

A portrait of Tom Woods, a man with dark hair, wearing a dark suit, light blue shirt, and a patterned tie. He is smiling slightly and looking towards the camera. The background is a blurred bookshelf filled with books.

The Austrian

A PUBLICATION OF THE MISES INSTITUTE

Vol. 4, No. 5

September – October 2018

PAGE 4

TOM WOODS

THE LIBERTARIAN FACE
OF NEW MEDIA



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Photos on p. 4 and p. 11 courtesy of Gage Skidmore, via Flickr.com.

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From the publisher

Jeff Deist

Tom Woods is not only a historian, teacher, and extraordinary libertarian communicator. He's an actual "public intellectual" who makes his living not from a tenured university position or a DC think tank sinecure, but by serving his paying customers each and every day. His podcasts, books, email groups, and online classes bring thousands of people not only access to an incredible range of history, philosophy, and economics, but also direct access to the wisdom of Dr. Woods.

And by direct we mean direct. Peter Klein jokes that universities still use the same teaching methods in place a thousand years ago, but not so with Tom. His students and subscribers know him, interact with him, and work with him on projects large and small. The results speak for themselves, in business success, home schooling achievement, and quantum leaps forward in their individual knowledge. Tom Woods's listeners are superbly equipped to do intellectual battle with the milquetoast ideologies of our day.

It's a role that forces Tom to be relevant, entertaining, and most of all provide value in the marketplace of ideas — and never rest on his laurels.

In his personal journey from blue-collar kid in Boston to multiple Ivy League degrees, from standard neocon to writing *New York Times* best sellers like *The Politically Incorrect Guide to American History* and *Meltdown*, Dr. Woods blazed his own path. And he credits the Mises Institute with giving him the knowledge, platform, mentors, and support to become who he is.

Tom was a Mises U student, a Fellow, and for a critical time a Resident Scholar here in Auburn. During the latter period he wrote the aforementioned *Meltdown* in just five grueling weeks, meeting his publisher's demands and producing the first book out of the gate to explain the 2008 financial crisis. And explain it he did, selling thousands of copies to lay audiences and introducing them to business cycle theory in the process. It was an intellectual coup for Tom, and a rare instance of a popular economics book that got the story right.

You'll enjoy our interview with Dr. Woods, and if you don't already listen you'll find yourself energized by his (free!) "Tom Woods Show" podcast.

Speaking of getting the story right: globalism, David Gordon tells us, turns out to be a double-edged sword. His review of *Globalists: The End of Empire and the Birth of Neoliberalism* by Quinn Slobodian, shows that while worldwide markets bring us unprecedented wealth, many intellectuals still don't get it. They insist on regurgitating old socialist ideas, no matter how much capitalist plenty they enjoy all around them.


To Slobodian's credit, he discusses the work of Mises and Hayek when considering the limits of neoliberalism. But his dissatisfaction with Mises is facile, insisting that limitations on democracy "force" people to accept a system of private property ownership that would be jettisoned if socialists win democratic elections. Violence against property, Slobodian posits approvingly, might well be acceptable if we adopt a full commitment to democracy.

"Price is what you pay. Value is what you get."

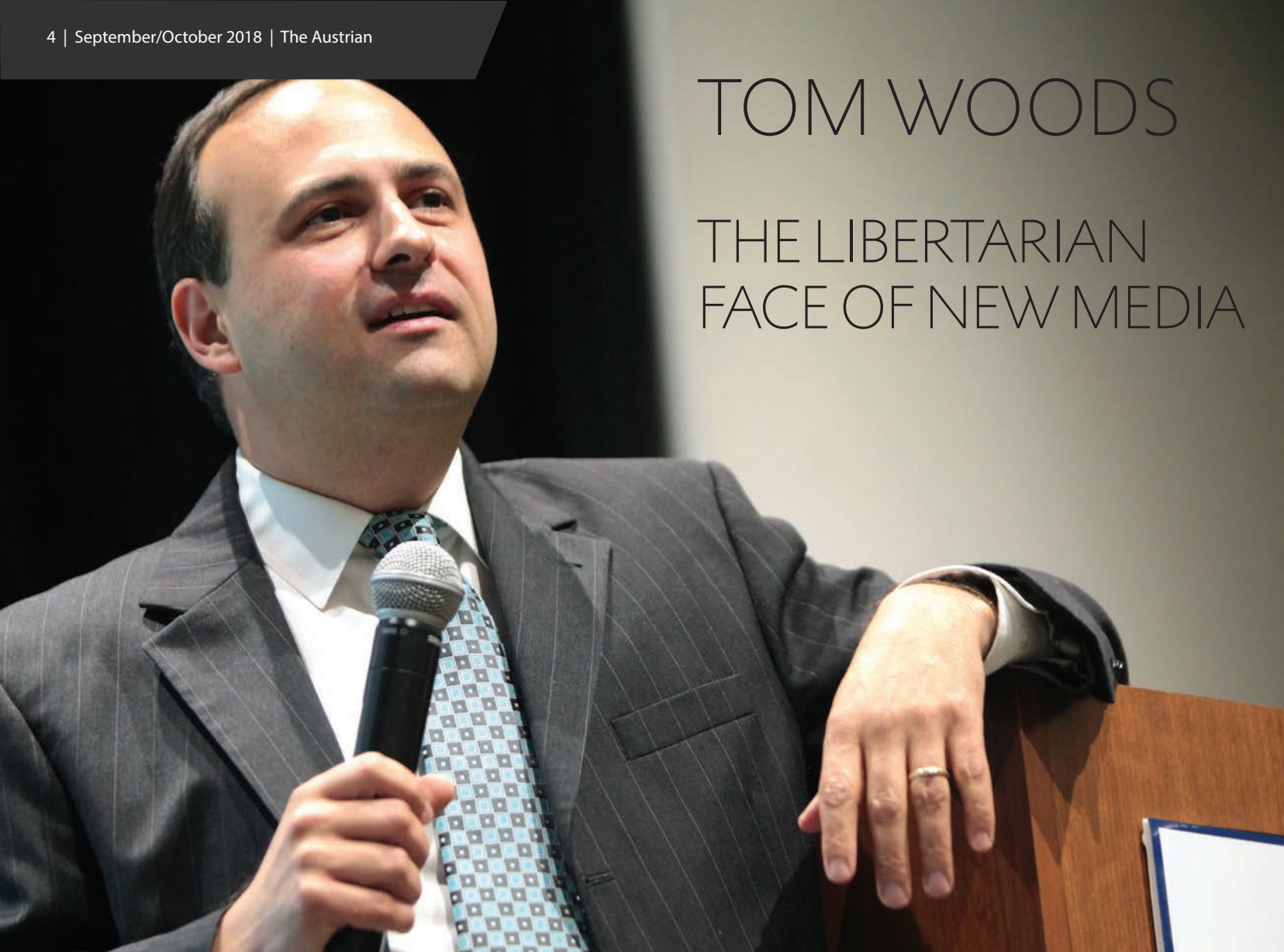
Warren Buffett

As for Hayek, Slobodian sees the ideas of spontaneous order and dispersed knowledge as nothing more than big business propaganda. He is mystified by Hayek's insistence that markets are too complex to be ordered and planned centrally, misunderstanding how and why trade happens.

In Slobodian we find another anti-market ideologue who refuses to see himself as an ideologue, but rather imagines his own detached commitment to seeing things as they are. Free-market fundamentalism thwarts the popular will, which always seeks to appropriate private property. Unfortunately for the author, however, David Gordon is here not only to correct his gross errors in basic economic theory, but also his misapprehension of the core Misesian and Hayekian arguments for markets.

Thanks as always for being the critical ingredient in the Mises Institute's mission. If you couldn't attend our wonderful Supporters Summit weekend in Auburn, there's still time to join us this fall in New York City, in Ron's Paul's hometown of Lake Jackson, Texas, and in Orlando, Florida. Find out more at mises.org/events. 

Jeff Deist is president of the Mises Institute.



TOM WOODS

THE LIBERTARIAN FACE OF NEW MEDIA

Tom Woods, a Senior Fellow of the Mises Institute, is the author of a dozen books, most recently *Real Dissent: A Libertarian Sets Fire to the Index Card of Allowable Opinion*. His other books include the *New York Times* bestsellers *The Politically Incorrect Guide to American History* and *Meltdown* (on the financial crisis, featuring a foreword by Ron Paul). He hosts the “Tom Woods Show,” a libertarian podcast that releases a new episode every weekday — check it out at **TomsPodcast.com**.

With Bob Murphy he co-hosts *Contra Krugman*, a weekly podcast that refutes Paul Krugman’s *New York Times* column.

JEFF DEIST: Tom, you grew up in Boston. Your dad was a blue collar guy and also a Teamster. So, tell us a little bit about him and your childhood.

TOM WOODS: He was a Teamster for 18 years, and worked as a forklift operator in a food warehouse for a grocery chain that no longer exists. I wouldn’t say he was a Reagan Democrat because he was never a Democrat. He was a blue-collar Reagan Republican. That was the kind of household I grew up in. My father had very strong political opinions.

At that time he had not finished high school. He was very self-conscious about not having a high school diploma, so he spent a lot of time reading about a wide variety of topics. You could talk to him about a great many things and he would have something intelligent to say. He wound up going back to get his GED when he was in his 40s.

On politics, he was the one who introduced me to the evils of communism and the merits of low taxes and things like that. It was fairly conventional Republican stuff, but for all that, if it hadn’t been for him telling me those things, I

could easily see myself having fallen into conventional leftism. And why not? If you have poor people, why not give them money, and if you have some problem, why not appoint regulators to solve it? It all seems so simple. He challenged that narrative in ways that were very productive for me.

JD: Isn't that interesting how America used to have blue-collar-working-class guys who were well read in poetry or history or philosophy? Now, even people with advanced degrees don't know as much.

TW: It is kind of funny. I took a bit of that from him in that when I went off to school I was planning to be a math major, but I wanted to know many other things, so I took a wide variety of courses. That was actually what ended up getting me out of studying math. I noticed that all the other math students did nothing but math — even in their spare time they read books on number theory. I didn't think I could compete with people like that. So I decided maybe history, which is what I was doing in my spare time anyway, perhaps ought to be my main concentration.

My favorite example of my father's desire to learn everything he could is: one day I found him reading *Candide* by Voltaire. I said, Dad, enough's enough here. You don't have anything more to prove. Nobody wants to read *Candide*. You can stop now.

JD: I know you've mentioned that you're of Armenian ancestry. Was he an Armenian immigrant?

TW: No, it's my mother who is Armenian (though not an immigrant), which is why our last name is just plain-vanilla Woods.

JD: Now, do you think that they were pleased with your studies? It sounds like they were pleased that you went to Ivy League schools and became a traditional PhD.

TW: I think so. By the time I got out of Columbia, it might have seemed a bit quixotic that I was going to try

to break into academia, given the strikes I had against me, but certainly the way it's all worked out, it's hard to second guess it. You know, Jeff, I have somewhat unconventional views on a number of topics, so it would have been a little bit more difficult to get a hearing without those kinds of credentials. I know in our movement it's become fashionable to say you don't need to go off to college or grad school. In some cases you don't, but for me, I just don't know that I would have been able to crack into what I was trying to crack into if I hadn't had that kind of a pedigree.

JD: Tell us a little bit about your neocon stage, at least as an undergraduate or a young man.

My father was the one who introduced me to the evils of communism and the merits of low taxes and things like that. It was fairly conventional Republican stuff, but if it hadn't been for him telling me those things, I could easily see myself having fallen into conventional leftism.

TW: Well, I guess under the influence of my father, I definitely considered myself a member of the Republican Party. I watched the entire Democrat and Republican conventions, at least the portions that were televised, when I was 12. Twelve years old, and I watched the whole thing. I remember vividly Jeane Kirkpatrick delivering her Blame America First speech and I thought, boy, isn't she right? They're always trying to blame America first! So, the very kind of juvenile thinking that makes me crazy today, well, now you see why it makes me crazy: because I've been there. I

CONTINUED ON NEXT PAGE

was that guy. I hate to see a mind go to waste like that and I want to bring people back from the brink.

By the time I went off to school, I was kind of a middle-of-the-road Republican. I thought we did need some social spending and I definitely had all the hawkishness. The year I got to college was when the Persian Gulf War of Operation Desert Shield and Storm took place. I was so on board for that. And I accepted every neoconservative excuse and explanation. I likewise favored all the neoconservative domestic policy proposals, the school vouchers, and heaven knows what else. So I guess I was in that camp.

Yet early on I felt uncomfortable with that war. I was in a left-wing environment. Cambridge, Massachusetts, is a left, left, left-wing environment. And there were protests against American imperialism everywhere. Part of me thought: these stupid lefties, they just don't understand anything. But another part of me thought: I just can't cheer the way my fellow Americans are cheering over our victory against Iraq.

I thought probably a lot of the people in the Iraqi military were just, you know, half of them had no option and there they are. I had no grievance with these people. And although you are allowed to feel sorry sometimes for women and children who die, you are forbidden by the logic of war to feel sorry for the soldiers on the other side. They're the enemy and they're dehumanized. But they were human beings and they were fathers and husbands, and now these people's lives, people who lost these folks, they're now widows and orphans. I just didn't think I could listen to Bob Hope's jokes and watch the little American flags being waved and cheer for that. Something just didn't sit right with me.

I've told this story before. I went in to see my European history professor. I knew he was a left-liberal and I thought, maybe he'll give me some insight into this (I had heard he supported the war). I thought, well, if even a left-liberal supports the war, I must just be missing

something. It was Charles Maier (his wife was the late Pauline Maier of MIT; she wrote some great books in American history). He told me to go read the cover story in the *New Republic* magazine in favor of the war and that that should satisfy me. So I did. But something still just wasn't right about it. And so I didn't stay a neocon all that long, I'd say by '92 to '93, I wasn't sure I could keep doing this.

JD: And then at some point, presumably in your conservative reading, you came across an ad or somehow found out about the Mises Institute and Mises U.

These were human beings and they were fathers and husbands and now these people's lives are, if not ruined, seriously impacted and I didn't think I could listen to Bob Hope's jokes and watch the little American flags being waved and cheer for that.

TW: That's right. It was some libertarian magazine. Maybe it was *Reason* magazine. Honestly, I don't know. I saw an ad for Mises Institute's Mises University program and I thought that sounded great: a week where I could really learn hardcore free-market economics. I didn't really know much about the Austrian school at that point and, after the experience of being in Cambridge and on the Harvard campus for those years, I was becoming radicalized in a good way. I was thinking: I don't want to be a middle-of-the-road anything. I want to either be one thing or its opposite. And I know the thing that I want to be the opposite of: the craziness I see here on this campus. I want to be the opposite of that.

So, it made me hone and sharpen my positions and really think clearly.

JD: But, what's interesting is, if we look at someone like you or Anthony Gregory or Brian McClanahan, most historians ... you guys are the exceptions. Most historians almost willfully take no interest in economics.

TW: I don't know why. I found economics to be such an exciting field. It really does teach you how the world works and what's going on beneath the surface of the headlines. It teaches you the forces at work beneath those headlines. And it makes clear thinking possible.

And of course, if you're looking at history and you don't understand economics, then what are you going to do? Are you just going to repeat what the textbook says about the Great Depression? Well, how do you know if the textbook is right? Just because it's the textbook? What kind of thinking is that? It's deeply irresponsible not to know economics, especially if you're going to be in history.

JD: What happened when you met Murray Rothbard?

TW: I had introduced myself to him to discuss my senior thesis. Murray was very interested in the Old Right. It wasn't really a movement, but it was a group of individuals in the '40s and '50s who were anti-New Deal and anti-intervention. And I did my senior thesis on that. He had written about it; he had been part of it. He lived it. Our shared interest in it made it a good entry point for a conversation.

I remember asking for reading suggestions and he's giving me all these obscure sources and I'm jotting them down. It was amazing the time that he was willing to spend with some shmuck like me. Maybe because I was at an Ivy League school, he thought that there was a decent chance I'd wind up in academia, and that this topic, far from a mere curiosity for me, was something I might run with later.

Although Rothbard taught in Las Vegas, he always kept his apartment in New York and went back there whenever he could. And so, over the Christmas break in 1994

to 1995, Lew Rockwell told me Murray would like to see me. I was in New York, too, getting my PhD at Columbia. I was living on 113th Street at that time and Rothbard lived on 88th Street. I could have walked to his apartment.

So Lew gave me his number. He said I should call Murray and arrange something. And the way I've often put this, Jeff, is that it was like when you're calling that girl to ask her out and you're afraid that once you get her on the phone, you're going to go tongue tied or your mind's going to go blank and you're going to forget what to say. I got a sheet of paper and wrote out everything I was going to say to Rothbard so I wouldn't look like an idiot. But of course, he puts you immediately at ease — before I could say anything on my sheet, he's talking about current events and the like.

So we arranged to meet. I told him I'd be going to Massachusetts for the Christmas break, but that when I got back I'd be delighted to get together. So, we arranged for me to see him in maybe the first week or two of January,



which meant he had already died by the time we would have been getting together.

JD: Now, at some point along your academic path, you're getting your PhD. Surely you considered becoming a traditional tenured professor somewhere.

TW: Yes, I did. I was going to be awarded the PhD one-third of the way into an academic year, though. So, I'd have two-thirds of an academic year with no job. I decided I had to go on the market without a PhD, because the alternative was to sit around for two-thirds of a year with no income.

The problem was, going on the job market without a PhD in 1999, I might as well have been trying to jump to Mars. That wasn't happening. The market was absurdly competitive: I applied for a position at Syracuse, and they had 350 applicants. Now, what are they going to say to some kid who doesn't have his PhD yet, but assures them he's about to get it, like they haven't heard that a million times? So it was brutal. I was on the job market against people who had had two books published. At that point I was just about to turn 27 years old. I mean, come on, this is ridiculous.



I wound up getting a job at a two-year school thinking: all right, well, this is at least a job where they'll take me. I could get a salary there, and then once I get the PhD, I'll go back on the job market and I'll go somewhere else. But for now I need the income.

I did get a job at a community college and I did get the PhD, but then inertia set in, and I liked the fact that I could teach survey courses there. I am so not interested in teaching the social history of the 1920s. That would just bore me to death. Whereas here I could teach big survey courses in US History and Western Civilization. I got a nice travel allowance. I had a better salary than almost any professor I knew of. I had so many good things going for me that I kept putting off when I was going to move to another institution. I just kept putting it off. I didn't need to move. I liked the opportunities that I had. And because the college where I taught was a two-year school, there weren't a lot of other faculty members who were publishing. And so, there wasn't as much politics and there wasn't, well, I've written this left-wing book you all have to like. They all liked me because I was friendly and because I published anything at all. I mean I published more than the rest of my department put together. And so, they just liked the fact that I was doing anything, so I thought, this is a lot better than probably what I would have to deal with in a lot of other places.

But eventually I wound up going down to the Mises Institute and then at that point I realized, I don't think I want to go back. I like this situation where I just decide what I'm going to do every day and I do it. Now, you have to be productive to make that work, but when I was at the Mises Institute, I was basically putting out a book a year. I had *33 Questions About American History*, I had *Who Killed the Constitution?*, I had *We Who Dared to Say No to War*. I had *Meltdown*, I had *Nullification*. Well, that's actually more books than years I was there. I was just producing like crazy and I liked that. I preferred that to academia, even though I enjoy being in front of an audience; I enjoy teaching things. But I really like waking up in the morning and choosing what I do and knowing it's always going to be something I love doing.

JD: But have you had enough time in your career to look back and think about how if you had gone the

traditional route and been a tenured PhD somewhere just teaching, just like Murray Rothbard and Mises, far fewer people would know your name? Far fewer people would have read you or been influenced by you because you would be writing for academic journals nobody reads.

TW: Yes. I just don't want to do that. I don't see what the attraction to that is. I understand the value of it, because there are some academic articles and books that have really advanced our knowledge. Rothbard wrote a lot of popular articles, but his scholarly piece on air pollution, for example, I wouldn't want to live in a world where that hadn't been written. I'm just saying that for me, I got to a point where I felt like I had written all the academic books and articles I felt like writing, and now I actually wanted to convey the ideas to the public. Especially because I felt like one of my talents is explaining complicated things. I've been able to do that since high school, in fact, even earlier than that.

When I was in second grade I met a kindergartner in my school. I myself had attended kindergarten in a different town. I was appalled to learn that students were not being taught simple arithmetic in kindergarten where I now lived. This was an outrage to me. And so I sat her down and I taught it to her myself.

By high school I reached a point where I would be the guy the coach would come to who had three athletes who were about to flunk out of the team. And I would teach them math successfully because I could explain complicated things.

That's what I like about what I'm doing here in reaching a popular audience. The academic audience already gets the complicated things, but I want the average Joe, too, to understand where the business cycle comes from. And that, more than anything else, is the feedback I've received over the years. Listeners and readers say, "I didn't understand this stuff (or find it exciting) until you explained it to me."

Sometimes I'll bring a guest on my show and say, "All right, I've invited you on so we can explain" some complicated thing. But in the comments, everybody is saying, "You know, next time you want to explain some complicated thing, just do it yourself. People in academia are so lost in their own jargon and lexicon, they have no idea how difficult they're making things on the ordinary Joe."

JD: Let's talk about your books. It's interesting because in your books we see your metamorphosis from a historian. I think today you're better known as a libertarian scholar and a scholar of economics. How did that happen?

UPCOMING Events

October 20	Libertarian Scholars Conference; New York, NY
November 3	Symposium with Ron Paul, Lake Jackson, TX
December 1	Mises Institute in Orlando, FL
March 22–23, 2019	Austrian Economics Research Conference; Mises Institute
June 2–7, 2019	Rothbard Graduate Seminar; Mises Institute
July 14–20, 2019	Mises University; Mises Institute

Student scholarships available for all events. See mises.org/events for details.

TW: The first couple of books I wrote were a little bit more on the obscure side. In 2004, I had a book called *The Church Confronts Modernity*. That was a big feather in my cap because Columbia University Press published it and it got extremely favorable reviews in the most important academic journals in those fields: history and theology. I was very, very pleased with that. It becomes slightly more difficult for my critics to pretend that I'm some crank. Yeah, I'm a crank with an Ivy League university published book that's reviewed very favorably in all the major journals. Try again.

Up to that time, I had written for some libertarian outlets here and there. I gave my first paper ever, actually, at a Mises Institute conference in 1998 on the presidency. But I wasn't widely known. But then *The Politically Incorrect Guide to American History* came out and that generated some controversy. It really was the breakout book for me. To this day, there are plenty of libertarians out there who swear by it.

The fashionable libertarians didn't care for it because I refuse just to repeat 88.7 percent of the standard narrative

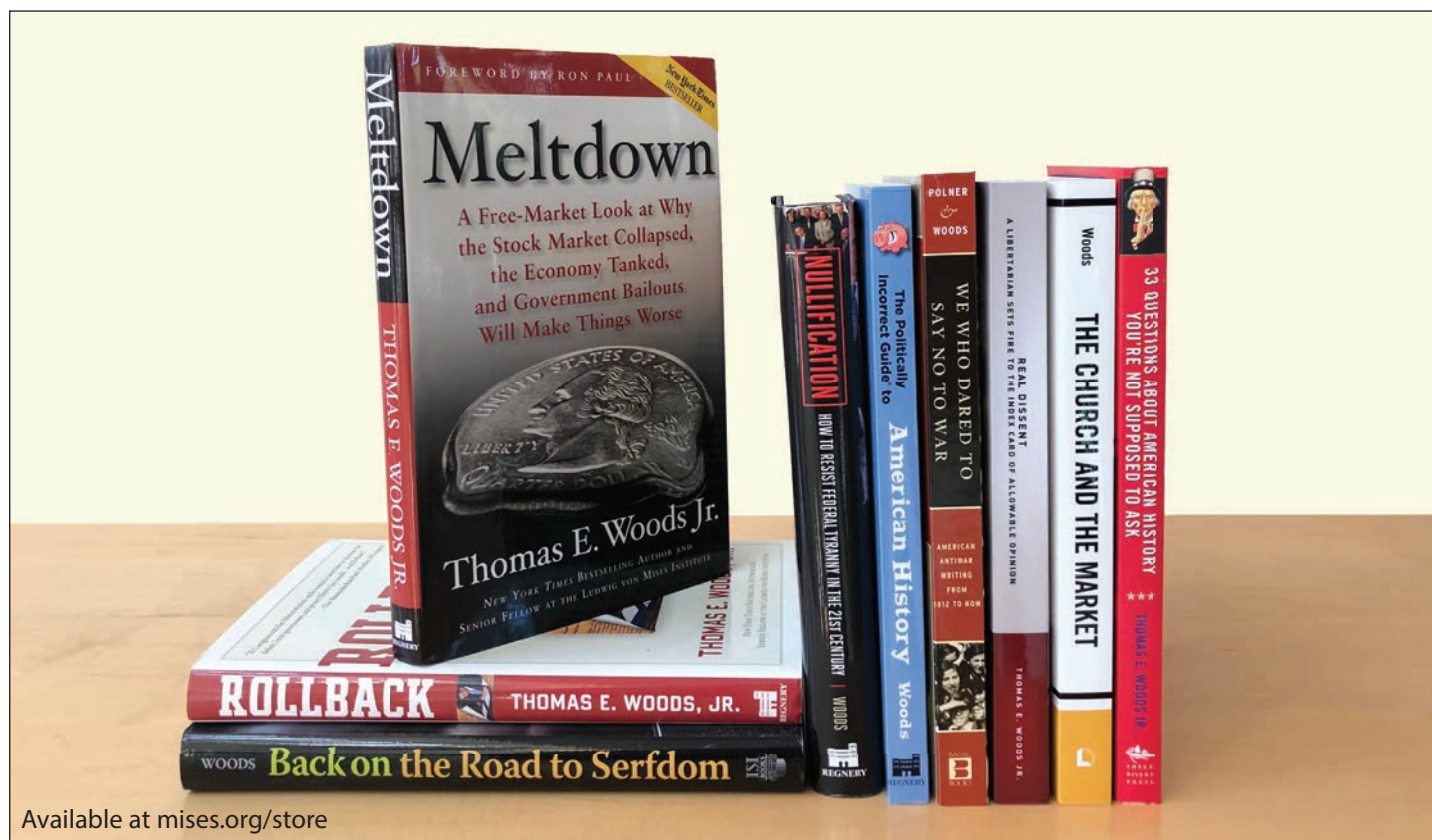
of American history and dissent from only the other 11.3 percent. I think the standard narrative is all wrong on major things. I don't mean they get the names and the dates wrong. I mean the way it's interpreted and understood is all wrong and the cause-and-effect relationships are all wrong. Certainly that's true with the New Deal and the Depression and the Fed and all that. So I took some heat for that book, but who cares? It was a *New York Times* bestseller for 12 weeks.

JD: Is that series published by Regnery?

TW: Yes. They ended up making a whole series of Politically Incorrect Guides. That had all been contingent on the success of mine: they said if mine had bombed, then they were going to cancel the series, but if mine was successful, they would do a series.

JD: One of your most stressful books to write because of time sensitivity was *Meltdown*, and it's the book you're best known for.

TW: Yes, *Meltdown* was also a *New York Times* bestseller. The problem was, it was a book on the financial crisis,



Available at mises.org/store

but it had to be brought out quickly because well, everybody and his brother was going to write a book on the financial crisis and all those people were going to be more famous than I was. So the publisher said: yours will have to be the first book out for this to work.

My book immediately before *Meltdown* had been published by Random House, but I went to Regnery with this one because I knew they had the ability to turn a book around fast if they wanted to. And I said, I want to write the free-market answer to what caused the financial crisis.

Initially they rejected the proposal. And I went back thinking, “Yeah, maybe nobody would want to read that.” And then a few days later I said to myself, “No, hold on a minute, stop that, this is a good idea.” And I went back to them and said, “Wait a minute. I love you guys, but you’re dead wrong about this. This is going to sell.” And they accepted it the second time. I’ve never heard of that happening. I mean, the gall of me to go back a second time!

They accepted it but they said: the advance is going to be pretty modest. I said I didn’t even care because I’d just earn the royalties outright from the sales. And I was right. *Meltdown* was on the *New York Times* bestseller list for 10 weeks. A book on the economy! That’s hard to get people to buy.

And yeah, what they initially said to me was: you’ll have to write it in three weeks. I said, are you kidding me? You want me to write a book in three weeks? I credit the Mises Institute, frankly, with giving me the knowledge and the training so that I could turn a book like that around quickly because I did have the core knowledge. Obviously I had to research the contingent facts of this particular case, but the model of what makes an economy collapse like this, I already knew. So, I came back with: I can do it in five weeks. So we settled on four weeks. I had a month to do it.

It was horrifying, Jeff. It was a horrible, horrible project. I didn’t enjoy one bit of it. But you can’t argue with success. I was already doing pretty well because of the success of other books, but this thing, the publicity went nuts.

This was a turning point for me. I used to go to events and some attendees may have read a few of my articles. But after *Meltdown* it went berserk. After *Meltdown* and speaking the previous year at Ron Paul’s Rally for the Republic, that huge event with many thousands of people at the Target Center in Minneapolis — the combination of those two things had amazing results.

For instance, I remember being at CPAC (the Conservative Political Action Conference) 2009 and standing there with Dan McCarthy of *The American Conservative*. We were having a little chit-chat in the room our event was going to take place in before people were allowed in. Then the doors were opened and people came in and Jeff, it was the most bizarre thing. I was mobbed with people who wanted to have their picture taken with me, who wanted me to sign something. And eventually I just looked over at Dan and said, what’s happening here?

And that’s basically what now happens every time. It’s weird because I walk down the street and no one knows who the heck I am. Occasionally somebody will say, hey wait a minute, you’re Tom Woods. That does happen and my kids get a kick out of it. But in these circles, that is what happens to me wherever I go. *Meltdown* started that.



JD: Like it or not, you are a bit of a new media figure in the same sense as like a Stefan Molyneux and maybe not as big, but in the sense of a Jordan Peterson. Talk about that. You've sort of transitioned from these books into podcasts and other more popular content. But it's all mixed up with what we're going to call new media.

TW: Yes, it's true. Who could have guessed that I would be a podcast host, given that nobody knew what a podcast was not too long ago? And now I can't imagine my

I've gotten to this point through elbow grease and also the help of the Mises Institute and Lew Rockwell and getting exposure there. And Ron Paul, of course. He's been very kind in spreading the word about what I'm doing.

life without it. That's how my day goes. I start the day by interviewing some interesting person, or by just talking into a microphone for a while. It's a weird feeling to say to myself, in effect: I have a topic I feel like talking about today, so I'm going to turn this microphone on and speak into it, and later today tens of thousands of people will listen to what I said. That's weird to me.

JD: If you had a live audience of 1,000 people for a speech, that would seem thrilling.

TW: Of course. I have had that from time to time, but that's rare. It's hard to get people to come out for an academic speech — or even a non-academic speech. It does happen, but it's hard. I do five episodes a week and

I have a lot of people who say they just listen every day. It's part of their routine. They get in their car, they turn their device on, there's a new Tom Woods episode and off they go to work.

I'm glad to be able to do that. I feel like most of these episodes teach people valuable stuff. They will be able to defend themselves better after they've listened to my episode. We cover everything under the sun. And I've been on TV, but I lived out in Kansas for a long time. If you're not living in Manhattan or some central place like that, it's just not going to happen. They don't always want to have people on via satellite. Plus there would be times when I would actually be invited onto a show and I would not even want to do it because it would mean two days of travel.

So I've gotten to this point not because I was on Glenn Beck, but just through, frankly, elbow grease and also the help of the Mises Institute and Lew Rockwell and getting exposure there. And Ron Paul, of course. I had some connection with him and he's been very kind in spreading the word about what I'm doing.

JD: As Austrians and libertarians, we sort of had to create our own media, right? If you were Tom Woods 30 years ago, you wouldn't have these platforms available.

TW: It's amazing. It's true because the media wants the debate to occur between different varieties of social democrats. What possible reason would they have to feature somebody like me, except to take a few of my sentences out of context and ridicule me?

These days, by the way, you can even have fun if somebody tries to do that to you. I recommend that when major media come to you for an interview, you say, "All right, but I just want you to know, I'm going to be recording our conversation and if what you publish is not an accurate reflection of what was said, that's going to be my next day's podcast episode. Everybody will hear everything I said and they'll compare that with what you wrote." So even though it's still not an even playing field

between the *New York Times* and you, it's a lot more even than it used to be.

JD: I want to go back to some of your books about Catholicism. You weren't born Catholic. You're a Catholic convert, but clearly Catholicism's had a big impact on you. You've written a lot about the church itself, but you've also written about the intersection between church teachings and economics. Why all the Catholicism in your work? What motivates this?

TW: Well, each one has its reasons. When I published that book with Columbia, that is an outgrowth of my doctoral dissertation. When I set out to write that, I wanted to write something that had never been covered before. That really is what you're trying to do in a dissertation: advance your field in some way, make an original contribution. But it's hard to find subject areas where nothing's been said because everything's been said about everything because there's so much subsidizing of higher education.

So I was looking at the Progressive Era and I wanted to know why there were no critics of the Progressive Era in my textbook. What I found is that Catholics were saying: there is something wrong with John Dewey and his views on education, and there's something wrong with William James and his views on philosophy, and so on.

And moreover, totally missed in most tellings of the history of the Progressive Era is many progressive intellectuals were saying, "Look, we all know religion is dead and nobody believes in that anymore, but at the same time we need some kind of ethical system that can bind us all together. So we've got to derive some kind of new secular ethic. It has to be an ethic that's based on non-dogmatic thinking where we emphasize flexibility and open-mindedness." So I wrote about the Catholic response to this sort of stuff. No one had written about this before. *The Journal of American History* said, wow, this invites further study, what Woods has dug up here. I found that very interesting.

I also wanted to write a dissertation that I wasn't going to hate every minute of. I knew I couldn't write a libertarian



dissertation. That's just not going to happen. This was the next best thing.

With Catholic social teaching, I had to write *The Church and the Market* because there was just so much nonsense written in that area. I needed to explain how you can be a hardcore Misesian and a Catholic. Plus, every single thing these self-proclaimed defenders of Catholic social teaching were recommending was going to make the lives of the poor worse. So I had to write that book because those people were making me crazy.

I also wrote a little book on Catholic liturgy because I prefer the old Latin Mass — not just for the language, but for the whole ritual. So I had to write a little book called *Sacred Then and Sacred Now* because when that Mass became more widely available under Pope Benedict XVI, I didn't want a whole bunch of barbarians showing up and ruining it — by demanding that they stand in the sanctuary and do the biblical readings or distribute Communion or whatever. So I wrote this little history of it, complete with a step-by-step guide.

And then I guess the other one was *How the Catholic Church Built Western Civilization*.

JD: A pretty bold title.



TW: It is. I love bold titles. A lot of the ideas that go into making the West what it is come directly from the Catholic church. Naturally a great deal come from classical antiquity, but even there they were often filtered by the church. I also think that the history of the church and science is so badly misreported, that that needed to be covered as well. The Church's role in history has been so badly misunderstood and mangled — I'll put it this way: you'd have a better chance of learning Austrian business cycle theory from Paul Krugman than you would Catholicism from the standard account that you get on television. So, it's all part of the same thing: when there is a conventional wisdom that is fundamentally at odds with what I know to be true, I can't stop myself until I write a book about it. I suppose part of the reason that I'm on Twitter so much is that I'm not writing books these days, so that instinct to go after error is coming out in rather less productive manifestations.

JD: But even the whitewashed version of history that left-progressives rail about still posits a Protestant work ethic and Yankee ingenuity. That's what built America, not those Catholics with all their kids.

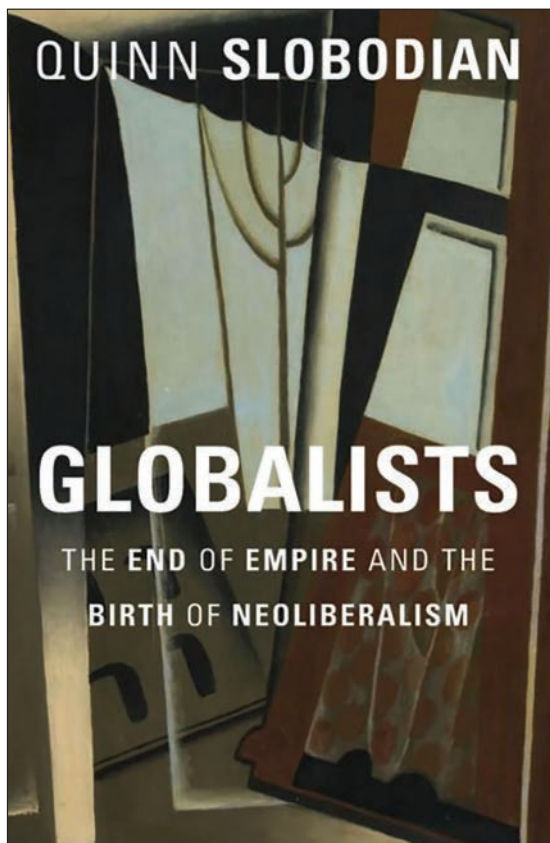
TW: Yes, I get that. And by the way, I'll just say I totally understand and am not in any way upset about nineteenth-century Protestants who said: we don't want all these Catholics moving in and transforming our society. I totally sympathize with that. I wouldn't call them "bigots." I would say, "Sure, why would I want to do that to you? You have your society with its mutual understandings and longstanding ways of living; why would I want to barge in and take that away from you? I'll find some other place to live, and maybe we'll get to know each other and these fences between us will melt." But I'm not the sort to say, "They were such bigots in the nineteenth century because they weren't dying to spend time with people like me!" How self-centered is that — as if their worth and moral standing derive from whether they wanted me to move in. That's just narcissism. I totally understand how they felt. That's normal. ■■■

Learn more about Tom Woods at TomWoods.com.

WHY FREE MARKETS ARE BETTER THAN GLOBALISM

DAVID GORDON
REVIEWS

Globalists: The End of Empire and the
Birth of Neoliberalism
Quinn Slobodian
Harvard University Press, 2018
x + 381 pages



Quinn Slobodian, a historian at Wellesley College, tells us that *Globalists* “is a long-simmering product of the Seattle protests against the World Trade organization in 1999. I was part of a generation that ... became adolescents in the midst of talk of globalization and the End of History ... we were made to think that nations were over and the one indisputable bond uniting humanity was the global economy. Seattle was a moment when we started to make collective sense of what was going on and take back the story line. ... This book is an apology for not being there and an attempt to rediscover in words what the concept was that they went there to fight.”

Slobodian discloses here a confusion that mars his book. He sees little difference between the free market and a governmentally imposed regime of globalization. Rule over the European economy by Brussels bureaucrats and attempts to control world trade by the WTO and the World Bank stem from a “Geneva School” that includes Ludwig von Mises. His view must at once confront an objection. Mises supported a complete free market, with a minimal state; how then can he have helped bring about a globally directed economy? Slobodian’s answer is this: Mises wished to use force to compel people to accept a system of private property, run in the interests of business. He professed to favor freedom but in fact supported coercion. The distance between Mises and global governance of the economy, which likewise imposes its plans on people, is not far.

Friedrich Hayek counts even more than Mises as a supporter of this line of thought, and many contemporary neoliberals have been influenced by him. Like Mises, he wanted to limit democracy to promote private property and the market. Hayek, though, countenanced more government intervention than Mises. Slobodian, by

the way, cites Hans Hoppe's criticism of Hayek for this, though he has missed Mises's review of Hayek's *The Constitution of Liberty*, dealing with the same issue.

As Slobodian sees matters, the rise of colonial peoples to independence in the twentieth century posed a problem for those, like Mises and Hayek, committed to capitalism. What would happen if the new countries, dissatisfied with what they viewed as exploitation by the developed countries, enacted restrictions on trade? Combined with this was a threat to business interests by anti-capitalist classes and parties in the developed world. What if, e.g., socialists won power in a democratic election?

Mises claimed that the free market was controlled by the monetary votes of consumers, but Slobodian finds this freedom lacking.

To prevent these dire developments, Mises and Hayek promoted world federalism. The power of national governments to control the free market would be strictly limited. Property rules would be a matter of international law, enforced by a central authority.

Slobodian merits great credit for his detailed account of Mises and Hayek's interest in world federalism, but he fails to grasp the fundamental issue motivating what they said. For Mises, the free market was the only viable system of social cooperation. Accepting it fully would bring peace and prosperity. Government interferences with the economy would necessarily fail to achieve their purpose. Price controls would not make goods available to the poor but would instead cause shortages. Socialism would collapse into chaos.

For Mises, these were incontrovertible truths established by economic science. The issue for him was not imposing economic freedom on people by force, but rather persuading them that freedom was the best course of action. Constitutional limits to democracy, including federalist plans, were strictly subordinate to promoting

the free market. Mises does not say that he favored forcing people to accept these limits, if they were to vote freely against them. Violent attempts to overthrow a legal system of private property are an altogether different matter. It is hardly "undemocratic" to oppose them.

Slobodian does not agree. For him, to suppress violence against property is undemocratic. Mises claimed that the free market was controlled by the monetary votes of consumers, but Slobodian finds this freedom lacking: "[D]emocracy was not an absolute value for Mises ... a crucial complement to voters' democracy was what he would later call a 'consumer's democracy,' expressed by purchases and investments in the marketplace. ... Wealth, he wrote, was 'always the result of a consumer's plebiscite.'" But when the Social Democrats called a general strike in Vienna in 1927, Mises supported its violent suppression. Does this not show his commitment to democracy was limited? "In 1927, democracy had ceased to fulfill its primary function. It did not prevent revolution. In that case, Mises believed, it was perfectly legitimate to suspend it and enforce order by other means."

Contrary to Slobodian, Mises's position was perfectly consistent. Mises supported peaceful cooperation through the free market. Political democracy, in his view, promoted peace. But it is not undemocratic to use emergency powers to suppress violence.

For Mises, schemes for international organization were intended only as means to promote the free market. When Mises realized that in the statist climate of the day, these plans could not work, he for the most part abandoned them. In *Omnipotent Government*, e.g., he



says: “Under present conditions an international body for foreign trade planning would be an assembly of the delegates of governments attached to the ideas of hyper-protectionism. It is an illusion to assume that such an authority would be in a position to contribute anything genuine or lasting to the promotion of foreign trade.”

Slobodian does not see what is at stake in the dispute over the free market because, for him, economic arguments for the market are mere business propaganda. He does not grasp that the argument for free exchange follows from elementary economic theory. People would not willingly engage in trade if they did not expect to benefit. This consideration by itself strikes a fatal blow at tariffs and other trade restrictions.

Slobodian ignores this and, displaying both his fascination with Hayek’s thought and his repulsion from it, he takes the case for the free market to be complex and mystifying. “Yet even as he [Hayek] disparaged the fallacy of computer-aided models, he drew inspiration from the same source of system theory. From the language of ‘pattern predictions’ to his citation of Warren Weaver, Hayek did not argue against system theory in his Nobel speech but with it.”

In trying to establish a line of continuity between the “Geneva School” and today’s global bureaucrats, Slobodian places great stress on the “Ordo liberals.” This group, which included Franz Böhm and Walter Eucken, favored a very active government to promote the social institutions for a “social market economy.” Many of these authors were influenced by Hayek, but in his erudite discussion, Slobodian has missed the fact that Mises had

little use for them. As Guido Hülsmann points out in *Mises: The Last Knight of Liberalism*, “And the prospect of cooperating with the fashionable Ordo School, be it in the Mont Pèlerin Society or elsewhere, did not exactly warm his heart either. He believed the Ordo people were hardly better than the socialists he had fought all his life. In fact, he eventually called them the ‘Ordo-interventionists.’”

The book contains many strengths. The discussion of the activities of Michael Heilperin, an outstanding supporter of free trade, is especially well done. Slobodian displays a fine eye for architectural detail, evident, e.g., in his description of the Chamber of Commerce building on Vienna’s Ringstrasse.

That said, the book also has its share of errors. Harold Laski was a political scientist, not an economist. Garrett Hardin was a biologist, not a philosopher. Hans Kelsen was not among the Austrian elite who moved in the 1930s in the same circles as the British elite. Arthur Balfour is given the wrong title.

The book’s main failing, though, does not lie in these minor errors. It lies rather in Slobodian’s refusal to take seriously arguments for the free market. Limits on government control of property are for him simply ideological efforts by business to limit the popular will. He here adopts exactly the viewpoint of Nancy MacLean’s *Democracy in Chains*, a disaster for scholarship. Slobodian operates on a much higher level than she does, though he does not scruple to cite her book. ■■■

Slobodian does not see what is at stake in the dispute over the free market because, for him, economic arguments for the market are mere business propaganda.



David Gordon is Senior Fellow at the Mises Institute, and editor of *The Mises Review*.

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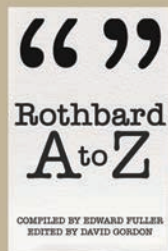
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