at the University of Oslo, gave a broadcast talk on . . . price determination (also known as ‘economic calculation’) in socialist societies . . . I consider his presentation of the subject very misleading . . . ¶Docent (as he then was) Johansen’s attitude was in conformity with the standard reaction of socialist economists to the ‘Mises’ arguments (Professor Hayek and Professor Röpke are on Mises’ side).” Hoff then discusses several critics of Mises whom Johansen mentioned and quoted in his talk.

1967

Lyons, Eugene. *Workers’ Paradise Lost: Fifty Years of Soviet Communism: A Balance Sheet*. New York: Funk & Wagnalls, 1967. “Before and since the [Communist] Revolution, orthodox Marxists foresaw total control of an economy through nationalization of the means of production -- not the total nationalization of the bodies, minds, and even souls of the entire population. That *had* been foreseen and foretold, with startling accuracy, but only by critics and opponents of Marxism, from Herbert Spencer and Hilaire Belloc to Ludwig von Mises.” (p.10)

1970

Rothbard, Murray N. *Power and Market: Government and the Economy*. Menlo Park, Calif.: Institute for Humane Studies, 1970 (2nd ed., Kansas City: Sheed Andrews & McMeel, 1977). Originally written in conjunction with Rothbard’s 2-volume analysis of economics, *Man, Economy, and State* (1962), but not published at that time. This volume offers “an extensive, revised and updated analysis of violent intervention in the economy.” (p.vii). Cites Mises frequently. For instance: “Many critics of the market . . . bewail the prevailing ignorance of consumers, which prevents them from gaining the utility *ex post* that they expected to have *ex ante* . . . Professor Ludwig von Mises has keenly pointed out the paradoxical position of so many ‘progressives’ who insist that consumers are too ignorant or incompetent to buy products intelligently, while at the same time touting the virtues of democracy, where the same people vote for politicians whom they do not know and for policies that they hardly understand.” (pp.15-16) “Our analysis of the effects of price control applies also, as Mises has brilliantly shown, to control over the price (“exchange rate”) of one money in terms of another.” (p.23) Rothbard quotes Mises on the pro-tariff “infant industry argument” (p.38), on the role of feudal land grants in preserving large-scale ownership of land (p.100), and on tax “loopholes.” Mises explains that “If the law does not punish a definite action or does not tax a definite thing, this is not a loophole. It is simply the law . . . Thanks to these loopholes this country is still a free country.” (p.105) On government prohibitions Rothbard writes: “Mises states, quite rightly, that anyone who advocates governmental dictation over one area of individual consumption must logically come to advocate complete totalitarian dictation over all choices . . . Thus, if the members of the ruling group like Bach and hate Mozart, and they believe strongly that Mozartian music is immoral, they are just as right in prohibiting the playing of Mozart as they are in prohibiting drug addiction or liquor consumption.” (p.155) And on voluntary charity vs. the government dole: “Statists . . . often argue

ADDENDUM

that charity is demeaning and degrading to the recipient, and that he should therefore be taught that the money is rightly his, to be given to him by the government as his due However, granting him the moral and legal right to mulct his fellows *increases* his moral degradation instead of ending it An act of charity, when given voluntarily, is generally considered temporary and offered with the object of helping a man to help himself. But when the dole is ladled out by the State, it becomes permanent and perpetually degrading, keeping the recipients in a state of subservience Mises, furthermore, points out that free-market exchange -- always condemned by statists for being impersonal and "unfeeling" -- is *precisely* the relation that avoids *all* degradation and subservience." (pp.165-166). Paging of 2nd edition varies.

1971

North, Gary. "Downward Price Flexibility and Economic Growth." *The Freeman*. Irvington: Foundation for Economic Education. 21:5 (May 1971) 302-306. "Banking, of course, also provides for the creation of new money. But as Professor Mises argues, truly competitive banking -- free banking -- keeps the creation of new credit at a minimum, since bankers do not really trust each other, and they will demand payment in gold or silver from banks that are suspected of insolvency."

Rothbard, Murray N. *Freedom, Inequality, Primitivism and the Division of Labor*. Projections of Liberty No.5. Menlo Park, Calif., 1971. Reprinted 1991 by The Ludwig von Mises Institute; new (1991) introduction annotated above, p.145. "If men were like ants, there would be no interest in human freedom ¶If freedom is a necessary condition for the full development of the individual, it is by no means the only requirement. Society itself must be sufficiently developed ¶No one can fully develop his powers in any direction without engaging in *specialization*." Rothbard deplors the Marxian tendency to idealize equality and the utopian tendency to admire primitivism. He quotes freely from Mises' *Socialism* on the importance of the division of labor and social cooperation for men to develop socially, economically and intellectually. "The savage is supposed not only to be 'noble' but also supremely happy ¶If we consider the supposed happiness of primitive man, we must also consider that his life was, in the famous phrase of Hobbes, 'nasty, brutish, and short.' . . . ¶In fact, the primitive community, far from being happy, harmonious and idyllic, is much more likely to be ridden by mutual suspicion and envy of the more successful or better-favored, an envy so pervasive as to cripple, by the fear of its presence, all personal or general economic development."

1972

Friedman, Milton. *Journal of Political Economy*. 80. September-October 1972. Notes that Mises, in his discussion of the effects of inflation, emphasizes the first-round effect of monetary expansions, but that "the first round covers at most a two-week period, whereas the money continues circulating indefinitely." Accordingly, Friedman says, "the 'new' money will be merged with the old and will be distributed in much the same way." (pp.921-922) Quoted by Vihanto (1988, see above).

Schutz, Alfred. *The Phenomenology of the Social World*. London: Heinemann (1972). Translation of *Der sinnhafte Aufbau der sozialen Welt* (1932). Schutz addresses Mises' criticism of Max Weber in "Sociology and History" (Article 29.2, Chapter 2 in *Epistemological Problems* . . . , B-10). Weber had compared ideal types, generalizations from experience that enable us to understand and interpret history, to economic concepts. Schutz quotes from Mises 1929 article which contrasts "ideal types"

ADDENDUM

and “economic concepts.” Mises says economic concepts do not themselves “belong to the realm of reality, but to that of thought;” they are “intellectual means,” mental abstractions which enable us to grasp reality, “valid always and everywhere.” Schutz holds that “Mises’ criticism is valid against Weber’s earliest formulation of the concept of ideal type.” Schutz believes that his analysis here of ideal types was “foreshadowed in Weber’s later works.” Mises is right, however, Schutz says, “when he criticizes Weber for interpreting the marginal utility theory in too narrow a fashion, so that it appears to describe an economy run entirely according to the calculations of entrepreneurs.” (p.243-244) Schutz also cites Mises’ critique of the Marxian class concept (pp.198-199) and of Historicism (p.212).

1973

Chamberlain, John. “The Man Who Told us Socialism Wouldn’t Work.” n.d. (September/October 1973 ?) Kings Feature syndicated column. “Economist Ludwig von Mises is 92-years old and critically ill. His name is not exactly household currency outside his own profession, but if anyone has been heart and soul of the reaction against our 40-year indulgence in inflationary policies it is ‘Lu’ von Mises. Normally, the world is fecund with praise for its showmen, its Bernard Shaws, its Kenneth Galbraiths and its John Maynard Keyneses, while they are still alive. Genuine innovators such as von Mises have to wait for death to gain their rightful recognition. It is all very unfair, but the truth does eventually catch up with the showmen, relegating them to the historical footnote positions where they belong . . . ¶ Von Mises’ great work, *Human Action*, a study of the conditions needed to release an optimum amount of productive energy in a society, has never had the popular acclaim that greets a new work by J. Kenneth Galbraith, for example. But it has affected scores of young libertarian economists. The book will live long after von Mises has himself departed from the scene. So let’s give Ludwig von Mises a salute while he is still around to appreciate it.”

1974

Wertfrei. Seattle, Washington: N.W. Society of Praxeology.
Number 1 (1974 ?)

Greaves, Percy L., Jr. “The Decline and Fall of the Teaching of Economics in England.” *Wertfrei*. pp. 2-6. A review of Lionel Robbins’ *Autobiography of an Economist*. In the 1930s, Robbins was an admirer of Mises and instigated translations into English of Mises’ *Theory of Money and Credit* [B-2] and *Socialism* [B-4]. When he served in the government during World War II, his ideas changed. “While he [Robbins] does not think Mises has been refuted, he does not believe that the choice is simply between free enterprise and total collectivism. As he sees it, ‘The practical question concerns always the degree of the mixture.’” ¶ Robbins expresses his “indebtedness to von Mises, both for what I have learnt from his writings . . . and for many days of pleasant and entertaining companionship in Austria and Geneva.” Robbins credits Mises with “the original suggestion that British Universities make some provision for the scholars that Hitler was then ousting from the German Universities.” He regrets “the disparagement which so often accompanies reference to this distinguished man” and says he “fails to comprehend how anyone not blinded by political prejudice can read his main contributions . . . without experiencing at once a sense of rare quality and intellectual stimulus of a high order, however much he may disagree with with the assumptions or the conclusions.”

ADDENDUM

Number 2 (Spring 1974):

_____. A review of Israel M. Kirzner's *Competition and Entrepreneurship*.” pp.17-20. In his Preface, Kirzner credits his understanding of the market process “to almost two decades of study under L. Mises, whose ideas as expounded in a lifetime’s work are only now beginning to be properly appreciated.” Greaves writes that Kirzner seems to think of the entrepreneur as one who learns from experience. “This may be so on occasion,” Greaves writes, “but it is certainly not the general rule . . . [E]ntrepreneurs are actors in the drama of the market processes where there is a constant flux of human values and in which the actors and conditions can never be exactly duplicated. The entrepreneur is primarily a speculator who attempts to foresee future market conditions, and provide for them, better than his competition. He may learn production processes by experience. However, foresight is not something that can be learned from either textbooks or experience, although a sound understanding of *Human Action* can help.”

Kirzner, Israel. “Methodological Individualism, Market Equilibrium, and Market Process.” pp.1-13. In discussing the tendency of “contemporary price theory” to investigate the conditions necessary for market “equilibrium,” Kirzner contrasts Lionel Robbins and Mises: “Both Robbins’ and Mises’ works emphasize the role of theory, based on the individual decision . . . ¶In Robbins, as is of course well known, the essence of the economic aspect of affairs is seen as involving the allocation of scarce resources among competing ends . . . ¶In Mises, on the other hand, a careful perusal by the reader will reveal little emphasis on means-allocation as such. The emphasis is always on human *action*, on courses of action undertaken by the human being in order to remove uneasiness, to make himself, as he sees it, ‘better off.’ Of course, such courses of action will necessarily involve painful calculation and allocation, but . . . Mises’ *homo agens* is something more than economizing man . . . *Homo agens* is actively *seeking* out the best course of action, he is venturing, innovating, exploring, searching.”

1975

Everyman’s Dictionary of Economics. Compiled by Arthur Seldon & F. G. Pennance. 2nd ed. London: J. M. Dent & Sons, 1975. First ed. (1965) did not include living economists. Three-inch Ludwig von Mises entry in 1975 edition: “Von Mises was one of the most original thinkers of the Austrian School, and an outstanding teacher . . . Mises systematically developed the Austrian position that economic theory is logically independent of reality in the sense in which logic and mathematics are independent. Reality for the social sciences is always unique and unrepeatable history.”

McKenzie, Richard B. & Gordon Tullock. *The New World of Economics: Explorations into the Human Experience*. Homewood, Ill.: Richard D. Irwin, 1975. Quotes Mises’ *Human Action* to illustrate that “The economist begins his analysis of human behavior with the assertion that *man acts* and he does so with a purpose . . . This is the ultimate foundation of economics as a discipline.” (p.8)

Petro, Sylvester. “Compulsory Public-Sector Bargaining: The Dissolution of Social Order.” *The Freeman*. Irvington, N.Y.: Foundation for Economic Education. 25:8 (May 1976) 494-508. “Government cannot, as private business does, allocate its resources and expenditures on the basis of balance sheet considerations of profit and loss. All its decisions -- as to how many police or fire stations or schools or garbage trucks should be bought or employees hired -- all such decisions are political decisions. Ludwig von Mises has made the point: ‘The objectives of public administration cannot be measured in money terms and cannot be checked by accountancy methods . . . ¶[The government] must define in a precise way the quality and the quantity of the services to be rendered . .

ADDENDUM

. . . it must issue detailed instructions ¶It would be utterly impracticable to delegate to any individual or group of individuals the power to draw freely on public funds. It is necessary to curb the power of managers of nationalized or municipalized systems . . . if they are not to be made irresponsible spenders of public money and if their management is not to disorganize the whole budget.”

1976

Hazlitt, Henry. “Is Politics Insoluble?” *Modern Age*. Bryn Mawr, Penna.: Intercollegiate Studies Institute. 20:4 (Fall 1976) 395-401. Hazlitt points to the success of “a series of great thinkers -- including Hume, Adam Smith, Ricardo, Bentham, Menger, Böhm-Bawerk and Ludwig von Mises -- in creating a genuine social science As described by Mises: ‘Economics is the youngest of all sciences It ‘deals with a regularity in the concatenation and sequence of phenomena that is valid in the whole field of human action’.” Hazlitt asks whether this success in economics might possibly be followed by developing “a series of interconnected propositions, a solid edifice of [political] theory, that will be entitled one day to be recognized as a science?” (pp.400-401) Reprinted in *The Freeman* (Irvington, N.Y.: Foundation for Economic Education) September 1994.

North, Gary. “Educational Vouchers: The Double Tax.” *The Freeman*. Irvington, N.Y.: Foundation for Economic Education. 26:5 (May 1976) 259-275. “Back in 1920, Professor Ludwig von Mises wrote the most famous essay of his academic career, ‘Economic Calculation in a Socialist Commonwealth’ [Article 20.6]. Mises argued that the inescapable weakness of all systems of central planning is the inability of the planners to assess the actual value of any product or service in the economy. Without freely fluctuating prices that are the product of the private ownership of both consumer and capital goods, there can be no means of imputing value accurately by any of the participants in the economy Without market prices, meaning without open entry to markets by buyers and sellers, there can be only random guesses by the planning bodies. Randomness is not efficient, except on random occasions.”

1978

Arocena Olivera, Enrique. *Libertad, Humanismo y Mercado* [Liberty, Humanism and the Market]. Introduction by Alejandro Vegh Villegas. Montevideo (Uruguay): Barreiro & Ramos, 1978. Chapter III, pp.39-69: “The School of Vienna: Marginalism and Liberalism.” Arocena refers to Mises’ “On Some Atavistic Economic Ideas” [Article 67.4]: “Mises reconfirms his faith in the market and its principles, which few could defend better than he: ‘The operation of the market tends to eliminate all those farmers whose cost of production is higher than the marginal costs needed for the production of that amount of farm products the consumers are ready to buy. It determines not only the size of the farm as well as the methods of production applied; it no less determines what fields should be tilled and what fields should be left fallow.’ Thus for him, agrarian reform, the equal distribution of land among the rural population, has no significance for a market economy. It is ‘merely a scheme for granting privileges to a group of less efficient producers at the expense of the immense majority of consumers’.” (p.56) (Translated from the Spanish)

ADDENDUM

Atlantic Economic Journal. 6:3 (September 1978). This special issue publishes papers devoted to Carl Menger and Austrian Economics presented October 14, 1977 at the Washington, D.C. meeting of the Atlantic Economic Society. Several mention Mises:

Bostaph, Samuel. "The Methodological Debate Between Carl Menger and the German Historicists." pp.3-16. "Ludwig von Mises recently identified the Methodenstreit as an epistemological struggle generated by Menger's rejection of the epistemological foundations of historicist methodology; however, he concluded that the controversy 'contributed but little to the clarification of the problems involved.' [*Historical Setting*, B-21, p.27] Schumpeter had started in the same direction many years previously in his *Economic Doctrine and Method*, when he noted that 'epistemological differences, which in themselves have nothing to do with economic method, were dragged into the discussion; nevertheless it brought about without a doubt a clarification of views.' ¶Unfortunately, Mises did not state his reasons for his conclusion and Schumpeter grew to accept the viewpoint that the debate was about precedence and relative importance."

Kirzner, Israel M. "The Entrepreneurial Role in Menger's System." pp.31-45. "Writers with such sharply varied approaches to economics as Schumpeter and Mises shared, at least, a high disdain for the dominant perfectly-competitive-equilibrium view of price theory, and a lively sense of the crucial significance of entrepreneurship for an understanding of the capitalist-market process . . . ¶Jaffe's interpretation of Menger's economizing individuals [W. Jaffe, "Menger, Jevons, and Walras De-Homogenized," *Economic Inquiry*, 14 (December 1976)] is suggestive. To the extent we can agree with Jaffe's interpretation, we can attribute to Menger's economizing individuals scope for precisely the same kind of 'entrepreneurship' that, for Mises, is contained in the notion of individual human action."

Wagner, Richard F. "Carl Menger's Contribution to Economics: Introduction." pp.1-2. "There seems to be a common belief that those who profess admiration for the Austrian approach must necessarily be opposed to the use of mathematics and statistics in economics. Granted, it is easy to find examples of such opposition. Ludwig von Mises, for instance, referred to the 'mathematical method . . . [as] an entirely vicious method (my italics).' And a similar hostility to statistics can be found in the writings of many proponents of the Austrian approach to economics." But Wagner then names several economists who were "within what seems to be the general Austrian perspective" yet "certainly cannot be considered hostile to the use of mathematics and statistics in economics! ¶Austrian economics also seems in the minds of many economists, to be associated with libertarian politics. Without dispute, there are many instances of Austrian economists espousing libertarian politics. Ludwig von Mises was well-known for his libertarianism, save for a little weakness toward the arts . . . Nonetheless, the Austrian approach to economics does not imply an acceptance of political libertarianism."

_____. "Final Remarks." pp.65-69. "The inconclusiveness of the Methodenstreit seems properly attributable to failure by the participants to recognize the epistemological chasm that separated them. Even today the numerous statements to the effect that historical-inductive and abstract-deductive methods should be blended according to the needs of the situation at hand represents a failure to clarify thinking on epistemology. It is not at all a matter of blending theory and history to form an explanatory pattern. Theory and history are utterly distinct, as Ludwig von Mises noted so clearly in his *Theory and History* [B-20, 1957]."

Austrian Economics Newsletter. New York: Center for Libertarian Studies. 1:2 (Spring 1978)

Lavoie, Don C. "Austrian Economics Seminar, Part I: 1975-76." pp.2, 4, 6. "When the last of Ludwig von Mises' regular seminars in Austrian economics ended at NYU in 1969, it looked like the last dying gasp of the Austrian school . . . But the resurgence of Austrian economics in the

ADDENDUM

1970's has exceeded the expectations of even the most optimistic among us And in September, 1975, only six years after Mises' seminar ended, the new Austrian Economics Seminar was formed." At its first meeting at New York University, December 17, 1975, the subject of the Misesian imaginary construction of the Evenly Rotating Economy (ERE) came up. "Mises had argued that the ERE was unrealizable in the real world but was only a construct intended to explain the result of the tendency of entrepreneurial action This issue was brought up in relation to Mises' argument that in the ERE the demand for money would fall to zero since money is only useful in a world of uncertainty, and thus prices would rise to infinity and the market process would end. Some participants argued that in approaching such a world another commodity, for example some readily accessible form of credit, would become the most marketable commodity and accounting prices could still be used in non-money units. It was widely agreed that the usefulness of the mental construct does not depend on its realizability."

Salerno, Joseph. "The Monetary Approach to the Balance of Payments: New and Old." pp.7, 9, 11. "[T]he monetary approach emphasizes the supply of and demand for money, or in Misesian terms, the 'money relation' as the central theoretical relationship in the explanation of balance-of-payments phenomena ¶Ludwig von Mises gave the monetary approach a firm basis in the marginal utility of money in his classic work, *Theorie des Geldes und der Umlaufsmittel* [B-2], published in 1912. Mises also unveiled his purchasing power parity theory of exchange rates in this work. It should be noted that the Misesian version of the theory bears little resemblance to the better known though flawed version formulated later by Gustav Cassel."

Ebeling, Richard. "Preface." [iii-vi]. *The Austrian Theory of the Trade Cycle and Other Essays*. New York: Center for Libertarian Studies, 1978; reprinted 1983 by The Ludwig von Mises Institute. This booklet includes English translation by David O'Mahony and J. Huston McCulloch of Mises' Article 36.6. In his Preface, Ebeling writes: "The recent controversies in macroeconomics -- between Keynesians and Monetarists -- have brought about a renewed understanding of several pre-Keynesian insights ¶The most important pre-Keynesian insight that has been revived is the realization that the money supply is not a merely 'passive element' that adjusts to the changing conditions and expectations of business ¶While the existence of a 'microeconomic foundation' for understanding monetary influences can be traced back at least to Richard Cantillon, it wasn't integrated into formal economic analysis until the 20th century ¶In his *Theory of Money and Credit* (1912) [B-2], Ludwig von Mises successfully applied marginal utility analysis to monetary phenomena and explained the process by which monetary expansions and contractions could bring about shifts in relative prices, resource allocations and income distribution. Professor Mises in the 1920's and Professor Friedrich A. Hayek in the 1930's, elaborated on this theme to explain how monetary forces could cause systematic distortions in the economy."

Hayek, F. A. "Introduction." xi-xvi. *Erinnerungen*, German version of *Notes and Recollections* (B-23). Stuttgart, Germany: Gustav Fischer, 1978. Reprinted in *The Collected Works of F. A. Hayek: 4* (1992); see above, pp.152-153. "Mises (1881-1973) is undoubtedly one of the most important economists of his generation ¶If I seek a similar figure in the history of thought in the field of social sciences, I would not find him among the professors. Not even Adam Smith. I would have to compare him with thinkers like Voltaire or Montesquieu, Tocqueville and John Stuart Mill ¶In spite of his exquisite courtesy in social intercourse and his generally substantial self-control -- Mises *could* explode occasionally -- he was not a person who could successfully conceal his contempt. This drove him into an ever increasing isolation from specialists, even from those in local Viennese circles with whom he was scientifically and professionally associated. The distance between him and his contemporaries and his students increased when he disassociated himself from the social and political

ADDENDUM

ideas that were coming into prominence ¶A Jewish intellectual in Vienna during the first third of this century, who was an advocate of socialist ideas, had a position which everyone acknowledged and granted. Similarly, people could understand if the Jewish banker or Jewish businessmen defended capitalism, bad as that was. However, a Jewish intellectual who justified capitalism was considered some sort of a monstrosity, something unnatural that no one knew how to classify or cope with. ¶Mises' undisputed special knowledge was impressive. In critical economic situations, people could not help but consult him. However, his advice was seldom understood or followed. He was usually looked on as some sort of an eccentric, whose 'old fashioned' views were hardly practicable 'in these modern times' ¶We who knew him best were to be sure occasionally exasperated, although we were not really surprised, that he never received a real professorship He had revealed too much for him to be welcomed by the representatives of the profession to which he sought entry. And he was fighting against an ideological movement which was then much too vigorous for an individual to oppose successfully, a movement which is now retreating, although not after all thanks to his efforts. ¶The Viennese never understood that they had within their midst one of the great thinkers of our time." Introduction signed "F.A.HAYEK, Lisbon, May 1977." (Translated from the German) For additional excerpts see 1983 Mises bibliography, p.343; also Hayek under *Austrian Economics Newsletter* (Fall 1988) above, p.76.

Mises, Margit von. "Foreword." *Erinnerungen* (Stuttgart, Germany: Gustav Fischer, 1978). vii-x. German version of *Notes and Recollections* (B-23) "It was not easy for Ludwig von Mises to decide to leave Geneva. The six happiest years of his life had been spent there He had become well known in all Europe through his private seminar in Vienna and his books ¶It was a hot and muggy day when we landed in New Jersey. Four weeks of uncertainty, emotional suffering and agitation lay behind us. No family was there to meet us. We had no home and like so many other immigrants had to go through difficult times before we could again feel on firm footing. All our belongings including my husband's valuable library had been packed and shipped before we left Switzerland. We had no idea where the shipment was, and it was even doubtful whether we would ever see it again. From 1940 to 1942, we had no real home of our own, moving from one small hotel to another, living on savings. No acceptable teaching position was offered Ludwig von Mises. ¶This is the background of this work, when my husband sat down at his desk to write, as he originally planned, his autobiography. Without his diaries and notes and without his books, he finished this book in December 1940 ¶Never before had Ludwig von Mises made such harsh and devastating observations and judgments of the economic and cultural relationships in German and Austrian universities, of the professors, politicians in office and other personalities in the public eye. Never before had he expressed so clearly his doubts as to the imminent decline of western civilization. In retrospect, I could say that never again did he write in such a frank and open manner. ¶In later years, as he became inwardly more at peace and gained insight into the economic relationships and enormous possibilities of the United States, he had new hope for the survival of western culture. MARGIT VON MISES, June 1977, New York." (Translated from the German)

Rothbard, Murray N. *Education, Free and Compulsory: The Individual's Education*. Menlo Park, Calif.: Center for Independent Education, n.d. (1978, ?). This essay, first written c.1960, updated for this printing. A history of how compulsory schooling, from its beginning in Europe, led to the usurpation of parental control and to state-imposed conformity. Quotes from Mises' *Omnipotent Government*: 'The main tool of compulsory denationalization and assimilation is education; . . . in the linguistically mixed territories it turned into a dreadful weapon in the hands of governments The philanthropists and pedagogues . . . who advocated public education did not foresee what waves of hatred and resentment would rise out of this institution'."

ADDENDUM

1979

Kirzner, Israel M. *Perception, Opportunity, and Profit: Studies in the Theory of Entrepreneurship*. University of Chicago Press, 1979. Papers in this collection that referred to Mises entered in 1993 Mises bibliography under dates of original publication, except:

“Hayek, Knowledge, and Market Processes.” pp.13-33. Presented December 1975 in Dallas, Texas, at Allied Social Science Associations. Not previously published: “Mises vigorously denounced the abuse of the (concededly highly useful) equilibrium concept by theorists who ignored the essentially process character of markets. Again and again he showed how the belief held by theorists that equilibrium states are actually attained led them to misunderstand grossly what markets in fact achieve. For Mises, the essence of a theory of markets must be to explain the forces that generate *changes* in prices and quantities; the equilibrium concept is useful precisely in its offering, in its utterly hypothetical freedom from change, a contrast to the world of incessant change.” (p.17)

Sikes, Earl R. “Economic Planning.” *Collier's Encyclopedia*. New York: Macmillan Educational Corp., P. F. Collier, 1979. 532-534. “It is held by writers like Hayek in *The Road to Serfdom* and von Mises in *Bureaucracy* [B-13] that this type of economic planning [by authoritative federal agency] would destroy both political and economic democracy. Other writers like Wootton in *Freedom Under Planning* and Finer in *The Road to Reaction* insist that a fairly high degree of economic planning is necessary to maintain democracy.” (p.533).

1980

Kirzner, Israel M. “The Primacy of Entrepreneurial Discovery” in *The Prime Mover of Progress: The Entrepreneur in Capitalism and Socialism* (London: Institute of Economic Affairs, 1980). “Although as Ludwig von Mises pointed out long ago, *all* individual action is entrepreneurial, and although we have described entrepreneurial alertness as in principle inexhaustible, we have also been careful to notice that potential alertness may be (and so often is) untapped and inert.”

Sanders, John T. *The Ethical Argument Against Government*. Washington, D.C.: University Press of America, 1980. Cites Mises as one of the authors who has criticized government as a solver of social problems. (p.ix) Quotes at length from his *Socialism* [B-4] on economic calculation under socialism. (pp.206-210)

1981

Nelson, Richard R. “Assessing Private Enterprise: An Exegesis of Tangled Doctrine.” *The Bell Journal of Economics*. 12:1 (Spring 1981) 93-111. “Recall that von Mises’ criticism of the central planning alternative was not that private enterprise was optimal, but that prices were essential to rational economic calculation and that it would be administratively infeasible under central planning to achieve a sensible allocation of resources. Since that time, economists have backed off from the proposition that prices are strictly essential to economic calculation . . . Lange responded to von Mises’ criticism by proposing a Socialism that would make use of prices. Hayek rejoined that, in his analysis, Lange had misspecified the real economic problem by not recognizing that the difficulties of running the system stem from the fact that demand and supply conditions are always changing. He

ADDENDUM

argued that, even with Lange's proposed mechanism, Socialism would be less 'responsive' to change than private enterprise* Schumpeter, and later Galbraith . . . argued that a primary virtue of private enterprise is its 'innovativeness.' A good number of Western economists seem to agree." *FOOTNOTE: "It is interesting that von Mises (1951 [B-4]) and Hayek (1969), the two advocates of private enterprise in this debate, pose their arguments in a form much more distant from that of contemporary welfare economics than does Lange (1936), the advocate of Socialism." (pp.94-95)

Vieira, Edwin Jr. "The Syndicalism of the Intellectuals: A Commentary on the Role and Purpose of the American *Intelligentsia* in Promoting Socialism in the United States." *The Journal of Social, Political and Economic Studies*. Washington, D.C., n.d. pp.269-295. Examines F. A. Hayek's argument in "The Intellectuals and Socialism" (U. of Chicago Law Review, 1949). Vieira credits Mises with having "proved over fifty years ago" that socialism cannot solve the economic calculation problem." (p.279) He quotes Mises with respect to government intervention: "Economics does not say that . . . government interference with . . . prices . . . is unfair, bad, or infeasible. It says that such interference produces results contrary to its purpose, that it makes conditions worse, not better, *from the point of view of the government and those backing its interference.*" Then Vieira adds: "But why did von Mises presume that those favoring state-intervention are interested in making conditions *better* for the commonality of mankind? Oft-times, to the contrary, they may have reasons for making conditions *worse.*" (p.294 n.33)

INDEX

Entries by author, editor
and/or journal title.
Publication dates in parentheses.
Anthology or journal sub-entries,
alphabetized under name of
anthology editor or journal title.

- A**
- Adams, Walter & James W. Brock (1993) 172
 Addresson, M.
 " (1984) 23
 " Kirzner (1986) 49-50
 Alford, J. Tucker *Free Market* (1987) 65
American Economic Review
 " Cowen & Fink (1985) 32
American Journal of Economics and Sociology
 " Dugger (1983) 17
 " Gunning (1986) 47
 Anderson, Martin (1988) 75
 Anderson, Robert G.
 " *Fdm.for Econ.Educ.* (1987) 62
 Armentano, Dominick T.
 " Block & Rockwell (1988) 77
 Arney, Dick. Hillsdale (1993) 183
 Arnold, N. Scott
 " (1987) 58
 " *Soc.Phil.& Pol.* (1989) 111
 Arnold, Roger. Herbener (1993) 179
 Arnold, Ron & Alan Gottlieb (1993) 172
 Arocena Olivera, Enrique (1978) 212
Asian Economic Review
 " McGee (1987) 70
 " McGee (1988) 2 entries, 89
Atlantic Economic Journal
 " Batemaroo (1985) 32
 " (1978) 213
Austrian Economics Newsletter (1977-1983) N.Y.: Center
 for Libertarian Studies
 " (1978) 213-214
Austrian Economics Newsletter (post-1984) Auburn, Ala.:
 Ludwig von Mises Institute
 " Hazlitt interview (1984) 26
 " Garrison (1985) 33
 " (1987) 58
 " (1988) 75-76
 " (1990) 115-116
 " (1991) 133-134
 " Hayek "In Memoriam" (1993) 178
 " Hoppe, rev., Mises' Money, Method &
 Mkt.Proc. (B-28), 201
- B**
- Baird, Charles W. *Cato* (1989) 99-100
 Band, Richard E. (1988) 76
 Barron's. Markovitz (1988) 89
 Barry, John M. (1986) 42
 Barry, Norman P.
 " *Lit. of Lib.* (1982) 10
 " (1984) 23
 " (1987) 58-59
 Bartlett, Bruce R.
 " Hillsdale (1983) 18
 " Skousen (1992) 168
 Barton, Sarah
 " Rothbard-Rockwell Report (1990) 116
 Batemaroo, Robert John
 " Ph.D. (1983) 15
 " (1985) 32
Bell Journal of Economics
 " Nelson (1981) 216-217
 Benegas Lynch, Alberto (1989) 97
 Benegas Lynch, Alberto Jr.
 " (1984) 23
 " *Libertas* (1985) 36
 " *Libertas* (1986) 53
 " (1987) 59
 " *Libertas* (1987) 69
 " (1993) 172
 Bennett, James T. (1992) 148
- Benson, Bruce L. *Rev. of Aust.Econ.*
 " (1993) 191
 Berkel, Bob. *Inquiry*, (1982) 3
 Berkley, George E. (1988) 76-77
 Bethell, Tom
 " Hillsdale (1982) 2-3
 " Rockwell (1988) 93
 " *Free Market* (1989) 103
 Bittencourt, Renato
 " (1984) 23
 " *Visao* (1986) 57
 Blaug, Mark (1985) 32
 Block, Walter
 " (1983) 15-16
 " *Grainews* (1986) 46
 " (1987) 59
 " co-ed. with Rockwell (1988) 77-79
 " co-ed. with Rothbard; see *Rev. of Aust.Econ.*
 " *Rev. of Aust.Econ.* (1988) 90
 " *Rev. of Aust.Econ.* (1989) 109
 Boehm, Stephan
 " Kirzner (1982) 3
 " (1984) 23
 " (1985) 32
 " (1989) 97
 " Hennings & Samuels (1990) 123
 Boettke, Peter
 " co-author with Horwitz & Prychitko
 " (1985) 42
 " *Nomos* (1986) 2 entries, 54-55
 " co-author; see Horwitz under Aust.
 " *Econ.Newsltr.* (1987) 58
 " (1987) 60
 " (1988) 2 entries, 79-80
 " Ph.D. (1988) 80
 " *Crit.Rev.* (1988) 81
 " (1990) 116
 " *Crit.Rev.* (1990) 117
 " Hillsdale (1991) 138
 " Robbins & Spangler (1992) 163
 " (1993) 2 entries, 172-173
 Bolch, Ben & Harold Lyons (1993) 173
 Bolivar, Carolina R. de (1987) 60
 Bolivar Simon, Fredrico (1991) 134
 Bostaph, Samuel. *Atlantic Econ.J.* (1978) 213
 Bottom Line. Bellevue College, Bellevue, Neb.
 " Patton (1993) 190
 Bottomore, Tom. *Crit.Rev.* (1986) 44
 Boudreaux, Don.
 " Hazlitt interview (1984) 26
 Bovard, James. Hillsdale (1993) 183
 Bowley, Marian (1936) 204
 Bradford, M. E.
 " *Modern Age* (1982) 12
 Bradley, Simon. *Free Market* (1989) 103
 Branden, Barbara (1986) 42-43
 Branden, Nathaniel (1989) 97-98
 Braun, Conrad Jules. *Gold Stand.News* (1987) 67
 Brimelow, Peter (1989) 98
 Brittan, Samuel. *Financial Times* (1993) 176
 Brock, James W. co-author; see Adams (1993) 172
 Brookes, Warren (1990) 116
 Brown, Norman O. (1959) 206-207
 Brown, Pamela
 " *Lit. of Lib.* (1982) 10
 Browne, Martha Steffy. *Wirtsch-polit. Blätter* (1989) 113
 Brue, Stanley L. co-author; see Oser (1988) 90
 Buchanan, James M.
 " Kirzner (1982) 3-4
 " *Aust.Econ.Newsltr.* (1987) 58
 Butler, Emonn
 " (1983) 16
 " (1988) 80
 Butois, William N. Ph.D. (1983) 16
 Bye, Raymond T. (1950) 206

INDEX

C

Cachanosky, Juan Carlos (1984) 23
 " *Libertas* (1985) 36
 " *Libertas* (1986) 53
 " Robbins & Spangler (1992) 163-164

Caldwell, Bruce
 " (1982) 1
 " (1984) 23-24
 " *History of Polit. Econ.* (1986) 49

Campbell, William F.
 " *Modern Age* (1982) 12
 " (1987) 60

Carson, Clarence B.
 " *Free Market* (1982) 17-18
 " (1988) 80

Castorina, Camille P.
 " Robbins & Spangler (1992) 164

Cato Journal
 " (1983) 16-17
 " (1986) 43
 " (1989) 98-100
 " Schroeder (1991) 145-146

Centro de Estudios en Economía y Educación, Mexico
 " (1983) 17

Centro de Estudios sobre la Libertad, Buenos Aires (1991) 134

Centro de Investigaciones sobre la Libre Empresa, Mexico
 " (1987) 60
 " (1988) 80

Chabot, Jean-Luc (1988) 81

Chafuen, Alejandro A. (1986) 43

Chaloupek, Günther K. (1990) 116

Chamberlain, John
 " (1982) 1
 " *Fdn. for Econ. Educ.* (1987) 62-63
 " (1991) 134
 " (1973) 210

Chambliss, Lauren (1987) 60
 " *Free Market* (1987) 65

Charles, Prince of Wales (1988) 81

Childs, Roy A., Jr.
 " (1990) 117
 " *Liberty* (1993) 187

Chronicle of Higher Education
 " Yates (1990) 132

Ciencia Política. Stewart (1989) 112

Clark, John & Aaron Wildavsky
 " (1990) 117

Clovatre, Dallas L. *Crit. Rev.* (1986) 44

Colander, David
 " (1986) 44
 " co-author; see Landreth (1993) 186

Collier, Peter & David Horowitz
 " (1989) 100-101

Comanescu, Dan Cristian (1993) 173-174

Comercio e Industria. El Salvador
 " Isaacs (1989) 106

Conservative Digest
 " Rockwell (1985) 37
 " Harlitt interview (1986) 48
 " Rockwell (1987) 73

Conway, David (1987) 61

Cordato, Roy E. (1992) 148

Cornuelle, Richard
 " (1991) 134
 " *Crit. Rev.* (1992) 148-149
 " (1993) 2 entries, 174

Cortés Conde, Roberto *Libertas* (1989) 107

Coser, Lewis A. (1984) 24

Cotidianul. Bucharest, Romania
 " Comanescu (1993) 173-174

Cowan, Tyler & Richard Fink (1985) 32

Cox, Stephen (1993) 174

Craver, Earlene *History of Polit. Econ.* (1986) 48-49

Critical Review. New York.
 " (1986) 44
 " (1987) 61-62
 " (1988) 81-82
 " (1989) 101
 " (1990) 117-118
 " (1992) 148-149

Critical Review Update. Cornuelle (1993) 174

Crosler, Brian & Arthur Seldon
 " (1984) 24
 " (1986) 44-45

Cubeddu, Raimondo (1993) 175

D

Daily Aztec San Diego State Univ.
 " Keenan (1988) 85

Daily Record. Dunn, N.C.
 " Peterson (1991) 142

Dan, Kenneth W. (1983) 1

Davidson, Jim (1988) 82

Davis, James E. & Regina McCormick (1988) 82

de Jasay, Anthony. *Crit. Rev.* (1990) 118

Delgaudio, Julian Joseph. Ph.D. (1987) 62

Deming, John W. *Wall Street Journal* (1992) 171

Dempsey, Bernard W. (1948) 205

Denson, John V. *Free Market* (1983) 18

Deutsche Literaturzeitung.
 " Schutz (1934) 199, 203

de Witt, Marco. Haxialo (1991) 137

dilorenzo, Thomas J.
 " (1991) 134-135
 " *Free Market* (1992) 149

DiZerega, Gus *Crit. Rev.* (1989) 101

Diamond, Arthur M., Jr.
 " *Rev. of Aust. Econ.* (1988) 90-91

Dickman, Howard (1987) 62

Dimitay, rev., *Mises' En Nomen des Staates* (B-25) 200

Dissent. Heilbroner (1990) 122-123

Dixon, Frederick R. (1988) 82

Doering, Detmar (1992) 149

Dugger, William (1983) 17

Durell Journal of Money and Banking Berryville, Va.:
 " George Edward Durell Fdn.
 " Schuler (1990) 129

E

East, John P. (1984) 24

Eastern Economic Journal
 " Greenfield & Salerno (1983) 18
 " Langlois (1985) 35

Ebeling, Richard M.
 " review of Caldwell (1982) 1
 " Lachman interview (1982) 8
 " (1983) 17
 " (1985) 32
 " Rockwell (1985) 38
 " review of Smith under Grassl & Smith (1986) 47
 " Kirzner (1986) 50
 " *Market Process* (1987) 69-70
 " *Aust. Econ. Newsltr.* (1988) 75-76
 " *Free Market* (1988) 82
 " *Market Process* (1988) 87-88
 " *Free Market* (1989) 2 entries, 102
 " Hillsdale (1991) 138
 " Hillsdale (1992) 154
 " Robbins & Spangler (1992) 164
 " (1993) 175
 " Herbener (1993) 179
 " Hillsdale (1993) 2 entries, 183
 " (1978) 214

Economic Affairs Hayek (1982) 2

Economic Journal. Schwiedland. rev., *Mises' Socialism* (B-4) 201

Economic Review. Fed. Res. Bank of Richmond
 " Humphrey (1984) 26

Economica (Bowley) 204

Edwards, James Rolph.
 " Ph.D. (1983) 17
 " (1985) 32-33

Egger, John B.; Kirzner (1986) 50

Ekelund, Robert B., Jr.
 " & Hébert (1983) 17
 " & Tollison (1986) 3 entries, 45

Eshelman, Larry J.
 " *Rev. of Aust. Econ.* (1993) 191-192

Esquire. Barry, J. M. (1985) 42

Estudios Públicos. Chile
 " Benegas L. (1984) 23
 " Zanotti (1986) 57

European Network: Newsletter. Inst. for Humane Studies (IHS) (1991) 140

Everyman's Dictionary of Economics (1975) 211

F

Farmmd. Hoff (1966) 207, 208

Federal Communications Law Journal
 " Stevens (1988) 95

INDEX

- Financial Planning*. Chambliss (1987) 60
Financial Times. London, England (1993) 176
 Fink, Richard. co-author; see Cowen (1985) 32
Finnish Economic Papers. Vihanto (1989) 112
Forbes
 " Brimelow (1989) 98
 " Heilbroner interview (1991) 138
Fordham Law Review. Wonnell (1986) 57
Forecasts & Strategies... Skousen (1987) 74
Fortune. Norton (1991) 141
 Foundation for Economic Education
 " (1987) 62-63
Frankfurter Allgemeine Zeitung. rev., Mises' Im Namen des Staates (B-25) 200
The Free Market. Auburn, Ala.: Ludwig von Mises Institute
 " (1983) 17-18
 " (1984) 24-25
 " (1986) 45
 " (1987) 63-67
 " (1988) 82-85
 " (1989) 101-103
 " (1990) 118-121
 " (1991) 135
 " (1992) 149-150
 " Hayek obits., Rothbard (1992) 154
 " (1993) 176-177
Free Market Press. Portland, Oregon. (1985) 33
Freedom Network News. ISIL, San Francisco
 " Sikorski (1993) 193
The Freeman. Irvington, N.Y.: Foundation for Economic Education
 " Greaves (1983) 18
 " Rydenfelt (1987) 73
 " Pasour (1988) 90
 " (1990) 121
 " (1991) 136
 " Reisman (1992) 162
 " Boettke (1993) 172-173
 " North (1971) 209
 " Pasco (1975) 211-212
 " North (1976) 212
 Friedberg, Albert D. *Free Market* (1986) 45
 Friedman, Jeffrey
 " *Crit.Rev.* (1989) 101
 " *Crit.Rev.* (1990) 118
 Friedman, Milton
 " & Rose D. (1988) 85
 " *Liberty* (1991) 140-141
 " (1972) 209
 Fuerle, Richard D. (1986) 46
 Fund, John.
 " Klaus interview; Reason (1990) 126
 Furth, J. Herbert. *Wirtsch-polit.Blätter* (1989) 113
- G
- Galbraith, John Kenneth (1987) 67
 Gallaway, Lowell & Richard K. Vedder. co-authors
 " *Rev. of Aust.Econ.* (1987) 72
 " *Rev. of Aust.Econ.* (1991) 144
 " (1993) 194
 Gallo, Ezequiel
 " *Libertas* (1985) 36
 " *Libertas* (1989) 107
 Garrison, Robert W.
 " Kirzner (1982) 4
 " (1985) 2 entries, 33
 " see O'Driscoll & Rizzo (1985) 37
 " Rockwell (1985) 38
 " Cato (1986) 43
 " Kirzner (1986) 50
 " *Crit.Rev.* (1987) 61-62
 " Block & Rockwell (1988) 77
 " *Rev. of Aust.Econ.* (1991) 142-143
 " Skousen (1992) 168-169
 " Herbener (1993) 179-180
 Gilder, George (1984) 25
Il Giornale. Milan, Italy
 " Infantino (1993) 185
 Glasner, David
 " (1985) 34
 " *Free Market* (1989) 103-104
 " *Freeman* (1991) 136
Gold Standard News, Kansas City, Missouri: Gold Standard Corp. (1987) 67-68
 Gordon, David
 " & Watner (1986) 46
 " *Aust.Econ.Newsletter* (1987) 58
- " *Free Market* (1987) 65
 " (1988) 85
 " (1990) 121
 " *Rev. of Aust.Econ.* (1991) 143
 " *Rev. of Aust.Econ.* (1992) 162-163
 " Skousen (1992) 169
 " (1993) 177-178
 " Herbener (1993) 180
 " Maltsev (1993) 188
 " *Rev. of Aust.Econ.* (1993) 192
 Gottfried, Paul. (1993) 178
 Gottlieb, Alan. co-author; Ron Arnold (1993) 172
Grainews
 " Block (1983) 15-16
 " (1986) 46
 " Block (1987) 59
 Grassl, Wolfgang & Barry Smith
 " eds. (1986) 46-47
 " Grassl & Smith, eds. (1986) 47
 Gray, John N.
 " *Lit. of Lib.* (1982) 11
 " (1984) 25
 " (1990) 121-122
 " (1992) 150-151
 Greaves, Bettina Bien
 " (1983) 18
 " *Investment Rarities* (1985) 34
 " *Freeman* (1990) 121
 " *Freeman* (1991) 136
 " Robbins & Spangler (1992) 164-165
 " with McGee (1993) 178
 Greaves, Percy L., Jr.
 " Wertfrei (1974) 2 entries, 210, 211
 Greenaway, David & John R. Presley, eds.
 " (1989) 104
 Greenfield, R. & Salerno (1983) 18
 Greenwald, Donald, ed. (1982) 1
 Gresham, Perry R. *Fdn. for Econ.Educ.* (1987) 63
 Gunning, J. Patrick
 " (1985) 34
 " (1986) 47-48
 " *Rev. of Aust.Econ.* (1989)
 " 2 entries, 109-110
 " (1991) 137
 " Hillsdale (1991) 138-139
- H
- Haberler, Gottfried
 " (1982) 2
 " (1991) 137
 " ed.; see Kaufmann (1992) 156
Hallinnon Tutkimus. Vammala, Finland
 " (1991) 137-138
 Hanke, Steve H.
 " (1986) 48
 " *Free Market* (1992) 150
 Harcourt, G. C. Hill (1989) 104
 Harisalo, Risto. ed. + 2 entries (1991) 137-138
 Hawtrey, R. G. (1937) 204
 Hayek, F. A.
 " (1982) 2
 " (1984) 25
 " *Investment Rarities* (1985) 34
 " *Free Market* (1987) 66
 " *Aust.Econ.Newsletter*. (1988) 76
 " (1988) 85
 " *Collected Works* (1992) 151-153
 " rev., Mises' *Epist.Probs.* (B-10), 151
 " *Obituaries* (1992) 153-154
 " (1993) 178
 " interview, see Poole/Postrel
 " (1993) 190
 " (1978) 214-215
 Hazlett, Thomas W. Hayek interview; see Poole/Postrel (1993) 190
 Hazlett, Henry
 " interview (1984) 26
 " *Investment Rarities* (1985) 34
 " interview (1986) 48
 " *Free Market* (1987) 66
 " (1976) 212
 Hébert, Robert F.
 " & Link (1982) 2
 " co-author; see Skelund (1983) 17
 " *J. of Lib.Studies* (1985) 34
 " Hennings & Samuels (1990) 123

INDEX

- Heilbroner, Robert
 " Aust.Econ.Newsltr. (1990) 115
 " (1990) 3 entries, 122-123
 " interview (1991) 138
 " Intro., see Adams & Brock (1993) 172
 " (1993) 178
- Helmstädtér, Ernst.
 " co-ed.; see Kaufmann (1992) 156
- Henderson, David R. (1993) 179
- Hendrickson, Mark
 " (1987) 68
 " Robbins & Spangler (1992) 165
- Hennings, Klaus & Warren J. Samuels, eds.
 " (1990) 123
- Herbener, Jeffrey M.
 " Rev. of Aust.Econ. (1991) 143-144
 " Rev. of Aust.Econ. (1992) 163
 " Skousen (1992) 2 entries, 169
 " ed. (1993) 179-183
 " Herbener (1993) 180
- Higgs, Robert
 " (1987) 68
 " Free Market (1990) 119
 " Liberty (1990) 126
 " Rev. of Aust.Econ. (1991) 143
- High, Jack
 " Kirzner (1982) 4
 " Kirzner (1986) 50
- Hill, Roger, ed. (1989) 104
- Hillsdale College, Hillsdale, Mich.
 " *Mises Lecture Series*
 " *Champs. of Freedom:9* (1982) 2-3
 " *Champs. of Freedom:10* (1983) 18
 " *Champs. of Freedom:11* (1985) 34
 " *Champs. of Freedom:15* (1989) 104
 " *Champs. of Freedom:16* (1990) 124
 " *Champs. of Freedom:17* (1991) 138-139
 " *Champs. of Freedom:18* (1991) 139-140
 " *Champs. of Freedom:19* (1992) 154-155
 " *Champs. of Freedom:20* (1993) 183-184
- Hirsch, Abraham *Hist. of Polit.Econ.* (1986) 49
- History of European Ideas.*
 " Strausler (1988) 95
- History of Political Economy*
 " Murrell (1983) 19
 " Caldwell (1984) 23-24
 " Garrison (1985) 33
 " Gunning (1985) 34
 " (1986) 48-49
 " Chaloupek (1990) 116
 " Kirzner (1990) 124
 " Kirzner (1992) 157
- Hoff, Trygve J. B. (1966) 2 entries, 207, 208
- Hoffman, Matthew. *Free Market* (1992) 149
- Hohmann, Karl. co-ed., see Stützel (1982) 14
- Hollis, Martin (1987) 68
- Holton, Robert J. & Bryan S. Turner
 " (1989) 104-105
- Holtz, William (1993) 184
- Holzer, Erika. Haslitt interview (1986) 48
- Hoppe, Hans-Hermann
 " Block & Rothwell (1988) 77-78
 " *Free Market* (1988) 2 entries, 83
 " (1988) 85
 " *Liberty* (1988) 87
 " (1989) 105
 " *Rev. of Aust.Econ.* (1989) 110
 " *Rev. of Aust.Econ.* (1991) 144
 " Skousen (1992) 169
 " Herbener (1993) 180-181
 " (1993) 2 entries, 184, 185
 " Maltsev (1993) 188
 " rev, *Mises' Money, Method, & Mkt. Process* (B-28) 201
- Horowitz, David.
 " co-author; see Collier (1989) 100-101
 " (1989) 106
- Horwitz, Steven
 " co-author; see Boettke (1986) 42
 " *Aust.Econ.Newsltr.* (1987)
 " 2 entries, 58
 " *Market Process* (1988) 87
 " McGee (1992) 158
- Hoechaidt, David. *Liberty* (1990) 125-126
- Hudgins, Edward Lee, III. Ph.D. (1984) 26
- Huerta de Soto, Jesus (1992) 155
- Hughes, Mark D. *Free Market* (1987) 64
- Humane Studies Review*, Inst. for Humane Studies
 " Ebeling (1983) 17
 " Ebeling (1985) 32
 Humphrey, Thomas M. (1984) 26
 Hutt, W. H. *Rev. of Aust.Econ.* (1989) 110
- I
- Ideas sobre la Libertad.* Buenos Aires: Centro de Estudios sobre la Libertad (1991) 134
- Ideer om Frihet.* Nordbakken (1993) 190
- Ikeda, Sanford
 " Haslitt interview (1984) 26
 " Ph.D. (1988) 85
 " Robbins & Spangler (1992) 165
- Infantino, Lorenzo
 " (1992) 155
 " (1993) 185
- Inoki, Takenori.
 " (1991) 140
 " rev., *Mises' Human Action* (1991) 200
- Inquiry*, Libertarian Review Fdn.
 " (1982) 3
 " White (1983) 22
- Institute for Humane Studies
 " (1991) 140
- Institute Scholar*, Inst. for Humane Studies
 " Lachman (1982) 8
- Instituto Cultural Ludvig von Mises, Mexico
 " (1989) 106
- Instituto Libertad y Desarrollo, Santiago, Chile
 " (1993) 185
- Intellectual Activist.* Salsman (1990) 129
- Intercollegiate Review.* Bryn Mawr, Penna:
 " *Intercolleg. Studies Inst.*
 " Hayek obit., Verlyser (1992) 154
- Internatl. Rev. of Econ. and Business*
 " Adleson (1984) 23
- Investment Rarities Inc. (IRI), Minneapolis
 " (1985) 34
- Ioannides, Stavros (1992) 155-156
- Isaacs, Mark D.
 " (1985) 34
 " (1989) 106
- J
- Jacobs, Struan. *Crit.Rev.* (1990) 118
- Jahrbuch für Sozialwissenschaft*
 " Neck, R. (1982) 3
 " Schoppe, S.G. (1982) 3
- James, Simon. compiler (1984) 26
- James, Susan (1984) 26
- Jaramillo, Mario. (1993) 185
- Javier Negri, Juan (1990) 124
- Johannsen, Oscar Bernard. Ph.D. (1983) 18
- Johnson, Gregory R. *Crit.Rev.* (1990) 117
- Johnson, Paul (1983) 18
- Journal des Economistes et des Etudes Humaines*
 " Vihanto (1993) 194
- Journal of Economic Literature*
 " Kirzner (1983) 19
 " Heilbroner (1990) 122
- Journal of Economic Perspectives* Univ. of Ill.
 " Persky (1991) 142
- Journal of Economic Studies*
 " Simpson (1983) 20-21
- Journal of Institutional and Theoretical Economics*
 " Vihanto (1992) 171
- Journal of Libertarian Studies.* Burlingame, Cal.:
 " Ctr. for Libertarian Studies.
 " Pasour (1983) 19
 " (1985) 34-35
- Journal of Political Economy*
 " Perlman (1987) 71-72
 " Friedman (1972) 209
- Journal of Soc., Polit. and Econ. Studies.*
 " Vieira (n.d., 1981 ?) 217
- K
- Karafiath, Imre. Ph.D. (1983) 18
- Kaufmann, Felix (1992) 156
- Keenan, John Leo (1988) 85-86
- Kelzer, William, *Rev. of Aust.Econ.* (1987) 72
- Kelley, Michael (1993) 186

INDEX

- Kemp, Arthur. revs.
 " Mises' *Epist.Probs.* (B-10) 199
 " Mises' *Theory of M. & Cr.* (B-2), 202
- Kemp, Jack. quoted; see Kuttner (1990) 125
- Ribbe, Matthew B. *Market Process* (1988) 88
- Kirzner, Israel M.
 " ed. + 2 entries (1982) 3-8
 " *Lit.of Lib.* (1982) 11
 " (1983) 19
 " see Samuels (1985) 39
 " ed. (1986) 49-51
 " Leiser (1986) 52
 " *New Palgrave* (1987) 71
 " Block & Rockwell (1988) 78
 " (1988) 86
 " *Rev.of Aust.Econ.* (1988) 91
 " Cato (1989) 100
 " (1989) 106
 " *Crit.Rev.* (1990) 117-118
 " Hennings & Samuels (1990) 123
 " (1990) 3 entries, 124
 " Hillsdale (1991) 139
 " (1992) 156-157
 " Robbins & Spangler (1992) 165-166
 " Herbener (1993) 181
 " Wertfrei (1974) 211
 " *Atlantic Econ.Journal* (1978) 213
 " (1979) 216
 " (1980) 216
- Klaus, Vaclav
 " interview; see *Reason* (1990) 126
 " quoted; see *Wall St.J.* (1990) 132
 " quoted; see Will (1990) 132
- Klausner, Manuel S. Reagan interview
 " see Poole/Postrel (1993) 190
- Klein, Peter G., ed. Hayek (1992) 151-153
- Kornai, János. (1990) 125
- Kristol, Irving (1983) 19
- Kuehnelt-Leddihn, Erik von. (1990) 125
- Kuttner, Robert (1990) 125
- Kylos. Basel, Switzerland (1992) 157-158
- L
- Lachmann, Ludwig M.
 " Kirzner (1982) 5
 " interview (1982) 8
 " (1982) 8-9
 " (1990) 125
- Laidler, David (1982) 9
- Laissez Faire Books*
 " Childs (1990) 117
 " Hayek obits., Raico (1992) 153-154
 " Powell (1993) 190
- Landreth, Harry & David Colander, co-authors
 " (1993) 186
- Langlois, Richard N.
 " Kirzner (1982) 5
 " (1985) 35
 " Samuels (1985) 39
 " (1986) 52
- Las Vegas Review-Journal*.
 " Suprynovicz (1993) 193-194
- Lavoie, Donald C.
 " Kirzner (1982) 5-6
 " Ph.D. (1982) 9
 " Cato (1983) 16
 " (1985) 2 entries, 35-36
 " *Crit.Rev.* (1986) 44
 " Kirzner (1986) 50-51
 " *Crit.Rev.* (1987) 61
 " Cato (1989) 98-99
 " (1991) 140
 " *Aust.Econ.Newsltr.* (1978) 213-214
- Lee, J. Roger. Machan (1988) 87
- Legutko, Ryszard (1988) 86
- Lehrer, Jim. Moynihan interview (1991) 141
- Lehrman, Lewis, co-author; see Paul (1982) 12
- Leichter (1923) 203
- Leijonhufvud, Axel. Cato (1986) 43
- Leland, Mickey. Hillsdale (1989) 104
- Lepage, Henri (1982) 9-10
- Lerner, A. P. (1935) 203-204
- Leiser, N., ed. (1986) 52-53
- Leube, Kurt R. *Wirtschafts-politischer Blätter* (1989) 113
- Liberalsee Institut. Zurich, Switzerland
 " (1993) 187
- Libertas.* ESEADE, Argentina
 " Bonegas L., Jr. (1984) 23
 " (1985) 36
 " (1986) 53-54
 " (1987) 68-69
 " (1989) 107
- Liberty. Port Townsend, Wash.
 " (1988) 86-87
 " (1989) 107-108
 " (1990) 125-126
 " (1991) 140-141
 " (1993) 187-188
- Liggio, Leonard, ed., *Literature of Liberty*
 " unsigned editorial (1982) 10-11
- Lingle, Christopher. *McGee* (1992) 158
- Link, Albert N. co-author, see Hébert (1982) 2
- Linz, Susan J. (1987) 69
- Literature of Liberty* (*Lit. of Lib.*)
 " editorial, unsigned (1982) 10-11
- Littlechild, S. C.
 " Kirzner (1982) 6
 " Langlois (1986) 52
- Littler, Graeme B.
 " *Free Market* (1987) 66
 " *Free Market* (1989) 101-102
- Loasby, Brian J.
 " Kirzner (1982) 6
 " (1989) 108
- Lomasky, Loren
 " *Liberty* (1989) 107
 " *Soc.Phil.& Pol.* (1989) 111
- Ludwig von Mises Institute. Auburn, Ala.
 " Staff (1985) 37
 " (1992) video, 158
- Lunn, Arnold (1939) 204-205
- Lyons, Eugene (1967) 208
- Lyons, Harold. co-author; see Bolch (1993) 173
- M
- Machan, Tibor R.
 " ed. (1988) 87
 " (1990) 126
 " *McGee* (1992) 157-158
- Machlup, Fritz
 " see Spiegel (1984) 29
- Madelin, Alain. rev., Mises' *Human Action* (B-16) 200
- Malia, Martin (1992) 158
- Maltsev, Yuri
 " *Free Market* (1990) 119
 " *Free Market* (1991) 135
 " *Free Market* (1992) 149
 " Hillsdale (1992) 155
 " *McGee* (1992) 159
 " *Free Market* (1993) 177
 " ed. (1993) 188-189
 " (1993) 188
- Managerial & Decision Econ.* Wood (1984) 31
- Market Process.* Fairfax, Va.: Ctr. for Study of Mkt. Processes, George Mason Univ.
 " Boettke, Horwitz & Prychitko (1986) 42
 " (1987) 69-70
 " (1988) 87-88
- Markovitz, Morry (1988) 89
- Mariotti, Steve. Hillsdale (1990) 124
- Martin, Paul C. (1982) 2 entries, 11
- Marxstudien. Leichter (1923) 203
- Maybury, Rick/Richard J.
 " (1982) 11
 " (1988) 89
- McCormick, Regina. co-author; see Davis (1988) 82
- McDonald, William Wesley. Ph.D. (1982) 11
- McElroy, Wendy (1991) 141
- McFarlane, Bruce J. see Spiegel (1984) 29
- McGee, Robert W.
 " (1987) 70
 " (1988) 2 entries, 89
 " ed. (1992) 158-160
 " *McGee* (1992) 159
 " co-ed., see B.B.Greaves (1993) 178
- McKenzie, Richard B.
 " Hillsdale (1993) 183
 " & Gordon Tullock (1975) 211
- Melton, Joe (1992) 160
- Meyer, Willi. Kirzner (1986) 51
- Meyerson, Adam. (1993) 189-190
- Mich. Quarterly Rev. Glasner (1985) 34
- Miller, Bradley. *Free Market* (1987) 65

INDEX

- Miller, Robert H, Robbins & Spangler (1992) 166
- Mises, Ludwig von. books; reviews, comments:
 " *Causes of Econ.Crisis* (B-9)
 Röpke, 198-199
 EpiSt. Probs. (B-10)
 Hayek, 151, 199
 Kemp, A., 199
 Schutz, 199
 " *Human Action* (B-16)
 Inoki, 200
 Madelin, 200
 " *Im Namen des Staates* (B-25)
 Dimitag, 200
 Frankfurter Allg. Z., 200
 " *Liberalism* (B-6) Hoppe (1993) 185
 " *Money, Method & Mkt.Proc.* (B-28)
 Hoppe, 201
 " *Notes & Recollections* (B-23)
 Aust.Econ.Newsltr. Hayek (1978) 76
 Hayek (1978) 214-215
 Mises, M.V. (1978) 215
 " *Socialism* (B-4)
 Hayek (1981) 152-153
 Schwiedland, 201
 " *Theory of M & Cr.* (B-2)
 Kemp, A., 202
 Mises, L.v.Mises Inst., video (1992) 158
- Mises, Margit von
 " *Free Market* (1984) 24-25
 " *Free Market* (1987) 66
 " *Block & Rockwell* (1988) 78
 (1978) 215
- Mishan, Ezra J. (1986) 54
- Mixon, J. Wilson, Jr. *Free Market* (1992) 150
- Mittermaier, Karl. Kirtzner (1986) 51
- Modern Age.* Bryn Mawr, Pa.: Intercollegiate
 Studies Inst.
 " (1982) 12
 " Campbell (1987) 60
 " Kemp, A. (1982) 199, 202
 " Hazlitt (1976) 212
- Mommsen, Wolfgang J. & Jürgen Osterhammel, eds.
 " (1987) 70
- Moynihan, Daniel Patrick. Interview (1991) 141
- Müller-Armack, Alfred (1947) 205
- Mundo Empresario. Thomas (1989) 112
- Murata, Toshio. (1991) 2 entries, 141
- Murchison, William
 " Rockwell (1990) 128
 " *Free Market* (1992) 150
- Murrell, Peter (1983) 19
- N
- Nagel, Ernest (1961) 207
- Nash, Ronald H. (1986) 54
- National Review.* Gray (1990) 121-122
- National Westminster Bank Quarterly Review*
 " Barry (1984) 23
- Neck, R. *Jahrbuch für Sozial...* (1982) 3
- Nef, Robert. *Liberales Inst.* (1993) 187
- Nelson, Patricia (1989) 108
- Nelson, Richard R. (1981) 216-217
- New American.* Rev.of the News, Belmont, Mass.
 " Isaacs (1985) 34
- New Palgrave* (1987) 71
- New Republic.* Kuttner (1990) 125
- New York Times.* Szasz, T. (1988) 95
- New Yorker.* Heilbroner (1990) 122
- News, Mexico.* Nelson (1989) 108
- Niskanen, William A. (1988) 89
- Nomos. Chicago: Nomos Press
 " (1986) 54-55
 " Boettke (1987) 60
 " Boettke (1988) 79-80
- Nordbakken, Lars Peder. (1993) 190
- North, Gary
 " (1986) 55
 " *Block & Rockwell* (1988) 78-79
 " *Liberty* (1989) 107
 " (1992) 160-161
 " Robbins & Spangler (1992) 166
 " Maltsev (1993) 188-189
 " (1971) 209
 " (1976) 212
- North Carolina Law Review*
 " Petro (1982) 12-13
- Norton, Rob (1991) 141
- Novak, Michael
 " (1986) 55-56
 " (1989) 108-109
- O
- O'Brien, D. P. (1988) 89-90
- O'Driscoll, Gerald P., Jr.
 " Kirtzner (1982) 6
 " & Rizzo (1985) 37
 " Cato (1989) 100
- Oliver, Daniel T. (1991) 141-142
- Opitz, Edmund A. (1985) 37
- Osaka Econ.Papers. Inoki (1991) 140
- Oser, Jacob & Stanley L. Brue (1988) 90
- Ostaszewski, Krzysztof. McGee (1992) 159
- Osterfeld, David
 " *Rev.of Aust.Econ.* (1988) 91
 " *Rev.of Aust.Econ.* (1991) 143
 " McGee (1992) 159
 " (1992) 162
 " Maltsev (1993) 189
- Osterhammel, Jürgen, co-ed.; see Mommsen (1987) 70
- " Mommsen (1987) 70
- O'Sullivan, Patrick J. (1987) 71
- Overbeek, Johannes. *Aust.Econ.Newsltr.* (1987) 58
- P
- Pagenstecher, Ulrich (1987) 71
- Pasour, E. R., Jr.
 " Kirtzner (1982) 6
 " (1983) 19
 " (1988) 90
- Patton, Judd W.
 " (1989) 109
 " Robbins & Patton (1992) 166
 " (1993) 190
- Paul, Ron
 " & Lewis Lehrman (1982) 12
 " (1984) 27
 " Rockwell (1985) 38
 " *Block & Rockwell* (1988) 79
 " *Free Market* (1988) 84
 " (1991) 142
 " *Free Market* (1992) 150
- Peacock, Sir Alan.
 " Greenaway & Presley (1989) 104
- Pennance, F. G. & Arthur Seldon, compilers.
Everyman's Dictionary of Econ. (1975) 211
- Perlman, Morris (1987) 71-72
- Persky, Joseph (1991) 142
- Personal Finance.* Band (1988) 76
- Personal Financial Investing.*
 " Maybury (1988) 89
- Peterson, William H.
 " *Modern Age* (1982) 12
 " *Free Market* (1987) 64-65
 " Rockwell (1988) 93
 " (1991) 142
 " Robbins & Spangler (1992) 166-167
- Petro, Sylvester
 " (1982) 12-13
 " *Fdn.for Econ.Educ.* (1987) 63
 " Robbins & Spangler (1992) 167
 " (1975) 211-212
- Phaby, John (1988) 90
- Philadelphia Inquirer* (1988) 90
- Phillips, James P. *Aust.Econ.Newsltr.* (1991) 133-134
- Pittsburgh Press.* Davidson (1988) 82
- Plain Dealer,* Cleveland, Ohio
 " Russell (1986) 56
 " Dixon (1988) 82
- Ponton, Rogelio. *Libertas* (1987) 68-69
- Policy Review* Washington, D.C.: Heritage Fdn.
 " Rockwell (1992) 168
 " Meyerson (1993) 189-190
- Political Studies.* Oxford, England
 " Ebeling (1993) 175
- Poole, Robert W., Jr. & Virginia I. Postrel, eds.
 " (1993) 190
- Postrel, Virginia I. co-ed.; see Poole (1993) 190
- Powell, Jim (1993) 190
- La Prensa.* Buenos Aires, Argentina
 " Javier Negri (1990) 124
 " Zylberberg (1990) 132
- Presley, John R. co-ed.; see Greenaway (1989) 104
- " Greenaway (1989) 104
- Die Presse.* Vienna, Austria (1988) 90

INDEX

- Pribram, Karl (1983) 19-20
Probs. of Communism. Malia (1992) 158
 Prowse, Michael. *Financial Times* (1993) 176
 Prychitko, David L.
 " co-author; see Boettke (1986) 42
 " *Crit.Rev.* (1987) 62
 " *Crit.Rev.* (1988) 2 entries, 81, 81-82
 " *Freeman* (1991) 136
- R
- Radnitzky, Gerard (1991) 142
 Raico, Ralph
 " Hayek obits. (1992) 153-154
 " (1990) 126
 " Maltsev (1993) 189
 Raimondo, Justin
 " *Free Market* (1993) 177
 " (1993) 190-191
 Reagan, Ronald.
 " *Free Market* (1987) 66
 " interview; see Poole/Postrel (1993) 190
 Reason (1990) 126
 " Poole/Postrel (1993) 190
 Redman, Deborah A. (1989) 109
 Reed, Lawrence W.
 " Fdn. for Econ.Educ. (1987) 63
 " *Free Market* (1987) 64, 65, 65-66
 " Rockwell (1988) 93
 " Robbins & Spangler (1992) 167
 " (1993) 191
 Reekie, W. Duncan (1984) 27
 Reisman, George (1992) 162
Review of Austrian Economics. Auburn, Ala.: Ludwig von
 Mises Institute (Murray N. Rothbard
 & Walter Block, eds.)
 " v.1 (1987) 72-73
 " v.2 (1988) 90-93
 " v.3 (1989) 109-110
 " v.4 (1990) 127
 " 5:1 (1991) 142-143
 " 5:2 (1991) 143-144
 " 6:1 (1992) 162-163
 " 6:2 (1993) 191-192
Rev. of Econ.Studies. Lerner (1935) 203-204
Review of World Economics (Scheide) 56
 Reynolds, Morgan O.
 " (1984) 27-28
 " *Aust.Econ.Newsltr.* (1988) 75
 Richman, Sheldon
 " *Inquiry* (1982) 3
 " *Free Market* (1990) 118-119
 " Rockwell (1990) 128
 " *Liberty* (1991) 141
 Richter, Rudolf
 " (1989) 110-111
 " *Kyklos* (1992) 157-158
 Rizzo, Mario J.
 " Kirzner (1982) 6-7
 " co-author; see O'Driscoll (1985) 37
 Robbins, John W. *Gold Standard News* (1987) 67-68
 " co-ed. with Spangler (1992) 163-168
 " Robbins & Spangler (1992) 167
 Roberts, Paul Craig (1990) 127-128
 Roche, George C., III.
 " Hilledale (1985) 34
 " Hilledale (1993) 183-184
 Rockwell, Llewellyn H., Jr.
 " (1985) 37
 " ed. (1985) 37-39
 " *Free Market* (1987) 63, 64, 65, 66-67
 " (1987) 73
 " co-ed.; see Block (1988) 77-79
 " Block & Rockwell (1988) 79
 " *Free Market* (1988) 4 entries, 83, 84
 " (1988) 93
 " ed.+ 3 entries (1988) 93-94
 " *Free Market* (1989) 3 entries, 102-103
 " *Free Market* (1990) 6 entries, 119-121
 " ed.+ 3 entries (1990) 128-129
 " *Free Market* (1991) 3 entries, 135
 " *Rothbard-Rockwell Report* (1991) 2 entries, 145
 " *Free Market* (1992) 4 entries, 149-150
 " (1992) 168
 " *Free Market* (1993) 3 entries 176-177
 " see Tucker under Herbener (1993) 182
 " (1993) 192
 Röpke, Wilhelm. rev., *Mises' Causes of Econ.Crisis* (B-9) 188-189
- Rothbard, Murray N.
 " Kirzner (1982) 7
 " (1982) 13-14
 " (1983) 20
 " see Spiegel (1984) 29
 " *Investment Rarities* (1985) 34
 " *J.of Lib.Studies* (1985) 35
 " *Free Market* (1987) 64, 67
 " *New Palgrave* (1987) 2 entries, 71
 " *Free Market* (1988) 2 entries, 84
 " co-ed. with Block; see *Rev. of Aust.Econ.*
 " *Rev. of Aust.Econ.* (1988) 2 etries 91-92
 " Rockwell (1988) 94
 " (1988) 94
 " *Rev. of Aust.Econ.* (1989) 110
 " interview, *Aust.Econ.Newsltr.* (1990) 115
 " *Free Market* (1990) 120
 " Rockwell (1990) 129
 " *Rev. of Aust.Econ.* (1991) 144
 " (1991) 145
 " Hayek obits (1992) 154
 " *Rev. of Aust.Econ.* (1992) 163
 " Skousen (1992) 169
 " *Free Market* (1993) 177
 " Herbener (1993) 181-182
 " Maltsev (1993) 189
 " (1993) 192-193
 " (1970) 208-209
 " (1971) 209
 " (n.d., 1978 ?) 215
Rothbard-Rockwell Report
 " Barton (1990) 116
 " (1991) 145
 " Melton (1992) 160
 Rothschild, Kurt. *Kyklos* (1992) 158
 Rotwein, Eugene. *Hist. of Polit.Econ.* (1886) 49
 Russell, Jim. *Plain Dealer* (1886) 56
 Rydenfelt, Sven (1987) 73
- S
- Saal, John J., Jr., M.A. (1951) 206
 Sadowski, James A., S.J (1986) 56
 Salerno, Joseph T.
 " Kirzner (1982) 7
 " Cato (1983) 16-17
 " co-author; see Greenfield (1983) 18
 " *Aust.Econ.Newsltr.* (1988) 75
 " *Rev. of Aust.Econ.* (1990) 127
 " Hilledale (1991) 139
 " McSee (1992) 159-160
 " *Rev. of Aust.Econ.* (1992) 163
 " Herbener (1993) 182
 " *Rev. of Aust.Econ.* (1993) 192
 " *Aust.Econ.Newsltr.* (1978) 214
Salisbury Review. London
 " Legutko (1988) 86
 Saleman, Richard M. (1990) 2 entries, 129
 Samuels, Warren J.
 " co-ed., see Spiegel (1984) 29
 " ed. (1985) 39-40
 " co-ed., see Hennings (1990) 123
 Sanders, John T. (1980) 216
 Sarojanovic, Ivo A. *Libertas* (1989) 107
 Scheide, J. (1986) 56
 Schoppe, S. G. *Jahrb. für Soc...* (1982) 3
 Schroeder, Gertrude E. (1991) 145-146
 Schuler, Kurt
 " *Crit.Rev.* (1987) 61
 " (1990) 129
 Schutz, Alfred.
 " rev., *Mises' Epist.Probs.* (B-10) 199
 " (1934) 203
 " (1972) 209-210
Schweizer Monatshefte. Switzerland
 " Winterberger (1984) 30
 Schwiedland, E. rev., *Mises; Socialism* (B-4) 201
 Sechrest, Larry J. *Rev. of Aust.Econ.* (1988) 92
Second Thoughts. Horowitz (1989) 106
 Seidel, Hans. *Leser* (1986) 52-53
 Sekai Keizai. Murata (1991) 141
 Seldon, Arthur
 " co-author; see Crozier (1984) 24
 " co-author; see Crozier (1986) 44-45
 " (1990) 159
 " Hayek obits (1992) 154
 " co-ed. with Penance, *Everyman's*
 " *Dictionary of Econ.* (1975)

INDEX

- Selgin, George
 " Harlitt interview (1984) 26
 " Market Process (1987) 69
 " Rev. of Aust. Econ. (1988) 92
 " (1988) 94-95
 " Aust. Econ. Newsltr. (1991) 134
- Sennholz, Hans F.
 " Investment Rarities (1985) 34
 " (1985) 40
 " (1987) 2 entries, 73-74
 " (1993) 193
- Shah, Parth
 " Aust. Econ. Newsletter (1988) 75
 " co-interviewer, see Socher under Aust. Econ. Newsltr. (1990) 115
- Shand, Alexander H.
 " (1984) 28
 " (1990) 130
- Shapiro, Milton M.
 " (1985) 40
 " Soc. Phil. & Pol., (1989) 112
- Shelton, Judy.
 " Wall Street Journal (1992) 171
 " Hillsdale (1993) 184
- Short, Gary G., see Robbins & Spangler (1992) 167
- Shtromas, Aleksandras. Hillsdale (1992) 155
- Shukan Dokushojin.
 " Inokl. rev., Mises' Human Action (1991) 200
- Shunju. Murata (1991) 141
- Sikes, Earl R. (1979) 216
- Sikorski, Radek (1993) 193
- Silverman, Paul Brian (1984) 28
- Simpson, David (1983) 20-21
- Sirico, Robert A.
 " Free Market (1990) 119
 " Reason (1990) 126
- Skousen, Mark
 " Free Market (1986) 45
 " (1987) 74
 " Block & Rockwell (1988) 79
 " (1988) 95
 " (1990) 2 entries, 130-131
 " Hailbronner interview (1991) 138
 " (1991) 146
 " ed. (1992) 168-170
 " Skousen (1992) 169-170
 " Herbener (1993) 182
- Smith, T. Alexander (1988) 95
- Smith, Barry.
 " co-ed.; see Grassl (1986) 46-47
 " Grassl & Smith, eds. (1986) 47
 " Aust. Econ. Newsltr. (1990) 115
- Sobel, Irvin. see Spiegel (1984) 29
- Socher, Karl.
 " Leser (1986) 53
 " Aust. Econ. Newsltr. (1990) 115
- Social Philosophy & Policy. Bowling Green, Ohio
 Kirzner (1988) 86
 " (1989) 111-112
- Sorman, Guy (1990) 131
- Southern Economic Journal. Linn (1987) 69
- Spangler, Mark.
 " co-ed., see Robbins (1992) 163-168
 " Robbins & Spangler (1992) 167
- Spiegel, Henry W. & Warren J. Samuels, eds.
 " (1984) 29
- Sproul, R. C. (1985) 40-41
- Stanfield, J. R. (1986) 56
- Steele, David Ramsay (1992) 170-171
- Stevens, Richard W. (1988) 95
- Stewart, Donald, Jr. (1989) 112
- Streissler, Erich
 " (1983) 21-22
 " Leser (1986) 53
 " (1988) 95
- Streissler, Erich & Monika
 " (1993) 193
- Stützel, Wolfgang, and others (1982) 14
- Subramanian, Balakrishnan (1985) 41
- Success. J. K. Taylor (1987) 74
- Suchard, Leon (1991) 146
- Summers, Brian (1985) 41
- Supynowicz, Vin. (1993) 193-194
- Surratt, Marshall E. (1993) 194
- Svedberg, Richard (1991) 146-147
- Syms, Steve (1984) 29-30
- Szasz, Susan Marie. Freeman (1991) 136
- Szasz, Thomas (1988) 95
- T
- Tabarrok, Alexander
 " Aust. Econ. Newsltr. (1990) 115-116
 " Free Market, (1991) 135
- Taylor, Joan Kennedy
 " (1987) 74
 " (1993) 194
- Taylor, Thomas C. (1983) 22
- Teachers College Record (Hayek) 151, 199
- Thies, Clifford F. (1991) 147
- Thomas, Fritz S. (1989) 112
- Thommesen, Sven. co-interviewer; see Buchanan under Aust. Econ. Newsltr. (1987) 58
- Thomsen, Estaban F. Libertas (1985) 36
- Thornton, Mark
 " Free Market (1987) 65
 " co-interviewer, see Buchanan under Aust. Econ. Newsltr. (1987) 58
 " Free Market (1990) 120
 " co-interviewer, see Socher under Aust. Econ. Newsltr. (1990) 115
 " Free Market (1991) 135
 " (1991) 147
- Tico Times San José, Costa Rica
 " Bolivar Simon (1991) 134
- Timberlake, Richard H., Jr.
 " Rev. of Aust. Econ. (1987) 72-73
 " Rev. of Aust. Econ. (1988) 92
- Times Literary Supplement. London, England
 " Cornuelle (1991) 134
- Toffler, Alvin (1990) 131
- Tollison, Robert D.
 " co-author; see Ekelund (1986) 3 entries, 45
- Tomlinson, Kenneth Y. Hillsdale (1992) 155
- Tópicos de Actualidad. Centro de Estudios Económico-Sociales, Guatemala. Jaramillo (1993) 185
- Tucker, Jeffrey A.
 " interviewer see Friedberg under Free Market (1986) 45
 " Aust. Econ. Newsltr. (1988) 76
 " Free Market (1988) 2 entries 84, 84-85
 " Free Market (1989) 102
 " see Miltsev interview under Free Market (1990) 119
 " Free Market (1992) 149
 " & Rockwell; see Herbener (1993) 182
- Tulloch, Gordon
 " (1988) 96
 " co-author; see McKenzie (1975) 211
- Turk, James (1992) 171
- Turner, Bryan S. co-author, see Holton (1989) 104-105
- U
- Uhr, Carl G. Samuels (1985) 39-40
- Universidad Francisco Marroquín. Guatemala (1991) 147
- V
- Vaughan, Karen I., see Kirzner (1982) 7
- Vedder, Richard K. & Lowell Gallaway
 " Rev. of Aust. Econ., 1987) 72
 " Rev. of Aust. Econ. (1991) 144
 " (1993) 194
- Verysse, Harry C. Hayek obits (1992) 154
- Veyne, Paul (1984) 30
- Vieira, Edwin, Jr.
 " (1983) 22
 " (n.d., 1981 ?) 217
- Vihanto, Martti
 " (1987) 74
 " (1988) 96
 " (1989) 112
 " (1990) 131-132
 " Harialo (1991) 137-138
 " (1992) 171
 " (1993) 194
- Vikor, D. (1964) 207
- Virkkala, Timothy. Liberty (1989) 108
- Visao. Sao Paolo, Brazil.
 " Bittencourt (1984) 23
 " Bittencourt (1986) 57
- Voegelin, Eric (1989) 112-113
- Vorhies, Frank. Crit. Rev. (1989) 101
- Vorhies, W. Francis. Ph.D. (1982) 14

INDEX

W

- Wagner, Richard F. *Atlantic Econ. Journal*
 (1978) 2 entries, 213
- Wainhouse, Charles. Ph.D. (1987) 74
- Walker, Jeff. interviewer, see Childs under
Liberty. (1993) 187
- Wall Street Journal*
 " Rockwell (1988) 93
 " Wohlstetter (1989) 113
 " (1990) 132
 " Suchard (1991) 146
 " (1991) 147
 " (1992) 171
- Warsh, David (1990) 132
- Washington Post*.
 " Warsh (1990) 132
 " Will (1990) 132
- Washington Times*
 " Brookes (1990) 116
 " Rockwell (1993) 193
- Wasley, Terece P. *Freeman* (1990) 121
- Waters, Echan O.
 " *Liberty* (1988) 86
 " *Liberty* (1989) 107
- Watner, Carl.
 " co-author, see Gordon (1986) 46
 " (1988) 96
- Watson, Patrick. *Free Market* (1988) 84
- Watrin, Christian. co-ed., see Stützel, (1982) 14
- Webster, Douglas. *Mommsen* (1987) 70
- Wells, Sam. *Free Market* (1987) 64
- Welt am Sonntag. Martin (1982) 11
- Wertfrei, Seattle, Wash. (1974) 210-211
- White, Lawrence H.
 " Kirzner (1982) 7-8
 " (1983) 22
 " (1984) 2 entries, 30
 " Rockwell (1985) 38-39
 " Robbins & Spangler (1992) 167-168
- White, Richard W.
 " Robbins & Spangler (1992) 168
- Wildavsky, Aaron. co-author, see Clark (1990) 117
- Will, George F. (1990) 132
- Willgerock, Hans. co-ed., see Stützel (1982) 14
- Williamson, Oliver E. Langlois (1986) 52
- Winston, Gordon C. (1982) 14
- Winterberger, Andreas K.
 " *Liberales Institut* (1993) 187
- Winterberger, Gerhard (1984) 30
- Wirtschafts-politischer Blätter*, Vienna
 " (1989) 113
- Wiseman, Jack. see Samuels (1985) 40
- Wohlstetter, Albert
 " *Wall Street Journal* (1989) 113
- Wolfram, Gary. see McGee (1992) 2 entries, 160
- Wonnell, Christopher T. (1986) 57
- Wood, J. S. (1984) 31
- World and I*. Wash., D.C.: *Washington Times*
 " Wortham (1989) 114
- Wortham, Anne. (1989) 114

Y

- Yates, Steven (1990) 132
- Yeager, Leland B.
 " Kirzner (1982) 8
 " Cato (1986) 43
 " *Rev. of Aust. Econ.* (1987) 73
 " *Rev. of Aust. Econ.* (1988) 92-93
 " *Interview. Aust. Econ. Newsltr.*
 (1991) 133
 " Herbener (1993) 182-183
 " *Liberty* (1993) 188

Z

- Zanotti, Gabriel J.
 " *Libertas* (1985) 36
 " *Libertas* (1986) 54
 " (1986) 57
- Zeitschrift für die gesamte Staatswissenschaft*
 " Lachmann (1982) 8-9
- Zeitschrift für Nationalökonomie* (Röpke) 198-199
- Zlabinger, Albert H. *Modern Age* (1982) 12
- Zylberberg, Meir (1990) 132

