

The Austrian

A PUBLICATION OF THE MISES INSTITUTE



PC Is Control, Not Etiquette

JEFF DEIST ON POLITICAL INCORRECTNESS

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from the publisher

Jeff Deist

“An egalitarian society can only hope to achieve its goals by totalitarian methods of coercion; and, even here, we all believe and hope the human spirit of individual man will rise up and thwart any such attempts to achieve an ant-heap world.”

Murray N. Rothbard

Egalitarianism as a Revolt Against Nature

Privilege. Microaggressions. Trigger words. Safe spaces. Gender neutral pronouns. These are the hobgoblins that preoccupy the minds of our cultural enforcers.

It seems almost comical, considering the real problems that confront us: war and peace, central banking, state power.

But there's nothing funny about political correctness. If you think PC simply is about kindness and respect, think again: a plurality of all Americans — and a clear majority of progressives — fully support criminalizing supposed hate speech. And presidential hopeful Hillary Clinton pledges to wield federal hate crime legislation like a billy club.

As Murray Rothbard warned, attempts to impose “equality” — and PC surely is such an attempt — are profoundly antihuman.

Academia is the greatest offender. Universities exist to pursue truth, not advance a political agenda. But the modern college student is forced to navigate a system designed to make him duller, poorer, and filled with bad ideas. Many will never recover intellectually from those four years, bringing PC with them into adulthood like a generational battle flag.

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But will PC necessarily prevail? Will a divisive 2016 election year compel progressives to double down on their efforts to correct our unauthorized thoughts and words? Or will weary Americans finally push back against the sully of their character, and reclaim the plainspoken optimism of earlier generations?

This was the topic of our Mises Circle event in Dallas last month, and the capacity crowd showed just how unpopular — and controversial — political correctness has become. Tom Woods, Tom DiLorenzo, Lew Rockwell, and I all spoke to the assembled group of several hundred students, business people, teachers, and activists from all over the country. And given the tremendous energy in the room, there is hope that PC finally reached its high-water mark and has begun to recede.

Speaking of Mises Institute events, I can't encourage you enough to become more involved with us in the coming year. If you've never attended a Mises Circle, you're in for an inspiring and intellectually stimulating experience. All of our Circles this year were huge successes, with great audiences, uncompromising topics, and lots of substantive ideas to help you live a better and freer life here and now.

We have Mises Circles planned for 2016 in Houston, Seattle, and Boston, with more to come. Our speakers — names like Ron Paul, Judge Andrew Napolitano, Tom Woods, James Grant, and David Stockman — are all among the most sought-after speakers in the libertarian world. So make plans now to join us via mises.org/events.

Do you know an undergraduate or graduate student with inclinations toward liberty? If so, please have them apply for Mises University 2016! Many past attendees

tell us their week at Mises U changed their lives, leading them to new career paths while making lifelong personal and professional connections. We promise that students will learn more economics in one week than most people learn in a lifetime (including professional economists). And they learn so much more: libertarian ethics from Walter Block; western philosophy from David Gordon; natural law from Judge Napolitano; the sociology of private communities from Hans-Hermann Hoppe; job hunting strategies from Peter Klein; and tactical outreach from Tom Woods, just to name a few. Add in our keynote speakers, dinners with faculty, and evening social hours with the brightest young people around, and it all makes for a week of scholarship and fellowship unmatched anywhere on the planet. Mises U is free to qualified students, so make sure your student applies now at mises.org/events-mises-university-2016.

And if you're a student at heart, don't think you have to be young to attend classes with us. We have a full curriculum of online classes in history, politics, ethics, libertarian theory, and Austrian economics available at our Mises Academy. And our Austrian Economics Boot Camp will have you understanding the basics of economic theory in just three short hours. Find out more at academy.mises.org.

The Mises Institute had a very successful 2015, thanks to Members like you. Our website, programs, events, social media, and conferences all show growth and upward momentum. People around the world are questioning the legitimacy of states and their central banks like never before. We want to be an integral part of an intellectual revolution that is only beginning.

But we need your help. Yes, we want you to consider the Mises Institute when you make charitable donations and estate planning decisions. **But we also need your engagement.** Come visit us in Auburn, attend one of our Circles, or take an online Academy class. Sign up for our daily email articles, like us on Facebook and follow us on Twitter. Share our speeches, books, articles, and ideas with your friends, family members, and coworkers. Make 2016 the year you become more engaged with the Mises Institute.

Not only will you help create a better world, you'll have the intellectual experience of a lifetime. ■■■

Jeff Deist is president of the Mises Institute.

PC Is About Control, Not Etiquette

by Jeff Deist



I'd like to speak today about what political correctness is, at least in its modern version, what it is not, and what we might do to fight against it.

To begin, we need to understand that political correctness is not about being nice. It's not simply a social issue, or a subset of the culture wars.

It's not about politeness, or inclusiveness, or good manners. It's not about being respectful toward your fellow humans, and it's not about being sensitive or caring or avoiding hurt feelings and unpleasant slurs.

But you've heard this argument, I'm sure. PC is about simple respect and inclusiveness, they tell us. As though we need progressives, the cultural enforcers, to help us understand that we shouldn't call someone retarded, or use the "N" word, make hurtful comments about someone's appearance, or tolerate bullies.

If PC truly was about kindness and respect, it wouldn't need to be imposed on us. After all, we already have a mechanism for the social cohesion PC is said to represent: it's called manners. And we already have specific individuals charged with insuring that good manners are instilled and upheld: they're called parents.

Political Correctness Defined

But what exactly is PC? Let me take a stab at defining it: Political correctness is the conscious, designed manipulation of language intended to change the way people speak, write, think, feel, and act, in furtherance of an agenda.

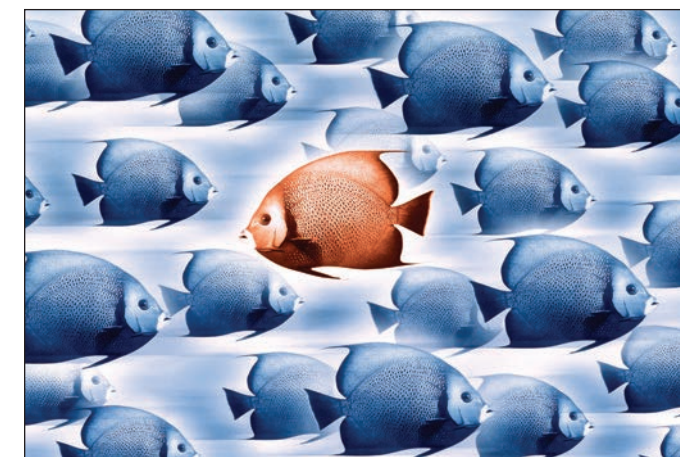
PC is best understood as propaganda, which is how I suggest we approach it. But unlike propaganda, which historically has been used by governments to win favor for a particular campaign or effort, PC is all-encompassing. It seeks nothing less than to mold us into modern versions of Marx's un-alienated society man, freed of all his bourgeois pretensions and humdrum social conventions.

Like all propaganda, PC fundamentally is a lie. It is about refusing to deal with the underlying nature of reality, in fact attempting to alter that reality by legislative and social fiat. A is no longer A.

To quote Hans-Hermann Hoppe:

[T]he masters ... stipulate that aggression, invasion, murder and war are actually self-defense, whereas self-defense is aggression, invasion, murder and war. Freedom is coercion, and coercion is freedom. ... Taxes are voluntary payments, and voluntarily paid prices are exploitative taxes. In a PC world, metaphysics is diverted and rerouted. Truth becomes malleable, to serve a bigger purpose determined by our superiors.

But where did all this come from? Surely PC, in all its various forms, is nothing new under the sun. I think we can safely assume that feudal chiefs, kings, emperors, and politicians have ever and always attempted to control the



language, thoughts, and thus the actions of their subjects. Thought police have always existed.

To understand the origins of political correctness, we might look to the aforementioned Marx, and later the Frankfurt school. We might consider the work of Leo Strauss for its impact on the war-hungry think tank world. We might study the deceptive sloganeering of Saul Alinsky. We might mention the French philosopher Foucault, who used the term "political correctness" in the 1960s as a criticism of unscientific dogma.

But if you really want to understand the black art of PC propaganda, let me suggest reading one of its foremost practitioners, Edward Bernays.

Bernays was a remarkable man, someone who literally wrote the book on propaganda and its softer guise of public relations. He is little discussed in the West today, despite being the godfather of modern spin.

He was the nephew of Sigmund Freud, and like Mises was born in Austria in the late nineteenth century. Unlike Mises, however, he fortuitously came to New York City as an infant and then proceeded to live an astonishing 103 years.

One of his first jobs was as a press agent for President Woodrow Wilson's Committee on Public Information, an agency designed to gin up popular support for US entry into WWI (German Americans and Irish Americans especially were opposed). It was Bernays who coined the infamous phrase "Make the World Safe for Democracy" used by the committee.

After the war, he asked himself whether one could "apply a similar technique to the problems of peace." And by "problems," Bernays meant selling stuff. He directed very successful campaigns promoting Ivory Soap, for bacon and eggs as a healthy breakfast, and ballet. He directed several very successful advertising campaigns, most notably for Lucky Strike in its efforts to make smoking socially acceptable for women.

The Role of "Herd Psychology"

Bernays was quite open and even proud of engaging in the "manufacturing of consent," a term used by British surgeon and psychologist Wilfred Trotter in his seminal *Instincts of the Herd in Peace and War* published in 1919.

CONTINUED ON NEXT PAGE

JEFF DEIST, CONTINUED

Bernays took the concept of herd psychology to heart. The herd instinct entails the deep seated psychological need to win approval of one's social group. The herd overwhelms any other influence; as social humans, our need to fit in is paramount.

But however ingrained, in Bernays's view the herd instinct cannot be trusted. The herd is irrational and dangerous, and must be steered by wiser men in a thousand imperceptible ways — and this is key. They must not know they are being steered.

The techniques Bernays employed are still very much being used to shape political correctness today.

First, he understood how all-powerful the herd mind and herd instinct really is. We are not the special snowflakes we imagine, according to Bernays. Instead we are timorous and malleable creatures who desperately want to fit in and win acceptance of the group.

Second, he understood the critical importance of using third party authorities to promote causes or products. Celebrities, athletes, models, politicians, and wealthy elites are the people from whom the herd takes its cues, whether they're endorsing transgender awareness or selling luxury cars. So when George Clooney or Kim Kardashian endorses Hillary Clinton, it resonates with the herd.

Third, he understood the role that emotions play in our tastes and preferences. It's not a particular candidate or cigarette or a watch or a handbag we really want, it's the emotional component of the ad that affects us, however subconsciously.

What We Can Do About It

So the question we might ask ourselves is this: how do we fight back against PC? What can we do, as individuals with finite amounts of time and resources, with serious obligations to our families, loved ones, and careers, to reverse the growing tide of darkness?

First, we must understand that we're in a fight. PC represents a war for our very hearts, minds, and souls. The other side understands this, and so should you.

The fight is taking place on multiple fronts: the state-linguistic complex operates not only within government,

but also academia, media, the business world, churches and synagogues, nonprofits, and NGOs. So understand the forces aligned against you.

Understand that the PC enforcers are not asking you, they're not debating you, and they don't care about your vote. They don't care whether they can win at the ballot box, or whether they use extralegal means. There are millions of progressives in the US who absolutely would criminalize speech that does not comport with their sense of social justice.

One poll suggests 51 percent of Democrats and 1/3 of all Americans would do just that.

The other side is fighting deliberately and tactically. So realize you're in a fight, and fight back. Culturally, this really is a matter of life and death.

We Still Have Freedom to Act

As bad as PC contamination may be at this point, we are not like Mises, fleeing a few days ahead of the Nazis. We have tremendous resources at our disposal in a digital age. We can still communicate globally and create communities of outspoken, anti-PC voices. We can still read and share anti-state books and articles. We can still read real history and the great un-PC literary classics. We can still homeschool our kids. We can still hold events like this one today.

This is not to say that bucking PC can't hurt you: the possible loss of one's job, reputation, friends, and even family is very serious. But defeatism is never called for, and it makes us unworthy of our ancestors.



Use humor to ridicule PC. PC is absurd, and most people sense it. And its practitioners suffer from a comical lack of self-awareness and irony. Use every tool at your disposal to mock, ridicule, and expose PC for what it is.

Never forget that society can change very rapidly in the wake of certain precipitating events. We certainly all hope that no great calamity strikes America, in the form of an economic collapse, a currency collapse, an inability to provide entitlements and welfare, energy shortages, food and water shortages, natural disasters, or civil unrest. But we can't discount the possibility of these things happening.

And if they do, I suggest that PC language and PC thinking will be the first ornament of the state to go. Only rich, modern, societies can afford the luxury of a mindset that does not comport with reality, and that mindset will be swiftly swept aside as the "rich" part of America frays.

Men and women might start to rediscover that they need and complement each other if the welfare state breaks down. Endless hours spent on social media might give way to rebuilding social connections that really matter when the chips are down.

More traditional family structures might suddenly seem less oppressive in the face of great economic uncertainty. Schools and universities might rediscover the value of teaching practical skills, instead of whitewashed history and grievance studies. One's sexual preferences might not loom as large in the scheme of things, certainly not as a source of rights. The rule of law might become something more than an abstraction to be discarded in order to further social justice and deny privilege.

Play the Long Game

I'm afraid it might not be popular to say so, but we have to be prepared for a long and hard campaign. Let's leave the empty promises of quick fixes to the politicians.

Progressives play the long game masterfully. They've taken 100 years to ransack our institutions inch by inch. I'm not suggesting incrementalism to reclaim those foregone institutions, which are by all account too far gone — but to create our own.

PC enforcers seek to divide and atomize us, by class, race, sex, and sexuality. So let's take them up on it. Let's bypass the institutions controlled by them in favor of our own. Who says we can't create our own schools, our own churches, our own media, our own literature, and our own civic and social organizations? Starting from scratch certainly is less daunting than fighting PC on its own turf.

Conclusion

PC is a virus that puts us — liberty loving people — on our heels. When we allow progressives to frame the debate and control the narrative, we lose power over our lives.

If we don't address what the state and its agents are doing to control us, we might honestly wonder how much longer organizations like the Mises Institute are going to be free to hold events like this one today.

Is it really that unimaginable that you might wake up one day and find sites with anti-state and anti-egalitarian content blocked — sites like mises.org and lewrockwell.com?

Or that social media outlets like Facebook might simply eliminate opinions not deemed acceptable in the new America?

In fact, head Facebook creep Mark Zuckerberg recently was overheard at a UN summit telling Angela Merkel that he would get to work on suppressing Facebook comments by Germans who have the audacity to object to the government's handling of migrants.

Here's the Facebook statement:

We are committed to working closely with the German government on this important issue. We think the best solutions to dealing with people who make racist and xenophobic comments can be found when service providers, government, and civil society all work together to address this common challenge.

Chilling, isn't it? And coming soon to a server near you, unless we all get busy. ■■■

This article is adapted from a speech given at the Mises Circle in Dallas-Ft. Worth on October 3, 2015.



Top left: Mises University students study for the final exams

Top center: Prof. Walter Block answers questions from students at Mises University

Top right: Prof. Guido Hülsmann lectures at Mises University

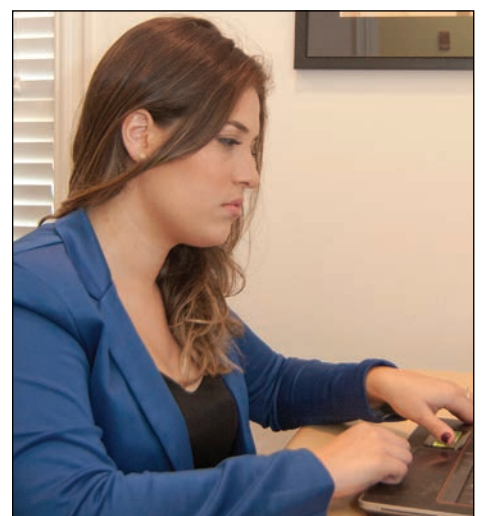
Left: Prof. Joseph Salerno presents the awards for the highest scores on the final exams at Mises University. The winners were (L-R) José Hamilton dos Santos Batista, Karl-Friedrich Israel, and Louis Rouanet

Our Academic Events in 2015

At the core of our mission at the Mises Institute are our academic programs for scholars, students, and faculty. These programs include our Fellows program, Mises University, the Rothbard Graduate Seminar, our High School Seminar, and our conference for professional scholars, the Austrian Economics Research Conference.

The Mises Institute is committed to supporting and forming the next generation of Austrian economists and scholars, and passing on the work of pioneers in Austrian economics — such as Murray Rothbard and Ludwig von Mises — to new students and faculty. During 2015 — as we've been doing for more than thirty years — the Mises Institute continued to build up the Austrian school as our graduates and scholars find more faculty positions in mainstream universities and contribute to a growing body of work by publishing more academic articles and books every year.

Left to Right: 2015 Fellows Mariana Abreu, Tate Fegley, and Jonathan Newman



Far left: Prof. Peter Klein works with students at the Rothbard Graduate Seminar

Left: Mises Fellow Karl-Friedrich Israel attends the Rothbard Graduate Seminar



Patrick M. Byrne (above) and Prof. Hans-Hermann Hoppe (right) deliver lectures at the 2015 Austrian Economics Research Conference



Below: Students attend the High School/College Sound Money Seminar in April



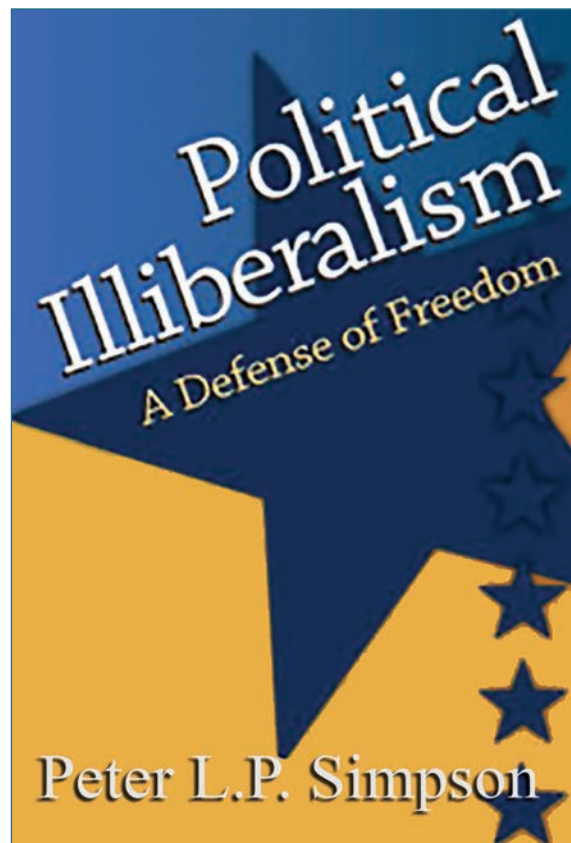
DAVID GORDON REVIEWS

Political Illiberalism: A Defense of Freedom

Peter L. P. Simpson

Transaction Publishers, 2015

xi + 236 pages



Peter Simpson is a distinguished classicist and philosopher, known especially for his work on Aristotle's ethics and politics. (He is also, by the way, a mordant critic of Leo Strauss and his followers.) In *Political Illiberalism*, he poses a fundamental challenge to philosophical justifications of modern liberalism, culminating in the vastly influential *Political Liberalism* (1993) of John Rawls. Though Simpson cannot be classed as a libertarian, his bold arguments will be of great use to all of us who, like Lew Rockwell, are *Against the State*.

According to a familiar tale, states before the inception of liberalism in the seventeenth and eighteenth centuries were fatally flawed. They sought to impose on their subject populations a political and religious orthodoxy. The Protestant Reformation brought some progress, but all too often, control by the monarch replaced dominance by the Catholic Church. Premodern illiberal states "taught and imposed on society a distinctive view of the good life. ... Those who disagreed with this view of religion imposed by the state had to be resisted or expelled or incarcerated or killed."

What was the distinctive contribution of liberalism? According to this view, the state must not rule on the basis of what Rawls calls a "conception of the good." By this he means a comprehensive view of the good life for human beings. Religions are prime examples of conceptions of the good, but not the only ones. The all-embracing theory of life taught in Soviet Russia in the glory days of Lenin and Stalin would be a secular example of what liberalism deplores and seeks to eradicate.

Instead, liberals maintain, the state must remain neutral in the battle between such competing conceptions of the good. People must be allowed to work out their own salvation, religious or secular, as their own consciences dictate. "The recent Rawlsian account of liberalism rests itself on a notion of a neutral core of morality ... which all such visions [of the good] are supposed to be able to accept and live by. ... The core morality sets down conditions of respect and tolerance that, while permitting each person to pursue their vision as they wish, forbids them so to pursue it so they forcibly prevent others from pursuing other visions."

What is wrong with that? Is it not simple common sense? Who can reject freedom of conscience? Simpson exposes a crucial weakness in this seemingly impregnable argument for liberalism. The supposedly

neutral state does not ensure freedom of conscience. It itself imposes its own ideology, namely liberalism, on everyone. The state is not an impartial umpire, standing above competing conceptions of the good: it is a powerful and malevolent force. "The paradox is that while liberalism claims to free people from the oppression of states that impose on everyone the one true doctrine espoused by the state, liberalism itself imposes on everyone such a doctrine: namely liberalism itself. ... All those in professedly liberal states who, for whatever reason, do not accept the liberal doctrine, or are suspected of not doing so, become enemies of the state. ... The liberal state has proved itself as ruthless against its opponents as any illiberal state is supposed to have done."

Even if Simpson's argument is right, though, is there not an obvious objection he must confront? Is it not better to have a "neutral" state, which at least professes the ideal of freedom of conscience, than an avowedly ideological state that openly demands conformity?

Simpson has a brilliant response to this objection. The state is not necessary at all. To the contrary, he says, the state is an invention of the modern world. In what sense is this true? Simpson has in mind Max Weber's famous definition of the state as an organization that claims a monopoly on the legitimate use of force. "Note, too, the novelty of this idea, for what Weber brings to our attention ... is the difference between what existed before and what exists now. Before the modern emergence of the state, no institutional structure had a monopoly of coercive enforcement."

In past times, people to a large measure protected their persons and property by their own efforts. "One sign of the accuracy of Weber's definition [of the modern state] is the absence of organized police forces in the pre-modern world. ... The functions we now depute exclusively to the police were performed previously by the citizens, who relied on themselves and their relatives and friends for the enforcement of rights and for defense and protection."

In the face of the tyrannical contemporary state, Simpson places special emphasis on the private ownership of guns. "Weapons of self-defense ... and nowadays primarily guns, belong naturally to the family. ... By the situation of present times, the first defense is against the state. ... Weapons, therefore, naturally belong in the hands of the people, and it is intrinsically unjust for any higher authority to confiscate or forbid them."

The monopoly state, supposedly needed to protect us, harms rather than benefits us. The record of the state is no better in foreign affairs. The modern liberal state has brought death and destruction, far more than it has protected us from foreign invaders. "One cannot even say that it was the totalitarian and not the liberal version of the state that caused total war. In the world wars of the twentieth century that were fought between liberal and totalitarian states, the liberal states caused at least as much death and destruction as the totalitarian ones, and

**The state is not
an impartial umpire,
standing above competing
conceptions of the good:
it is a powerful and
malevolent force.**

these liberal states also pursued war when the totalitarian ones would have preferred peace. ... So how, then, is liberalism better as regards war, since all systems will fight when they think they must? The only difference seems to be that liberalism will fight total wars, while most of these other systems will not be able to, which is an argument against liberalism and the state, not for them."

In his account of the rise of the state and the ideology that purports to justify it, Simpson brings to the fore the philosophy of Hegel, who remarked that the state "is the march of God in the world." I would add to Simpson's fine discussion that Hegel, incredibly, regarded the decline of the "divided conscience," when the Church was an independent source of authority apart from the monarch, as a part of the growth of freedom. Now people were "free" to obey the state, without the distraction of a competing authority.

Simpson applies his anti-state perspective to American history. He does not view the Constitution with favor. Its adoption was a coup for centralizers and a blow against the dispersal of power. "The Constitution,

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DAVID GORDON, CONTINUED therefore, makes two different changes [from the Articles of Confederation] at the same time: from a league to a national government and from a congress of delegates to a congress of individuals whose collective power, because it is the coercive power of the state and because in extremis it is unlimited, amounts to autocracy or despotism.”

Simpson highlights to great effect the warnings of the Anti-Federalists against the potential for tyranny inherent in the Constitution. “The Anti-Federalists knew far more about political realities than the Federalists did, or at least that the Federalists admitted (for one may suspect that the actual results that the Ant-Federalists

foresaw and feared were foreseen and perhaps in part welcomed by the Federalists).”

As mentioned earlier, Simpson is no libertarian; and Austrians and libertarians will differ with some of his remarks about the economy. It is all the more remarkable, then, that Simpson’s views on the state converge so substantially with views that we at the Mises Institute have long defended. In our efforts to do so, we now have the help of the arguments of this original thinker and distinguished scholar. ■■■

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



The Charter and Libertas Clubs at the Mises Institute

This year, the Mises Institute is honoring our Charter and Libertas Club Members with a lapel pin mailed to each Member. Our Charter Club Members are those supporters who have been with the Mises Institute since the very beginning, supporting us for more than three decades of working toward building a movement of Austrian economics, freedom, and peace. Our Libertas Club Members are those who have included the Mises Institute in their wills.

If for any reason, you have not received your lapel pin, please let us know by contacting Kristy Holmes at the Mises Institute (kristy@mises.org) or phone her at 800.636.4737.

In Memoriam

We mourn the passing, but celebrate the lives and achievements, of these great supporters of liberty and the Mises Institute. Their concern for the future of freedom will always inspire us.

- Dr. John Cochran** (Metropolitan State College of Denver) Mises Institute Senior Fellow
Mrs. Floy Johnson (Klamath Falls, OR) Mises Institute Hayek Society Member
Terence H. Murphree (Houston, TX) Menger Society Member
Dr. Heinz B. Biesdorf (Cornell University) Chairman’s Gold Club Member
Dr. Edward E. Donaldson (Pullman, WA) Chairman’s Bronze Club Member
John F. Kane (Bartlesville, OK) Chairman’s Bronze Club Member
Colonel James Norwood (Texarkana, TX) Libertas Club Member
Mises Institute Charter Members: **John S. Tuschman** (Houston, TX); **Howard Dellard** (Granville, OH); **Albert A. Sterling, Jr.** (Houston, TX); and **William P. Wright** (Florence, AL)
Mises Institute Members: **William Gaston** (Anderson, SC) and **Leon L. Gean** (Payson, AZ)

Mises Institute Donor Societies Honored

A lovely wall of recognition has been installed in the Ward Conservatory at the Mises Institute to honor our most generous benefactors. We hope to add your name to this distinguished list.

For more information on our Societies, please email or phone Kristy at the Mises Institute. (kristy@mises.org; 800.636.4737)



Events

- November 7** — The Mises Circle in Phoenix, Arizona
January 30, 2016 — The Mises Circle in Houston, Texas
March 31 – April 2, 2016 — Austrian Economics Research Conference; Mises Institute
May 21, 2016 — The Mises Circle in Seattle, Washington
June 5 – 10, 2016 — Rothbard Graduate Seminar; Mises Institute
July 24 – 30, 2016 — Mises University; Mises Institute
October 1, 2016 — The Mises Circle in Boston, Massachusetts

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

The Mises Institute On the Road

In addition to our academic programs, the Mises Institute plans numerous outreach programs across the country in the form of our Mises Circle events. This year, the Mises Institute was in Houston, the New York area, and Dallas-Ft. Worth. We'll round out the year with a Mises Circle in Phoenix. At each Mises Circle event, hundreds of students, entrepreneurs, and families turn out to hear timely presentations from our top speakers and writers including Judge Andrew P. Napolitano, Ron Paul, Lew Rockwell, Tom DiLorenzo, and Tom Woods, plus national figures in business and finance such as David Stockman and James Grant. Attendees have the opportunity to meet and interact with our speakers as well as the Mises Institute staff.



Ron Paul jokes with a supporter at the Houston Circle in January

The Mises Circle in Houston, TX – January 24

The Mises Circle in Stamford, CT– May 7

James Grant answers questions from the audience at the Stamford, Connecticut Circle



Joseph Salerno speaks with attendees at the Stamford, Connecticut Circle



Tom Woods makes the case for secession at the Houston Circle

On top of our Mises Circles this year, we also threw Ron Paul an 80th birthday party near his home in Lake Jackson, Texas — where more than 650 people turned up to celebrate — and we held the first-ever Austrian Economics Boot Camp in Auburn this year. We already have three new Mises Circle events planned for 2016 including events in Houston, Boston, and Seattle.



Tom DiLorenzo speaking on How Universities Silence Truth, at the Dallas-Ft. Worth Circle

The Mises Circle in Dallas-Ft. Worth, TX October 3



Attendees at the Dallas-Ft. Worth Circle listen as Lew Rockwell addresses The Egalitarian Menace

**The next Mises Circle is in
Phoenix, November 7.
See you there!**

Hundreds turned out to attend Ron Paul's birthday celebration



Scholar and Alumni News

Recent news from our supporters, alumni, and scholars



LEW ROCKWELL

LEW ROCKWELL and **JEFF DEIST** were guests together on the *Tom Woods Show* in September, and discussed "Liberty's Past, Present, and Future."

Senior Fellow **JOSEPH SALERNO** in September lectured on banking, money, and the gold standard at the Nassau Institute in the Bahamas.

Senior Fellow **MARK THORNTON** delivered a talk to the Atlanta Economics Club at the Federal Reserve Bank of Atlanta in October. Dr. Thornton is also supervising an Osher Lifelong Learning Institute (OLLI) Course at Auburn University during fall 2015. OLLI is a national organization offering adult education courses at over 100 campuses.

Senior Fellow **PETER KLEIN** delivered this year's Raciti Memorial Lecture on entrepreneurship in October at Ramapo College in New Jersey. The talk is part of a longstanding lecture series at the college. Previous speakers include **JUDGE ANDREW NAPOLITANO** and Dr. Murray Sabrin.

Senior Fellow **TOM WOODS** and Associated Scholar **BOB MURPHY** in September launched their weekly podcast "Contra Krugman," which refutes Paul Krugman's *New York Times* article every single week. New episodes are available at ContraKrugman.com. Dr. Murphy also recently joined the faculty at the Free Market Institute at Texas Tech University as Research Assistant Professor, and his new book *Choice: Cooperation, Enterprise, and Human Action* is now available in the Mises Store.

Senior Fellow **ROBERT HIGGS** lectured in September at Wabash College, Loyola University in New Orleans, and the University of New Orleans. In November he spent two weeks in residence at George Mason University as the F. A. Hayek Distinguished Visiting Professor for the academic year 2015–2016 in the Mercatus Center.

Senior Fellow **WALTER BLOCK** lectured at Yale University and Brooklyn College in November. Dr. Block also participated in a series of online video debates in August, including a debate with Bryan Caplan on Austrian economics and a debate with Sheldon Richman on "thick libertarianism."

Associated Scholar **HUNT TOOLEY** has completed a new, expanded second edition of his book on World War I with the revised title *The Great War: Western Front and Home Front*. It will be available in November.

Associated Scholar **PER BYLUND** has accepted a new tenure track position in the School of Entrepreneurship at Oklahoma State University. He will be working with PhD students and will have the opportunity to direct new graduate-level research at OSU. In September, Dr. Bylund appeared on KRMG TV to discuss how economic freedom in the US compares to other countries.



PER BYLUND



FRANK DAUMANN

Associated Scholar **FRANK DAUMANN**, head of the sports and health economics program at Friedrich-Schiller-Universität Jena's Institute for Sports Science in Germany, organized a conference in September on the theme of "financing sports organizations." This event followed a May summer school held in Germany for Niagara University students on sports management topics, and was followed by an August summer school on sports topics at Ural State University in Russia. Dr. Daumann also recently published (with Benedikt Roemmelt) "Marketing und Strategie im Sport" ("Marketing and Strategy in Sports") and "Kostenrechnung für Sportvereine" ("Cost Accounting for Non-profit Organizations in Sports"), co-authored with Lev Esipovich.



DAVID HOWDEN

Associated Scholar **JASON JEWELL** is now the director of the MA and PhD program in Humanities at Faulkner University.

Associated Scholar **JAMES T. BENNETT**'s new book *Corporate Welfare: Crony Capitalism that Enriches the Rich*, was published in May and includes a foreword by Ralph Nader. A second book by Prof. Bennett, *Subsidizing Culture: Taxpayer Enrichment of the Creative Class* is now in production and will be available in April 2016.



STEVE H. HANKE

Associated Scholar **DAVID HOWDEN** published three new academic papers in 2015 including "Why Did China's Population Grow So Quickly?" (co-authored with Yang Zhou) in *The Independent Review*; "Rethinking Deposit Insurance on Brokered Deposits," in the *Journal of Banking Regulation*; Oil and Water Do Not Mix, or: aliud est credere, aliud deponere," in the *Journal of Business Ethics*, co-authored with Associated Scholar **PHILIPP BAGUS** and **AMADEUS GABRIEL**. Prof. Howden and his wife are to be congratulated on the recent birth of their first child "Henry David."



PHILIPP BAGUS

Associated Scholar **STEVE H. HANKE** was awarded a *doctorate honoris causa* on May 11th, 2015 from the Varna Free University at a ceremony in Sofia, Bulgaria. The degree was awarded "for his contribution to the development of modern economic theory and transfer of innovative practices to improve the economic and financial literacy of young people in Bulgaria." Hanke, who is known as the father of Bulgaria's currency board, is the author of three books on Bulgaria's money and banking system. He served as President Petar Stoyanov's chief adviser from 1997 to 2002. In addition, on August 26, 2015, Prof. Hanke was honored by the Universidad Peruana de Ciencias Aplicadas (UPC) in Lima, Peru. In a ceremony of the Deans' Council, Hanke was conferred the title of *Profesor Visitante*, the UPC's highest academic honor.



JAKUB WISNIEWSKI

The College of Charleston School of Business' Initiative for Public Choice and Market Process, under the direction of Associated Scholar **PETER CALCAGNO**, was elevated to the level of "Center of Excellence" by the College of Charleston's president and provost in August. The Center for Public Choice and Market Process was founded in 2008 to advance understanding of the economic, political, and moral foundations of a free society.

Former Mises Fellow **JAKUB BOZYDAR WISNIEWSKI** has completed a new book of 600 economics and business aphorisms called *The Pith of Life: Aphorisms in Honor of Liberty*.



PAUL PRENTICE

Associated Scholar **PAUL PRENTICE**'s letter on the food stamp program appeared in the *Wall Street Journal*, and his editorial on privatizing VA hospitals appeared in the *Colorado Springs Gazette*. Dr. Prentice also lectured at the Bastiat Society of Colorado Springs on "Introductory Austrian Economics," and gave a talk at the Denver Liberty on the Rocks group on "Why Economics Is Not a Hard Science."

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ENTREPRENEUR, ECONOMY, AND STATE

A CONVERSATION WITH BUSINESS OWNER AND
MISES INSTITUTE SUPPORTER **GREG MORIN**



Greg Morin is CEO of Seachem Laboratories which manufactures equipment and chemicals used in the maintenance of saltwater and freshwater aquariums. He holds a PhD in chemistry from the University of Notre Dame.

THE AUSTRIAN: How did you first discover the Mises Institute?

GREG MORIN: Quite by chance, actually. Back when the bubble was collapsing in the fall of 2008 I was on an adult recreational league soccer team and one of the other team members was Erich Mattei — a former Mises U grad and student of Walter Block's. There was an email exchange between some of us on the team about all the silly things they were doing to stem the market collapse and after the jokes died down Erich suggested I check out the Mises Institute if I wanted to learn more about what was actually going on. So I did.

And I ended up buying *The Mystery of Banking* by Murray Rothbard, and that was that. I was drawn in by the clarity of his prose and the undeniable logic of the ideas and soon ordered book after book.

TA: Why did you decide that the Mises Institute was something you wanted to support?

GM: I decided to support the Mises Institute after attending some of their events (Mises Circle events and the Austrian Economics Research Conference) and it became clear that everyone involved or associated with the Institute were true scholars and professionals. I knew my money would not be wasted. I also quickly came to appreciate the importance of what the Institute was doing — not merely acting as a think tank or clearing house of information but rather as a catalyst to ensure these ideas are passed on specifically to the next generation. Although “the children are our future” is certainly a clichéd insight it is nevertheless true. The more of the youth who understand the foundations of liberty today the greater the likelihood we will have a freer future. That mission, perhaps more than any other, is why I support the Mises Institute.

TA: As a business owner, what do you think, for you, are the most valuable insights the Austrian school has to offer?

GM: To be honest, I'm not sure. I say that not to discount the Austrian school but rather because of the fact that I've never taken any formal economics classes. I was not exposed to the subject at all until I encountered the Institute, so in learning economics the “proper” way from the beginning, I'm not sure what would be different had I learned it the other way. One tangible effect it has had in my business is how it has shaped our market investment decisions relative to my awareness of the market distortions caused by state intervention. I definitely don't invest in any sort of government bond!

I've also mostly divested out of the market because it is apparent it is more akin to a government-run casino than a real market. Manipulation of the market fosters volatility and that makes it very difficult to make rational investments. I suppose I can say though that the purchase of gold and silver as an inflation hedge are definitely an outgrowth of my knowledge of AE. I've also come to realize that as entrepreneurs, none of us has any idea what we are doing! We make the best guess with the information we have and hope for the best and if we are wise (and lucky) we'll adjust quickly if we can.

Ultimately it is the market that decides if we know what we are doing or not. I guess to sum it all up, Austrian insights distill the complexity of what we business owners do down to a very simple mantra: satisfy the desires of others. That's it, that's all any of us are trying to do. As an aside I'd say unexpectedly it's given me better insights into how an employee relates to an employer. An employee is like any other vendor. They are a business unto themselves. If they wish to “win” in the employment market they must do what any vendor would, offer a product so good your customers wouldn't dream of going anywhere else.

TA: Having worked in your field for more than one business cycle, how has the boom-bust cycle impacted your business and your employees, and how has your knowledge of Austrian economics helped you gain insight into the process?

GM: I've always run my business very conservatively even before I was aware of Austrian economics, so perhaps I was predisposed to its teachings as they made a lot of sense to someone that rejects the notion of

massive amounts of leverage in order to foster growth. Prior to exposure to the Austrian school things like the Accumulated Earnings Tax were a baffling mystery to me. Now the motivation for this tax is all too transparent: the more times cash churns back and forth through the economy the more opportunities the state has to take its cut. Likewise, compelling companies to run on a shoe-string of cash means they have to borrow simply to maintain operations — and more borrowing means more inflation (due to fractional reserve lending) which means more tax revenue. I recognize how this mode of operation leaves a business financially fragile and at the mercy of the banks. I refuse to play that game. We maintain “large” (what I consider reasonable) cash balances and the stability we have gained from owning our cash (vs borrowing it) has allowed us to weather these storms. During the downturn in 2000 I learned the hard way the truth of the aphorism that a banker will give you an umbrella when it is sunny and take it away when it rains. Never again.

TA: Has Austrian economics helped you better understand how the government's response (i.e., stimulus, taxation, regulation) to economic busts has impacted you and your business?

GM: I already had an intuitive sense on these things that they were bad for business (well everyone knows taxes are bad!). But yes, Austrian economics did help bring some focus in my mind as to just how disruptive state interference can be to running a business. The pain of these things has always been there, AE simply helped bring it into sharper focus. Unfortunately there's not much one can do with that knowledge in either case. The state will do what the state will do and as business owners we are powerless to stop it. We have large capital investments and are relatively immobile. We are also “plugged into” the banking system. We cannot simply choose to go our own way or thumb our nose at the state. We are under constant threat of financial retaliation if we do not comply. Even if relocation were a viable option (it's not for us because of the enormous capital investment needed to make that transition) there really isn't any place on this planet significantly better. So as I mentioned with the second question, all we can do is hope that the next generation is influenced by the Mises Institute and that the investment we make now in supporting the Institute will pay out dividends of liberty in the future. ■■■

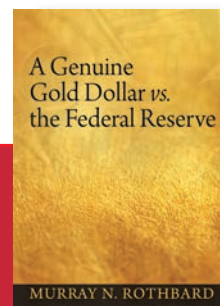
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