



The New Generation: Part 1

Interviews With Six Young Economists

**AUSTRIAN
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Front cover: Ludwig von Mises and his father, Arthur Edler von Mises.

THE AUSTRIAN ECONOMICS NEWSLETTER

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The Austrian Economics Newsletter is published quarterly by the Ludwig von Mises Institute.

Beginning with this issue and continuing in the next, the *Austrian Economics Newsletter* explores the education, experiences, and intellectual ambitions of a new generation of economists teaching in the Austrian tradition.

Interviewed in this issue are:

- Edward Stringham
San Jose State University
- Shawn Ritenour
Grove City College
- Peter Calcagno
Wingate University

Interviewed in Part 2 (Fall 2002 issue) will be:

- Christopher Westley
Jacksonville State University
- William Anderson
Frostburg State University
- Gregory Dempster
Hampden-Sydney College



EDWARD STRINGHAM

Edward Stringham (B.A. Holy Cross College; Ph.D. George Mason University) is assistant professor of economics at San Jose State University.

Interviews With Six Young Economists

THE NEW GENERATION: PART 1

Interview with Edward Stringham

AEN: You've been coming to Mises Institute conferences since your undergraduate days.

STRINGHAM: I was a sophomore at Holy Cross when I saw a debate about the legalization of drugs with one of the professors in the Economics Department, Walter Block. I was very impressed and signed up for his class for the following semester. I always had a vague interest in the types of ideas he presented in class, but never before did I know it was the subject of systematic study. Block was great. He really got me excited about Austrian economics, libertarianism, and ideas in general. After working on an equities trading desk for part of the year following college, I started at George Mason University, where I completed my Ph.D. in economics four years later.

AEN: What was Professor Block's class like?

STRINGHAM: The first few months were like shock therapy. I sat listening eagerly to everything he said. I was very curious. I had never heard anyone advocate privatizing the roads or privatizing the oceans, but everything seemed to make sense. It really got me thinking. The idea that the market enabled individuals with differing interests to interact peacefully was very appealing. I was in agreement that laissez-faire was a better way to structure society, so I started thinking how far this could be extended. Could all social relations be handled by the market and voluntary interaction?

It was around this time when the police in Worcester were really starting to clamp down on college-age drinking and after seeing them harass so many partygoers, I started wondering if the police could be privatized. Businesses typically care about

their clientele while bureaucrats do not, but could this logic be applied to the police as well?

In class Block had presented the classical-liberal position on limited government and one day I went into Block's office and told him I was going to write a paper entitled,

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"Why Libertarians Are Commies." Block was taken aback. I told him, "Libertarians advocate privatization everywhere else, so why not police and courts as well?" Block looked around, closed the door, and then told me, "There are two types of libertarians: limited government libertarians and anarchist libertarians. I am an anarchist libertarian." That really piqued my interest and it was all downhill from there.

AEN: Then you discovered there was a vast literature on this subject.

STRINGHAM: Yes, so I started with a few of the major works in anarchist libertarian political philosophy: Randy Barnett, Bruce Benson, David Friedman, Hans Hoppe, David Osterfeld, Murray Rothbard, and Lysander Spooner. I had never really spent summer vacations reading school-related books, but Block had told me that he envied me for being able to read all these books for the first time. Sure enough he was right; it was all really exciting. Around this time I went to the Mises University so I read the monographs they had sent me as well. All of these books gave me a great introduction to Austrian economics.

Upon attending the Mises Institute's seminar I was surprised to meet so many scholars who were both really knowledgeable and passionate. I was amazed. If their goal was to get people excited about Austrian economics, they did a good job. I have had some good professors, but none who were as enthusiastic as the ones I experienced that week in Auburn. The experience really got me thinking and later convinced me to go to graduate school.

AEN: Where your interests in the prospects for full privatization continued.

STRINGHAM: Sure, and this is as it should be. There are some people who spend a lot of time professing how young Austrians should proceed and how they should lead their careers. They say that young Austrians should shy

away from studying Austrian economics in graduate school, and try to pretend they are mainstream economists. This advice is given to libertarians in other disciplines as well.

This scheme advises that it is better for young free-marketeers to attempt to get a job by hiding their views, or at most being very moderate in one's positions. In my opinion, this is terrible advice not only from a perspective of personal development but also from a perspective of personal success. It is not clear that the stealth strategy is a good one. Are there any success stories and have these people made any significant contributions to the study of markets?

Top mainstream economists often like what they do and devote their entire lives to their fields of study, so unless someone is that committed to mainstream economics it is doubtful one will be able to make any mark. Many young free-marketeers think they can have it both ways, but this is questionable. A young student could commit 10 years of his life to becoming a reputable mainstream economist, but by doing so he would be necessarily devoting less time to Austrian economics.

AEN: The point actually seems obvious: Austrian economics can't advance if people are not studying it and advocating it.

STRINGHAM: Exactly. Although it is not impossible for someone to be a top mainstream economist and a top Austrian, this is highly unlikely. The law of comparative advantage would tell us this would



be non-optimal nonetheless. Austrians should try to be the best Austrians they can be, rather than trying to compete against M.I.T. economists at their own game. The failure to do this is the biggest pitfall of many young people interested in free markets in general. They compete on margins they are bad at and unfortunately they have little success.

I eschewed such a strategy and decided to be Austrian all the way. I went to the graduate school where I would have the most opportunity to study Austrian economics. George Mason University has a number of classical liberals and a number of courses that talk about Austrian works. This is the strength of G.M.U. and hopefully they will play it up even more. Ideally there would be more programs like it, or even better programs that could compete to be more Austrian.

I would rather learn from people who will be supportive of Austrian

work, than be an outcast at a higher-ranked program. My committee—Peter Boettke, Bryan Caplan, and Todd Zywicki—was very helpful throughout, and I cannot think of any others who teach at the Ph.D. level under whom I would rather write a dissertation.

Boettke was a real asset and the best dissertation chair I could have asked for. Being able to engage in friendly debates about Austrian economics and libertarianism with the likes of Boettke, Caplan, and Tyler Cowen would not have been possible at a mainstream school. Without the backing of one's committee it is difficult to find a job, so I recommend that students pick a school where their committee members will support them and allow them to be Austrian.

AEN: You seemed to do very well on the job market.

STRINGHAM: Maybe I lucked out. In any case, I surprised a lot of

people with my success. I had been repeatedly told by others that I would not be able to get a job if I was an Austrian, and one classical liberal institute at my university even told me I should remove libertarian articles from my C.V. I chose not to take this advice, and when I went on the job market I was explicitly libertarian and explicitly Austrian.

My dissertation did not make moderate free-market propositions that almost no one would deny, but instead made the claim that government is not needed for the enforcement of contracts. This was the polar opposite of the stealth strategy.

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I ended up receiving the most interview requests in the entire history of the program at G.M.U. Granted Harvard was not knocking at my door, but that was not my

target. I had interviews with multiple Top 50 Liberal Arts Colleges, Top 50 M.B.A. Schools, Top 50 National Universities, and First Tier Masters Level Universities according to the *U.S. News* rankings.

At one point I was being recruited for an Honors Program at a university with a Top 30 Ranked Economics Department, though

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unfortunately the chair of the search became ill and had to hand the hiring process over to one of his colleagues. In the end I happily accepted a job at San Jose State, which is looking into building a free-market/Austrian program.

AEN: You never sensed a handicap at not being, for example, a specialist in econometrics.

STRINGHAM: Not in any way. Comparing my experience on the job market with those who attempted to be mainstream, it is clear that being an expert in all of the latest mathematical and econometric techniques is not a prerequisite for getting a job. Most schools seemed much more interested in someone who cared about ideas, research, and teaching than someone who begrudgingly was a sophisticated economist. This is why I think the Austrian School could really go a long way with establishing more Ph.D. programs that are unabashedly Austrian. That is my hope.

AEN: You don't sound like you are prepared to cave in at the teaching level either.

STRINGHAM: My philosophy is that a professor who teaches about a subject in which he is interested is a much better teacher. I give my courses an Austrian flair and assign at least one Austrian book. For example, when I taught intermediate micro I assigned one standard textbook by a U.C.L.A. economist so the students could learn what they would be expected to know. Then I assigned *Power and Market* by Murray Rothbard. In one class I used Rothbard's *Man, Economy, and State*, which was a great experience. I am not sure how many professors have been able to teach out of *Man, Economy, and State*, but I am honored to have had the opportunity.

AEN: What has been the student response?

ADDITIONAL RESOURCES:

Armentano, Dominick T., *Antitrust and Monopoly*, (Oakland, Calif.: Independent Institute, 1996).

Benson, Bruce, *The Enterprise of Law* (San Francisco: Pacific Research Institute for Public Policy, 1990).

Garrison, Roger W., *Time and Money* (London: Routledge, 2001).

Hazlitt, Henry, *Economics in One Lesson* (San Francisco: Fox & Wilkes, 1996).

Menger, Carl, *Principles of Economics* (South Holland, Ill.: Libertarian Press, 1994).

Mises, Ludwig von, *Anti-Capitalistic Mentality* (South Holland, Ill.: Libertarian Press, 1994).

Mises, Ludwig von, *Human Action* (Auburn, Ala.: Mises Institute, 1998).

Mises, Ludwig von, *Planning for Freedom* (South Holland, Ill.: Libertarian Press, 1980).

Mises, Ludwig von, *Ultimate Foundation of Economic Science* (Princeton, N.J.: D. Van Nostrand, 1962).

Rothbard, Murray N., *For a New Liberty* (New York: Collier Books, 1978).

Rothbard, Murray N., *Man, Economy, and State* (Auburn, Ala.: Mises Institute, 2001).

Rothbard, Murray N., *Power and Market* (Kansas City, Mo.: Sheed Andrews & McMeel, 1977).

Rothbard, Murray N., *What Has Government Done To Our Money?* (Auburn, Ala.: Mises Institute, 1990).

STRINGHAM: Very positive. I had a fellow graduate student tell me that I should never use an Austrian book in an undergraduate class and that I was doing a disservice to the students. He and I taught the same course at different times and sure enough when the teacher evaluations came back my teacher evaluations were magnitudes higher than his.

Economics is a really interesting subject and there is no reason it needs to be made boring for students. A lot of professors only focus on the mathematical aspects of economics because it is easier for them, but are the students really gaining? Here Austrians have an advantage over many who were trained in highly technical economics but who cannot explain basic economic concepts to undergraduates.

Yes, most Austrians would be unable to teach graduate nonlinear econometric methods at M.I.T., but the vast majority of economists are not required to use those skills. Because Austrian economics does a better job at explaining the real world, we have an advantage over others in the classroom. We can use economics to inspire students like no other school, so the more good teachers we have the more good students we will have. This is a long-term strategy, but for a school that emphasizes the importance of education and the spreading of ideas, this is necessary.

AEN: What books or articles do you find yourself recommending again and again?

STRINGHAM: For an introduction I always recommend *Economics*

in One Lesson by Henry Hazlitt. The book is written with such clarity that I think anyone can learn from it. I also like Mises's essays, "Economic Calculation in the Socialist Commonwealth," and "Middle-of-the-Road Policy Leads to Socialism."

For those who have a free-market leaning but do not yet apply the logic across the board, I recommend *For a New Liberty* by Murray Rothbard. And for the economist who has some time to spare I believe Rothbard's *Man, Economy, and State* provides an excellent overview of Austrian economics. On a more advanced level, I like Joe Salerno's "Mises as a Social Rationalist" and his "Mises and Hayek Dehomogenized," and Bruce Benson's *Enterprise of Law*.

AEN: What is your current intellectual passion?

STRINGHAM: My primary interest, as it has been for the past few years, is using economic theory to study social interaction without government law enforcement. It is fairly common for people to question the political process and government control, but when it comes to police and courts, however, a lot of otherwise good theorists for some reason believe government to be a *deus ex machina* that solves every problem. All economic analysis is thrown out the window.

Why there is this dichotomy, I cannot explain for sure, but I think this is an area ripe for research. Many people believe that the Prisoners' Dilemma describes all social interaction and that government is the

only way to eliminate the problem of cheating. Although this reasoning is not as illogical as most justifications of government, I would say it overlooks the fact that with the vast majority of social interaction external enforcement is simply not an option. Whether we like it or not, most things cannot be contracted for, and government courts cannot be relied upon.

ECONOMICS IS A REALLY INTERESTING SUBJECT AND THERE IS NO REASON IT NEEDS TO BE MADE BORING FOR STUDENTS.

AEN: There is the usual argument that complexity requires formalization that only government can provide.

STRINGHAM: And yet this applies to the simplest familial relations, as well as the most sophisticated financial contracts. We see cooperation all the time, even in the most complex matters. For example, when I looked into the history of stock markets in the seventeenth

century, I found that governments simply refused to enforce most contracts, yet the market developed quite sophisticated contracts such as short sales, forward contracts, and options.

This is fairly representative of all social order; order precedes government and only later can government claim to be keeping the peace. Rothbard had a great line about how New Yorkers' safety depended solely on the peacefulness and good will of others. This



WE SHOULD NEVER ENGAGE IN STERILE DEBATES THAT FEW PEOPLE CARE ABOUT.

is not to say that additional safety could not be provided by the private sector, but I do think this is pretty descriptive of the world.

Government does little to respond to a problem until after it has occurred, so people are really unable to depend on any external enforcement at all. Even in the

absence of external enforcement there are incentives for cooperation. According to this view, government police and courts are superfluous at best.

AEN: This line of thought seems like a good example of applied work.

STRINGHAM: I would like to see ever more applied work done within the Austrian theory. I have a recent paper coauthored with Peter Boettke that Bryan Caplan favorably refers to as economic ethnography. In line with Rothbard's recommendation that economists should create as accurate of a description of an economy as possible, we gather information from various sources such as interviews and the popular press.

I think this provides a much richer description of a market than an econometric paper with a few statistics. This paper attempts to show exactly what government rule enforcers actually do. Rather than enforcing rules in a way that some

government proponents imagine, the state enforces numerous rules that are contrary to economic logic. I believe these types of applied articles are what are needed to start changing misperceptions about the benefits of government.

The area of law enforcement has been so neglected by the vast majority of economists that I believe we have a lot to offer. In this area there are still hundreds of articles waiting to be written, each of which can add something new. I think we really have the chance to completely obliterate the arguments in favor of socialized law enforcement.

AEN: From a strategic and theoretical point of view, what do you suppose Austrians ought to avoid?

STRINGHAM: We should never engage in sterile debates that few people care about. Although less risky, this type of economics is not going to make any significant advances and will lead others to

disregard the school as unimportant.

Historically if we look at the economists who have caught our attention, it has been those who made bold conjectures. It is precisely those economists whom we find worthwhile. Without making bold conjectures it is pretty much pointless since no minds will be changed.

I have a difficult time seeing the marginal value of an additional article about knowledge, spontaneous order, and the market process. Each of these articles sounds so similar and even many of their authors maintain they are not saying anything new, which is why I think many view that as a dead research program. There is

no reason economics needs to continually restate the same few arguments over and over, which is backward looking and certainly not the way Mises and Rothbard treated economics.

AEN: And no doubt Mises and Rothbard would agree with you.

STRINGHAM: Although I was not fortunate enough to meet Murray Rothbard, his life and work intrigue me. From his writings one can tell that there were very few Austrian economists in his early days, and although he could have given up and let the ideas fade away, instead he plowed forward. He took a long-run view, and now a few decades later I think his efforts are starting to pay off.

There is a solid generation of Austrians who are in the middle of their careers and now there is the potential for many more young Austrians. At this pace, Austrian economics is destined to become more widely accepted and the focus of more research than ever.

Rothbard was practically by himself and there is only so much one person can do, but fortunately today we have more Austrians than ever before so we can start doing in-depth studies on the ideas Rothbard only had time to mention. Rothbard devoted his life to advancing and propagating the ideas of liberty and I am thankful for that. His approach, intellectually and strategically, is a good one to emulate on the way to winning this battle of ideas. **AEN**



SHAWN RITENOUR

Shawn Ritenour (B.A., Northwestern College; M.A., Ph.D., Auburn University) teaches economics at Grove City College.

Interview with Shawn Ritenour

AEN: Before starting your Ph.D. work, you did time at the Department of Labor.

RITENOUR: Yes, and then, as Lew Rockwell likes to say, I went straight. That was quite an experience. I was assigned to train field economists to collect data for the Occupational Wage Surveys. Maybe that's one reason I have no illusions about government economic data.

AEN: Did you have Austrian leanings at the time?

RITENOUR: I became interested in Austrian economics before I even knew it was a distinct school of thought. When I was a sophomore

at Northwestern, I joined Neil McCaffrey's Conservative Book Club. Within the next few weeks, I received their bulletin advertising *Human Action*, that the club called the magnum opus of some Austrian economist named Ludwig von Mises.

The advertisement featured high praise for both the author and the book, but I hadn't heard of either Mises or *Human Action*. It seems that it cost around \$35.00, which was a lot of money for a college student in 1986, but it counted for two required book purchases.

I took the advertisement to my economics professor, Dr. Eric Elder, and asked him about the book. He had heard of Mises and said that the *National Review* had in the past

had good things to say about him. That shows how far *National Review* has come. He told me to buy it if I had the money. I did, and it was one of the most profitable investments I have ever made.

AEN: But it's tough going for an undergraduate.

RITENOUR: True, *Human Action* is not an introductory text and it

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was a challenge working through parts of it. I'd pick it up, read some, and then put it down to try and digest it. I also went to the college library to see if it had any other works by Mises. I remember checking out his collection of essays *Planning for Freedom*. I read through all of them while at college and became more convinced than ever that Mises was right. However, I thought that was economics.

I didn't know at the time that the bulk of the profession dismissed Mises out of hand.

Other books by Mises also were part of my development. While at the B.L.S. for example, I read Mises's *Bureaucracy* and was astounded to see in practice every day the order masking chaos that Mises explained. During that time I also read Mises's *The Ultimate Foundation of Economic Science* and was further convinced that praxeology is the best method for economics.

I remember being very impressed when in college I read a philosophic trilogy by Francis Schaeffer. I later went on to read Herbert Schlossberg's *Idols for Destruction* and Gordon Clark's *A Christian View of Men and Things*, both of which provide a firm Christian critique of modern culture. I should also mention the writings of J. Gresham Machen, particularly *Christianity and Liberalism*, *A Christian View of Man*, and his articles on social issues. He was a great conservative biblical scholar who was also very much pro-liberty and pro-free market, and greatly opposed to centralized, state control of education.

AEN: All of this was during college and grad school.

RITENOUR: I was aware that not everyone shared the Austrian perspective, and I certainly felt like I was going against the grain. But I have high regard for all of my professors at Auburn and they were very cordial, obviously bright, knew more than I did, and were encouraging. They also were, by and large, very friendly to the free market.

CALENDAR

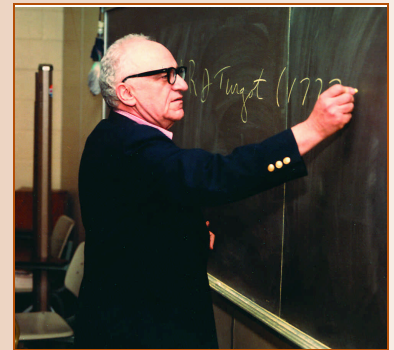
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The Mises Institute was also a tremendous help, providing me an outlet for further study and intellectual pursuits in the Austrian tradition. Being a Mises Fellow while at Auburn was like getting another Ph.D. I received one in professional, neo-classical economics, and one in Austrian political economy, which included economics, political philosophy, and ethics.

AEN: How should Austrians approach grad school?

RITENOUR: Go in with the attitude that you are going to learn as much as you can, even if you do not agree with the main premises of what you are being taught. A good mainstream program can teach you a lot about price theory. Do not be arrogant. Be very respectful of your professors. Understand that your goal is to successfully complete your degree while at the same time learning as much as you can. You'll rarely have a better opportunity to learn what the profession has to offer.

AEN: Now, to your current work.

RITENOUR: I would like to do a complete analysis of art and cultural institutions from an Austrian perspective. For instance, it seems clear from various reports I've read that arts institutions that have been more economically minded have survived the recent economic downturn better than those who seem oblivious to economic law.

There is a fairly well developed conventional wisdom in academia that adheres to the notion that the free market kills art and culture. This of

course was an issue even when Mises wrote *The Anti-Capitalistic Mentality*, and it continues today. Someone needs to bring the point home that the market merely gives people what they want. It doesn't "dictate" anything.

AEN: At Grove City, with such a strong market tradition, you probably enjoy the freedom to use Austrian materials in class.

RITENOUR: Certainly. I do every semester. Most like the Austrian texts, even if some are more challenging than those in other classes. This was also true at Southwest Baptist University, where I taught before coming to Grove City. I recall that one of my students attended a conference where he met up with some students from the University of Virginia who were envious of him because he was able to study Austrian economics as part of the main program.

At S.B.U. I was the only economist in the College of Business, which was very much free-market oriented. It was great. We were all on the same wavelength and as I discussed Austrian theory with them, they were almost always in agreement. Here at Grove City College there is already an Austrian tradition, so a lot of people here are already familiar with Mises and generally approving of the free market.

This allows me to use high level material. Recently I've recommended Salerno's "The Development of Keynes's Economics: From Marshall to Millennialism," from the *Review of Austrian Economics*, vol. 6, no. 1, and also

Salerno's "The Place of *Human Action* in the Development of Modern Economic Thought," *QJAE*, vol. 2, no. 1.

AEN: What is your dream project?

RITENOUR: I'll be starting it soon: a principles of economics text from a distinctively Christian perspective. It seeks to place economics in the context of the Christian view of man made in the image of

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God, and who can thus think and act purposefully. I also would like to do an extended study on the issue of art, culture, and the free market.

It appears that this type of analysis is becoming more popular within

economics. There is a growing realization that, in practice, economic science is heavily influenced by social, cultural, and religious trends. The field of religion and economics is starting to make real inroads in the profession. Even in the history of thought, economic theory was first advanced by trained theologians. The Positivists have their own religious ideas, inherited from those who sought to create a “religion of humanity.”

ECONOMICS IS HEAVILY BOUND UP WITH QUESTIONS ABOUT MORALITY, CULTURE, AND FAITH.

Economics is a formal, theoretical science. However, because it focuses on the actions of humans, it is also heavily bound up with questions about morality, culture, and faith. This is especially true in the area of economic policy. Austrians have always been on the cutting edge, so why not here as well? ■■■■■ AEN



PETER CALCAGNO

Peter Calcagno (B.S., Hillsdale College; Ph.D., Auburn University) teaches economics at Wingate University.

Interview with Peter Calcagno

AEN: Hillsdale seems to have produced a number of good Austrian faculty over the years.

CALCAGNO: It was here that my general interest in economics became a specific interest in Austrian economics. In my principles of macroeconomics class, the professor was making arguments against protectionism and regulation in labor markets and several people in the class were in favor of protecting labor. I found the professor’s arguments far more convincing.

At first I read several shorter monographs such as Mises’s *Economic Calculation in the Socialist Commonwealth*, Hazlitt’s *Economics in One Lesson*, Rothbard’s *What Has Government Done to Our Money?* As I studied, Mises’s *Human Action*

and Rothbard’s *Man, Economy, and State* became essential. However, Menger’s *Principles of Economics* has always been a favorite. Menger put so much in that small volume that it is still a joy to read 130 years later.

AEN: Richard Ebeling, who was teaching at Hillsdale, must have had a big impact.

CALCAGNO: I can honestly say that I am where I am today because of Richard Ebeling. Richard became a mentor and a friend introducing me to Austrian economics and providing me with an understanding of the importance of economic principles. He helped me in choosing a graduate program and encouraged me to study and understand mainstream theory as well as Austrian theory.

I consider myself very fortunate because Hillsdale College has a Ludwig von Mises Professor, a Ludwig von Mises Lecture Series, and Mises’s personal library, so this approach was not controversial. Free-market theory is part of the institution, but I was willing to take the arguments further than most students by espousing not just conservative, but libertarian ideas.

AEN: What factors did you consider when choosing a grad school?

CALCAGNO: Since there are few graduate school programs that even address Austrian economics, I think students interested in graduate school need to be realistic about these programs. George Mason University is today the only Ph.D.-granting institution where



one can formally study Austrian economics. The advice that was given to me by Sanford Ikeda, which I found valuable, was to seek out a graduate program that is known for the field of study you are interested in pursuing. For me that was history of economic thought, which made Auburn, which at that time had a Ph.D. program, an easy choice.

The key to grad school for an Austrian is to find ways to incorporate Austrian theory into your research where you can. Whether an entire dissertation can be Austrian depends upon the committee, but you could certainly incorporate Austrian ideas. I would recommend that students try to find other like-minded students in their program for support. Graduate students who are free-market oriented will be willing to discuss different ideas and can often provide support outside of the classroom.

AEN: Would you say that your vocation tends toward research or teaching?

CALCAGNO: I like both, but my focus has been on teaching from the very beginning. Professors had such a major impact on my life demonstrating to me the importance of liberty, property rights, and free markets. I wanted to have that same impact on students.

Next spring I will be teaching a class on the progress of the transition to a market economy in the Czech Republic. This course will incorporate an analysis of the calculation debate and other Austrian theories. The students and I will visit Prague at the end of the semester to see the changes first hand.

And this summer I have a research grant to work with a student on the privatization of the steel industry in Romania. The student is from Romania and understands first hand the failure of socialism. He has become quite interested in Austrian economics (there is a Mises Institute in Bucharest) and so we are researching the progress

of privatization from an Austrian perspective. This project will provide me the opportunity to both teach and do research.

AEN: You have also shown a particular interest in the relationship between politics and economic theory.

CALCAGNO: I do think that Austrians are working toward their own version of public choice and public finance. Tom DiLorenzo and Randy Holcombe have done some very good work in this area. I think the timing is right for it as well. While there has been a good

THE KEY TO GRAD SCHOOL FOR AN AUSTRIAN IS TO FIND WAYS TO INCORPORATE AUSTRIAN THEORY INTO YOUR RESEARCH.

deal written criticizing the mainstream public finance literature, the Austrian theory of public finance could be better formalized. The heart of it definitely exists in the work of Mises and Rothbard, but there are issues where state governments have intervened in our lives that need to be further addressed.

An area that interests me is state government. State governments seem to be increasing their roles in our lives just as quickly as the federal government. In particular the idea of states partnering with business is one that is ripe for Austrian analysis. These issues of privatization and regulation at the state level are perfect for applying and building on Rothbard's critique of interventionism. A lot has been written on this issue, but not using the tools of Austrian theory.

THERE IS A TEMPTATION TO HIDE ONE'S AUSTRIANISM. MURRAY ROTHBARD WARNED AGAINST THIS.

AEN: What material do you use in class?

CALCAGNO: I begin every principles class I teach with the first two chapters of Hazlitt's *Economics in One Lesson*. They also are exposed to the calculation debate and the importance of entrepreneurship via Mises and Hazlitt. I just finished teaching intermediate macroeconomics where I used Roger Garrison's *Time and Money* as the main text. My government

and business class reads from *Power and Market* and *Antitrust and Monopoly*.

My students are fairly receptive to the ideas; however, they are not always willing to take the argument for a free market as far as it goes. Many think they are taking the free-market path when they simply argue that government can improve. Unfortunately, this view is the conservative party line today. Many students see me as radical, and that's fine.

I recently had one student in my intermediate macroeconomics class ask me why the Austrian theory of the business cycle was not more widely accepted, especially considering that Hayek had won the Nobel Prize. I had to explain to him the lag between when a theory is developed, such as ABCT in the 1920s and 30s, and when a Nobel Prize is awarded.

The work for Nobel Prizes is often pioneering, but in the case of Hayek, economics had taken such a dramatic turn with the Keynesian revolution that few people knew and understood the theory by the time he had won. Fortunately, the theory is still with us and I think growing in acceptance.

AEN: And yet the profession often regards Austrianism as little more than a chapter in the history of thought.

CALCAGNO: That's true. The mainstream thinks "once upon a time" Menger developed the theory of marginal utility and Mises argued that socialism could not work. But because they believe these ideas have been incorporated

into the mainstream, they see a small role for an Austrian theory today. It's true in some ways but in other ways, the profession is still very much behind where Mises was in the 1940s. Mises's works are inspiring for their range and depth, especially by comparison to most economic literature today.

There is a temptation to hide one's Austrianism. Murray Rothbard warned against this. You fall into the trap of not telling your professors in grad school and writing a dissertation that is consistent with the mainstream. Then you hide being an Austrian when you interview for a job. Your plan may be to jump out at some point and reveal your shirt with a big "A" on it telling them you are an Austrian, but it doesn't work out that way.

Why? Because you need tenure. So after you are hired, you continue to hide your interests. By the time you have tenure, you may no longer be interested, or fear that you have to keep up with the publication track you have established to be successful in your career.

AEN: It does seem that it is becoming easier for Austrians to get by.

CALCAGNO: It does. I am not sure that we should go running up and down the halls shouting "I am an Austrian economist," but I do not think we should shy away from our interests. Given that my main interest is teaching, I have not found Austrian economics to be a conflict and actually found colleagues who are familiar with and interested in Austrian economics. I think the key is to be honest without being unduly confrontational. **AEN**