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# MURRAY N. ROTHBARD: TOWARD A “SCIENCE OF LIBERTY”

Joseph T. Salerno



## HOW THE STATE MAKES WILDFIRES BIGGER AND DEADLIER

Connor O'Keefe

## HOW DEMOCRATIC SOCIALISM CREATED CALIFORNIA'S HOUSING CRISIS

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THE  
MISESIAN

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# WHY IS THE HEALTHCARE SYSTEM BROKEN?

WINDHAM, NEW HAMPSHIRE  
JUNE 27

Join us for a serious diagnosis of why America's healthcare system is in crisis. The US spends roughly a fifth of its GDP on healthcare, yet doctors are spending less time doctoring. How can markets help turn this around?

Speakers will include Dr. Robert Murphy, Dr. Timothy Terrell, Ryan McMaken, and Charles Sauer, cofounder of the Free Market Medical Association.

Register at [mises.org/NH2026](https://mises.org/NH2026).

# Gold and Silver

## Prospecting for Liberty

Albuquerque, NM  
August 15

Gold and silver are back in the headlines. The Trump administration calls gold and silver critical minerals with relevance to war and foreign policy. What should Americans think about the government's renewed interest in precious metals, and what is its significance for our economic welfare and our eroding liberties?

Speakers include Dr. Mark Thornton, Ryan McMaken, Kevin Duffy, cofounder of Bearing Asset Management, and Jp Cortez, executive director of the Sound Money Defense League

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## UPCOMING EVENTS

### MISES UNIVERSITY

July 19–25 | Auburn, AL

### THE ETHICS OF LIBERTY SEMINAR WITH DR. WANJIRU NJOYA

August 25–27 | Auburn, AL

### WHY GOVERNMENT SCHOOLS DON'T WANT YOU TO UNDERSTAND ECONOMICS – MISES CIRCLE

September 12 | Greenville, SC

### 100 YEARS OF ROTHBARD: HIS LEGACY IN 2026 – SUPPORTERS SUMMIT 2026

October 22–24 | San Antonio, TX

### WHY THE RIGHT GAVE UP ON ECONOMIC FREEDOM – MISES CIRCLE

November TBD | Indianapolis, IN

To see the full calendar, go to [mises.org/events](https://mises.org/events). Register online at [mises.org/events](https://mises.org/events) or by phone at 800.636.4737. Student scholarships are available for all events.

# From the Editor

One of the most successful strategies of the Left's social democrats and socialists has been their takeover of academia. Over decades, this has gradually transformed the nation's colleges and universities into hotbeds of anticapitalist and proregime sentiment. From the schools, left-wing ideology has been able to infiltrate nearly all of America's other institutions as well. There's a reason why most of America's media professionals, corporate C-suite managers, and medical personnel generally share a similar antifreedom ideology. Most of them spent years being told what to think at American colleges.

At the Mises Institute, we've long been offering an antidote to the Left's indoctrination through our academic programs, where dissenters can actually learn, teach, and complete research on topics that are often verboten in the nation's alleged places of higher learning.

This antidote has always depended on the work of great scholars to create an intellectual foundation from which we can fight the battle of ideas.

For example, after Ludwig von Mises's death in 1973, the Austrian School—and therefore the undiluted cause of liberty and prosperity—was in the doldrums. There were great Austrian economists teaching, preeminently Murray N. Rothbard, but they were isolated. The great books were difficult to come by, and young people had almost no place to go to learn about the real free market, sound money, and their intellectual foundations.

You can understand why Margit von Mises was so thrilled to learn of Lew Rockwell's plans for a Mises Institute a few years after her husband's death and gave Lew her blessing. When Lew told Rothbard, he literally clapped his hands in glee. Since then, the Austrian School has blossomed, and not only in the United States but around the world. We have numerous brilliant professors and scholars, and masses of brilliant students and

alumni. Top journalists and businessmen, as well as financiers and professionals swell our ranks too.

At the core of the Austrian revival—which continues to this day—was Murray Rothbard himself. Rothbard took the inimitable work of Mises, as set down in his groundbreaking treatise *Human Action*, and expanded it further.

In this issue of *The Misesian*, we continue our Year of Rothbard with a new essay from Academic Vice President Joseph Salerno, who takes a close look at what made Rothbard's work in Austrian economics so notable. He explains how in the late 1950s Rothbard began to write an economics textbook that became his "pathbreaking two-volume treatise *Man, Economy, and State (MES)*, in which the entire corpus of economic principles was deduced using Mises's step-by-step praxeological method. This was a feat which even Mises himself had not accomplished." Moreover, Rothbard carried Mises's work even further: "When Rothbard began to write *MES*, his use of the praxeological method quickly led him to realize that Mises's treatise had left large gaps, particularly in price theory and production theory, and that these areas required significant elaboration. Rothbard made the momentous decision to expand his project from a college-level textbook into a full-blown treatise."

In addition to Salerno's essay, you'll find in these pages a new book review from David Gordon, as well as new lectures by Chris Calton and Connor O'Keeffe from our recent event California's Decline: A Warning to America. You'll also find updates about the Institute's publications, events, and scholars.

Today the Mises Institute's scholars continue to build on the Austrian School's foundations, just as Rothbard built on Mises. Needless to say, this is a much-needed counterattack against the antiproperty and antifreedom Left, which continues to use its position in academia to push its agenda. ■



## RYAN McMAKEN

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The Misesian

MURRAY N. ROTHBARD:  
**TOWARD A**  
*“Science  
of  
Liberty”*

## For Rothbard, the unifying theme of social theory was liberty.

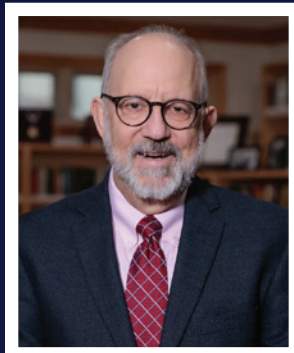
Murray N. Rothbard was a system builder in the mode of Ludwig von Mises, Frank H. Knight, and Friedrich A. Hayek. Like these eminent economists, Rothbard concluded that mastery of pure economic theory alone does not get one very far. Social, economic, and political problems are intertwined and complex and require a grand theory to address them. The social theorist must be familiar with such diverse disciplines as epistemology, political philosophy, politics, history, and economics. For Rothbard, the unifying theme of social theory was liberty. He recognized early on the causal role of liberty in the flourishing of human society and the deleterious social effects of the state's infringements on liberty. Thus, throughout his career, Rothbard strove to develop an overarching "science of liberty," writing several major works and numerous articles on economic theory, economic history, political philosophy, political history, the methodology of the social sciences, and intellectual history.

Rothbard was born in Bronx, New York, in 1926 to Raya (née Babushkin) and David Rothbard. Murray was influenced at a young age by the individualist-conservative views of his father, a petroleum engineer. Skipping several grades in school, Murray enrolled at Columbia University in 1942 at the age of sixteen. At age nineteen he received his AB degree with honors in economics and mathematics, and soon after, he enrolled in Columbia's PhD program in economics. Columbia was one of the two

institutions that had a formative influence on Rothbard's intellectual development.

In the 1940s, Columbia University was a leading academic institution in the United States and housed one of the top three economics departments in the nation. Notable faculty included Arthur F. Burns, John Maurice Clark, Joseph Dorfman, Harold Hotelling, and George Stigler. Rothbard took courses with all these eminent economists. He was especially influenced by the institutionalists Burns and Dorfman and impressed both professors. Burns expected Rothbard to make "a prominent place for himself" in the world. Rothbard respected Burns, recalling that in his lectures Burns was "a brilliant theorist" and that his "critique of orthodox theory . . . was excellent." Rothbard held Dorfman in high esteem as a historian of economic thought and in the dedication to *An Austrian Perspective on Economic Thought* named him as one of his mentors along with Ludwig von Mises. Dorfman appreciated Rothbard's abilities and agreed to chair his dissertation committee.

Rothbard took a graduate course in price theory from George Stigler, the creator of modern Chicago price theory. As a self-proclaimed "anti-New Deal, extreme right-wing Republican," Rothbard appreciated the free-market views that Stigler openly expressed in class to the bewilderment of his left-liberal students. Stigler referred the class to a pamphlet criticizing rent controls that he had coauthored with



### Joseph T. Salerno

*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.*

Milton Friedman, published by a then-obscure organization, the Foundation for Economic Education (FEE). Founded in 1946 by Leonard Read, FEE was the second institution that shaped Rothbard's intellectual outlook. Shortly after Rothbard wrote to FEE for the pamphlet, he was introduced to the world of the libertarian Old Right through the writings of Albert Jay Nock, Isabel Paterson, Rose Lane Wilder, Garett Garrett, and especially Frank Chodorov, who was to become his mentor in political and social theory.

Not only did Rothbard study the institutionalist approach under its contemporary leaders and learn the Chicago variant of neoclassical price theory from its founder, but he also spent an entire year in an honors seminar going chapter by chapter through Marshall's *Principles of Economics*, then the bible of neoclassical economics. With logical positivism sweeping the economics profession during the 1940s and shunting aside both institutionalism and the deductive method, Rothbard took a course on the philosophy of economics with Ernest Nagel, one of the leading exponents of logical positivism, who impressed him with his criticisms of institutionalism. Rothbard also enrolled in a graduate mathematical statistics

course offered by the eminent statistician Harold Hotelling but became disillusioned when he realized after a few lectures that statistical inference was based on the "groundless assumption" of a normal distribution. Thus, his Columbia education left Rothbard with an inchoate feeling that something was wrong with both the positivist and institutionalist approaches to economics, later reflecting that he "tended to agree with institutionalist critiques of Keynesians and mathematicians, but also with the latter's critiques of the institutionalists."

By the time he completed his coursework at Columbia, Rothbard was a well-trained, if somewhat uncomfortable, neoclassical economist well versed in contemporary economic theory and method. After passing his orals in 1948, Rothbard embarked on his doctoral dissertation. Completed by 1951 and entitled "The Panic of 1819: Reactions and Policies," it was a thorough examination of contemporary opinion on the causes of and remedies for the panic. Although Rothbard amassed a plethora of facts for his dissertation, he eschewed any theoretical investigation, neither trying to empirically test a theory along positivist lines nor to derive a theory from the

**By the time he completed his coursework at Columbia, Rothbard was a well-trained, if somewhat uncomfortable, neoclassical economist.**



agglomeration of facts à la institutionalism. Burns, a member of Rothbard's committee, was dissatisfied with the dissertation, and Dorfman deferred to his more formidable colleague. Rothbard's PhD degree was finally awarded in 1956, after Burns departed Columbia for a post in the Eisenhower administration.

In the meantime, Rothbard's personal association with FEE's staff and associates, particularly Frank "Baldy" Harper and Frank Chodorov, led him to quickly convert from the free-market conservatism of his youth to a pure libertarian position. The winter of 1949–50 was the watershed moment in Rothbard's intellectual development as an economist and as a libertarian.

Despite learning from distinguished economists at Columbia, Rothbard by his own admission had "never been able to find a comfortable home in economic theory." But Rothbard took a huge intellectual leap forward when he discovered through FEE the thought of Ludwig von Mises and read his recently published magnum opus, *Human Action*. Rothbard began regularly attending Mises's weekly seminar at New York University. Before even finishing Mises's treatise, Rothbard converted to Austrian economics and adopted Mises's praxeological approach to economics theory, which revitalized the deductive method by grounding it in the fundamental fact of human action. At about the same time, Rothbard realized that the limited-government laissez-faire position was "logically untenable" when he was unable to answer the objection raised by left-liberal friends: If people could collectively decide that government should provide police, courts, and military defense, then why couldn't they decide that government should also operate steel mills or dams? Rothbard's epiphany led him to adopt a pure anarcho-capitalist position.

Rothbard's career moved swiftly after his dual conversion. With the financial support of the Volker Fund, Rothbard accepted Mises's offer to write a textbook based on *Human Action*. By 1951 he was hard at work on the project that would culminate in his pathbreaking, two-volume treatise *Man, Economy, and State (MES)*, in which he deduced the entire corpus of economic principles using Mises's step-by-step praxeological method. This was a feat which even Mises himself had not accomplished. Rothbard finished writing his



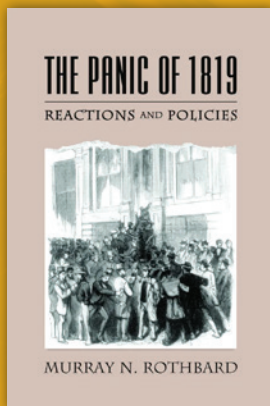
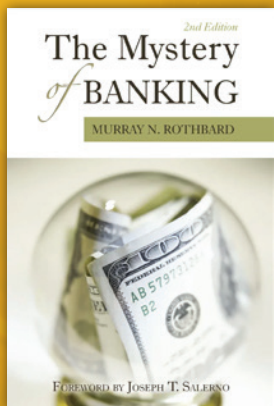
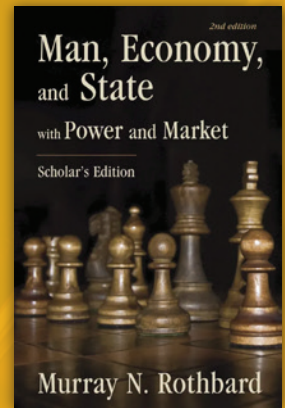
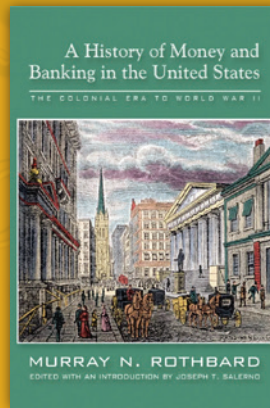
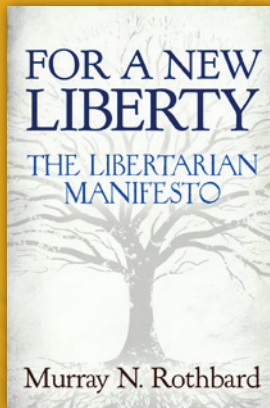
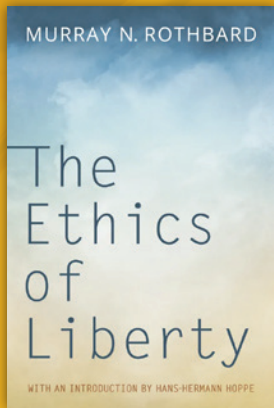
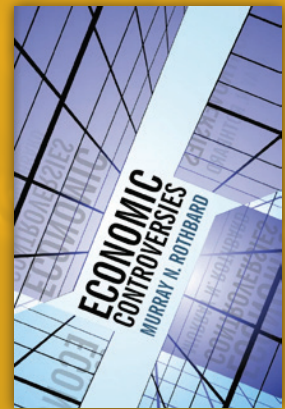
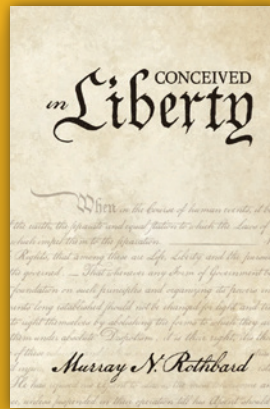
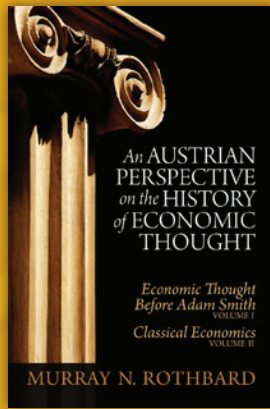
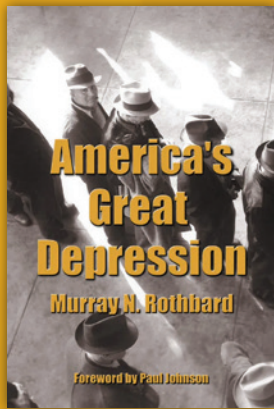
*Murray Rothbard, September 14, 1931.*

tome by early 1956, before he was awarded his PhD, and the book was published in 1962. The completed manuscript initially included seven chapters on interventionism which, mainly to control the book's length, were reduced to a single chapter. Rothbard's full treatment of interventionism was published in 1970 as *Power and Market: Government and the Economy*. With a grant from the Earhart Foundation, he then immediately began to write *America's Great Depression (AGD)*. Completed in 1957 and published in 1963, *AGD* elaborated and refined Austrian business cycle theory and used it to explain the Great Depression. It still stands as the exemplar of applied economics in the modern Austrian tradition.

When Rothbard began to write *MES*, his use of the praxeological method quickly led him to realize that Mises's treatise had left large gaps, particularly in price theory and production theory, and that these areas required significant elaboration. Rothbard made the momentous decision to expand his project from a college-level textbook into a full-blown treatise. Beginning with the undeniable fact of human action—the purposeful use of means to achieve ends—and a handful of factual observations about reality, Rothbard used logic to deduce the entire edifice of economic theory.

Besides repairing the gaps in Misesian economics, Rothbard made numerous theoretical breakthroughs and discoveries of his own. These included using Mises's ordinal utility theory and regression theorem to expand Eugen

# Rothbard's Science of Liberty



von Böhm-Bawerk's famous analysis of price formation by the "marginal pairs" under barter into a complete explanation of money prices determined by supply and demand. Rothbard also dynamized price theory by demonstrating how expectations and speculative activities impact supply and demand schedules and expedite the market's equilibration process.

In production theory, Rothbard recognized that Mises's treatment was sparse and incomplete. After a false start trying to develop the theory by focusing on a single firm in isolation, along Marshallian partial-equilibrium lines, Rothbard turned to Eugen von Böhm-Bawerk's economy-wide Austrian general-equilibrium analysis of the structure of production. Rothbard emphasized Böhm-Bawerk's "capitalist-entrepreneurs," who were continually ranging throughout the economy, seeking to allocate their capital to those lines and stages of production that promised the highest returns on investment, and incorporated Mises's construct of the evenly rotating economy into Böhm-Bawerk's analysis. The move from Marshallian partial-equilibrium to Böhm-Bawerkian general-equilibrium analysis enabled Rothbard to demonstrate that the complex capitalist economy operates as a unitary means-ends framework in which firms are tightly linked to one another through vertical and horizontal relations as suppliers and demanders of inputs and producers of complementary or substitute products.

Rothbard further advanced production theory by incorporating the scattered insights of various Austrian writers on the topics of subjective value, capital, interest, factor pricing, and entrepreneurship into a unified theoretical system. He integrated the Fetter-Mises pure time-preference theory of interest with the structure of production analysis pioneered by Böhm-Bawerk and further developed by Knut Wicksell and Hayek. He used ordinal-utility analysis of individual value scales to expound the concept of the time market, in which savings are supplied and demanded in the structure of production. Rothbard demonstrated that the natural interest rate on the time market was the uniform long-run rate of return on investment in production processes and that the interest rate on loans was merely a reflection of this natural rate. This insight enabled him to show that the prices of the factors of production are determined by the value of the additional

good produced by the "marginal," or last, unit of the factor hired, discounted by the interest rate. Rothbard's production theory identified the primary function of the entrepreneur as calculating and effecting the most profitable allocation of savings and investment under uncertainty. To sum up, Rothbard gathered all the loose strands of thought among earlier Austrian writers and wove them into a systematic explanation of the dynamic production process.

Rothbard also made important breakthroughs in monopoly theory. He denied that a demand curve for a good determined on a purely free market would permit an entrepreneur to charge a monopoly price for the good. Earlier Austrian economists from Carl Menger to Mises had maintained that a particular configuration of the demand curve on the free market would allow a seller to restrict production or withhold stock to attain a monopoly price, defined as a price above the "competitive price." This would impair social welfare, as scarce resources would be diverted to less valuable uses from the point of view of consumer preferences. Rothbard demonstrated that a monopoly price cannot emerge on a purely free market because the shape and position of all demand curves are governed solely by voluntary consumer preferences and, therefore, a competitive price cannot be distinguished from a monopoly price. In an uncertain world, entrepreneurs are continually striving to forecast future consumer demands in order to produce the quantity of the product that maximizes their profit. Those who overestimate the demand for a product, will restrict production and raise their price if they expect demand to remain constant. This

**Before even finishing Mises's treatise, Rothbard converted to Austrian economics and adopted Mises's praxeological approach to economics theory.**



is simply a natural market adjustment, and all entrepreneurs—from hot dog vendors to automakers—engage in it. There is no standard by which to distinguish which supply restrictions aim at attaining a monopoly price and which occur under the pressure of competition.

Furthermore, Rothbard showed, the theory of monopoly price *is* applicable to monopoly grants bestowed on privileged sellers from outside the market by governments. Legal restrictions imposed on sellers of the same or similar products forcibly narrow consumers' choices and thereby cause a coercive reconfiguration of the market demand curve that may lead to a higher price that is not in accord with their voluntary preferences. Thus, Rothbard concluded, the only meaningful distinction is between the free-market price and a monopoly price.

Rothbard also made numerous improvements and innovations in the theory of interventionism, beginning with creating a comprehensive taxonomy that systematically classifies government interventions as autistic, binary, or triangular. Arguing that all services provided by government could be provided by the free market, Rothbard identified taxation and government expenditures as binary interventions into the free market; that is, coerced exchanges between the state and one of its subjects. He revolutionized the analysis of taxation by demonstrating that sales taxes and all other attempts to tax goods and services are *never* shifted “forward” onto consumers but always shifted backward and ultimately become income taxes borne by laborers and owners of land resources. Rothbard further elaborated monopoly theory by showing that many laws affecting labor and product markets, such as occupational licensure, antitrust laws, and quality and safety regulations, in effect operate as legal grants of monopoly to specific firms and groups of laborers. Rothbard thus classified monopoly as a triangular intervention in which the state legally bars, compels, or regulates the terms of exchange between a pair of its subjects.

In analyzing the long-run effects of interventionism, Rothbard took a cue from Mises and introduced the crucial concept of centers of calculational chaos. He pointed out that because it obtains its funds via coerced levies on its subjects, the government is unable to use the price system and economic calculation in producing goods and services. Without the ability to calculate profit and loss and obtain feedback on its errors, the government inevitably misallocates and wastes scarce resources. These islands of calculational chaos grow and multiply as government expands, and they propel the economy toward socialism.

Rothbard also classified inflation and credit expansion as a binary intervention. In expounding the Mises-Hayek business cycle theory, Rothbard made several improvements to it. He sharply distinguished between exogenous and endogenous business cycle theories. Most business cycle theories are endogenous, locating the causes of the cycles deep *within* the capitalist market economy (for example, attributing recession and unemployment to a collapse of investment spending, a downturn in consumption spending, or a slowdown in the velocity of money caused by businesses and households voluntarily trying to increase their cash holdings). The Austrian theory of the business cycle, according to Rothbard, locates the cause of boom-bust cycles *outside* the market economy, in credit expansion by fractional-reserve banks enabled and promoted by a central bank. Rothbard corrected his mentors in Austrian business cycle theory, Mises and Hayek, who had introduced elements of endogeneity into their expositions of the theory. Rothbard advanced beyond Mises and Hayek in his analysis of bank-credit deflation's effect on the length and severity of a depression. Later in his career, Hayek maintained that such “secondary deflation” intensified the depression and favored an offsetting monetary expansion by the central bank, while Mises accepted this deflation as a necessary part of the depression-adjustment process. Rothbard, however, using the praxeological step-by-step method, deduced that secondary deflation mitigated the inflationary maladjustments and sped up the depression-adjustment process.

With the publication of *Man, Economy, and State*, Rothbard not only propelled himself into the front rank of economic theorists, but also

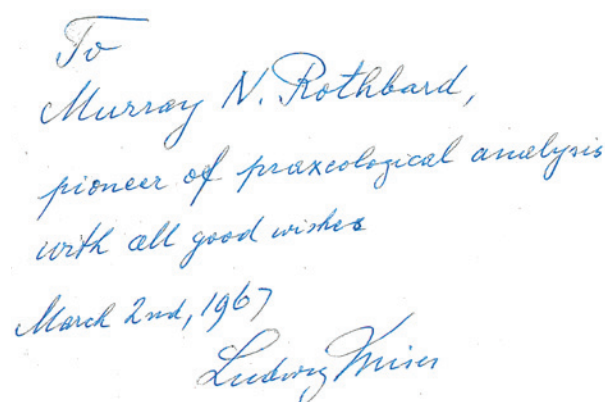
## Besides repairing the gaps in Misesian economics, Rothbard made numerous theoretical breakthroughs and discoveries of his own.

established the praxeological tradition as a third alternative to the positivist Walras-Hicks-Samuelson and Marshall-Chicago traditions. Rothbard thus staked his claim to the status of Mises's leading protégé. There is strong evidence that Mises himself viewed Rothbard as his heir. In his review of *MES*, Mises lauded Rothbard's work as an "epochal contribution to the general science of human action" and went on to declare: "Henceforth, all essential studies in these branches of knowledge will have to take full account of the theories and criticisms expounded by Dr. Rothbard." Mises, in a December 6, 1962, letter to French positivist Louis Rougier responding to the latter's criticism of one of his books, wrote: "I can only refer to the systematic exposition of the whole doctrine of praxeology in my book *Human Action* and nowadays in the brilliant book of a younger man, Murray N. Rothbard, *Man, Economy and State*." After recommending another one of his own works, Mises closed his letter with the entreaty: "But, please, first of all read the book of Rothbard." Finally, there is Mises's pithy inscription in Rothbard's copy of the third edition of *Human Action*: "To Murray N. Rothbard, pioneer of praxeological analysis with all good wishes." Pioneer of praxeological analysis! Given Mises's well-known reticence in bestowing compliments fellow economists, this is high praise indeed. Mises's public and private comments leave little doubt that he considered Rothbard's treatise as building on his own system of economic theory.

Because the original *MES* manuscript was shortened, Rothbard's most extensive discussion of business cycle theory appeared in *America's Great Depression*. But the greater part of the book was devoted to applying the theory to the 1921–33 business cycle. Contrary to Milton

Friedman and Anna Schwartz in *A Monetary History of the United States*, Rothbard argued that the 1920s were an inflationary decade despite the stability of wholesale prices, which would have naturally declined because of the enormous growth in capital accumulation and real output had the Fed not expanded the money supply by an average of 6% to 7% per annum. Nor was the Fed responsible for the large contraction of the money supply from 1930 to 1933, as Friedman and Schwartz claim. As Rothbard demonstrated, the Fed was frantically trying to pump up the money supply, but its efforts were continually thwarted by the public and the banks, which were withdrawing bank deposits and piling up excess reserves, respectively.

In addition to *MES* and *AGD* Rothbard published several shorter works in the early 1960s. These included *The Panic of 1819: Reactions and Policies*, based on his dissertation, and the book chapter "The Case for a 100 Percent Gold Dollar," both published in 1962, as well as the 1963 booklet *What Has Government Done to Our Money?* Rothbard's flurry of publications ignited a revival of interest in Austrian economics in the 1960s, especially among graduate students and young economics professors. But the burgeoning Austrian movement still lacked a text on political economy that addressed contemporary issues, comparable to Milton Friedman's influential *Capitalism and Freedom*, which was based on Chicago school economics. This Rothbard supplied in 1973 with *For a New Liberty*. Friedman began his book with two chapters of positive analysis of the relation



To  
Murray N. Rothbard,  
pioneer of praxeological analysis  
with all good wishes  
March 2nd, 1967  
Ludwig Mises

Mises autographed Rothbard's copy of *Human Action* on Murray's 46th birthday.



From left to right: Joe Salerno, Walter Block, Richard Ebeling, and Murray Rothbard at the South Royalton, Vermont, conference in the spring of 1974. Picture from Edwin Dolan.

between economic and political freedom and the *ideal* role of government in a free society, respectively. In contrast, Rothbard began his book with an explicitly normative discussion of the ethics of property rights and exchange, and in the second chapter segued into a historical and sociological analysis of the *real* nature of the state as a criminal gang, the largest aggressor against property rights, and the greatest threat to social harmony and prosperity. Thus it was to those who attended the Austrian Economics Conference in South Royalton, Vermont, in 1974, which is generally identified as the precipitating event of the modern rebirth of the Austrian School, arrived mainly by way of Rothbard's writings.

*For a New Liberty* was not only the politico-economic tract for the modern Austrian School, but also the founding document of modern radical libertarianism, or anarcho-capitalism, and the fulfillment of the vision of Rothbard's Old Right mentors, Frank Chodorov and Baldy Harper. Rothbard's integration of value-free economic theory with an objective ethics of



Frank Chodorov



Baldy Harper

property rights gave rise to two conclusions: First, the free market, based on private property and free exchange ensures, individual flourishing and social prosperity, and therefore is *good* for humankind. Second, any state intervention into the unhampered economy constrains individual choice and creates economic chaos and poverty by distorting prices and production, and therefore is *bad* for humanity. In 1982, Rothbard published *The Ethics of Liberty*, which systematically grounded his theory of property rights and his political economy in a natural law ethic.

In 1983, Rothbard published *The Mystery of Banking*. While setting out the theory of money and banking in plain and pellucid prose, it notably incorporated the modern explanation of the bank deposit expansion process with the sound money tradition, which stretches back to monetary debates in Great Britain and the US in the early nineteenth century. In its historical section, it asks and answers the forbidden question of *cui bono*—who benefits—from the creation of the Fed and the cartelization of the fractional-reserve banking system. From the 1980s until his passing in 1995, Rothbard busied himself with authoring a score of essential scholarly articles and booklets on economic theory, policy, and doctrine. Most of these were included along with many earlier articles in the posthumous two-volume collection, *The Logic of Action*, published in 1997 (and later reissued as a single volume under the title *Economic Controversies*).

Rothbard's last major contribution to the science of liberty was *An Austrian Perspective on the History of Economic Thought*, a two-volume treatise published shortly after his death in 1995. The two volumes were entitled *Economic Thought Before Adam Smith* and *Classical Economics*. This treatise was perhaps Rothbard's most radical break with mainstream economics, for in it Rothbard emphatically rejected the two mainstays of conventional textbooks on the history of economic thought going back to the 1930s. First, Rothbard jettisoned the "few great men approach" to the evolution of economic thought, which invariably began with Adam Smith as the founder and then chronicled the improvements on or deviations from his ideas made by the likes of David Ricardo, John Stuart Mill, Karl Marx, Thorstein Veblen and Alfred Marshall. Influenced by his dissertation mentor

Joseph Dorfman, Rothbard did not start with the preconception that the economic ideas and theories of the anointed giants of the Smithian tradition were superior to the ideas of those who had been relegated to the roles of minor thinkers or heterodox gadflies. Furthermore, exposure to Dorfman's institutionalist sensibilities stimulated Rothbard to consider the concrete historical context in which economic ideas had emerged; the political, social, and ethical ideas with which they were intertwined; and the mutual influences and conflicts between their creators.

The second great influence on Rothbard's approach was the philosopher of science Thomas Kuhn. Kuhn's work on the history and sociology of the physical sciences drove home for Rothbard the point that if the onward-and-upward, later-is-better approach to the history of scientific progress is deeply flawed for the hard sciences, then it is completely fallacious when applied to the softer social sciences such as economics. In utterly rejecting the conventional Whig view that a few great men invented and then progressively perfected economic science, with never a dead end or a step backward, Rothbard fundamentally transformed the historiography of economic thought. He revealed the period *before* Adam Smith to be a fertile area of research into economic ideas—worthy of a full volume of nearly 600 pages. He relocated the cradle of economic science from the eighteenth-century British Isles to sixteenth- and seventeenth-century Spain, giving the Scholastics of the school of Salamanca their due as the forerunners of modern economics. Richard Cantillon replaced Smith as the founder of modern economics, and Ricardo, Mill, and the British classical school were replaced by Anne Robert Jacques Turgot and other French and Italian utility theorists of the eighteenth century and by Jean-Baptiste Say, Frédéric Bastiat, and the French liberal school of the nineteenth century as major contributors to economic science.

Books and articles by Rothbard continued to pour forth posthumously, including three substantial revisionist works on US economic and political history: *A History of Money and Banking in the United States: The Colonial Era to World War II* and *The Progressive Era* were published in 2002 and 2017, respectively. *The New Republic: 1784–1791*, the fifth and final volume of *Conceived in Liberty*, a multivolume



*The Gadsden flag, designed by Christopher Gadsden in December 1775. It became a symbol of the American Revolution. GK Images | Alamy*

work on the founding of the American Republic whose first four volumes appeared in the 1970s, was published in 2019.

In considering his body of work, it is clear that Rothbard was engaged in a grand project to systematically investigate the nature and social implications of human liberty and its antithesis, political power, from every conceivable angle. In this pursuit, Rothbard made major contributions to a broad range of disciplines, but especially economics, history, and philosophy. Rothbard's contributions stand as a shining exemplar and a solid foundation for scholars interested in further developing what Rothbard dubbed the "science of liberty." ■

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HOW THE STATE MAKES

**WILDFIRES**

**BIGGER**

AND **DEADLIER**



**Connor O'Keeffe**

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## **Humans have a tremendous amount of agency in how dangerous natural disasters end up being.**

*This article is adapted from a talk given at California's Decline: A Warning to America in San Diego, California, on April 25, 2026.*

I'll continue with the theme of establishing our connections to California. I was born here and spent a good deal of my childhood here. My mother's family moved to Southern California when she entered high school, and my father's side of the family settled in Northern California in the 1840s. They actually took a covered wagon across the country.

Eventually my parents met and got married in the Los Angeles area. My siblings and I were all born in a Santa Monica hospital and then raised in the Pacific Palisades, in a house—or, really, in a neighborhood—that was entirely destroyed by a wildfire last year.

But we'll get to that.

For now I'm going to continue with my personal story for a bit because I think it'll be helpful for understanding how I came to the broader concepts about natural disasters like wildfires that I'm going to be laying out here.

My family lived in the Palisades until I was nine years old. And some of my earliest memories there involve earthquake drills at school and having to navigate fire risk. Getting evacuated from a summer camp because of a fire, as an example, is a particularly vivid early memory of mine.

And, at some point, I don't remember how, I stumbled upon a book all about natural disasters. It had pictures, examples, anecdotes, and statistics about all major natural disasters—hurricanes, tsunamis, tornadoes, earthquakes, wildfires, mudslides, volcanic eruptions, everything.

I was *obsessed* with this book.

I remember being absolutely fascinated, in part by the crazy pictures, but more so, I was fascinated that that scale of destruction was possible without a villain.

In complete contrast to all the movies and novels I was consuming, where any time anything really bad happened it was entirely the fault of some powerful bad guy that the heroes then had to defeat to make everything right again, these natural disasters were nobody's fault—at least not directly.

There was no straightforward villain in some shadowy lair with a dark hood who could be defeated to end floods, earthquakes, and fires for good.

The way to face natural disasters was different. It required us to first understand how they work, or why they happen, and then to work around the constraints uncovered by that research when deciding things like where to live, how to build a building, or when to avoid visiting some area. Basically, deciding how to *act*.

So, for me, this sparked a real interest in understanding how the earth works from a very young age. And, skipping way ahead, that interest was a pretty big reason I decided to study geology when I got to college.

At the college I went to, the academic track culminated in a year-and-a-half-long independent research project. And so, lo and behold, I decided to do mine about natural disasters, specifically floods.

The town where I went to college in Ohio was hit by a terrible flood a little over 50 years before I started this project. Back in 1969, 27 people died and a lot of structures were destroyed. And for a small town like that one, that was particularly devastating. So that disaster inspired me to look further into floods in that town.

My research was, at the start, somewhat typical for a geology department at a small liberal arts college at the peak of the latest wave of climate change hysteria. I looked at precipitation and river discharge records for the area and did some basic statistical analysis to determine if the likelihood of an extreme flooding event had changed since that big flood in 1969.

Pretty typical stuff. The title was “Effects of Global Climate Change on Extreme Flooding Events in Wooster, Ohio,” the town my school was in.

I'll note, by the way, that even though my tiny liberal arts school was overall very left leaning, when it came to actually studying climate science, the professors and the other students were all very rigorous. Actual climate science is very complex and nuanced, and not nearly as scary or concerning as the news media tries to make it sound.

But, anyway, I did that analysis and found that, yes, there was a slight increase in the probability of an extreme precipitation event over the 118 years I was analyzing. A tiny upward trend that was statistically significant.

For a lot of people, that's where you'd stop. You say, “Okay, frequency of extreme weather and floods is getting higher, and therefore, the town is in more danger than it was back when the risk was lower.” That seems straightforward enough.

However, by this point I had found a new obsession, one that was far more intense than my interest in earth science or natural disasters had ever been.

And that was [mises.org](http://mises.org).

I had found the site the summer before and, while I was working on this project, I was devouring every article that would go up every single day and was reading as many of the free digital books as I could make time for.

I was learning a lot about how society and government actually work, and specifically how impactful human choices, institutions, and government policies are, even in spheres that don't seem all that related.

So, with all that rattling around in my head, I knew not to stop with a change in the probability of a flood happening, because there's more to the story.

It's not just about whether or not a flood occurs. If we're talking about human well-being, another incredibly important factor for determining flood danger is what, specifically, is getting flooded.

In other words, what is the land in the floodplain used for?

There is, for example, a big difference between an empty, abandoned parking lot getting flooded and a dense neighborhood full of families sleeping in old, delicate homes getting flooded.

And further, this factor—land use—can change over time.



So it's not enough to conclude that the danger posed by floods is increasing because the chance of a flood occurring has gone up. You also have to look at how the land use in the floodplain has evolved over that time frame.

So that's what I did. I used aerial photography from around the time of that massive flood in 1969 and modern-day satellite imagery, and painstakingly mapped the land use in and around the floodplain, sorting it into categories like industrial, commercial, agricultural, wilderness, and residential.

I also used zoning maps and physical visits when necessary to make sure I was being as accurate as possible. It was extremely tedious. But what I found was that the land use had changed dramatically.

When the deadly 1969 flood happened, a substantial portion of the floodplain was full of houses. There were two neighborhoods there. And the houses were small, meaning there were more of them. Those neighborhoods were very densely populated.

And those neighborhoods are, unsurprisingly, where a lot of the deaths occurred. A lot of those homes were also destroyed.

Fast-forward to 2019, and the land use was very different.

The floodplain was now mostly full of farms and industrial warehouses that were mostly storing paintbrushes produced nearby. There were a few isolated storefronts and virtually no residences.

It's, of course, *bad* for a field full of crops that can't handle a lot of water, or a warehouse storing products on or near the floor, to flood. But that is not nearly as bad a catastrophe as a dense neighborhood flooding.

**Climate-related deaths are down over 97 percent since 1920. By some measures it's over 99 percent.**

And I'm not trying to make some interpersonal utility comparison. I expect that the owners of flooded fields and warehouses, while not happy, would prefer that over a flood washing away their own homes where their children are sleeping.

So, long story short, using some specific methodology I got from another paper, I was able to conclude that, even though the risk of a flood had ticked up slightly, the danger that floods posed to the town had declined drastically. The town was actually far safer, even though floods were becoming more frequent.

I've taken all this time to lay this out because this is how I came to understand something that is, unfortunately, not well understood by most people, which is that humans have a tremendous amount of agency in how dangerous natural disasters end up being.

If you listen to public discourse after some flood, hurricane, or fire ends up being destructive enough to make national news, you'll see the same pattern.

The Left will act like the only thing that can be done—the only possible way to avoid that kind of destruction going forward—is to deindustrialize society.

It's not always said directly, because it's obviously scientifically delusional, but they often heavily imply that, if we just deindustrialize, in a few decades we'll have far fewer natural disasters—if any—and they will be far less damaging.

This is dangerous, because the policies they roll out to “address climate change” are attacking the very technologies and institutions that are making these disasters more survivable.

The Right, if they address these claims at all, will point out that this is crazy. But that's usually it. There's typically this sense from everyone who's *not* bought into the climate hysteria that these are unfortunate occurrences but there's really nothing that can be done.

But there is!

Not really to address the frequency, at least for most types of natural disasters, but certainly to make people safer from them. And the good news is that we're already doing it.

Unsurprisingly, humans don't passively sit around and just let the earth do what it's going to do to us. We're actors, after all.

And, as a whole, humans have proven to be excellent at building a safer world for ourselves, despite what the planet throws at us. That's especially true in the last hundred years. Climate-related deaths are down over 97 percent since 1920. By some measures it's over 99 percent.

Because it turns out people want to live comfortably.

And when you have market-centered institutions like sound money and a private property norm that allow society to transcend poverty and grow wealthier, people, unsurprisingly, value more comfortable, safer living conditions and infrastructure, and everything that entails.

However, there is one big saboteur threatening and holding up this process: the government.

Obviously, anything the government does to hamper wealth creation sabotages this remarkable effort to make the world even safer for humans. But there are also tons of ways that governments—at all levels—are actively making things worse in regard to the destructiveness and survivability of specific natural disasters.

And being that this is an event focused on California, I want to focus on wildfires. Because not only does this state burn a lot, but all levels of government here are doing some specific things that make these fires worse. So let's get into it.

As I'm sure everyone here knows well, California and wildfires go hand in hand. This state as a whole might have some of the best weather in the world, but it's also cursed with an almost perfectly ideal climate for fire.

In Northern California you have coniferous forest and in Southern California, chaparral or shrubland, all of which is frequently very dry. And that combination is important. Deserts are very dry, but they're so dry that they have very little vegetation. Other biomes like rainforests have tons of vegetation, but they get a lot of precipitation, so that vegetation is not all that flammable.

But here you have, in a lot of ways, the worst of both worlds. You have plenty of vegetation, and plenty of dryness—not to mention frequent strong winds, like the Santa Anas.

However, what you also have are a lot of humans. A lot of people live here and have lived

here for a long time. Humans have navigated and managed that risk, mostly with land management. If we look back to the early settlers of this region, the Native Americans, they were using controlled burns to make the areas they were living in safer for at least hundreds of years before European settlers got here—potentially even thousands.

But there are other measures, especially in modern times, such as specific infrastructure that helps with fire prevention and, of course, modern firefighting.

Living with and navigating fire risk is a great example of what I was talking about when I said humans are good at adapting our environments to our benefit. And we're getting much better at it as we grow wealthier.

But the government has and is really sabotaging that. And when it comes to the specifics—the various ways that all levels of government make things worse in regard to fires here in California—there are just too many examples for me to cover in one talk.

There are problems with the monopolized utility companies and their infrastructure; water infrastructure and hydrant pressure; some of CAL FIRE's tactics. There's a lot we could talk about. But I want to focus on two specific things the government does—the two that I view as the most damaging.

If you look at my title, I chose those words very deliberately. The state makes wildfires both *bigger* and *deadlier*.

So, first, how does government make fires bigger?

Well, in short, it's primarily through government ownership—or *monopolization*—of land, combined with a lack of adequate land management, all fortified with a lack of liability.

There's a lot there. So what am I saying?

Well, to start, the government owns a lot of land. In total, around 50% to 52% of California's land is owned by some level of government. And much of that is wilderness. In fact, virtually all wilderness in California is government owned. Only about 1% to 3% is privately owned.

Now, when we say government owned we don't really mean *owned*. If we're using a Rothbardian framework the government isn't and can't be a just owner. It's more accurate to say government controlled or government monopolized.

Monopolized in the sense that the government prevents anyone from using or changing that land in any way unless the government officially allows it.

This is something that's often glossed over in these discussions but that's really important to sit with for a second.

In California, government has secured a monopoly over roughly half the land. That monopolization creates a very specific set of conditions where the government can do real damage through *inaction*. In this case inaction in regard to forest management.

That might sound counterintuitive coming from a libertarian. Isn't our whole thing that we want the government to *not* do stuff?

Well, yes, but it's a bit more complicated than that. This is something that Joshua Mawhorter and I started digging into in a paper we presented at this year's Libertarian Scholars Conference. Our name for this concept is interventionist noninterventionism.

The pattern we identified and are attempting to bring into the established Rothbardian typology of government intervention is a situation where the government first monopolizes some service—preventing anybody from offering the service in its place. Then, they tax people to pay for the service. And then, they refuse to provide that service.

Our argument is, essentially, that when those first conditions are met—especially the prevention of alternative service providers—it creates a situation where *now* when the government doesn't provide that service, it's a problem. We identified things like police inaction, denial of socialized healthcare, and neglecting road repairs as examples.

But, returning to the topic at hand, the problem is that government officials have assumed control over the management of around half of the state's land, and nearly all of California's wilderness. And not just assumed control but monopolized it. They prevent anyone else from managing all this wilderness without their express permission. And then, they just refuse to manage it—at least sufficiently.

There are a lot of reasons for that. A major one is this pervasive and frankly antihuman strain of thought within environmentalism which values untouched wilderness above all else. It's



## In California, government has secured a monopoly over roughly half the land.

a version of environmentalism that doesn't seek to make the environment safe and pleasant for humans but to protect the environment *from* humans. That's an important distinction. (To go deeper into this I recommend checking out Alex Epstein's work. He calls it anti-impact environmentalism).

But, effectively, the idea is that if the governments going to "conserve" a patch of wilderness, than it should remain entirely untouched by humans. We should allow nature to do what nature's going to do.

That sounds nice in theory, but in practice, here in California, that often means allowing an extremely dangerous buildup of fuel.

Remember what I said earlier. Native Americans and early settlers had been managing this land for centuries. But then, the government came in, took control of almost all the remaining wilderness, monopolized the management of it, and then—essentially—did nothing.

For a long time, controlled burns were outlawed in California. It's not the only form of forest management. You can physically clear out vegetation or cut fire lines. But controlled burns are a very effective way to clear out fuel when winds are low and the risk of a fire growing out of control is negligible.

They are, fortunately, not prohibited anymore, but the process is still so politicized that it remains a major problem. As an example, six years ago, in 2020, the state signed an

agreement with the US Forest Service that both would conduct prescribed burns and mechanical thinning on at least 500,000 acres of wilderness each, every single year, meaning a combined total of a million acres a year would be cleared of fuel annually, at minimum.

And every year since, both the California and the federal government have failed to get even close to that minimum. California has averaged about a fifth of what they're supposed to treat, the Forest Service, about 40%.

Now, this whole time, the government in California has maintained strict regulations on the vegetation private citizens have on their land. And I'm sure government officials have continued to crack down hard on anyone who isn't up to code.

But the government itself consistently falls far short of the standards they promised to abide by, which themselves probably fall far short of what's actually needed. And remember, that accounts for essentially all the wilderness in the state—the land where these wildfires start. And all of this is worth stressing because it's really why these fires are so bad.

When a major fire breaks out, we tend to focus a lot on the origin, on what caused the spark that started it all. And that's certainly important. There's a lot we could talk about regarding the negligence of state-created or state-protected utility companies, for example. But as important as the initial spark is, you don't get a major fire without *fuel*.

Take the Los Angeles fires from January of last year. It was actually two fires, the Eaton fire in Altadena which is believed to have been started by power lines and the Palisades fire that a man has been arrested and charged for allegedly starting on purpose. He pleaded not guilty, though, and his trial is reportedly going to happen later this year.

So, basically, you have these two separate ignitions that happened to occur while there were extremely powerful Santa Ana winds. Not a great situation, but that wasn't all.

This was early 2025. In 2022 and 2023, the Los Angeles area experienced a lot of rainfall. Those were, relatively speaking, very wet years for the region. And that spurred the growth of a lot of brush and grasses in the government-controlled, government-managed hills around LA.

Then, 2024 was an exceptionally hot year, with almost no rain during what was supposed to be the wet season, which dried out the now-abundant vegetation, creating a very dangerous amount of fuel around the city—the management of which fuel the government had monopolized and then, according to their own metrics, failed to carry out.

Which means, when that power line sparked, and—if the charges are true—that taxi driver lit some bushes on fire, it transformed what should have been a small grass fire into a city killer. A fire that destroyed, effectively, the entire Pacific Palisades.



**When a major fire breaks out, we tend to focus a lot on the origin, on what caused the spark that started it. As important as the initial spark is, you don't get a major fire without fuel.**

Now, there's a bit of important nuance here. What I'm *not* saying is that the government should strip out all vegetation on all the land they own or that wildfires are entirely avoidable and only happen because of the government.

The world is inherently risky, and the risk of fires, even serious fires, can never be completely eliminated.

But a reason we can be quite confident that the level of forest management is lower, and therefore that the current situation is more dangerous, than it would be without government control of all this land is the lack of liability.

Let's think about how this would work if we at the Mises Institute got our way, all this government land was privatized, and the territory of California instantly adopted a stateless Rothbardian private or anarcho-capitalist legal order.

Assume that suddenly, all that government-owned wilderness is privately owned. Right off the bat, one important difference is that there would—in all likelihood—be many different property owners. It would be so prohibitively expensive for one private entity to own and manage all the land currently owned by government. There isn't even a single government that owns all of it now. It's split between federal, state, and local governments.

Another thing I'd expect is that a lot of land would remain wilderness. People value nature. They demand nature, specifically some level of accessible nature, as consumers. When a lot of people picture all the land in California being privatized, they probably picture things like Yosemite getting turned into a parking lot. But the fact is that people pay to visit Yosemite because it is *not* a parking lot.

That's an outlier, though. I imagine most private parks would be closer to the local and state parks we already enjoy in and around our towns—albeit with locations and sizes more in line with consumer demand and opportunity cost.

There would probably also be private camps, or more enclosed wilderness. Also, some people like living in remote houses surrounded by a lot of wilderness. There would also probably be areas that are just remote, meaning land is cheap and people buy it to hold on to, or speculators trade it based on the resources that could potentially be cultivated on it.



The point is that there are a lot of reasons why we would expect a good amount of what is currently wilderness to remain wilderness. And so, getting back to my point, these private wilderness owners would be responsible for managing their land.

So what would happen if they just didn't, if they allowed a bunch of fuel to build up and it caught fire? Well, if it was contained to their property, then they just lost a portion of their property, which, depending on what it's used for, could mean heavy economic losses.

But if it spread beyond their property, the situation is different. Now they are at least partially responsible for the destruction of someone else's property. And that, in the Rothbardian framework, is a crime.

Rothbard wrote an excellent essay called "Law, Property Rights, and Air Pollution" where he digs into how a stateless, private legal system would handle something like air pollution. His argument—grounded in common law and libertarian theory—is that any invasion of property that interferes with the owner's exclusive possession, use, or enjoyment of it is unjust, and therefore a crime that would justify forcibly collecting restitution.

Rothbard didn't write specifically about fires in that paper, but the framework carries over pretty well. If you own some land and you let it fill up with fuel that ignites into a massive inferno that destroys your neighbor's farm and a few nearby businesses, that is your fault. And if it happens in the middle of the night or very quickly and people are hurt or killed, that is also your fault. Obviously, if that's the case, it is very much in your interest to make sure that the risk of that happening is as low as you can get it.

Now another component of Rothbard's argument that is a bit more controversial, but that I'm convinced by, is that property owners



## **Governments—at all levels—are actively making things worse in regard to the destructiveness and survivability of specific natural disasters.**

are “strictly liable.” Meaning if your property is destroyed in a fire that started and grew on your neighbor’s land, and this is proven beyond a reasonable doubt, your neighbor is liable even if they managed their land well and the reason the fire started and spread was not their fault—such as lightning striking a dead tree during once-in-a-generation winds.

That may seem unfair, but as Rothbard points out, you also have to look from the perspective of the victim whose property was destroyed. Once again, there is an inherent, inescapable risk of that happening—especially in California.

But because there is a risk that you, as a property owner, could do everything right and still accidentally contribute to either the outbreak or fueling of a fire that threatens the person or property of others, there would probably be demand for insurance against such an occurrence, for someone to help cover the restitution in the event of an accident.

And when insurance gets involved, the incentives line up even better. Because now, investing in land management on your property is not about avoiding some vague, hypothetical restitution bill that may never come due, it’s a way to lower premiums. You now basically have an entire industry focused on monitoring and trading risk related to wildfires, a market that would put financial pressure on those who are not managing their land well.

I realize I’m getting far into the weeds here. And we could debate the specifics of strict liability or what land use would look like without a state. But the point is that that system of liability—and all the good, risk-reducing incentives it brings—is almost entirely absent from the way things work now.

Government officials are not liable like private property owners would be in the absence of all this government privilege. There is no automatic restitution being paid by the government any time their failure to properly manage the land they control leads to widespread property

destruction or death. If there is restitution at all, the bar for it to kick in is far higher and—in classic government fashion—the bill is paid by taxpayers, not the officials responsible.

One of the core characteristics of government is that it immunizes itself from accountability in ways the rest of us can’t. The best you can hope for is that the negligence is on such a level that a handful of officials get fired. But even that leaves the broken system in place.

So, to review, government makes wildfires bigger and more destructive by taking control of nearly all the wilderness in the state, monopolizing the management of dangerous dried-out vegetation—or fuel—on that land, and then failing to carry out that management according to the standards they set for themselves. Standards that probably fall far short of where they would be if the government weren’t protecting itself from liability.

So that’s the *bigger* side. What about *deadlier*?

Essentially, the state intervenes in insurance markets.

In an unhampered insurance market, the prices people pay for coverage are very situational. Obviously the value of whatever is being covered will impact premiums, but so does risk. For natural disasters like wildfires, the risk of a fire destroying a house can change drastically from one street to the next.

Insurance providers invest a lot of time and resources in analyzing these risks so they can charge competitive prices that account for the likelihood of a claim being filed. There is no escaping the fact that homeowners’ insurance will be expensive in high-risk areas. But that’s not something we should even *want* to escape.

High insurance prices are how the market both signals that an area is a risky place to live and

dissuades people—especially the poorest and therefore most vulnerable households in society—from living in these high-risk areas. But when governments mess with insurance prices through subsidies, cheap public insurance, or price controls, they begin to warp those incentives.

And for decades now, the State of California has intervened in insurance markets in the name of making prices more “fair and equitable.” In practice this has meant artificially low insurance premiums that incentivize more people to move to dangerous, fire-prone areas than would do so if prices were allowed to convey the true underlying risk.

To get specific, in 1988, California passed Proposition 103, the Insurance Rate Reduction and Reform Act, a law that forced insurance prices down by 20%, banned providers from using forecasts of future risk to set prices, and subjected all future price increases to government oversight.

Immediately, rates were severely decoupled from risk, and the state saw extensive development in some very fire-prone areas. There have been some attempts to reform this setup in the decades since, but insurance prices are still extremely constrained, or hampered, by the government.

Similarly, California has politicized reinsurance prices. You can think of reinsurance as insurance for insurance providers. These firms are structured to cover single houses burning down—not entire towns. So, they go to reinsurance providers to get covered in the event that many of their customers suddenly need to file claims at the same time. That’s arguably even more important for the kind of wildfires we’re talking about.

These constraints have led many insurance providers to leave the State of California entirely. And that has forced many residents to depend on the California FAIR Plan, which is meant to be a public insurer of last resort.



Again, all of this government meddling with insurance prices has made it artificially cheap to build and live in high-risk areas—specifically in what is called the wildland-urban interface, the transitional area between the government-owned wilderness and denser urban areas.

Which means more people live in these high-risk areas, making wildfires deadlier. Deadlier than they would be without this government intervention.

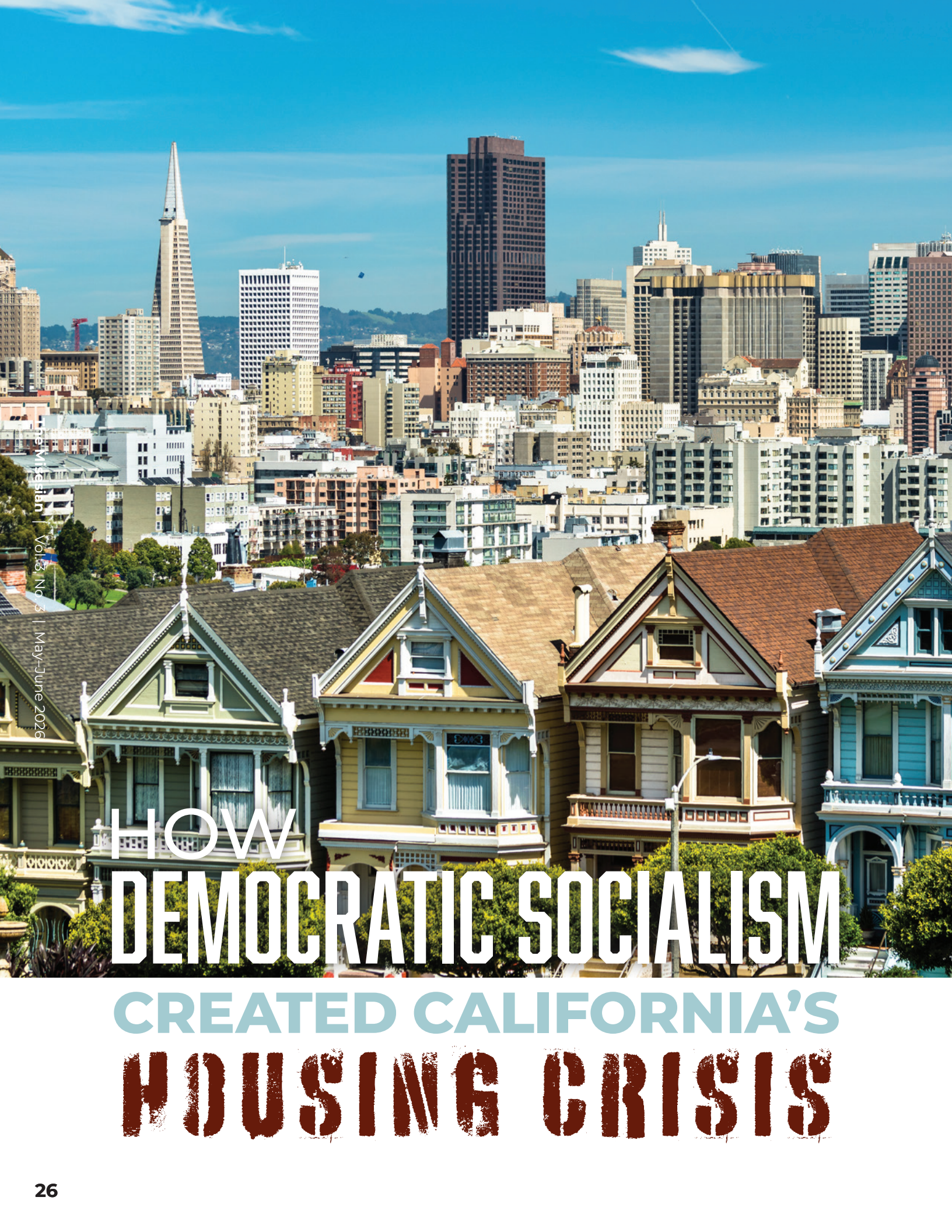
So, to conclude, in the years since I discovered that book as a kid, I’ve learned a lot about how the earth works and how natural disasters work. But I’ve also learned more about villains.

And, as it turns out, there is more than one type of villain. We often focus on what some call the external villains—Voldemort, the T. rex in *Jurassic Park*, or the shark in *Jaws*. These kinds of characters, of course, grab our attention, and rightfully so.

But there is another kind of villain, *internal* villains, such as Professor Umbridge, Dennis Nedry in *Jurassic Park*, or Mayor Larry Vaughn in *Jaws*. These types are often more dangerous because they are supposed to be on our side. And yet, due to greed, fear, or their own moral failing, internal villains hamper or even sabotage the fight, and do so in a way that is quiet or confounding enough to lead everyone else astray.

Wildfires are one of California’s external villains. They are a literal force of nature that has been here far longer than any of us and that will, in all likelihood, never be defeated entirely. That said, Californians have shown a remarkable ability to fight back against this persistent threat to life and property.

But many of your politicians and government officials have become internal villains on this front. It’s important that we identify them as such. ■



Chris McKeljian | Vol. 6, No. 3 | May-June 2026

# HOW DEMOCRATIC SOCIALISM CREATED CALIFORNIA'S HOUSING CRISIS



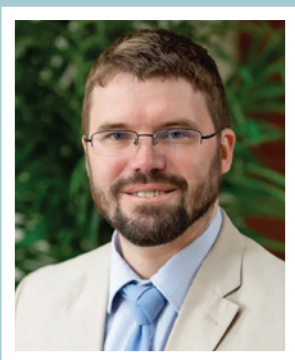
*This article is adapted from a talk given at California's Decline: A Warning to America in San Diego, California, on April 25, 2026.*

In 2017, Scout Sheys, a resident of Berkeley, California, attended a town council meeting regarding a proposed housing development for a two-story building next to her house. As she spoke, she hoisted a zucchini above her head and waved it for the council to see.

"I brought a zucchini," she said, "because I love to garden, and in order to garden you need sunlight. The [environmental impact] report says that the shadow impacts have been made nondetrimental because the shadows are cast on my yard, but this zucchini exists because I don't have a big, two-story house next door."

If "democratic socialism" means anything distinct from historic socialism, this must be it. Socialism is the abolition of private property rights, with control of property absorbed by the

**Under democratic socialism, then, private property rights must be outsourced to the community, with the state acting as the enforcer of the collective will.**



**Christopher J. Calton**

*Christopher J. Calton is the Research Fellow in Housing and Homelessness at the Independent Institute and an Associated Scholar at the Mises Institute. He received his PhD in history from the University of Florida. He has written extensively for the Mises Wire, and is the host of the Historical Controversies podcast.*

state. Democracy, of course, is mob rule, with private decisions being socialized across the wider populace. Under democratic socialism, then, private property rights must be outsourced to the community, with the state acting as the enforcer of the collective will.

In California, it has become common practice to involve the broader community in property rights questions, such as whether a developer should be permitted to build a two-story home on land it owns. In many cities, including Berkeley, they are required to invite neighboring residents to review hearings to weigh in on matters such as the “shadow pollution” that the zucchini lady (as Sheys has been dubbed) complained about.

The consequence of this democratic socialism has been an unprecedented housing shortage in one of the country’s wealthiest states. In Berkeley today, the median sale price of a home is roughly \$1.5 million. In neighboring San Francisco—the paragon of this form of socialism—the median home now sells for more than \$2 million.

So how did California get this way? We can best understand this question through three books published in the 1960s.

### The Democratization of Urban Planning

Jane Jacobs published *The Death and Life of Great American Cities* in 1961 in response to

urban renewal, a federal program that funded the demolition of low-income housing to make room for more tax-lucrative projects, such as the St. Louis Gateway Arch. The federal government supplied grants to cities to raze slum neighborhoods, displacing hundreds of thousands of poor families in the process. Jacobs, to her credit, wanted to put a stop to that.

Her idea was for low-income communities to organize to protest the demolition of their homes. San Francisco’s Western Addition Community Organization (WACO), formed in 1967, reflects this movement. They used Saul Alinsky tactics, such as sit-ins, picket lines, and lawsuits to stop the federal bulldozer in their neighborhood.

As Jacobs’s idea gained steam in California, it expanded into planning departments in major cities. Los Angeles’s planning director, Calvin Hamilton, led the movement to bring neighborhood groups into the planning process, saying, “A valid plan must reflect the needs and desires of citizens.” He facilitated the formation of a citizens’ advisory committee (CAC) to collaborate with the planning department, and many other cities followed suit.

The problem was that the CACs were not formed out of the groups protesting demolition. Instead, they consisted of people who had the time and



means to participate in the planning process—mostly middle- and upper-class residents with time on their hands, such as retirees and housewives, who wanted to preserve their community as it was. Their first priority was blocking the construction of highways, such as the Golden Gate Freeway, which remains unfinished today due to the efforts of San Francisco's CAC in 1966.

The CACs were a crucial turning point in which neighborhood groups pivoted from protesting *destruction* projects to protesting *construction*. This change in focus expanded to other types of development and continues to this day.

### Politicizing Environmentalism

The second book that paved the way for California's housing crisis was Rachel Carson's *Silent Spring*, published in 1962. *Silent Spring* was a diatribe against the pesticide DDT, which included many (now debunked) demagogic claims about how the chemical would wreak havoc on the environment. Although a book about pesticides seems disconnected from the housing crisis, it had the effect of *politicizing* environmentalism.

The Sierra Club embodies this change. Before the publication of *Silent Spring*, Sierra Club activities primarily revolved around things like nature hikes and litter cleanups. After *Silent Spring*, they joined forces with neighborhood groups to protest highway construction in the name of environmental preservation.

The Sierra Club also became a powerful lobbying group in Sacramento, alongside other environmental lobbies that formed after *Silent Spring*, such as the Planning Conservation League. Together they helped secure a slew of state-level environmental laws that continue to impede housing construction today. These include, among others, the 1969 Porter-Cologne Water Quality Control Act and the California Coastal Zone Conservation Act, which use water regulation to stop development.

The greatest environmental barricade, though, was the California Environmental Quality Act (CEQA), signed by Governor Ronald Reagan in 1970. Much like the National Environmental Policy Act that President Richard Nixon signed the year prior, CEQA required developers to produce an environmental impact report for proposed projects. Initially, the law only applied to public works, but a neighborhood group



calling itself the Friends of Mammoth sued to stop a planned condominium development near Mammoth Lake. The state supreme court sided with the Friends of Mammoth, declaring that public status applied to any project that required a discretionary permit, since those permits could only be issued at the discretion of a public official.

Discretionary permits allow government officers to approve or deny permits on subjective grounds, even if the development is otherwise compliant with the regulatory code. By contrast, ministerial—or by-right—permits are issued automatically for any code-compliant project. In most areas of the country, discretionary permits are rare, but roughly one-third of California cities have ordinances that allow city planners to reject projects based on subjective criteria, such as deviations from the architectural style of surrounding properties. San Francisco is even more extreme, subjecting *all* construction projects to discretionary approval by default. CEQA thus became the primary vehicle through which neighborhood groups block, shrink, or delay unwanted development.

**These three movements—the democratization of urban planning, the politicization of the environmental movement, and the no-growth movement—came together to erect enormous barriers to housing construction in California.**



## The myth of overpopulation was popular in California, and the state's progressive residents decided that the best solution to global population growth was to prevent local population growth by limiting housing construction.

### The Malthusian Dilemma Resurrected

The democratization of urban planning and the environmental movement certainly affected housing construction, but they were not explicitly aimed at that outcome. This would change with the no-growth movement that launched following the Sierra Club's publication of Paul Ehrlich's *The Population Bomb* in 1968.

*The Population Bomb* resurrected the Malthusian dilemma, which posited that human population growth would become unsustainable and lead to mass famine and a global war for resources. Like Thomas Malthus's original argument in 1798, Ehrlich's apocalypse never materialized. Both Malthus and Ehrlich failed to recognize that capital investment and human innovation under capitalism would lead to a more efficient use of resources, which has actually rendered food less scarce and lifted billions out of poverty.

Yet the myth of overpopulation was popular in California, and the state's progressive residents decided that the best solution to global population growth was to prevent local population growth by limiting housing construction. Initially, cities tried placing an

outright moratorium on new housing permits, but the courts ruled this tactic unlawful. So instead, city governments resorted to roundabout methods of blocking housing, such as withholding utility connections.

Although the specific strategy differed by locale, Marin County provides an illustrative example of how the no-growth movement brought all three themes together. In the early 1970s, Jane Jacobs-style community groups defeated a bond measure to build a new aqueduct, which the county needed to keep up with its growing population. Then, they elected a Sierra Club member to the water district board after he campaigned on an explicitly antigrowth platform.

The result of this manmade water shortage was that private property owners in Marin County were refused permits to build homes on undeveloped land. By 1979, according to one resident, their lives had been "controlled by the water supply for the last seven years." But control of the water supply, of course, was merely the mechanism by which the democratic mob asserted its authority over the private property rights of individual citizens.

### NIMBYism Versus Property Rights

These three movements—the democratization of urban planning, the politicization of the environmental movement, and the no-growth movement—came together to erect enormous barriers to housing construction in California. In the 1970s, they triggered the "permit explosion," with construction projects facing dozens of new permit requirements before they could break ground. The 1980s saw a wave of downzoning ballot measures, which imposed new regulatory burdens on housing, such as parking requirements, minimum lot sizes, building height restrictions, and more.

With all these reforms now secure, the 1990s saw the neighborhood groups evolve into the modern Not in My Backyard (NIMBY) movement that took direct action against unwanted development through environmental lawsuits and even waving zucchinis in front of town councils to protest the shadow pollution that new homes would produce. Private property rights in California have been effectively socialized under the mantle of democracy.

If this is not democratic socialism, I would like to know what is. ■

## NOW AVAILABLE

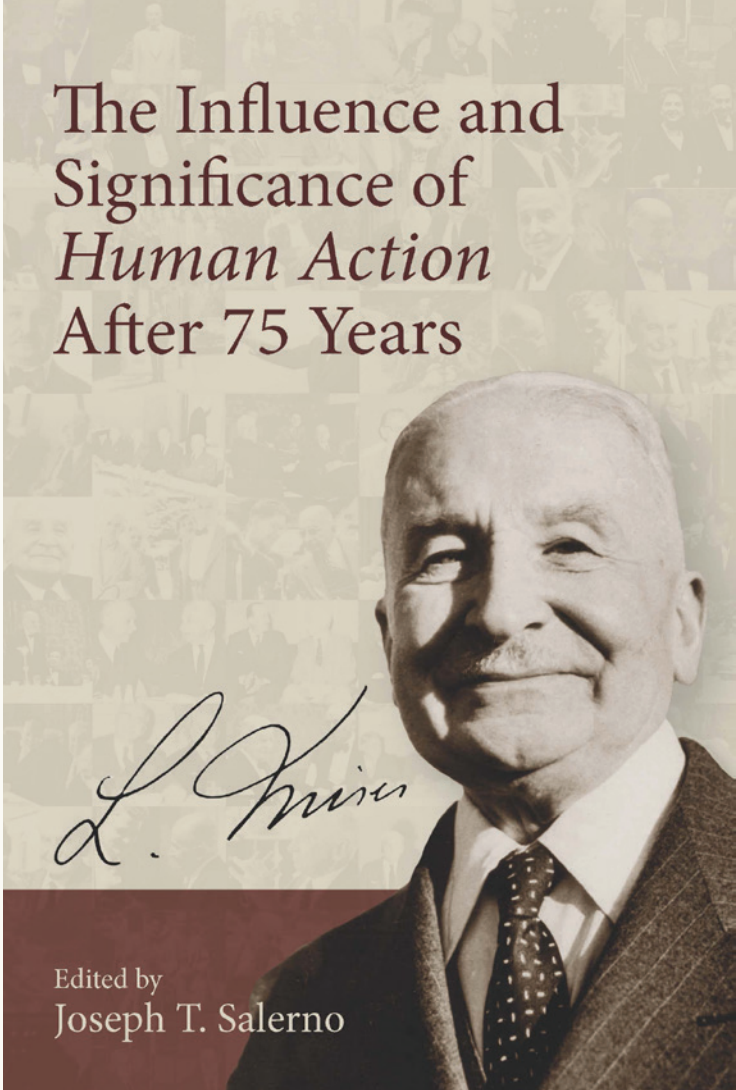
In May 2024, the Mises Institute held a special conference celebrating the 75th anniversary of the publication of Ludwig von Mises's magnum opus, *Human Action*. A powerhouse lineup of the Mises Institute's top scholars spoke on the importance and lasting impact of *Human Action* on their thinking, their lives, their careers, and the world today.

The "body of economic knowledge," Mises wrote, is essential to human civilization itself, and if we ignore it, we will "stamp out society and the human race." Mises sincerely believed that such knowledge is an essential antidote to the nihilistic, socialist distraction that we see all around us today.

This impressive volume delivers a powerful dose of this antidote. Spanning epistemology, the philosophy of science, history, political philosophy, and of course economics, all the chapters combined point the way to peaceful and prosperous social cooperation. Together these essays reveal the profound and lasting tradition stemming from Ludwig von Mises and *Human Action*. The writers span four academic generations; that fact alone is a powerful testament to the book's influence and significance.

**The writers of the volume span four academic generations.**

## The Influence and Significance of *Human Action* After 75 Years

A portrait of Ludwig von Mises, an elderly man with a mustache, wearing a suit and tie. His signature, "L. Mises", is overlaid on the left side of the portrait.

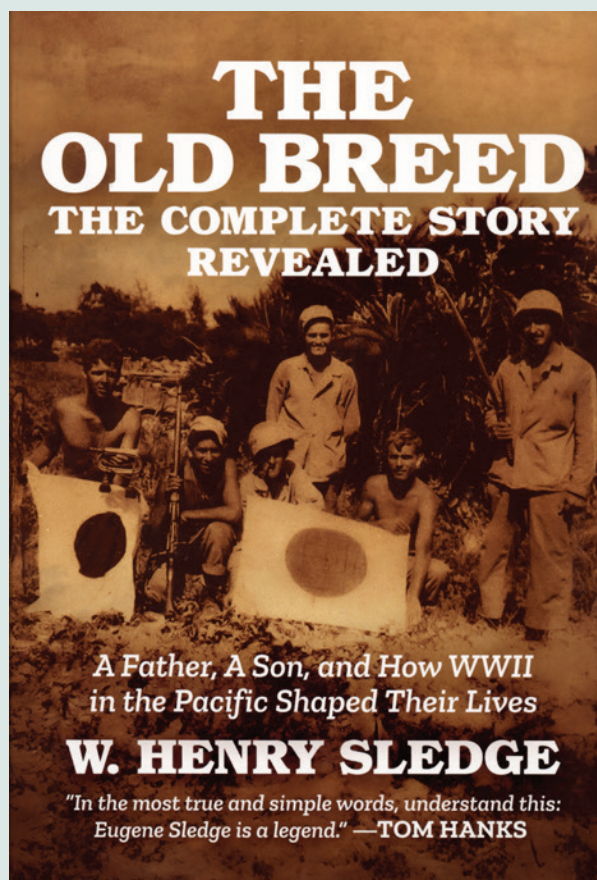
Edited by  
Joseph T. Salerno

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# A SLEDGEHAMMER ATTACK ON WAR

## THE OLD BREED . . . THE COMPLETE STORY REVEALED: A FATHER, A SON, AND HOW WWII IN THE PACIFIC SHAPED THEIR LIVES

W. Henry Sledge  
Knox Press, 2025; 352 pp.



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

As Murray Rothbard has taught us, few wars are just, and in modern times the conditions for a just war are virtually impossible to fulfill. One of the main reasons for this is that a modern war is bound to injure innocent civilians. As he puts it:

“I think—first, one of the points that I should have mentioned about wars, why I am opposed to all of them—is that in modern times the scale of weaponry that’s used is escalated so that it’s almost impossible not to murder innocent civilians. Part of the reason for this is not only the march of technology, the fact that if you use a bow and arrow you can pinpoint it against the enemy army, you can pinpoint it at the retinue of a king. If you use H-bombs or B-29s or whatever, of course, you can’t pinpoint the warring soldiers and officers—you have to start the mass murdering of civilians.

“There’s another reason for this: the state apparatus gathers to itself the entire population of its territory. If you happen to live in France you as a French citizen, even though you might hate the war that France is conducting against Portugal, you are committed to it by the very nature of the state system. So that if the French government goes to war with the Portuguese government, the Portuguese government would undoubtedly bomb, if it could, the French civilian population. So, in other words, the very nature of interstate war puts innocent civilians into great jeopardy, especially with modern technology.”

*The Old Breed*, and the predecessor volume on which it is based, *With the Old Breed: At Peleliu and Okinawa*, by E. B. Sledge (Ballantine Books, 1981), brings out another aspect of the injustice of war: the horrors its participants endure. The books give a detailed account of life on the battlefield and the enduring effects of what combatants lived through, and the horrors they carried for the rest of their lives.

Eugene Sledge was Henry Sledge's father, and his book became an international bestseller. His grim account of modern war is unsurpassed, and he became a popular lecturer in the years after its publication. In 1994, he spoke at the Mises Institute's The Costs of War conference (the talk is included in *The Costs of War*, edited by John V. Denson [Mises Institute, 1994]).

It turns out that the senior Sledge's book had been cut from a much larger manuscript of over 1,000 pages. In *The Old Breed* his son, with full access to his father's papers, has newly published more excerpts from it, along with his memories of what his father told him, as well as his own comments on the events and his relationship with his father (both father and son were endowed with amazingly retentive memories).

The way in which both books add to our sense of the horrors of war is this. Although soldiers can hardly be called "innocent civilians" and are trying to kill their enemies, they are usually in this situation because they are compelled to be there and have been subjected to misleading propaganda. Once on the scene, they face inhuman conditions of perpetual danger that affect them for the remainder of their lives, should they be fortunate enough to survive. What happens to these soldiers surely deserves to be counted in the costs of war.

Here is an example of what it was like to be in combat during World War II:

"One day in my father's study, I pulled his web pistol belt and leather holster out of the closet. This was the very belt he had worn through combat. He looked thoughtfully at me and the belt as I held it in my hands. 'See how thick that material is? Strong enough to stop a shell fragment. I remember when we were crossing the airfield



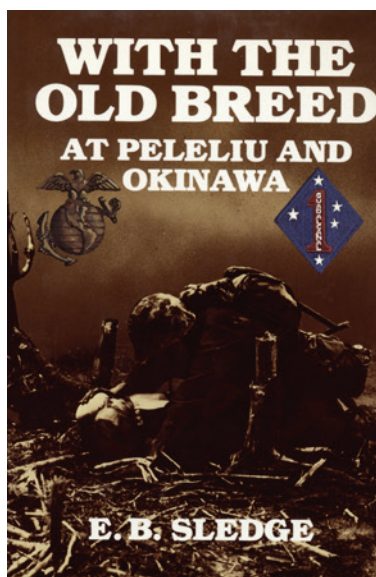
Eugene Sledge. PFJ Military Collection

on Peleliu. As we were running across, a shell exploded right beside Snafu. We both went down—I heard this piece of shrapnel fly through the air. It went right over my head. When Snafu went down he made kind of an "omph" sound—you know, because it knocked the wind out of him. I crawled over to him and saw he was OK and I saw this inch square piece of hot metal that had hit him—right in his web belt—he was wearing one just like that one. And you could see how the material was all frayed from it, but it stopped that piece and probably saved his life. 'But I picked up that

piece of metal and had to juggle it in my hand because it was so hot'—my father mimicked the motion of bouncing a piece of hot metal in his hand—'and Snafu was trying to yell to me to put it in his pack.' Course it was so loud I couldn't hear him, but he motioned with his hand to do that, so I did, and then we got up and got on across.' By the time they made it across the fire-swept airfield, they had gone several hundred yards. My father always said, both to me and in his many interviews, that crossing that airfield was the worst experience of the war."

The experiences of war left permanent psychological scars on Sledge. He often had nightmares that left him in a cold sweat. His son deeply admired him, and from his account, it is clear that they had a loving relationship, but once, when he was young, he saw another side of his father:

"When I was about nine or ten years old, I had a plastic Tommy gun that I had bought from the dime store in downtown Montevallo. One night after supper, I got the bright idea to hide in the pantry in our kitchen—it was a large cabinet-like affair that I could fit inside comfortably—and jump out at my father as he walked into the kitchen. I heard him coming down the hall from his study, humming





WWII Recruitment Poster. James Montgomery Flagg Artwork. Image: Edward Roth / Alamy.

to himself, which he frequently did. I jumped into the pantry and closed the door softly, clutching my trusty plastic Tommy gun with my finger on the trigger. The trap was set! My father rounded the corner and came into the room. At that moment I pushed open the door of the pantry cabinet and jumped out as I squeezed the little trigger on my toy Tommy gun. I will never forget the look on his face as he spun around and faced me. I immediately realized that I had grievously miscalculated his reaction to my prank; he was not amused, I had screwed up, and I was about to be severely punished. In the next moments of my sheer terror, he grabbed me by the shirt collar and, if I remember correctly, lifted me off the ground. He was not a large man—five-foot-nine, or maybe an inch more—but at that moment it did not matter. I don't remember if he marched me into the bedroom or not; I just remember his belt coming off rapidly and giving a spirited thrashing. He did not lose his temper; he was not raving; in fact, I don't believe he said a word through the entire event. It was a controlled, calculated, and instantaneous response to a foolish error on my part. That night I learned to never unnecessarily startle a combat veteran. He also took away my plastic Tommy gun."

Sledge supported the war against Japan and also dropping atomic bombs on Hiroshima and

Nagasaki, the latter because he thought around a million soldiers would be casualties in a land invasion. However regrettable we may find this position, it did not prevent Sledge from realizing that parts of the campaign to retake the Pacific Islands from Japan were unnecessary but had been undertaken because of Douglas MacArthur's vanity, though the son is a little dubious about this:

"The Sea Runner got underway the next day for Pavuvu in the Russell Islands. One of the stated reasons for invading Peleliu was to neutralize its airfield and secure MacArthur's right flank as he advanced on the Philippines. However, MacArthur hit Leyte on October 20, 1944. As I heard my father say more than once, 'MacArthur walked ashore upright with cameras grinding, and Peleliu wasn't even secured yet, and wouldn't be for several more weeks. It made a lot of us ask ourselves, "What the hell are we doing here?"'"

Reading this book confirms Charles Tansill's emendation of a familiar saying: "The paths of military glory lead but to the grave." When one considers the horrors of war for the combatants, Rothbard's argument that the costs of war are virtually never worth paying is strengthened. ■



Iwo Jima Memorial, Washington, DC. Photographer: David Noble. nobleIMAGES / Alamy.

## HÜLSMANN SPEAKS AT BITCOIN 2026

The Mises Institute was excited to be at this year's 2026 Bitcoin Conference. As modern financialization makes our economy increasingly more like a constant casino, leaders from around the world in the Bitcoin space gathered in Las Vegas, Nevada, to discuss the past, present, and future of Bitcoin.

Taking one of the stages for this event was Mises Institute Senior Fellow Guido Hülsmann, who spoke at one of the best-attended panels of the whole conference, discussing the ethics of money production in the modern world. Dr. Hülsmann's work on this topic has made him one of the most recommended economists in the world within the Bitcoin space, and his remarks on the topic offered a sober warning of transforming Bitcoin from an attempt to solve our systemic issues of fiat money and state-controlled banking into a traditional financial asset with its own moral hazard from fractional-reserve lending and leverage.

The Mises Institute booth proved to be among the most popular spots in the entire conference, with eager participants leaving with classic Austrian works such as *What Has Government Done To Our Money?* and *Anatomy of the State*. A lucky few fans even walked away with signed copies of Dr. Hülsmann's *The Ethics of Money Production*.

Thank you to all the fans, supporters, and donors who were at Bitcoin 2026 who stopped by our booth, and to all who recognize the importance of the battle between sound money and state-dominated fiat currency for a civilized society.



# MISES SPOTLIGHT

## ASSOCIATED SCHOLARS

The Mises Institute announces 11 new Associated Scholars rooted in the Misesian tradition. Associated Scholars are a vital part of our network, growing the Austrian intellectual tradition through independent writing, teaching, and speaking in their professional careers and at their academic institutions. Many have come through our programs, others are self-taught, but all are making an impact through their own successes. Hilary Clinton was right about one thing: it does take a village. We are proud to be associated with them.



**Christopher J. Calton**

Dr. Calton received his PhD in history from the University of Florida, and his dissertation was on the early history of corporations in America. He is currently the Research Fellow in Housing and Homelessness

at the Independent Institute. His popular articles have appeared in the *Mises Wire*, *San Francisco Chronicle*, *The Hill*, *The Washington Times*, the *Miami Herald*, *The San Diego Union-Tribune*, and other publications. He is the creator of the popular history podcast *Historical Controversies*, which began during his time as Mises Institute research fellow.



**Fernando Monteiro D'Andrea**

Dr. D'Andrea received his PhD in business administration focused on entrepreneurship from Oklahoma State University, where Mises Institute Senior Fellow Per Bylund served as his advisor. He also holds

a master's in management engineering from the Politecnico di Milano in Italy and is a senior fellow at the Mises Institute Brasil. A former Mises research fellow, Fernando has lectured on entrepreneurship throughout North America, South America, and Europe and has published in a number of strategic management journals.



**Edward W. Fuller**

Mr. Fuller has established himself as one of the leading contemporary historians on John Maynard Keynes, known for his well-cited revisionist historical paper "Was Keynes a Socialist?," which was published in the

*Cambridge Journal of Economics*. He received his MBA from the Leavey School of Business and is the author or editor of six books on economics, including *A Financial Theory of the Business Cycle* and *Reinterpreting Mr. Keynes: The IS-LM Enigma Revisited*. He also compiled *Rothbard A to Z*, a compendium of Rothbard's quotes.



**Peter Jacobsen**

Dr. Jacobsen is the Otto Fellow at the University of Kansas. His research is at the intersection of entrepreneurship, development economics, and population economics. He received his PhD in

economics from George Mason University. He is the 2017 winner of the Israel M. Kirzner Award for an Outstanding Dissertation from George Mason University and a winner of the Class of 1966 Award for Excellence in Teaching from Ottawa University. He attended the Rothbard Graduate Seminar in 2018.



**Karras Lambert**

Dr. Lambert received his PhD in economics from George Mason University and holds a master's in finance from Peking University HSBC Business School. A former Mises Institute research fellow,

Lambert is currently an assistant professor at Temple University in Japan. His 2023 article "Economic Calculation in Light of Advances in Big Data and Artificial Intelligence," coauthored with Mises Institute Fellow Tate Fegley and published in the *Journal of Economic Behavior and Organization*, has become one of the most cited Austrian papers on the topic.



**Gordon Miller**

Dr. Miller received his PhD in entrepreneurship from Baylor University under the guidance of Mises Institute Senior Fellow Peter Klein. A former Mises Institute research fellow, he currently serves as an assistant professor of

entrepreneurship at Troy University. His research has focused on the economics of video games and other digital networks, including crowdfunding.



**Paweł Nowakowski**

A Mises Institute research fellow in 2016, Dr. Nowakowski is an assistant professor at the University of Wrocław, where he also earned his PhD in political philosophy. He is part of the thriving network of

Austro-libertarian scholars emerging in Poland. His research focuses on libertarian ethics and its relationship to human dignity, and on political culture and political emotions. He has also translated books in the Austrian tradition into Polish.



**George D. R. Pickering**

While completing his PhD in economic history at the University of Oxford, Dr. Pickering was a research fellow at the Mises Institute. Currently employed at one of the leading policy

centers in England, his academic research includes nineteenth-century British monetary history, and the history of economic methodology. He has also authored a number of articles on the *Mises Wire* and in the *Quarterly Journal of Austrian Economics*.



**Larsen Plyler**

Dr. Plyler received his PhD in history from Mississippi State University in 2019 and has taught at the high school, college, and graduate school levels. An avid student of Rothbard's work in American history,

Dr. Plyler is working with the Mises Academy team to develop a history curriculum that will be launching in the future, an exciting contribution to our virtual learning platform.



**Daniel Sánchez-Piñol**

Dr. Sánchez-Piñol is a postdoctoral research assistant to Claudia R. Williamson, the Scott L. Probasco Distinguished Chair of Free Enterprise at the University of Tennessee at Chattanooga. He earned

his PhD in agricultural and applied economics from Texas Tech University and an MA in Austrian economics from Rey Juan Carlos University. A Mises Institute research fellow in 2016, his research has appeared in the *Quarterly Journal of Austrian Economics*, the *Southern Economic Journal*, *Economics Letters*, *Constitutional Political Economy*, and the *Journal of Private Enterprise*.



**Joseph Solis-Mullen**

Mr. Solis-Mullen holds master's degrees in economics and political science from the University of Missouri and the University of Illinois. A prolific author, his books include *The Fake China Threat*, *The National*

*Debt and You*, and *Classical Liberalism*. His popular articles can be found on the *Mises Wire*, *Antiwar.com*, and the website of the Libertarian Institute, where he also serves as the Ralph Raico Fellow. He teaches history and politics at Spring Arbor University and economics at Jackson College. ■

# California's Decline

## ⚠️ A WARNING ⚠️ to America

San Diego, CA | April 25

On Saturday, April 25, 2026, the Mises Institute met at the San Diego Mission Bay Resort for California's Decline: A Warning to America. For much of its history, California stood out, not only as a land of remarkable natural beauty and extensive natural resources, but as a place with institutions that fueled extraordinary wealth creation.

That is what makes its decline so important to understand. The central question of the day was how a state with so much going for it has been driven into such serious dysfunction, and how the rest of the country can avoid following the same path.

Peter Klein opened with "What Happened to the University of California?" Looking at the decline of the University of California system, Klein argued that the ideological decay of higher education is not merely the result of a few radical professors. It is the predictable result of a higher education system built on public funding, accreditation cartels, and institutions insulated from genuine ownership and accountability.



Chris Calton followed with “How Democratic Socialism Created California’s Housing Crisis.” Tracing the history of NIMBYism, environmental activism, and laws like the California Environmental Quality Act, Calton showed how California’s housing crisis was caused by the political destruction of private property rights, which has anointed activists, bureaucrats, and local governments with the terrible power to stop desperately needed housing from being built.

Bill Anderson, who lives in the state, reflected on California’s remarkable beauty and history before detailing why he and his family are considering leaving in “Where California Went Wrong.” Anderson explained how the state’s political class has turned environmentalism, water policy, energy policy, and antigrowth ideology into institutionalized burdens that are driving more and more people away.

Connor O’Keeffe continued with “Unnatural Disasters: How the State Makes Wildfires Bigger and Deadlier.” Drawing on his background in natural disaster research, O’Keeffe argued that government officials are actively making California’s wildfires larger and deadlier through price controls in the insurance market as well as land monopolization and mismanagement. He showed that the destructiveness of wildfires is not something Californians must accept as simply beyond human control.

Ryan McMaken’s talk, “America’s States Are Too Big and Too Centralized,” widened the lens beyond California. McMaken argued that many state problems are made worse by the sheer size and centralization of modern American government. When populations with sharply different interests and values are forced into the same oversized political structures, conflict becomes inevitable. And the response is almost always more centralization.

Finally, Edward Fuller closed with “Myths About Keynes.” Fuller debunked the mythology surrounding John Maynard Keynes and showed how his ideas and political influence helped legitimize the interventionist state that dominates modern economic life. That interventionist mindset is a central part of the story of California’s decline.

The event concluded with a speakers’ panel guided by questions the audience had submitted during the talks.

California’s decline is not natural or inevitable. It is the result of policies, institutions, and governing ideas that have made it artificially hard for ordinary people to live, work, build, study, insure, and raise families in what should be one of the most prosperous places on earth.

That is what makes California such an important warning. The interventionist mindset that has damaged the state is not confined to Sacramento. It is present across the country, and unless Americans understand where it leads, California’s present will become America’s future. ■



# ROTHBARD UNIVERSITY 2026

*Honoring the Man and His Legacy*

## Faculty

Dr. Joseph T. Salerno,  
Rothbard University Director

Dr. Peter G. Klein

Dr. Jonathan Newman

Dr. Patrick Newman

Dr. Wanjiru Njoya

Dr. Timothy D. Terrell

Dr. Mark Thornton

Special gratitude is given to our generous faculty sponsors: Anonymous sponsor, Bryan Lee Briggs, Alan Claypool, Greg Garzonie, Daniel Johnson, Mark Monoscalco, and Don Printz.

On May 14, Mises Institute opened its doors to a brand-new program developed in honor of Murray Rothbard's 100th birthday: Rothbard University. The objective was simple: to recreate the magic of our summer student program Mises University in a format specifically for professionals.

The event opened with Dr. Wanjiru Njoya's keynote lecture, "Egalitarianism and Value-free Economics." Dr. Njoya eloquently demonstrated how any tolerance of egalitarianism amounts to championing aggression against others, a foundational theme of Rothbard's work. The two-and-a-half-day event was a crash course in the foundations of Austrian economics, as laid out in Rothbard's magnificent treatise *Man, Economy, and State*.

Rothbard University also featured the official release of one of the most important books the Mises Institute has published, *Murray N. Rothbard: The Making of an Austrian Economist*, a much-needed intellectual biography of Rothbard. Each attendee received a free copy of this special book and had the opportunity to have it autographed by authors Joseph Salerno and Patrick Newman.

Of course, a special element of any Mises Institute event, and particularly Mises University, is the energy created by the enthusiasm and intellectual curiosity of the students. Likewise, our first Rothbard University class included





Keynote speaker Dr. Wanjiru Njoya.

successful professionals and business owners, independent researchers, scholars in diverse disciplines, homeschoolers, and many others who left better equipped to apply the principles of liberty and Austrian economics to their pursuits. Beautiful spring weather in Auburn certainly didn't hurt either.

Thank you to our generous sponsors and patrons who made this event possible. Thanks also to those who were part of the first class, and special congratulations to those who placed in the optional Mündliche Prüfung, which tested participants' knowledge of Austrian economics. ■



First place honors in the optional Mündliche Prüfung exam. From left to right, Dr. Patrick Newman, Ji Davis, Greg Garzonie, Jesse Bickel, Bob Weaver, Ian Foster, and Dr. Joe Salerno.



Authors Dr. Patrick Newman and Dr. Joe Salerno present their new biography of Murray Rothbard at Rothbard University.



## ANATOMY OF THE STATE GIVEAWAY COMMENTS

During the month of May, in keeping with the Year of Rothbard, we are offering *Anatomy of the State* as a free book giveaway and have shipped 10,450 copies to date. Each month, we will offer another Rothbard book throughout the year. We were interested in what people planned to do with the books (limit 5); these were some of their comments.

One for me. One for each nephew, one for a friend. All of them are making progress on the road to freedom.

I put copies in the Little Free Libraries in our neighborhood.

We are designing a homeschooling curriculum for our two girls. We will add this book to it.

I am a county government agency director and plan to share this book with colleagues.

I employ college-age kids. I give the interested ones books from the Mises Institute.

I teach economics at a private high school in Tennessee and look for ways to implement the Austrian school of thought wherever I can. Having anything Rothbard in my classroom is a huge benefit.

I supply a free bookshelf for all employees to take or share.

I love Rothbard's writings and I share with my kids. We read them together.

We have a number of friends and acquaintances who believe "government" solves problems. Rothbard is more persuasive than I am. Thanks.

I have taken advantage of every free book you guys offer. I hand them out to my best microeconomics students.

Very excited to gift these to friends and family struggling to comprehend the state of our country.

As a writer, editor, and policy advisor, I encourage everyone in my circles to be familiar with Rothbard and take seriously his radical but also profoundly pro-Western and pro-American ideas.

I am the secretary of the local GOP Town Committee. We have folks who have basic conservative principles but need an education in political and economic theory. I am one of them.

These go to my children who I am teaching the differences between individualism and collectivism, and capitalism and socialism.

This will be a great read for my college book club.

I run a Bitcoin meetup group, which has a healthy amount of Austrian folks. Will pass these out there.

I have given out many of the books you've had before to friends, family, coworkers, and students in my classes. Thankfully many of them have continued on their journey learning about the virtue in maximizing liberty and minimizing the state!

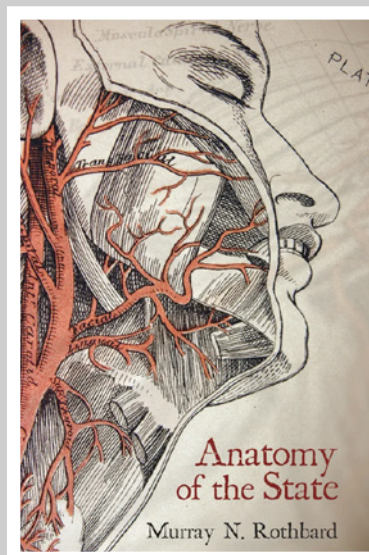
*What Has Government Done to Our Money?* was a huge hit in my class and I will use this book too. Thank you Mises Institute.

I plan on sharing these copies with those who see themselves as "politically homeless" due to the endless disappointments of the two major parties.

I've been mentoring my young employees, preparing them for entrepreneurship, and titles like this help.

I plan on rereading it and placing it on my student-lending shelf titled "Dangerous Reading."

We have a County-wide group of citizens working to understand economics as it relates to decisions made by our commissioners. We try to influence the commissioners to stand for the people. *Anatomy of the State* will be helpful.



I am a doctor and will place copies in my waiting room.

I work in a highly regulated business and will give these to coworkers who wonder why I complain so much.

This book absolutely changed the way I think about politics and I have plenty of friends who are in desperate need of a fresh perspective!

For my children to help them understand the relentless erosion of our liberties and capitalist economy.

I plan to share these books with the few legislators in our state who are striving to keep government as small as possible, but need additional intellectual ammunition.

Giving a copy to my niece who is starting college in September. Need to immunize her now!

These books will be used as a part of our entrepreneurial mentorship program.

I'm a psychotherapist who observes that the state often gives rise to distress that can be clinically observed and diagnosed. More or "better" state is not a treatment, as state is analogous to a poison for which there is no safe dose. However, people can learn to cope better with the toxic atmosphere, and, for many of them, the unadulterated truth is very therapeutic. I will share with my patients. ■

Dear Mises Institute team,

My name is Sirat Sumethkul, and I am writing from Thailand to respectfully request non-exclusive rights to publish a Thai translation of *How to Think about the Economy: A Primer* by Per Bylund.

I am a self-taught enthusiast of Austrian economics based in Thailand, where, unfortunately, free-market thinking is virtually non-existent—except for a small but growing community of Bitcoiners. Economics here is seen as the domain of technocrats, abstract equations, and central planners—with the central bank and Keynesian doctrine reigning supreme. The general public equates “capitalism” with entrenched corporate privilege, government favoritism, and rigged markets. Few realize that what they resent is not the free market, but its distortion under cronyism.

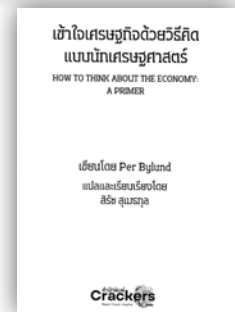
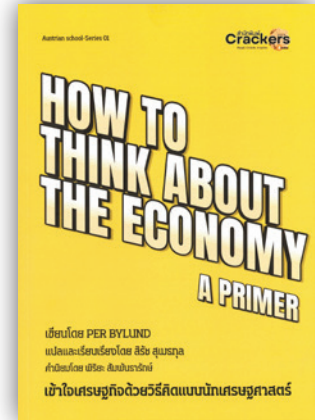
My motivation for translating this book stems from a belief that this is the kind of economics that has long been denied its rightful place as the foundation of public understanding—simple, coherent, human-centered, and true. This Primer is uniquely suited to be a gateway for first-time readers in Thai: concise, accessible in its core concepts, and grounded in timeless principles.

Many young Thais, disillusioned with the current crony-dominated system, are turning to statist narratives in their search for fairness. Without exposure to economic reasoning grounded in time preference, entrepreneurship, sound money, and decentralized coordination, they understandably gravitate toward promises of state-driven equality. This translation is meant to offer them—and the broader public—an entry point into real economics. . . .

I have already completed the full Thai translation, and I've also added a series of explanatory footnotes. These are not cultural adaptations, but intellectual clarifications. In a society where paternalism, top-down planning, and price controls are part of the very air people breathe, many insights from the free market tradition can seem counter-intuitive—or even subversive. These annotations anticipate common objections and provide scaffolding to help readers stay with the argument, rather than dismiss it prematurely.

This is not a commercial project in the usual sense. I am not expecting large profits. But I believe the marginal impact of even a few thousand Thai readers encountering real economics—many for the first time—would be deeply worthwhile.

Thank you for all that the Institute continues to do in advancing economic truth. It would be an honor to contribute to that mission here in my language and my region. ■



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