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THE MISESIAN

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MISES INSTITUTE
518 W. Magnolia Ave., Auburn, AL 36832-4501
334.321.2100 | 800.636.4737 | Fax: 334.321.2119
contact@mises.org | mises.org

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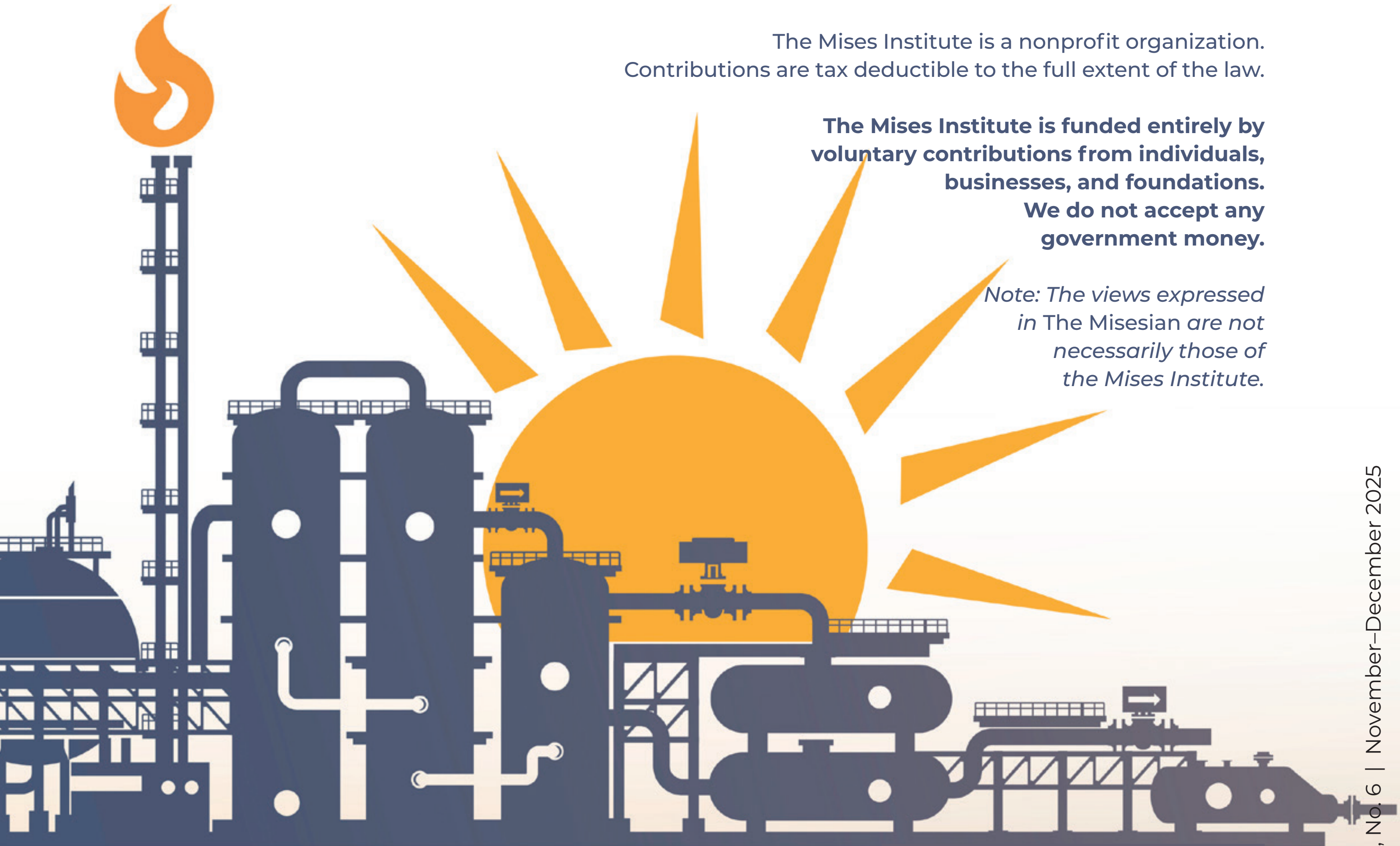

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From the Editor

In a 1787 letter, Benjamin Franklin wrote to a colleague, "I am of the same opinion with you respecting the freedom of commerce. . . . Nothing can be better expressed than your sentiments are on this point, where you prefer liberty of trading, cultivating, manufacturing, etc., even to civil liberty, this being affected but rarely, the other every hour."

Franklin did not deny that all true rights and freedoms are important, but he noted that on a practical level, the right to freely participate in the marketplace is the most crucial. After all, if we are not free to buy and sell and trade and save, we will have little hope for securing enough food and shelter, let alone building up any level of financial independence or lasting prosperity.

The right to participate in the marketplace also assumes a basic respect for private property. Without private property, after all, there *is* no marketplace. There is no incentive to invest, save, or bring goods and services to market. Without private property, there is no way to plan for the future, and one's goods are always subject to confiscation from the more powerful. In other words, a world without private property is a lawless world.

This is partly why Ludwig von Mises equated private property to civilization, writing in *Liberalism*, "The foundation of any and every civilization, including our own, is private ownership of the means of production. Whoever wishes to criticize modern civilization, therefore, begins with private property."

The choice we face is between the civilizing and liberating effects of private property and the impoverishment of interventionism and socialism.

At our Supporters Summit in Delray Beach, Florida, this year, more than a dozen of our top faculty gathered to explore how economic freedom undergirds civilization. In this issue of *The Misesian*, we bring you gently edited transcriptions of three of these insightful lectures plus the highlights of that memorable weekend.

The first lecture comes from Senior Fellow Shawn Ritenour, who explains how property and commerce are the building blocks of human cooperation. Only through this cooperation can we reap the benefits of the division of labor and higher productivity, both of which are essential to a rising standard of living.

The second comes from Senior Fellow Alex Pollock, who examines how freedom in money is an essential antidote to state power. There is a reason, Pollock shows, why governments seize control of money at the earliest opportunity.

Finally, we feature Academic Vice President Joseph Salerno's latest look at how much private markets have succeeded in bringing down the cost of living. Governments everywhere do their best to destroy the benefits of growing industries by inflating away our prosperity, yet resilient markets still are able to generate prosperity.

In this issue you'll also find plenty of news about the Mises Institute and photos from our most recent events, plus a new book review from perennial favorite David Gordon.

As always, thank you for your support of the Mises Institute. Remember that we're not just fighting for freedom. We're fighting for civilization itself. ■

RYAN McMAKEN

rwmcmaken@mises.org

Ryan McMaken is Editor in Chief of mises.org and Editor of *The Misesian*.

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ECONOMIC FREEDOM AS A TONIC FOR SOCIAL CONFLICT

Shawn Ritenour, a Senior Fellow of the Mises Institute, teaches economics at Grove City College and is the author of Foundations of Economics: A Christian View *and* The Economics of Prosperity: Rethinking Economic Growth and Development *and editor of* The Mises Reader.

This article is adapted from a lecture presented at the 2025 Supporters Summit in Delray Beach, Florida.

Anyone who is paying a modicum of attention can see we live in troubled times. We have inherited a civilization made possible by peace and prosperity, but presently man is everywhere in conflict. It may seem that this is a recent phenomenon, but the idea that conflict between social groups is normal and inevitable goes back a long time.

In 1848 Karl Marx said in his famous *Manifesto of the Communist Party*, "The history of all hitherto existing society is the history of class struggles." Captured in his little red book, *Quotations of Chairman Mao Tse-Tung*, Mao said, "Classes struggle, some classes triumph and others are eliminated. Such is history. Such is the history of civilization for thousands of years. To interpret history from this viewpoint is historical materialism." As Jerry Lee Lewis might say, "Come on over, baby, there's a whole lotta class struggle going on."

According to this ideology, the way for any social class to survive and thrive is to maintain

solidarity within and, if possible, form coalitions with other interest groups. As Marx said in his manifesto, "Every class struggle is a political struggle." To win the struggle, we need collective bargaining and organized resistance through group coalitions to fight the power. And what is the power?

It is interesting to note that while the disparate interest groups are legion, including critical race theorists, Black Lives Matter, LGBTQ+ activists, feminists, the World Economic Forum, environmentalists, *and* traditional Marxists, one thing that seems to unite them is a professed hatred of capitalism. That is the great Satan.

When advocating for something called a solidarity economy, Jessica Gordon-Nembhard, professor of community justice and social economic development in the Department of Africana Studies at John Jay College, City University of New York, had this to say during an interview: "Right now we live in a racial, gendered, capitalist system which really doesn't benefit communities. It doesn't benefit most people, and it definitely does not benefit people of color, especially black folks. . . . Capitalism is very exploitive. It exploits our planet. It exploits human energy. It exploits human labor."

In his 2024 *New York Times* best-selling book *It's OK to Be Angry About Capitalism*, Bernie Sanders asserts that "Unfettered capitalism . . . destroys anything that gets in its way in the pursuit of profits. It destroys the environment. . . . It destroys our democracy. It discards human beings without a second thought. It will never provide workers with the fulfillment that Americans have a right to expect from their careers." And it is "propelled by uncontrollable greed and contempt for human decency."

Capitalism, it seems, is responsible for a lot of bad things. It is responsible for racism, sexism, exploitation, and environmental and democratic destruction, *and* is unfulfilling to boot. It is propelled—i.e., energized—by greed and contempt for human decency. For the ranks of the capitalists, decent people, apparently, need not apply.

It is my contention, however, that those emphasizing solidarity among classes and fighting the class struggle as a solution for social problems are barking up the wrong tree. They fail to understand the true basis of society and have a misguided understanding of what we struggle against. Our fundamental struggle is not against different classes of people. It is, rather, against scarcity and vice. They are also ignorant (willfully or otherwise) of key principles of good economics.

The claim of irreconcilable social conflict is helped along by what Ludwig von Mises termed polylogism. Polylogism is the theory claiming

Our fundamental struggle is not against different classes of people. It is, rather, against scarcity and vice.

that the logical structure of the mind is different for different social groups. As Mao put it, "In class society everyone lives as a member of a particular class, and every kind of thinking, without exception is stamped with the brand of a class."

Polylogism has spawned an ocean of critical theory and identity politics. From critical race theory to feminist theory to LGBTQ+ ideology and queer theory. In 2020 the National Museum of African American History and Culture posted an infographic entitled "Aspects and Assumptions of Whiteness and White Culture in the United States." Among other things, it listed an emphasis on the scientific method, objective and rational linear thinking, cause-and-effect relationships, and mathematics as all being part of "whiteness." The implication is that logic and reason using cause-and-effect relationships are bound by culture and ethnicity.

As Mises knew, the affirmation of polylogism is socially destructive. In "The Clash of Group Interests" he writes, "If [polylogism] is correct, the case for peaceful human cooperation is hopeless. If the members of the various groups are not even in a position to agree with regard to mathematical and physical theorems and biological problems, they will certainly never find a pattern for a smoothly functioning social organization." If polylogism is indeed true, then Michel Foucault has won—everything really is all and only about power.

While we may be tempted to despair, the teachings of good economics give reason for hope. There is, indeed, economic reality, and all people, regardless of what social group they are in, have the ability to grasp the fundamental truths of economics.

From the beginning of time, for instance, humans have sought to be fruitful and multiply by working and maintaining their homes, fields, businesses, and industries in our fallen world of scarcity. Historically poverty was the rule. How, then, did we and do we continue to overcome? How are societies that were once mired in poverty now enjoying relative prosperity? How do we provide for our families in a world of scarcity without descending into a barbaric struggle for survival—i.e., killing one another or starving to death?

Good economics has answers to these questions. We begin to overcome poverty by laboring and engaging in production. We use scarce land, labor, and capital goods to transform them into a product. One way to do this is by engaging in direct-use production, where people produce only those goods they desire to personally consume. This is the mode of self-sufficiency, in which none of the production is exchanged in a market. People grow a garden to eat the vegetables they grow. People build a hut to live in. People raise a cow to milk and a steer to eat. People make a few pieces of clothing to wear. While relatively simple, direct-use production is found mainly in poorer, less developed countries, because it is not very productive.

Because of the limitations of direct-use production, people found it beneficial to engage in production for exchange. Some try violence by grabbing other people's goods using physical harm or threat of physical harm. Many more choose voluntarism—gift giving and voluntary exchange. This is the path of economic freedom.

One of the main social benefits of voluntary exchange is that it is mutually beneficial. Contrary to the essayist Michel de Montaigne, the profit of one man is *not* the damage of another. Montaigne argued that if I profit, someone else *must* lose. In fact, in a voluntary exchange, both parties receive in exchange something they value more highly than what they give away. Voluntary trade allows for a win-win solution, not a win-lose, zero-sum game. Trade is cooperative and not antagonistic. It is mutually beneficial rather than exploitative.

Trade, however, is more than that. Voluntary exchange opens the door to participation in the market division of labor. In this mode of production—production for exchange—production is oriented to what can be sold in a market. This is the primary mode of production in developed, wealthier societies, because the market division of labor is more productive than isolated, direct-use production.

Production for exchange constitutes the market division of labor, in which people specialize in production according to efficiency. In specializing, each

person produces a particular good or set of goods in excess of his personal consumption. Mars Inc., for example, produces millions of Snickers bars each year, not for its owner's personal consumption, but because a lot of other people will pay money for those Snickers.

Who produces what within the division of labor will be determined by efficiency. The efficient producer is the one who has the lowest opportunity cost of production. The British classical economist Nassau Senior noted that while economists call this principle the division of labor, it actually applies to all factors of production and should be called the division of production.

As each person specializes in the line of production in which he is most efficient, he, and by extension everyone in society, benefits from increased productivity. David Ricardo expressed this fact in the context of international trade, and it became known as the law of comparative advantage. Ludwig von Mises emphasized that comparative advantage applies to all production and called it the law of association. Cooperative action through the division of labor is more efficient and productive than the isolated action of self-sufficiency.

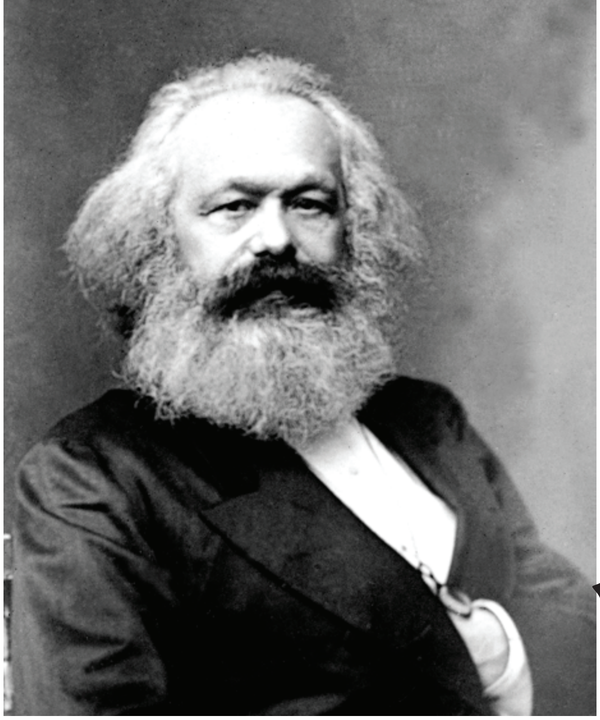
The benefits of the market division of labor provide a possible solution to social conflict. This is a key theme in Mises's social thought. He regularly argued that the division of labor fosters the harmony of "rightly understood" interests. He mentions this as far back as 1919 in his *Nation, State, and Economy* and in *Omnipotent Government*, published in 1944.

He develops this theory of the harmony of rightly understood interests in *Socialism* (1922), *Liberalism* (1927), "The Task and Scope of the Science of Human Action" (1933), and a trio of works published in the 1940s, "The Clash of Group Interests," (1945), "Economics as a Bridge for Human Understanding" (1945), and his monumental *Human Action* (1949). His final statement of this theme comes in *Theory and History*, published in 1957. As Mises teaches us, because specialization according to efficiency is more productive than isolated production, there is no irreconcilable conflict between the economic interests of society and those of the individuals in various social classes.

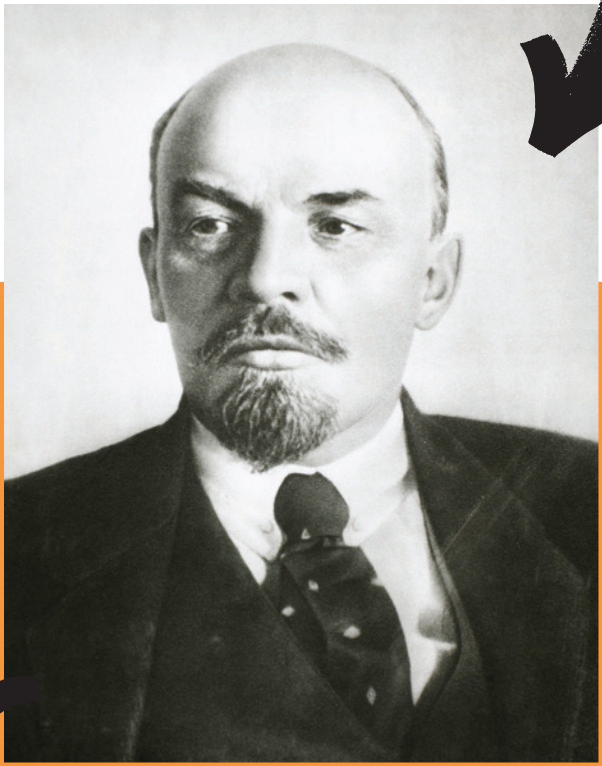
When individuals pursue their own economic interest by participating in the market division of labor, every participant benefits. Competition in

Competition in the market, therefore, is not a Darwinian survival of the fittest. It is a competition to best serve our fellow man. It is fundamentally competition in production, which prevents barbaric competition in consumption.

Conflicts are not inherent in the operation of an unhampered market economy. Some are due to an utter flight from reality. Many are the necessary outcomes of government policies interfering with the operation of the market. They are not conflicts of Marxian (or identitarian) classes. They are conflicts of citizen against citizen because the government steps in and gives special privileges to some and not to others.



Karl Marx, 1887. Photo12/Alamy.



Vladimir Ilyich Lenin, 1920. JT Vintage / Alamy.

Critical Race Theorists

BLACK LIVES MATTER

LGBTQ+ activists

Feminists

WORLD ECONOMIC FORUM

ENVIRONMENTALISTS

Elizabeth Warren and Bernie Sanders, Feb. 25, 2020. UPI / Alamy.

The teachings of good economics give reason for hope. There is, indeed, economic reality, and all people, regardless of what social group they are in, have the ability to grasp the fundamental truths of economics.

the market, therefore, is not a Darwinian survival of the fittest. It is a competition to best serve our fellow man. It is fundamentally competition in production, which prevents barbaric competition in consumption.

Mises stressed that any sacrifices necessary to maintain social cooperation are therefore only temporary. For example, the benefits of political privilege or theft are short-lived. The advantage of a more extensive division of labor and a flourishing society is more enduring. In a free-market division of labor, everyone acting to improve his own standard of living serves others and helps them increase their standard of living. Society, therefore, originates and develops through the actions of individuals working toward personal ends by cooperating to take advantage of the higher productivity brought about by the division of labor.

For this development of society to happen, we need the institutions of economic freedom. We need private property and sound money.

Because it is voluntary exchange that makes the development of the division of labor possible, we will benefit from the division of labor only in a society with institutions supporting voluntary trade. We can only engage in exchange in an environment of private property. Therefore, to take advantage of the division of labor and benefit from the economic development that flows from it, members of society must be secure in their property. Additionally, sound money ensures that the market prices that entrepreneurs use to calculate profit and loss, and, hence, to coordinate the market division of labor, actually reflect people's preferences. Only then will the market division of labor be coordinated such that people enjoy the goods they value the most.

Conversely, violations of private property will hamper the division of labor. While people cooperate in achieving their ends under the division of labor, interventionist economic policy *does* pit citizen against citizen. The Occupy Wall Street foot soldiers, for example, had a point. Inflationist credit expansion from 1987 through the mid-2000s spawned massive malinvestment, the financial crisis of 2008, and the Great Recession. Instead of allowing the economic chickens to come home to roost and the malinvestors to reap their losses, the Federal Reserve and the US Treasury engaged in massive bailouts that included subsidies and a historic monetary inflation via quantitative easing. Investment banks benefitted at the expense of US citizens not closely connected with the banking system. They got the gold mine and we got the shaft. Such financialization of the economy fostered increased income inequality.

Another example is state education. In many places, government schools are little more than leftist indoctrination camps. Its effects are class-warfare thinking, climate hysteria, the curtailing of free speech, and the acceptance of political violence.

Our age is indeed an age full of serious conflicts between group interests. However, whatever their causes, these conflicts are not inherent in the operation of an unhampered market economy. Some are due to an utter flight from reality. Many are the necessary outcomes of government policies interfering with the operation of the market. They are not conflicts of Marxian (or identitarian) classes. They are conflicts of citizen against citizen because the government steps in and gives special privileges to some and not to others. They are brought about by the fact that our elites and too many of our citizens have embraced politics rather than economic freedom. They promote group privileges rather than personal responsibility.

Our current social crossroads further demonstrates our need for private educational organizations such as the Mises Institute to provide real economic education to the public: We are, in this struggle against scarcity, together. As Mises notes, it is not enough for the division of labor to be more productive than isolated production. People need to recognize it as such. ■

Eastwood Christian School, a local private school in Montgomery, Alabama, brought its senior economics class to the Mises Institute to hear Dr. Mark Thornton speak on top-down versus bottom-up policy initiatives, and Dr. Jonathan Newman talk about capitalism versus socialism, stressing Mises's economic calculation argument.

In October, the Ladies of Liberty Alliance held a leadership retreat in Washington, DC, featuring representatives from around the world. The Mises Institute was honored to be able to provide a shipment of our book *Hayek for the 21st Century*. These books will make their way back to LOLA chapters in South America, Africa, Europe, Asia, and the Middle East.

Dr. Mark Thornton has continued to bring Austrian economic insights to new and diverse audiences through a growing number of media appearances. His recent interview on *Soar Financially*, offering a compelling introduction to the Austrian perspective on inflation, debt, and sound money, has reached over 100,000 viewers.

Since then, Dr. Thornton has been featured on Investing News, Mario Innecco's Home of Alternative Economics, *The Freedom Report*, and *Commodity Culture*—collectively reaching well over 150,000 additional viewers across multiple platforms.

Dr. Thornton also gave a presentation on prohibition and *The Simpsons* to 30 students from the Auburn University Economics Club.

Upcoming interviews on *The Julia La Roche Show*, Miles Franklin Media, and *Palisades Gold Radio* will further Dr. Thornton's and Austrian economics' reach in the investment and macroeconomics communities. Each appearance is an opportunity to demonstrate Misesian ideas' enduring relevance in explaining today's economic challenges and to advance a deeper public understanding of sound economics.

Dr. Jonathan Newman presented his paper "The Origins of Money: Menger versus Modern Monetary Theory" at the 9th Madrid Conference on Austrian Economics, held October 23–24, 2025, at Universidad Rey Juan Carlos in Madrid, Spain. Mises Institute scholars such as Philipp Bagus, David Howden, and Jesús Huerta de Soto were among the organizers of the conference. Dr. Newman's paper won the Rothbard Prize (3rd place) at the end of the conference. Also in attendance were Mises Senior Fellow Jeff Degner, and former Fellows in Residence Manuel García Gojon, Jared Friesen, and Halina Šimo.

Dr. Newman also spoke at the 2025 Farm Bureau Actuarial Conference in Huntsville, Alabama. His talk was called "The State of the Economy and the Business Cycle." He also appeared on *The Monica Perez Show*, where he discussed Bastiat's *The Law*.

He gave a two-part lecture series on the Great Depression to a local homeschool group. His payment was fresh baked banana bread.

In 2024, 91.6 cents of every dollar donated to the Mises Institute went to educational programs.

The Fed, Gold, and CRYPTO: Freedom and Competing Currencies

Alex J. Pollock is Senior Fellow at the Mises Institute. He served as the principal deputy director of the Office of Financial Research in the US Treasury Department from 2019 to 2021.

To stay in power, governments have to keep spending money. They need to give money to their friends, to give money to their supporters, to carry out their various projects, and—most expensive of all—to have wars.

This article is adapted from a lecture presented at the 2025 Mises Institute Supporters Summit in Delray Beach, Florida.

Economic freedom should include freedom in money. It's a freedom even, as we say these days, that advanced economies don't have. My guiding text for this talk is Friedrich Hayek's celebrated essay "Choice in Currency." That is chapter 7 of this excellent book—*Hayek for the 21st Century: Essays in Political Economy*—that the Mises Institute has published. It's a classic text, and I hope you'll all take a look at it if you haven't.

Now, freedom and money, Hayek suggests, can in concept be created through competition, through freedom of choice in money. That is to say, let the people use any money they want. Let the monies compete with each other, and the superior monies, just like in any competition, will win out. The opposite of this is, of course, a government monopoly in money, which allows the government to inflate.

The point I wish to make is that the ability to control the money is a deep and fundamental source of the power of the state. Each central bank (in our case, the Federal Reserve), of course, is part of the state and a key helper in the project of expanding and maintaining the power of the government over the people. Now, we can think about this. I know you know this already. It's very simple, but let's just say it again to remind ourselves. To stay in power,

Hayek, in a very creative intellectual move, says that instead of trying to improve the behavior of the central bankers—which we're all working on, and we ought to keep working on it—here's something more radical. Let us simply, quoting Hayek here, "deprive governments (or their monetary authorities) of all power to protect their money against competition."

governments have to keep spending money. They need to give money to their friends, to give money to their supporters, to carry out their various projects, and—most expensive of all—to have wars.

In the meantime, people don't like being taxed, so the politician is put in the position of wanting to spend without taxing. And what's the answer? Well, you borrow. If the lenders don't want to lend to you, you simply have a compliant central bank to print up the money that you need, and to buy your bonds, as we have observed over long periods of time now.

That way, you can keep spending. That way, you can maintain your position of power for the government.

Of course, at the same time, you're depreciating the currency. You have inflated prices, you've taken away the people's purchasing power, which is a kind of implicit taxation, and destroyed part of the value of their wages and their savings. In short, as Hayek writes, "Practically all governments of history have used the exclusive power to issue money in order to defraud and plunder the people."

Further, Hayek says, "The politician, acting on a modified Keynesian maxim that in the long run we are all out of office"—I think that's a wonderful line—wants "more and cheaper money," which is "an ever-present political force which monetary authorities have never been able to resist."

Well, is it true that the central bank can't resist? I think it is. On one side of this argument, we had Nobel Prize–winning economist Thomas Sargent, who proposed in 1982 that we just need central banks that are legally committed to refuse the government's demand for additional credit. In other words, just to say no to financing deficits with newly created money.

So I wish you to picture this. The Treasury has come to the central bank and said, "Here are these bonds. We want you to buy them." Imagine the head of the central bank saying, "Well, I've got your request, but sorry, we're not buying a penny of your debt with money we create. Of course, we could do it, but we won't. So just cut your government expenses and good luck."

I doubt that this would be a winning career move for a politically appointed chairman of the central bank, and I suspect you doubt it too. And I suspect that its probability is something close to zero, don't you think? Moreover, in a time of war or other national emergency, the likelihood of this response is precisely zero.

So Hayek, in a very creative intellectual move, says that instead of trying to improve the behavior of the central bankers—which we're all working on, and we ought to keep working on it—here's something more radical. Let us simply, quoting Hayek here, "deprive governments (or their monetary authorities) of all power to protect their money against competition."

Let them go ahead and keep printing up their paper money, just as always. Let them buy as many bonds of the government—finance as many deficits—as they want, but don't let them have a monopoly in *this* money. So the money they create for deficit financing, to improve the power of the state, has to compete with some other money that will come along.

Hayek continues, "If people were free to refuse any money they distrusted"—in other words, you can't have a legal tender law—"and to prefer money in which they had confidence," there could be no "stronger inducement to

governments to ensure the stability of their money." So make the government compete with other monies, and as in other cases of competition, you'll improve the quality of the product. And this idea of Hayek's is indeed consistent with a free society.

Hayek concludes, "I hope it will not be too long before complete freedom to deal in any money one likes will be regarded as the essential mark of a free country."

Well, that was 50 years ago and we're not there yet. But today this thought is especially congenial to those who want private cryptocurrencies to compete with dollars, and this Hayek essay is enormously popular among advocates of cryptocurrencies, and taken as a kind of canonical text for competition in currency. It is a philosophical position consistent with their creation.

I do want to note in passing—because stablecoins have been much in the news of late, and we have the GENIUS Act, very favorable to stablecoins—that this thought does *not* apply to stablecoins because stablecoins are just part of the dollar system. If the dollar is depreciating, your stablecoin is depreciating, too. It doesn't achieve the Hayekian purpose of competition in money because it's just part of the dollar monopoly. So, it doesn't present a competitive currency.

But Hayek, thinking about the possible competitors to the government's fiat currency, was not really focused on other things that are themselves fiat currencies, whether they be fiat currencies issued by other governments. You could have the euro competing with the dollar, for example, or private fiat currencies such as bitcoin, which isn't yet a currency but wishes to be.

Hayek was really thinking of gold. This is something about this celebrated essay I think is not usually properly understood. Hayek's original speech was given in 1975. That was the year after the United States at long last lifted its oppressive 1933 law making it illegal for Americans to own any gold; that is to say, illegal to protect themselves from the depreciation of the monopoly currency of the government.

This ban on gold was an amazing act by the United States, actually, when you look back on it now. It does show how far a government will go to protect the monopoly of its own fiat currency.

So, thinking about gold in contrast to this, Hayek says, "Where I'm not sure is whether in such a competition for reliability any government-issued currency would prevail, or whether the predominant preference would not be in favor of . . . ounces of gold. It seems not unlikely that gold would ultimately re-assert its place as 'the universal prize in all countries, in all cultures, in all ages,' . . . if people were given complete freedom to decide what to use as their standard and general medium of exchange."

What do you think? If we had free competition in monies, do you think that gold would win out as the preferred competitor and thereby force the governments to issue sounder currencies? An interesting thought.

As Hayek also wrote, famously and correctly, competition is a "discovery procedure." We find out through competition things we couldn't know otherwise, and if we had such a competition in currencies, that would give us the answer.

Now, think how much things have changed since Harry Dexter White, the chief American negotiator at the Bretton Woods Conference in 1944 and also, as you may recall, a spy for the Soviet Union, asserted that gold and the US dollar were "synonymous."

We've come a long way from Harry Dexter White's thought there.

As we know, the price of gold and dollars is over $4,000 at the present time. Just think about that relative to the par value exchange rate of dollars and gold out of Bretton Woods, which was $35 an ounce. That's a factor roughly of 100 to 1. We didn't quite achieve Harry Dexter White's synonymousness of dollars and gold.

Now, it's equally correct to think about the price of dollars in gold as it is to think about the price of gold in dollars. So, in that sense, the price of dollars is down 99% since 1971. One winner of this is the US Treasury, since the US Treasury is long gold, holding 8,000 tons, which is over 261.5 million ounces. So, the unrealized profit to the US Treasury on its gold position is basically $1 trillion.

It's not on the books, but it's the reality of the Treasury's gold position. Now, this contrasts with a notable opinion piece in the *Financial Times* from about 20 years ago (April 16, 2004), which had the headline "Going, Going, Gold: The Pointlessness of Holding Bullion Continues to Sink In."

"The barbarous relic, as Keynes called it, is crumbling to dust," wrote the *Financial Times*. "For central banks and governments to hold [gold] is a betrayal of the public." "Gold is on its way out," they concluded.

Well, things change in economies, as we know. At the time that article was published, the price of gold in dollars was $400, so it's more than 10 times that now. And at that point, central banks were, as a group, selling gold. Now central banks are buying heavily, and they're building their positions with gold as a reserve currency. Sort of interesting. Central banks were selling at the bottom, and they're buying at what might be the top. But that's perhaps natural human behavior.

My brother Bruce, who lives in Switzerland, remembers that 20 years ago, when the Swiss central bank was forced to sell gold by its politicians, his friends who worked for the bank

literally were crying when they were forced to sell their gold.

But today, many central banks are buying gold and increasing gold in their reserves. Can this central bank market for gold perhaps be considered an example of the free competition in currencies which Hayek envisioned?

After all, whatever the case was right after World War II, now no country can force other countries to accept the monopoly of its currency. And among central banks, there actually is choice in which currencies, including gold, to hold in their reserves. So this movement in gold is extremely interesting in and of itself. But something particularly interesting about it is that it seems to be a case of a Hayekian competition in currencies.

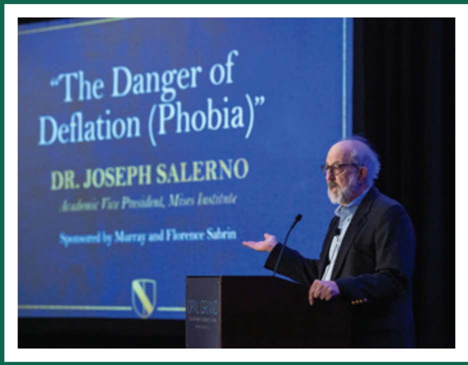
Now, an insightful essay by Anthony Deden suggests that when we're looking at the gold price today, we're not really looking at gold going up. We're looking at the dollar going down, or fiat currencies in general declining. This strikes me as quite correct. Deaton continues, "If you hold fiat money, you have a claim on the future discretion of politicians. Whereas if you hold gold, you have a claim on the future *indiscretion* of politicians."

I think that's very nice. Or you might say gold is a hedge against the state's pursuit of power by monetary means.

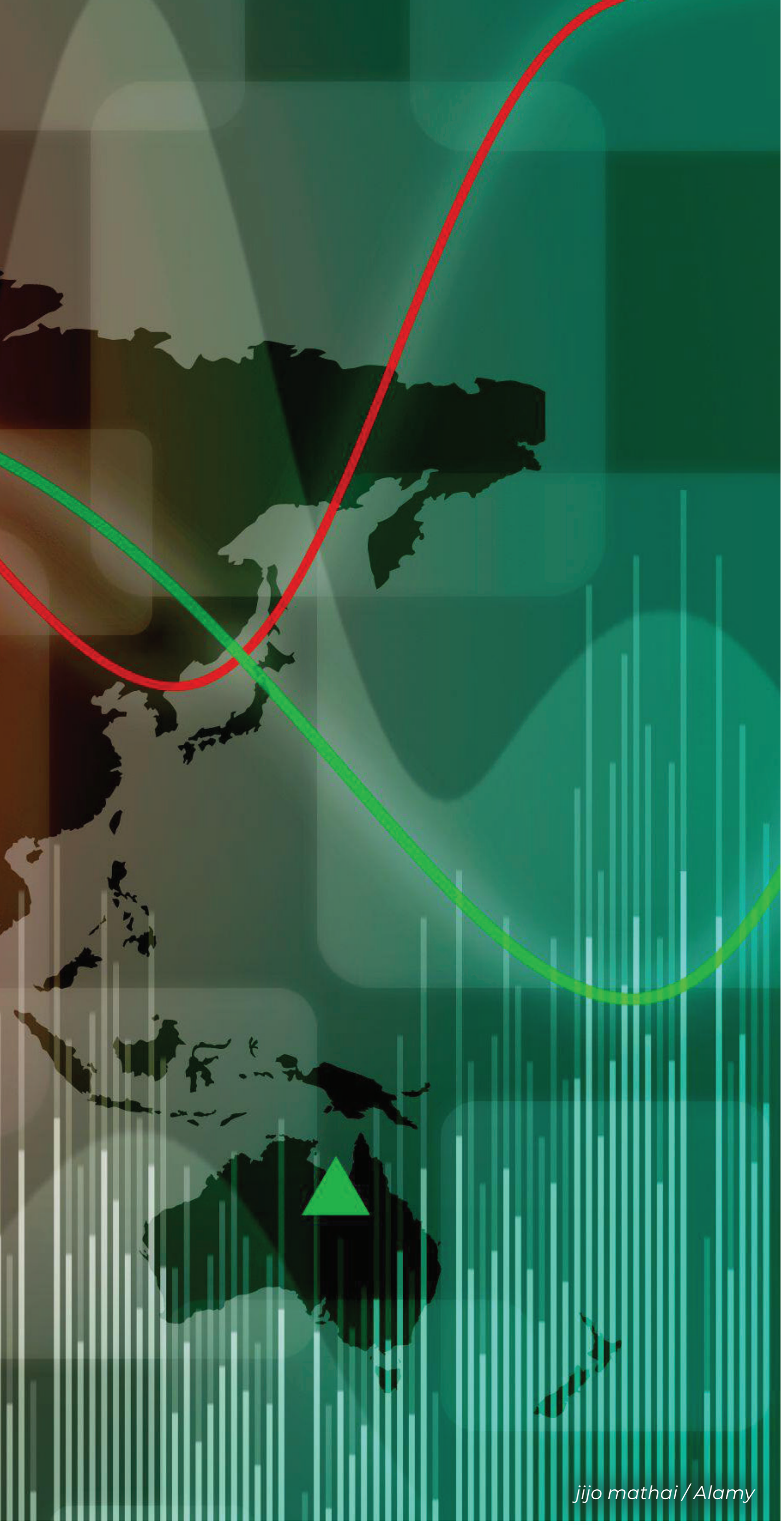
We can guarantee that as long as it's able to, through monopoly fiat currency, the state will continue to maintain and expand its power through monetary means. So the state will prevent the competition that Hayek envisioned from occurring, but it can't prevent it in this interesting international case of central banks.

I think if we contrast the freedom-of-money case that Hayek makes—which will be hard to do in any domestic context because the state will not sit happily by and allow for competition that will reduce its power (we know that)—with the international central bank case, that sharp contrast, I think, is a major reason to study this justifiably celebrated chapter in this book. Thank you. ■

The DANGER of DEFLATION (PHOBIA)



Joseph T. Salerno is Editor of the Quarterly Journal of Austrian Economics *and Academic Vice President of the Mises Institute, where he serves on the board of directors.*



jijo mathai / Alamy

This article is adapted from a lecture presented at the 2025 Supporters Summit in Delray Beach, Florida.

I want to start with a confession: I love falling prices. I love deflation. I want all prices to go down to a nickel.

I stole that line from Murray Rothbard. It's not inflation that we should fear, it's the opposite—deflationphobia, which is the fear of falling prices. We should fear deflationphobia because it leads to a very dangerous institutional monetary policy: inflation targeting.

So, let me begin with some facts about deflation.

In today's world, *deflation* is a word that means the general fall in prices, and I'll use it in that sense even though that's not really an expedient way of using the term *deflation*. It should really be used exclusively to mean a decrease in the money supply. Falling prices are a natural outcome of a capitalist economy using a market-based commodity for money, like gold.

Deflationphobia refers to a mental disorder in which many people, especially economists, fear deflation because they think it is harmful to the economy.

Natural deflation, or what I call growth deflation, is caused by improvements in technology and increased capital investment that introduce new products on the market and lower the cost of existing products. The result is an increase in supplies of both new and existing goods in the economy. Because the money supply under the gold standard grows very slowly, the rapidly increasing supply of goods drives prices progressively downward. Natural deflation (when prices are falling) spreads because of an increase in the supply of goods, and thereby spreads the benefits of economic growth throughout the economy. This is because falling prices increase

But it's really not only during the nineteenth century that deflation was beneficial. The deflationary processes have also greatly benefited households and businesses under the current fiat dollar standard in recent decades, even though their natural operation has been partially and deliberately stifled by the Fed's inflationary monetary policy.

the buying power of all wages, rents, interest returns, and retirement payments, even if their nominal amounts do not change.

Monetary inflation, on the other hand, prevents the natural fall in prices and diverts most of the additional goods to those who receive the new money before most prices have risen. These include federal bureaucrats, government contractors, big financial institutions, and recipients of corporate and individual welfare. All of these groups receive most of the loot, most of the new goods that are being produced in a progressive capitalist economy. Meanwhile, little is left over for the productive workers and entrepreneurs who don't receive the new money right away.

Deflation, therefore, goes hand in hand with economic growth and rising incomes and standards of living across the board. This is illustrated by the experience of the United States in the nineteenth century. From 1819 to 1860, general prices were cut in half. They fell by 53%.

And from 1870 through 1898, prices fell again, by almost another half. During this period, the US had its greatest decade of growth, of nearly 4%. That was the 1880s. And the US was transformed from an agricultural into an industrial economy.

During this period, wholesale prices also dropped by 34%. Every year, they were falling, on average, by nearly 2%. Consumer prices on average fell 47%, almost 2.5% annually. Real gross national product, the total output of the economy, rose 4.5% each year, and some additional goods were capital goods. The rest were consumer goods. So, consumption per capita rose 2.3% a year.

But it's really not only during the nineteenth century that deflation was beneficial. The deflationary processes have also greatly benefited households and businesses under the current fiat dollar standard in recent decades, even though their natural operation has been partially and deliberately stifled by the Fed's inflationary monetary policy.

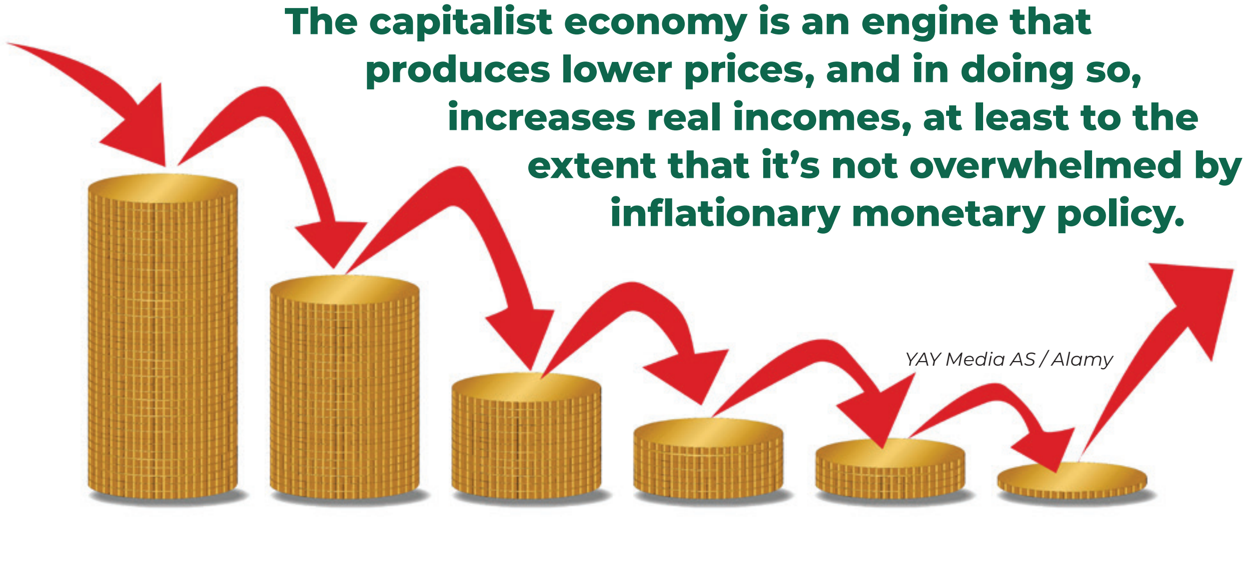
Let me take three examples: computers, televisions, and mobile phones.

Consider an IBM mainframe computer. In 1961, the cost was $2.9 million. It weighed 10.4 tons. It took a whole room to hold it. Today, a laptop sells on average for $500 to $1,000 and is 30,000 to trillions of times faster, with more memory than the IBM mainframe. From 1980 to 1999, personal computer prices fell by 90%, and yet the industry exploded in growth. In 1980, there were only 750,000 PCs shipped. In 1999, there were 113 million shipped, and in 2024, 407 million were shipped.

So, prices fell, profits rose, new firms entered, and output expanded tremendously, increasing the buying power of our dollars in terms of computers. The price per megabyte of computer memory was $411 million in 1957. That quickly fell to $5.2 million by 1960. By 2014, it was one cent per megabyte, and today it's two-tenths of a cent. This is great. This is wonderful. I wasn't kidding when I said I want all prices to fall to a nickel, maybe even lower.

Let's consider televisions. There has been a steady deflation, and in every year from 2000 to 2021, prices fell by more than 10% and up to 25%. According to the Bureau of Labor Statistics, prices for televisions are over 99% lower in 2025 than in 1950, with an average inflation rate of −6.56% per year. Televisions that cost $1,000 in the year 1950 would cost $6.19 in 2025, if you could find them.

The capitalist economy is an engine that produces lower prices, and in doing so, increases real incomes, at least to the extent that it's not overwhelmed by inflationary monetary policy.


YAY Media AS / Alamy

Even as TV prices fell every single year, the television industry grew tremendously. In 2002, estimated global shipments totaled 150 million sets averaging 27 inches. This number grew tremendously despite the falling prices, or because of the falling prices and costs, as people purchased more and better-quality TVs. By 2021, estimated global shipments totaled 221 million sets averaging 50 inches. That's twice as big. So there was a vast improvement in quality, as well as a vast decline in prices.

What about mobile phone prices? The Brick (a.k.a. DynaTAC), the first mobile phone, produced by Motorola, was $3,995. Prices quickly came down, too. In 1996 the new Motorola StarTAC was selling for $1,000. The iPhone was introduced in 2007 at $499, but with only four gigabytes of storage. Today, the newly introduced iPhone 17 starts at $799 and has 256 gigabytes.

Remember now, overall inflation between 2000 and 2021 was 65.5%, and many industries experienced this rise. Childcare costs rose by about 112%; medical care services, by 123%; hospital services, by 211%.

Yet the natural deflationary forces of a dynamic capitalist economy were still at work and still increasing our buying power in terms of certain goods. Cell phone services fell by 40%; computer software, by 72%; TVs, by 97%; toys, by 73%.

So you can see the deflation is still working. The capitalist economy is an engine that produces lower prices, and in doing so, increases real incomes, at least to the extent that it's not overwhelmed by inflationary monetary policy.

Why, then, do economists fear falling prices? Their analysis of inflation and deflation is based on a false concept. That concept is the so-called price level. There is no such thing as a price level. There are only individual quantities of money and goods exchanged by two specific parties at specific moments in time.

As Mises wrote in *Human Action*, "A market price is a real historical phenomenon, the quantitative ratio at which at a definite place and at a definite date two individuals exchanged definite quantities of two definite goods."

Each market exchange and price is a historical event, just like a war, a political election, or a football game. An economist cannot abstract from the unique features of millions of individual market exchanges and prices and then lump all prices together and average them into a single price level.

Imagine a historian who tried to talk about an average war or an average election. We'd think he was nuts. Well, the same thing's true of an economist talking about a price level, which is an average of all of those different prices.

Mainstream economists base the idea of a price level on a false and misleading analogy. To them, inflation is like the level of water rising instantaneously and proportionally in a glass as more water, representing money, is poured in and eventually settling at a higher and even level.

Austrian economists—and one in particular who's now sort of forgotten, Arthur Marget, a quasi-Austrian economist who wrote in the '30s and '40s—proposed a much richer and more accurate analogy. Inflation is like a swarm of bees that rises higher while the unique and individual

Olivier le Moal / Alamy

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bees are rising at different times and changing positions relative to one another.

So, when new money is injected into the economy, it affects individual prices step by step over time. Some prices rise more than others, and others may fall. Prices change relative to one another, like individual bees in a swarm moving up and down together.

Some people's selling prices, including their wages and salaries, don't rise as much or don't rise immediately; they rise only later in the process because the new money isn't spent on the goods and services that they help produce and sell. But in the meantime the prices of the goods they buy may be rising sharply, thereby shrinking the purchasing power of their incomes.

So, the false analogy between actual prices and an abstract price level leads to the dangers of deflationphobia.

It is the fallacy of the price level that leads economists to fear deflation and promote inflation targeting. For if all prices and wages rise evenly and proportionally to the increase in the money supply, then inflation is harmless.

If your wages and your incomes go up as fast as prices go up, you haven't lost anything. The only people who may be hurt in this process are those who charged an interest rate on their loans and didn't anticipate the increase in inflation. Deflation, in contrast, turns out to be harmful and possibly devastating to the economy. Because once prices and especially wage rates have reached a certain level, they become stuck or even frozen. So instead of prices and wages falling, employment and production decline, and a recession or depression occurs. It is as if the water in the glass freezes like ice at its current level. And any attempt to lower the level only cracks or shatters the glass, which is the analogy for depression or recession.

So, deflationphobia is really a mental derangement of economists who are misled by a false analogy and cannot comprehend the true nature and function of a natural deflation in a progressive capitalist economy.

The real and present danger to our economy today is the economists' support of inflation targeting, which is a policy of deliberately expanding the money supply and reducing the value of the dollar to avoid deflation at all costs.

As Mises pointed out many years ago, "monetary policy" is simply code for inflation. Monetary policy is aimed at reducing the buying power of your dollar from what it would have been in a capitalist economy. And deflationphobia seems to be a progressive disease, as some prominent economists are now calling for an increase in the inflation rate from 2% to 4% per year.

If inflation were to be 4% per year over 10 years, prices would be 50% higher, and the dollar would only buy 67 cents' worth of goods compared to what it buys today. In 20 years, prices would be 119% higher. They would more than double. And the dollar would only buy 45% of the goods it can buy today.

Let me just end with a *Wall Street Journal* article published last year titled "Americans Really, Really Hate Inflation—and That's a Big Problem for the Fed."

I think so. The article goes on to cite some prominent economists who support a higher inflation target but despair of the Fed ever implementing it because the American public would hate it.

It quotes some of the economists who wistfully talk about how great it would be if we could raise the inflation target to 4% or 5% because then the Fed would have more room to lower the interest rate when we have a recession or depression.

But one economist, Jón Steinsson—who used to support a higher inflation target and has grudgingly backed off—conceded, "I think we should be humble. It may well be that people really shouldn't hate inflation as much as they do for some reason that is good and valid. It is very plausible that we as a field haven't really had a lot of success in modeling and articulating these costs."

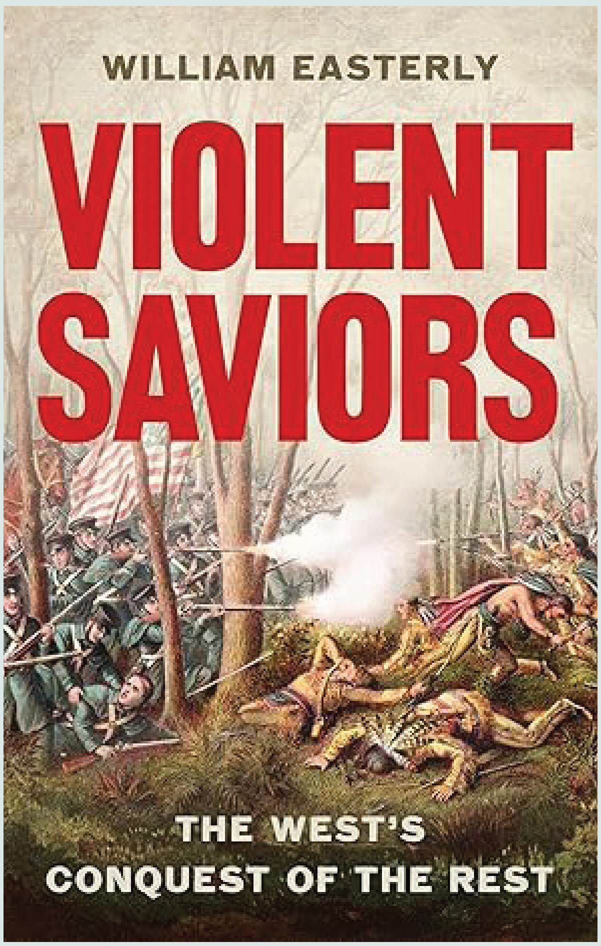
You think? Mises modeled and articulated these costs many, many years ago in showing that inflation affects the economy step by step and that prices change relative to one another. Some people benefit, the people who receive the new money early, and other people are hurt.

To conclude, natural deflation is the hallmark of a dynamic capitalist economy producing an ever-increasing range of goods in ever-increasing quantities. It rewards those who participate in this production with greater real incomes and higher standards of living, as we saw with computers, TVs, and mobile phones. Fear of deflation leads to "monetary policy," which is simply code for deliberately raising prices and lowering the purchasing power of our dollar. ■

Imagine a historian who tried to talk about an average war or an average election. We'd think he was nuts. Well, the same thing's true of an economist talking about a price level, which is an average of all of those different prices.

EASTERLY OF EDEN

VIOLENT SAVIORS: THE WEST'S CONQUEST OF THE REST
William Easterly
Basic Books, 2025; 448 pp.



Use this QR code and the Mises Institute gets credit for the purchase of this book.

David Gordon is a Senior Fellow at the Mises Institute, Editor of the Mises Review, *and Editor of the* Journal of Libertarian Studies.

William Easterly is a development economist who early in his career worked at the World Bank and now is a professor of economics at New York University. His book *The Tyranny of Experts* (Basic Books, 2014) attracted much favorable attention in libertarian and free market circles for its criticism of economic growth programs for third world countries. Easterly argued that these programs are based only on mechanical models of how growth *must* occur and fail adequately to consider the knowledge and wishes of the local inhabitants or, indeed, whether they want to "develop" at all. Because of this, I looked forward to reading *Violent Saviors*, but although the book contains some useful insights, it is on the whole a disappointment.

Unlike Easterly's earlier books, *Violent Saviors* is not based on his firsthand experience but is rather a vast historical survey that ranges from the seventeenth century to the present. Easterly has read widely but flits he from one topic to another with hardly a pause for breath, and he does not argue very carefully.

The book contrasts Adam Smith's view of the proper relation between the West and the less developed regions of the world with that of the Marquis de Condorcet. Smith thought that the West should respect the way of life of the native inhabitants, while Condorcet, who had ties to the French Physiocrats, knew what was "best" for them because economic science had established this: "If some developers hastened progress, then 'the vast gulf that separates' civilized nations from uncivilized nations would gradually disappear. Such progress would mean that each generation and each person would increasingly 'be better able to satisfy his needs.' The 'average length of human life will be increased.' Anticipating modern development reports,

Festivals and Ceremonies of the Totonac Civilization*, by Diego Rivera, 1950. Mural: Sébastien Lecocq / Alamy.*

Condorcet imagined 'a progress that can be represented with some accuracy in figures or on a graph.' To Condorcet, material progress could be objectively measured and promoted. It was a benevolent and inspiring vision of economic development. Condorcet's classic essay offers an early example of economists' fight against global poverty that inspires so many (including this author) today. But it was the West who had to develop the Rest. The people in the Rest could not develop themselves. According to Condorcet, they were still 'vegetating in the infant condition of early times.' They represented 'the infancy of the human race.' The infancy metaphor was very common among Western thinkers looking at other peoples, and it was destined to last. The picture was of children in need of the wise guidance of a father in order to grow up into full development. They had failed to develop on their own and were still stuck in 'their condition of apathy,' in their 'indolence of body and mind,' and in their 'superstition.'"

"But the crucial distinction between Condorcet and Smith," Easterly claims, "is that Condorcet saw European settlers as agents of progress for non-Europeans, while Smith saw the settlers as benefiting only themselves. Smith never claimed that European settlement was good for the natives, either in the present or the future. Smith was deeply skeptical about those who claimed to be acting in the interests of others. The other critical difference between Condorcet and Smith is about individual freedom. Throughout *The Wealth of Nations*, Smith insisted on individual freedom of choice in all market transactions as an end in itself. In his critique of British policy toward the European settlers in North America, Smith saw free trade as a moral good. The British banned the settlers from constructing steel furnaces or other manufactures, forcing them to buy manufactured goods from British merchants. Smith was appalled at this violation of the settlers' freedom even though the policy's empirical effect on their prosperity was small: It was 'a manifest violation of the most sacred rights of mankind.'"

According to Easterly, Kant saw violations of a person's property rights as an insult to dignity and as such forbidden, and he extended this view to the property rights of natives.

This part of the book also contains a useful discussion of Kant as a defender of human dignity. According to Easterly, Kant saw violations of a person's property rights as an insult to dignity and as such forbidden, and he extended this view to the property rights of natives. Easterly manages to explain Kant's views in easy-to-understand language that contains no philosophical howlers, and I commend this chapter to readers.

Easterly falls into error, though, in his account of the British settlers' attitude toward the property of Indians. As he sees it, the advanced Westerners did not have to respect the property rights of such "primitives" as American Indians because the Indians had left most of their land idle. He views Locke as a source of this position, which Easterly calls the development right of conquest: "The great English philosopher John Locke in 1689 endorsed the idea of development as a basis for land rights in his *Two Treatises of Government*, which otherwise is a classic statement of liberal ideals, such as the consent of the governed. God had commanded man to 'subdue the earth, i.e. improve it.' Whoever 'in obedience to this command of God, subdued, tilled and sowed any part of it' could claim that part of it as their property. God made this rule to give the land to 'the industrious and rational' so that the earth would not remain 'uncultivated.' Locke applied this principle to 'the wild woods and uncultivated waste of America, left to nature, without any improvement, tillage or husbandry,' where 'the needy and wretched inhabitants' get no more from a thousand acres than the English got from ten acres in Devonshire. Locke encouraged the English settler to 'plant in some in-land, vacant places of America.'" Easterly thinks this is what Locke meant and that the settlers were correct to read Locke as saying this.

Indians who had fenced off land and cultivated it had just title to their land.... But the Indians could not rightly appeal to "tribal" rights over vast areas and forbid others to homestead them.

But both Easterly and the settlers are wrong: They misapprehend what Locke was saying. What Locke in fact meant was that individual Indians who had fenced off land and cultivated it had just title to their land: They had "mixed their labor" with the land they had fenced off and thus had acquired it. But the Indians could not rightly appeal to "tribal" rights over vast areas and forbid others to homestead them. The Indians did not believe in Locke's theory, but whether you have a right depends on the correct theory of rights,

Landing of James Oglethorpe in Georgia. *Engraving, 19th century. Photograph: Lanmas / Alamy.*

Arrival of Pedro Álvares Cabral in Porto Seguro, [Brazil] in 1500*, painting by Oscar Pereira da Silva, 1900. Photograph: Art Collection 4 / Alamy*

not on whether you believe the correct theory or some other theory.

As I mentioned at the start, Easterly jumps from one topic to another, so after a discussion of American Indians, he turns to black slavery, especially in the American South. He is guilty of a major blunder. He "quotes" from Chief Justice Taney's opinion in *Dred Scott* as follows: "Meanwhile the debate on option number one for Black [*sic*] people—benevolent slavery—got even more furious. In 1857, the US Supreme Court under Chief Justice Roger B. Taney endorsed benevolent slavery. The Dred Scott decision by Taney announced that Black people were 'altogether unfit' for freedom, and so 'the negro might justly and lawfully be reduced to slavery for his benefit.' It followed that Black people 'had no rights which the white man was bound to respect.'" The first quotation is a confabulation that is not in the opinion. In point of fact, Taney was interpreting the original meaning of the Constitution, not giving his own view.

Easterly views the South with contempt, seeing Southerners as self-interested defenders of slavery who "justified" their cruel treatment of black slaves with the transparently false claim that the slaves were for the most part well treated and content with their lot. Easterly has confused two very different questions: Were the slaves well treated? and Is slavery morally permissible?

He takes the War Between the States to be a battle between freedom and slavery, despite the fact that Lincoln did not invade the South for that purpose and in fact supported the 1861 Corwin Amendment to entrench slavery in the Constitution if the South did not secede. Easterly acknowledges that Lincoln hoped to colonize blacks, but he still counts him as a hero: "Lincoln was finally ready to give up. Congress repealed previous colonization clauses in July 1864. So the white dream of Black progress through colonization, which had entranced seven US presidents over eight decades, finally came to an ignominious end on Cow Island. In the end, despite all his hopeful rhetoric on colonization, Lincoln had not been willing to force Black people to leave the US. The resistance of the Black community meant that colonization would have entailed massive violence. In the end, Lincoln's belief in liberty won out over his colonization fantasies. Although his colonization support had threatened the cause of equal rights for Black people, in the end he did far more for the cause of liberty with his denunciation of benevolent slavery. Lincoln in the end did contribute to a new birth of freedom." I would hardly describe the vast expansion of the power of the federal government under Lincoln as "a new birth of freedom."

I have space to discuss only one more of Easterly's confusions of factual and normative issues. Praising John Stuart Mill, he says: "Mill denounced [Thomas] Carlyle's theory of innate differences between white and Black people. Mill was one of the foremost critics of the nineteenth-century rise of scientific racism. He referred to all such theories of non-white racial inferiority as 'vulgar.' It was so unscientific to just attribute 'the diversities of conduct and character to inherent natural differences.' The reasoning was vulgar because it was circular reasoning. The slaves were poor because they were allegedly inferior. Carlyle said he knew they were inferior because they were poor." The question of whether there are group differences in intelligence is a factual question, not to be resolved by Carlyle's faulty reasoning and the conclusion he drew from it about the proper treatment of blacks.

Easterly's book is worth reading, but he has taken on more than he can handle. ■

2025 SUPPORTERS SUMMIT

DELRAY BEACH, FL






This year the Mises Institute's Supporters gathered in serene Delray Beach, Florida, for the Supporters Summit, which was held at the beachfront Opal Grand Resort.

This year's theme was "Economic Freedom: The Key to Liberty." Our speakers discussed how true liberty only comes from economic freedom and the system of private property. As Murray Rothbard explained in *For a New Liberty*, "The rights of personal liberty and 'freedom of enterprise' almost invariably intertwine and cannot really be separated." All freedoms boil down to private property.

At the Supporters Summit, Mises Institute Supporters enjoyed talks from from our faculty: Joe Salerno, Alex Pollock, Mark Thornton, Shawn Ritenour, David Gordon, Timothy Terrell, Jonathan Newman, Bob Murphy, Jeff Herbener, Wanjiru Njoya, Per Bylund, Patrick Newman, Peter Klein, Ryan McMaken, and Guido Hülsmann. The great James Bovard delivered the keynote speech, "Private Property: The Sacred Guardian of Individual Liberty."

We also celebrated the 30th anniversary of mises.org with a special panel on the past, present, and future of the website. Peter Klein, who was instrumental in getting the website started in the early days of the internet, shared some anecdotes about mises.org's development (and some quaint and nostalgic screenshots!). Mises.org Senior Editor Bill Anderson and Editor in Chief Ryan McMaken discussed how mises.org became millions of people's go-to resource for current events commentary that cuts through statist propaganda and for Austrian economics books, podcasts, videos, and more.

Of course, one of the best parts of the Supporters Summit is the chance to connect with like-minded supporters of liberty. There were many opportunities to network and discuss: between talks, over meals, at receptions, and even on a sunset cruise.

A special thanks to this year's host committee and speaker sponsors for making the 2025 Supporters Summit a memorable event.

Host committee: Steve Berger, Bryan Lee Briggs, Mitch Cantor and Patricia Coronado, Ben and Joan Koether, and Steve and Cassandra Torello.

Speaker sponsors: Yousif Almoayyed, Stan Eden, Andy Hord, Dan Johnson and Randee Laskewitz, Jeff Leskovar, Mark and Mirella Monoscalco, Don Printz, Murray and Florence Sabrin, Jane Shaffer, Brian and Shanna Tvenstrup, Scott and Cathy Ullery, and Don Wills. ■

First row, from left to right: David Gordon, Shawn Ritenour, Jeff Herbener, raffle winner Bryan Lee Briggs, Bill Anderson, Ryan McMaken, Bob Murphy, Joe Salerno. Second row, left to right: Wanjiru Njoya, Alex Pollock, Patrick Newman, Per Bylund, Timothy Terrell, James Bovard, Mark Thornton, Guido Hülsmann, Peter Klein, and Jonathan Newman.

The Talks at Supporters Summit 2025

A dozen speakers and faculty members presented on our theme of "Economic Freedom: The Key to Liberty." With topics ranging from taxes to the Federal Reserve to no-knock raids, our speakers examined the countless ways that governments invent new methods of violating our private property and destroying freedom in the process.

How to Counter Arguments That Taxation Is Legitimate
Dr. David Gordon | Mises Institute Senior Fellow
Sponsored by Jane Shaffer, in Memory of Butler Shaffer

Dr. David Gordon explained why the leading philosophical defenses of taxation—from Rawls's difference principle to Nagel and Murphy's "myth of ownership"—collapse, and why natural rights still say taxation is theft.

Land of the Free? Government Mismanagement of America's Open Spaces
Dr. Timothy Terrell | Mises Institute Senior Fellow, Wofford College
Sponsored by Brian and Shanna Tvenstrup

Dr. Timothy Terrell explained how the federal government's vast landholdings breed crowding, decay, and wildfire risk—and why returning land to private owners, guided by prices and responsibility, yields healthier parks and forests.

How to End the Fed
Dr. Jonathan Newman | Mises Institute Henry Hazlitt Research Fellow
Sponsored by Andy Hord

Dr. Jonathan Newman explained why we don't need a central bank and laid out a concrete Rothbard-inspired plan for actually ending the Fed.

US Trade Deficits: Blame Nixon, Not China
Dr. Bob Murphy | Mises Institute Senior Fellow
Sponsored by Dan Johnson and Randee Laskewitz

Dr. Bob Murphy presented an Austrian analysis of the US trade deficit, a topic that has dominated recent economic discourse. Dr. Murphy highlighted the impact of changes to monetary policy, in particular the end of the gold standard, in contrast to the mainstream's emphasis on the rise of the Chinese economy.

Crusoe: The Man, the Myth, the Legend
Dr. Jeff Herbener | Mises Institute Senior Fellow
Grove City College
Sponsored by Steve Berger

Dr. Jeff Herbener examined the importance of Austrian methodology, its emphasis on economic individualism, and how that sets it apart from mainstream economics.

The Tyranny of Phony Civil Rights
Dr. Wanjiru Njoya | Mises Institute
Walter E. Williams Research Fellow
Sponsored by Don Wills

Dr. Wanjiru Njoya brought piercing logic to bear on the question of "civil rights," which has come to dominate Western social democracies.

How Destructive Are Regulations?
Dr. Per Bylund | Mises Institute Fellow
Oklahoma State University
Sponsored by Yousif Almoayyed

We know the regulatory state increases costs to businesses in America, but Dr. Per Bylund explained how regulations cause damage far beyond their impact on a firm's bottom line and leave society poorer.

Murray Rothbard's Strategy for Achieving Liberty
Dr. Patrick Newman | Mises Institute
Senior Fellow, University of Tampa
Sponsored by Scott and Cathy Ullery

It is important to understand the virtues of a free economy, but just as vital is considering how to actually bring it into existence. Dr. Patrick Newman outlined the work of Murray Rothbard on this important question of strategy.

Liberating the American University
Dr. Peter Klein | Mises Institute Carl Menger
Research Fellow, Baylor University
Sponsored by Stan Eden

American universities have become one of the most acrimonious battlefields in American politics. Dr. Peter Klein analyzed how the Left captured higher education and how markets can set it free.

Taxes and the Rise of the Modern State
Ryan McMaken | Mises Institute Editor in Chief
Sponsored by Murray and Florence Sabrin

Ryan McMaken explained how the modern tax state emerged—centralized, unilateral taxation replacing older, contract-based revenues—and why understanding its origins is the first step to rolling it back.

Financial Markets in a Free Society
Dr. Guido Hülsmann | Mises Institute
Senior Fellow, Université d'Angers
Sponsored by Ben and Joan Koether

Dr. Guido Hülsmann considered how financial markets would operate in a true free market economy, free of the consequences of fiat money and the inflationary pressures created by the modern state.

Nothing Good Starts at the Top
Dr. Mark Thornton | Mises Institute Senior Fellow
Sponsored by Mark and Mirella Monoscalco

Dr. Thornton draws from Hayek's "worst get to the top" insight, contrasting elite-driven prohibition with the citizen-led wave of decriminalization and legalization of drugs across states and abroad. Markets and civil society integrate; top-down policy divides.

Private Property: The Sacred Guardian of Individual Liberty
James Bovard | Keynote Speaker
Sponsored by Jeff Leskovar

In our keynote speech, celebrated journalist James Bovard surveyed attacks on property rights—from open-fields doctrine and no-knock raids to eminent domain and civil asset forfeiture—showing how each erodes privacy and freedom. ■

For those who were unable to attend this year, all the lectures are available at mises.org/SStalks25 and on our YouTube channel.

DONOR SPOTLIGHT

ROWAN *PARCHI*

Rowan Parchi has worked in financial markets since 2002 and is the founder of Praxis Path. Previously, Rowan worked in institutional equity sales at Credit Suisse in Sydney, New York, and Hong Kong, and at the hedge fund Platinum Asset Management in Sydney. His work has been featured on the *Mises Wire*.

I read *The Road to Serfdom*. From there I found Mises and Rothbard and the other Austrians, and I discovered the Mises Institute. The Institute was amazing because in this one place I was able to work through the whole corpus of Austrian economic literature, which, unlike Keynesianism, all made sense.

***The Misesian*: How did you first discover Austrian economics?**

Rowan Parchi: My journey was not via Ayn Rand. I was actually studying economics and finance in Australia. In one of the tutorials, there were two Danish girls who brought up this guy Hayek. The professor immediately jumped on them, squashed the discussion, and told everyone that he's a nut bag, that he's a right-wing lunatic, that his ideas have no credibility. He didn't mention that he won the Nobel Prize at all.

I wasn't particularly satisfied with my economics degree. It was basic Keynesianism, and it was fraught with contradictions, and it didn't make sense to me. It wasn't until after I left university, in the early 2000s, that I researched this forbidden person, Hayek.

I read *The Road to Serfdom*. From there I found Mises and Rothbard and the other Austrians, and I discovered the Mises Institute. The Institute was amazing because in this one place I was able to work through the whole corpus of Austrian economic literature, which, unlike Keynesianism, all made sense. It was cohesive. One part didn't contradict the other part. It was extremely satisfying and has become a lifelong passion for me.

I've lived in various different parts of the world, and because everything on mises.org is free, I was able to continue my learning from everywhere I was. It's been fantastic.

***TM*: You've worked in the financial services industry for a few decades now, in markets such as China. The financial world has obviously changed significantly over that time, particularly since 2008. What has been the value of Austrian theory in navigating this changing environment?**

RP: What it gives you is a clear understanding of financial reality and financial markets specifically. It gives you a clear understanding that the efforts the state and its institutions make to stimulate and correct the economy result in problems down the track.

Now, the critical thing to work out is that in stimulated markets there can be a period of time where asset prices do well. But the long-term knowledge that stimulation will ultimately not result in wealth generation is really important. It means you can avoid being carried away by random policy proposals that don't give benefits in the long run. This knowledge keeps you very aware of the risks.

Without the understanding that Austrian economics gives you, you can be fooled, and you can honestly believe that just by printing money and using it to buy government securities, you can generate wealth out of nowhere.

People with no knowledge of Austrian economics think that you can create wealth out of thin air. With Austrian economics, what's happening is a redistribution of titles to assets, a revaluation of titles to assets, but you're not creating real assets.

***TM*: After experiencing the Australian government's response to covid, you left. Why?**

RP: Australia was a wonderful place to grow up: a free society, a good culture, low crime rates, a feeling of safety and security. The state crackdown was just startling to me.

People did put up more resistance than the media talked about. But the media were complicit with the government in suppressing coverage of any resistance.

We felt helpless. There was a monolithic stamping out of all dissenting voices, which left my wife and me with no choice other than to leave. For business reasons and opportunities, we moved to Florida. It was a time when everyone seemed to be forgetting about freedom.

***TM*: Do you think the experience with covid is creating opportunities for more libertarian thought in Australia?**

RP: Yes. But because of the media and political divisions, as well as the business and corporate classes, its not being encouraged. We don't have a Nigel Farage movement in Australia yet.

***TM*: You attended the Supporters Summit this year. How was your experience in Delray Beach?**

RP: Excellent. I was a little bit starstruck. All these amazing scholars that I've been reading for years were suddenly all in one place and very accessible.

Everyone was willing to discuss ideas, thoughts, opinions, and I basically just bounced around for the whole time, just having great conversation after great conversation. I really wish I had done it years ago. ■

I've lived in various different parts of the world, and because everything on mises.org is free, I was able to continue my learning from everywhere I was. It's been fantastic.

THE MISES INSTITUTE VISITS CORNERSTONE UNIVERSITY

It's no secret that Generation Z is fed up with the economic status quo. And rightfully so. They face a housing affordability crisis and an increasingly thin job market. They've suffered years of unrelenting inflation at this point. The frustrations of Gen Z, and the economic establishment's disinterest in addressing them, have driven young Americans to reject the economic dogma that has dominated for decades and to instead seek out answers from outside the economic mainstream.

Unfortunately, that righteous pursuit has led many Gen Z Americans to the wrong answers, as

can be seen in the surging popularity of ideologies like socialism and protectionism. What young Americans need to understand now more than ever is that truly free markets, not socialism, are the only genuine alternative to our interventionist status quo.

To help with this, in early November the Mises Institute traveled to Cornerstone University in Grand Rapids, Michigan, where we hosted an event for students featuring a series of talks by our faculty and staff.

Mises Institute Fellow Dr. Jeff Degner kicked the event off with a talk about how permanent price inflation brought about by the Federal Reserve's monetary policy has caused and exacerbated many of Gen Z's mounting problems—including many that don't appear, at first glance, to be related to economics at all.

Mises Institute Fellow Dr. Mark Brandly followed with a talk that reminded the students that not *every* aspect of our current economic system is rotten and in need of radical restructuring. The market process is still bringing about wondrous results where it's allowed to operate, so any effort to improve our economic system must be precise in what it seeks to change.

Continuing with that theme, Mises Institute staff writer Connor O'Keeffe warned the young, mostly conservative students to not fall for the economic interventionism pushed by some right-wing pundits and leaders, who use young people's anger to push policies that are strikingly similar to those of America's progressive left.

Mises Institute Senior Fellow Alex Pollock wrapped things up with a clarifying analysis of the Federal Reserve—contrasting what it actually does with what it claims to do, and explaining why Gen Z ought to care deeply about the actions of America's central bank.

Finally, everyone headed over to Cornerstone's Miller Library for a tour and the official dedication of the new **David Gordon Library Collection**.

Earlier this year, Mises Institute Senior Fellow Dr. David Gordon began transferring his extensive personal library of over 16,000 volumes to Cornerstone University. Students were given a behind-the-scenes look at the remarkable effort and care with which Cornerstone's librarians are processing this colossal noncirculating collection and preparing it for use. Cornerstone students are very fortunate to have Dr. Gordon's collection to glean from as they work to build a better economic system for themselves and generations to follow. ■

IN MEMORIAM

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

Mr. Khush Agrawal
Grove City, PA

Mr. F. William Ballou
Menger Society
Williamsburg, VA

Mr. Herbert Borbe
Marana, AZ

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UPCOMING *EVENTS*

Check your calendar for a Mises Circle in your area in 2026. We are excited to travel to new areas to discuss topics from an uncompromising, individual first, private property, anti-interventionist perspective. You don't get this perspective anywhere but on mises.org. We will be visiting Oklahoma, North Carolina, Texas, California, and New Hampshire, and of course, we'll be hosting in Auburn.

ENTREPRENEURSHIP BEYOND POLITICS OKLAHOMA CITY MISES CIRCLE

February 21 | Oklahoma City, OK

LIBERTARIAN SCHOLARS CONFERENCE

March 19 | Auburn, AL

AUSTRIAN ECONOMIC RESEARCH CONFERENCE 2026

March 19–21 | Auburn, AL

CALIFORNIA: THE STATE OF THE STATE MISES CIRCLE IN SAN DIEGO

April 25 | San Diego, CA

RESEARCH FELLOWSHIPS IN RESIDENCE 2026

Begins May | Auburn, AL

ROTHBARD UNIVERSITY IN HONOR OF ROTHBARD'S 100TH BIRTHDAY

May 14–16 | Auburn, AL

ROTHBARD GRADUATE SEMINAR

June 7–12 | Auburn, AL

MISES UNIVERSITY

July 19–25 | Auburn, AL

MISES CIRCLE IN RALEIGH

September 12 or 19 | Raleigh, NC

SUPPORTERS SUMMIT 2026

October 22–24 | San Antonio, TX

Dates coming soon: Plan to join us for Mises Circles in Indiana and New Hampshire this summer! **To see the full calendar, go to mises.org/events.**

Register online at mises.org/events or by phone at 800.636.4737.
Student scholarships are available for all events.

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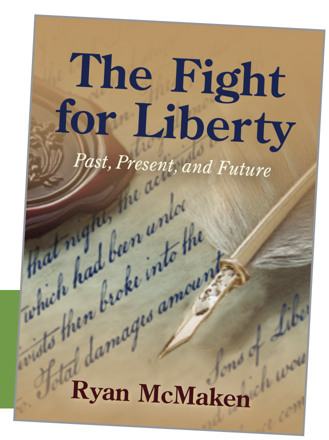

In appreciation of your donation of $25 or more, you will receive a print copy of Ryan McMaken's *The Fight for Liberty: Past, Present, and Future*.

In 2024, 91.6 cents of every dollar donated to the Mises Institute went to educational programs.