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THE FED'S
"CINCINNATIAN
PROBLEM"

by Alex J. Pollock



A GUIDE TO GOOD MONEY

An Interview with Brendan Brown

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Will we learn the right lessons from the next crisis?

When I was an economics undergraduate back in the 1990s, central bankers at the Federal Reserve were more or less above criticism. Those were the days when Alan Greenspan was acclaimed as "the maestro" and it was simply assumed central bankers could skillfully plan the economy to ensure growing prosperity forever. This isn't an exaggeration. In 1998, the Wall Street Journal published an op-ed by MIT economist Rudi Dornbusch claiming that we have. . .a policy team that can prevent recessions indefinitely. He concluded: "This expansion will run forever." Recession did hit in 2001, of course, with enormous implications for the future of the US economy. This was when Greenspan decided to deliberately create a housing bubble to "stimulate the economy." This was followed six years later by the housing crash and the most severe recession since 1982.

Yet, through it all, the credibility of central banks and central bankers has remained all too resilient. Few Americans learned the right lessons from the Great Recession and housing crash caused by the Fed's inflationary monetary policy. Instead, the Fed managed to convince much of the public—and certainly much of Wall Street—that the Fed had somehow fixed everything. The Atlantic captured the mood of the establishment in 2012 when the magazine's editors published an issue with Fed Chairman Ben Bernanke on the cover and declared him "the Hero" who "saved the global economy."

Now it's 2023 and it's been more than a decade since the Federal Reserve adopted vast new powers that it calls "unconventional monetary policy." The Fed has monetized trillions of dollars of debt and has been blatantly political in how it has partnered with the regime in countless schemes from locking down the economy to racking up new debt at unnaturally low interest rates. Still, we continue to hear that everything is under control, and that the central bank will engineer a "soft landing," abolish price inflation, and make everything be okay.

Sound economics tells us otherwise, and it's not a surprise we're now dealing with the effects of all those Fed technocrats "saving" the economy.

Price inflation hit a forty year high in 2022, and average real wages have now fallen for twenty-four months. Recession indicators from housing prices to the yield curve to manufacturing are flashing warning signs. The size and scope of bank failures in recent months already exceed those of 2008. Through it all, the central bank has no answers and no plan except to inflate the money supply even more, and bail out billionaire bankers yet again.

Some opponents might look at this and think, "Good. When things go south, people will see how bad the central bank really is." Unfortunately, there is no guarantee that economic crisis leads to people putting the blame in the right places. The 2008 crisis and its aftermath have shown us that no matter how damaging the Fed is, it can still convince the public that the Fed is also the solution. After all, the Fed has at its disposal an adoring mainstream media and decades of university faculty telling students that government planners can solve all our problems.

On the other hand, economic crises present an opportunity. When crises hit, ordinary people begin looking for answers. We'll work to supply those answers. This, of course, has long been central to the mission of the Mises Institute. Austrian school economics offers the best and most trenchant analysis of the dangers of the central bank and the banking cartel it protects. It's the Austrians who best understand how monetary inflation and government policy—not free markets—cause the recessions that impoverish the public while empowering the state.

This is why in this new issue of *The Austrian* we've brought in two of our top economists, Senior Fellows Alex Pollock and Brendan Brown, to talk about their new books on money and central banks. In both books the authors examine the many grave mistakes central banks have made and are making. Both authors also have a practical understanding of how politics distorts money and makes economic crises worse. In addition to this, David Gordon reviews two new books, including Brad DeLong's book on economic history, and a new book of essays in honor of the great monetary economist Jesús Huerta de Soto. We hope you enjoy it.



THE FED'S "CINCINATIAN PROBLEM"



Alex J. Pollock

Alex J. Pollock is a Senior Fellow at the Mises Institute. He is the author of Surprised Again!—the COVID Crisis and the New Market Bubble (2022); Finance and Philosophy—Why We're Always Surprised (2018); and Boom and Bust: Financial Cycles and Human Prosperity (2011), as well as numerous articles and congressional testimonies.

Pollock served as the principal deputy director of the Office of Financial Research in the US Treasury Department from 2019 to 2021. He was a resident fellow at the American Enterprise Institute from 2004 to 2015 and was president and CEO of the Federal Home Loan Bank of Chicago from 1991 to 2004. He is a past president of the International Union for Housing Finance and a past chairman of the Great Books Foundation.

His main interests include the cycles of booms and busts; financial crises and the political responses to them; housing finance; government-sponsored enterprises; risk and uncertainty; central banking; corporate governance; retirement finance; and the politics of finance.

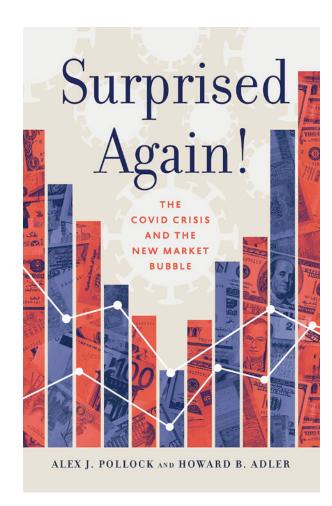
In times of banking and financial crises, central banks *always* intervene. This is not a law of nature, but it is an empirical law of central bank behavior. The Federal Reserve was created 110 years ago specifically to address banking panics by expanding money and credit when needed, by providing what was called in the Federal Reserve Act of 1913 an "elastic currency," so it could make loans in otherwise illiquid markets, when private institutions can't or won't.

The great Victorian banking thinker (as well as private banker) Walter Bagehot proposed that the Bank of England "lend freely" to quell a panic, and the central banks of the world today are all his disciples in this respect. With the post–Bretton Woods, pure-fiat-currency Federal Reserve, the US currency is elastic with a vengeance. That's how we got a Fed with assets of \$3 trillion during the great real estate bust of 2007–12 and then the truly remarkable \$8.9 trillion Fed balance sheet in the wake of the covid financial crisis of 2020.

Austrian economists are generally against any central bank intervention at all, but suppose with me arguendo that the case for intervention in a crisis prevails: that the periodic financial crises that do and doubtless will continue to occur should be addressed by the temporary expansion of the compact power and moneyprinting ability of the government and its central bank—especially the money-printing power, which shifts assets and risks to the government's balance sheet. The central bank's balance sheet thus expands to offset the pressured private balance sheets. Even if the crisis was caused by the actions of the central bank itself, as Austrians would point out, and even though the expansion creates moral hazard for the future, the central bank's elastic currency and balance sheet are handy in midst of the crisis. This is the credo of all modern central banks.

How do you get interventions withdrawn when the crisis is over?





As of April 2023, the Fed owns \$2.6 trillion of mortgage securities. That is larger than what the total assets of the Fed were at the end of 2008.

But what happens when the crisis is over?

Note well the essential word temporary in the preceding argument for crisis intervention. The crisis interventions should be temporary. If prolonged, they will tend more toward monopoly and bureaucracy and less toward innovation, growth, and economic well-being than will competitive, enterprising markets. In the extreme, long-term intervention will produce markets characterized by socialist stagnation. How do you get interventions withdrawn when the crisis is over?

Consider a huge and radical intervention of the last fifteen years. The Federal Reserve started buying mortgage securities at the beginning of 2009. The amount of mortgage securities which had been owned by the Federal Reserve until then, from 1913 to 2008, was exactly zero. Then, faced with the shriveling of the vast housing bubble and the panic of 2008, the Fed was led by Chairman Ben Bernanke into a new intervention and started buying mortgage securities to prop up house prices and the housing finance market. This was the opposite of the former Fed orthodoxy, which held that the monetary power of the central bank should not be used to favor any particular economic sector.

Bernanke's theory was that this radical intervention would be temporary. As he testified before Congress in February 2011: "What we are doing here is a temporary measure which will be reversed so that at the end of the process, the money supply will be normalized, the amount of the Fed's balance sheet will be normalized, and there will be no permanent increase, either in money outstanding, in the Fed's balance sheet, or in inflation" (Italics added).

Needless to say, the promised normalization didn't happen. As of the end of April 2023, the Fed owns \$2.6 trillion of mortgage securities. That is larger than what the total assets of the the interest rate risk it represents would have





astonished previous generations of Federal Reserve governors. The Fed also experienced a massive mark to market loss on these mortgage securities: a loss of \$408 billion as of the end of 2022, or almost ten times the Fed's total capital of \$42 billion.

In the intervening years, the Fed's mortgage purchases, driving down mortgage interest rates to an unprecedented less than 3 percent, stoked a major house price inflation. By 2021, US national house prices were in a new bubble, their increase rising to an annual rate of over 16 percent. Faced with runaway inflation of house prices, the Fed has unbelievably continued to buy hundreds of billions of dollars of mortgage securities, and never sells any. I know of no one who now defends this far overextended intervention.

In my view, the Federal Reserve should get out of the business of pushing up house prices, and the

In my view, the Federal Reserve should get out of the business of pushing up house prices, and the Fed's mortgage portfolio should go back to the normal amount of exactly zero. Fed's mortgage portfolio should go back to the normal amount of exactly zero.

Emergency interventions, however sincere the original intent that they be temporary, inevitably build up political and economic constituencies who profit from them and want their





Here is our essential and unsolved problem: How do you reverse the central bank emergency programs, originally thought and meant to be temporary, after the crisis has passed? No one has successfully addressed the issue of how to do this—not even central banking's most ardent supporters propose an answer.



continuation. When the central bank monetizes government debt, the biggest such constituent is the government itself.

So here is our essential and unsolved problem: How do you reverse the central bank emergency programs, originally thought and meant to be temporary, after the crisis has passed? No one has successfully addressed the issue of how to do this—not even central banking's most ardent supporters propose an answer.

That the emergency interventions of the crisis should be withdrawn in the normal times which follow I call the Cincinnatian doctrine. The name comes from the ancient Roman hero Cincinnatus, who was called from his plow to save the state and made temporary dictator of Rome. He did save the state, and then, mission accomplished,

left his dictatorship and went back to his farm. Similarly, two millennia later, George Washington, the victorious general and hero who had saved the United States and might perhaps have made himself king, voluntarily resigned his commission and went back to his farm, becoming to the eighteenth century "the modern Cincinnatus."

But the Federal Reserve does not have the republican virtue of Cincinnatus or Washington, so how do we get the Fed to go back to its farm? The difficulty of ending vast emergency interventions whose day has passed but which have become established and advantageous to their constituencies and have increased the power enjoyed by the central bankers is the Cincinnatian problem. There is no easy answer to the Cincinnatian problem. It deserves our intense focus.



Brendan Brown is a Senior Fellow at the Mises Institute and is a nonresident senior fellow of the Hoover Institution. He has long worked in the financial sector. He was the chief economist for Europe and the Middle East at Mitsubishi UFJ Financial Group and now is founding partner of Macro Hedge Advisors and Monetary Scenarios. Dr. Brown received a PhD from the University of London, an MBA from the University of Chicago, an MS from the London School of Economics, and an MA from Cambridge University.

He is the author of numerous books, including The Case against 2 Per Cent Inflation (Palgrave Macmillan). His most recent book is A Guide to Good Money: Beyond the Illusions of Asset Inflation (Palgrave Macmillan), coauthored with Robert Pringle.

Ryan McMaken recently spoke with Dr. Brown about his new book and what it can tell us about inflation and the state of global currencies in an age of mounting monetary crises.

Ryan McMaken (RM): There is a lot of talk these days about the US losing its global monetary hegemony. But a lot needs to happen in terms of unwinding the present system before that can happen. At the heart of this seems to be what you call "globalized money without a global money." What do you mean by that, and what does it have to do with the dollar's global importance?

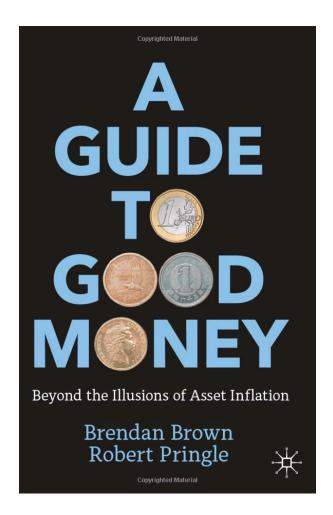
Brendan Brown (BB): Globalization of money under the fiat regime magnifies and extends national monetary power. The currency of the largest economy, so long as it is freely tradable and meets minimally sufficient standards as a store of value, becomes the dominant international money. Dominance brings hegemony. Smaller countries in defying the lead of the dominant money, whether by choosing an alternative type of monetary regime or simply pursuing a different type of monetary policy, become subject to severe economic stress.

This is all quite different from in a world of gold monies. There, all countries in the gold bloc have a common monetary base consisting of above-ground supplies of gold bullion and coin. One national brand of gold money can become dominant—but this will depend less (than for fiat money) on the criterion of economic size (though this still counts) and more on whether there is trust in the given country keeping to the rules of the gold standard. Hence in the years 1880-1914 the pound remained the number one global money even though Britain had been overtaken as an economic power by first the US and then Germany.

RM: One important factor in this that is rarely understood is how monetary inflation with the dollar can spread inflation in other countries as well. How does this work?

BB: In principle, where currencies are freely floating, each country can choose its own monetary path. Foreign countries are not tied (as under a fixed exchange rate system built around the dollar) to inflationary US monetary policy. At best the given foreign country's monetary system has a solid anchor attached to a well-functioning monetary base whose supply is independent of US influence.

In fact, we are now in a world with no such anchor anywhere. Instead, independence refers to interest rate policy, whose potential outcomes are largely unknown except by those who pretend to know the neutral rate level. In any event, defiance of US monetary policy, whether achieved ideally, via monetary base control, or by interest rate policy implementation, means potential sharp currency



appreciation. This would result in losses for politically powerful economic groups in the traded goods and services sector of the economy. Moreover, money which boasted of intrinsic superiority (in terms of quality) to the dollar could become subject to large fluctuations in global demand as a haven. Individuals (in the defiant country) would still hold the domestic money in some combination with dollars to reduce their exposure to a sudden fall in [their currency's] international purchasing power if and when the dollar rebounds. Hence, they have direct exposure to US inflation risk. In any case, the defiant country would still be subject to asset inflation spread by the US. Yield-hungry, "maddened" dollar-based investors influence the behavior of asset markets even in sound money countries—as for example equity sectors enjoying speculative narratives or sometimes a speculative bubble in their currencies.

RM: You've also noted, however, that the dollar is not the only player here. Other currencies are

important too. Moreover, the central banks of key currencies can also "make life more difficult" for other countries. Why is this?

BB: The worse the monetary quality of the dollar, the more likely in principle it is that a foreign country would be defiant at considerable cost to US monetary hegemony. Hence in the 1970s Germany pursued an independent monetary course, seeking to shelter itself from the greatest US peacetime inflation. The Bundesbank developed and implemented a practical monetarist agenda in cooperation with a Social Democrat-liberal government which won elections on the promise of defying US inflation and thereby benefiting the middle classes. Germany became the regional monetary hegemon. Similar monetary policies in several neighboring countries meant a dampening of the deutsche mark's potential effective exchange-rate volatility. The spectacular fall of the dollar against the deutsche mark in the crisis of 1978 helps explain the Carter administration's bringing in Paul Volcker to head the Fed and implement the "monetarist experiment." This turned out to be brief, and in the next US episode of monetary inflation (1985–1988/89) German defiance of the dollar hegemon finally crumbled amidst emerging flaws in Bundesbank monetarism. In a changed political climate less tolerant of sharp deutsche mark appreciation, Germany joined the euro train. There was no European or Japanese defiance of the US monetary inflation episodes of 1996-2005 or of 2013-22. Asset inflation—the chief simple manifestation of monetary inflation up until the pandemic—does not excite political reactions like high goods inflation. When this erupted in 2021–22 on both sides of the Atlantic, European central bankers and governments could not plausibly blame US hegemony, given they had been administering similar policies to Washington with enthusiasm and vigor.

RM: It seems there are many downsides to this system, yet it has persisted for a long time. Perhaps one of the best questions you ask in the book is what keeps a bad system in power. How does politics keep this system afloat?

BB: Big government, big finance, Big Tech gain much from the actual bad monetary system. The gains take the forms respectively of vast, partly camouflaged taxation; privileges and profits buoyed by asset inflation; and sky-high valuations nourished by speculative narratives

about the Eldorado of endless monopoly rents. Hence in the political arena, the monetary status quo enjoys defense and attack lines fortified by crony capitalism. Reformers have not succeeded in breaking through these. Failure is due in part to monetary inflation under the present regime having shown up (until the pandemic) as asset inflation, with goods inflation largely camouflaged.

There are, however, also serious lessons which transcend the wheel of fortune. A winning message of reform, such as would emanate from a vision based on theory and application, and which reformers could deliver in response to the cheap shots of the status quo's propagandists, has been missing. Reformers have a challenging task to persuade opinion on the basis of counterfactuals and a laboratory of history, which by its nature cannot deliver verdicts of "beyond reasonable doubt."

Anchoring an unanchored monetary system is likely to be costly at the start. The reformers would surely gain from generating excitement about the new world in which sound money will have an integral part—joining their cause to the benefits of competitive capitalism. The reformers should aim also at undermining the status quo's efforts to find scapegoats for crisis and societal damage as these erupt or emerge.

RM: As banks fail or the economy looks unstable, we hear repeated calls for more government regulation. But isn't a lot of this instability caused by the monetary policy of the central banks, who are also supposedly in charge of stabilizing things? Will new regulations solve the problem?

BB: A vicious circle starts with monetary inflation. The bust phase of asset inflation follows, during which banking crisis often erupts. The regime finds its scapegoats—risky, irresponsible practices in the banking and broader financial industries motivated by greed, coupled with a giant savings surplus, which overwhelms the equilibrating mechanisms of a capitalist economy. New safety devices (deposit insurance, enhanced lender of last resort, minimal and multiple capital ratios) to prevent the eruption of future banking crises undermine further the monetary anchoring system previously in place (by diluting the "super-money" qualities of the monetary base, meaning that the demand for this is no longer strong and broad when not interest-bearing as essential to solid anchoring). Hence the danger increases of further monetary inflation episodes even harsher than the last one; the warnings about oversaving and long, sustained periods of recession, in which automatic recovery mechanisms are too weak to bring recovery, justify the authorities'







being ever ready to take "bold preemptive action" against any threatened downturn. Hence super-long cycles become the norm, but eventually these are broken by great recessions, when accumulated malinvestment and financial fragility just become too great. Safety brakes may eventually become so powerful as to mean violent banking crises no longer occur, severe asset inflations notwithstanding; that would be symptomatic of a mutation of capitalism into a China-style economic and financial system.

RM: It seems that if the dollar is weakened, this will primarily be the fault of the US central bank itself. Couldn't the central bank take unilateral steps to strengthen its own currency? What are the benefits of a stronger currency?

BB: The implementation of a weak-dollar policy, whether declared or not, always involves the Federal Reserve's pursuing monetary inflation. Counterfactually, an independent Fed which refused to shift policy in that direction could frustrate the aim of devaluation. That has never happened and is implausible in any gaming of possible outcomes taking account of likely shared perspectives and power relationships between Congress, the administration, and the central bank. In all episodes of dollar devaluation—Nixon-Burns (1968-72), Reagan-Volcker (1985-87), Clinton-Greenspan (1993-96), [George W.] Bush-Greenspan (2003-5), Obama-Bernanke (2009)—the accompanying inflationary monetary policy has wrought, eventually, economic destruction in the US and abroad which has been mutually reinforcing. Before that phase of destruction, the initial monetary stimulus and devaluation has gone along with a win in the first election for the president or his party. A strong-dollar policy, by contrast, means the Fed pursuing sound money and the administration/Congress renouncing devaluation. Then most other countries, small and large, would follow the US in following sound monetary principles: the dollar exchange rate would often be a key part of the anchoring system for their currency. These countries no longer would incur the costs of potential high exchange rate volatility, including sharp appreciations in consequence of their hard-money choice. The world, including the US, would be a safer and more prosperous place under the strong dollar than under a weak dollar.

RM: As a final question, it seems we should address the overall theme of the book, which is about returning to "good money." What are the most basic tenets of good money?

BB: Good money is an excellent store of value and medium of exchange. As such, at the level of society money does not "get out of control and become the monkey wrench in all the other machinery of the economy" (to quote J.S. Mill). Good money, whether fiat or gold, has at its base a set of assets characterized by extreme moneyness and reflecting "super-money" qualities.

These assets enjoy a broad and strong demand even though they pay no interest. Constitutional rules (for fiat money) or geology and mining technology (for gold money) keep the monetary base scarce. Over the long run the supply of the monetary base grows at a very slow pace. Interest rates both short and long are freely determined without any official interventions.

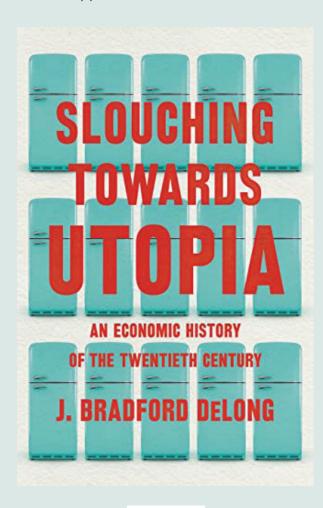
IN DELONG RUN ...

SLOUCHING TOWARDS UTOPIA: AN ECONOMIC HISTORY OF THE TWENTIETH CENTURY

by J. Bradford DeLong

Basic Books, 2022

viii + 605 pp.



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David Gordon is a Senior Fellow at the Mises Institute and editor of the Mises Review.

J. Bradford DeLong, who teaches economics at UC Berkeley and was a protégé of Larry Summer's dislikes Austrian economics, which he sometimes assails on his blog. You might reasonably expect that for this reason, I will lambaste his book, which, to no one's surprise, defends Keynesian economics and the welfare state. But I'm going to disappoint expectations. The book contains a number of insights that merit highlighting, albeit accompanied by some bad arguments as well, and I will stress the former in what follows.

Before getting to the insights, though, I'd like to address a couple of gross distortions. DeLong asks, "Have I committed an error by lumping fascists in with Nazis? A great many people did (and some do) applaud fascists, after all.... Economist and darling of the far right Ludwig von Mises, born to Jewish parents in Austria-Hungary ... wrote of fascism in 1927, 'fascism and similar movements aiming at the establishment of dictatorships are full of the best intentions ... [and] their intervention has, for the moment, saved European civilization. The merit that Fascism has thereby won for itself will live on eternally in history.' . . . In 1940, the Jewish-born Mises, too, emigrated to the United States . . . acknowledging that fists trump intentions."

This passage suggests that Mises in 1927 thought the Nazis, like the Fascists, had "good intentions" despite their anti-Semitic rhetoric but learned to his cost that was false when he had to emigrate owing to his Jewish origins. Mises, in fact, was always a bitter opponent of the Nazis and criticized the Austrian social democrats in the 1930s for insufficient vigor in the fight against Adolf Hitler. The passage has often been misunderstood by critics of Mises. For a fuller discussion, see my mises.org article "Mises and Fascism."

DeLong also makes up out of whole cloth an accusation against Herbert Hoover, who often features in the book, usually to his discredit. DeLong says: "Stalin and his subordinates saw,



after the post-World War II consolidation, that there were five tasks they needed to carry out. First, they had to build the USSR up militarily to defend the territories of really-existing socialism because the fascist-militarist capitalists might well try once again to destroy world socialism by military means. That was a reasonable notion . . . [E]x-president Hoover thought the United States had quite possibly fought on the wrong side in World War II. Although Hoover deeply regretted that the war had advanced the development of weapons of unbearable power, a president who thought like him might well use those weapons." Hoover, in fact, favored staying out of World War II, and it is a travesty to say he thought the United States should have entered the war on the Nazi side. Further, he opposed the use of atomic weapons and, along with Robert Taft, favored a defensive Cold War strategy that avoided overseas commitments.

After this, you might wonder what can be good about the book. But I would still claim it has many good insights. For one thing, DeLong has a firm sense of the immense power of the free market to achieve economic growth. He credits Friedrich Hayek, whom he calls a genius, for the widespread theoretical recognition of this: "Hayek was a farsighted genius Dr. Jekyll in one crucially important aspect of his thinking. . . . He was the thinker who grasped most thoroughly and profoundly what the market system could do for human benefit. All societies in solving their

economic problems face profound difficulties in getting reliable information to the deciders and then incentivizing the deciders to act for the public good. The market order of property, contract, and exchange can—if property rights are handled properly—push decision-making out to the decentralized periphery where the reliable information already exists, solving the information problem. And by rewarding those who bring resources to valuable uses, it automatically solves the incentivization problem. . . . Overall, what Hayek got right is absolutely essential in making sense of the long twentieth century's economic history."

But Hayek, in DeLong's view, did not get everything right: his insights need to be supplemented by the wisdom of John Maynard Keynes about macroeconomic policy and Karl Polanyi about the need for rights that go beyond property rights. I'll forego an account of DeLong's ideas about these two thinkers, because another insight of his enables us to forestall the case they made for intervention in the free market.

This insight is found not in the book, but in an interview of DeLong by Tyler Cowen in 2023. In the interview, DeLong says: "Back before 1870, there's no possibility at all that humanity is going to be able to bake the economic pie sufficiently large that everyone can have enough. Which means that, principally, politics and governance are going to be some elite constituting itself and elbowing other elites out of the way, and

then finding a way to run a force-and-fraud domination and exploitation scheme on society so that they at least can have enough. When Proudhon wrote in 1840s that property is theft, it was not metaphor. It was really fact."

In other words, DeLong agrees with Franz Oppenheimer and Albert Jay Nock that the state is a predatory instrument of the ruling class to exploit society, but, unlike them, he limits this insight to the period in which the economy couldn't generate enough wealth to feed everybody. But why does he think the predatory class will relent in its zeal for exploitation once economic growth generates a prosperous society? Even if Keynes is correct about macroeconomics and Polanyi about rights, which I do not for a moment believe, why trust a powerful state to shape the economy and society? Wouldn't it be safer to limit the state drastically, or do away with it altogether, and leave it to people to solve their problems without state coercion?

Although DeLong is firm in his loyalty to Keynes, he recognizes the grave dangers posed by inflation, and it is difficult to deny that Keynesian policies have often led to this. DeLong says, "From an economist's perspective, an inflationary episode like what happened to the United States in the 1970s might not seem to matter much.... Some lose, but others gain as much. With no strong reason to think that the losers are in any way more deserving than the gainers, economists might ask, why should anyone, including economists, care very much? This view is profoundly misguided.... [W]oven through this passage [from Keynes about inflation] is another effect of inflation: one can usually pretend that there is a logic to the distribution of wealth—that behind a person's prosperity lies some rational basis, whether it is that person's hard work, skill, and farsightedness, or some ancestor's. Inflation—even moderate inflation—strips the mask. There is no

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rational basis.... And a

that generates such inflation is obviously not competent." Again we ask, Even if one accepts Keynesian macroeconomic policy, doesn't the danger that the inflation would undermine social acceptance of the logic of distribution outweigh the supposed economic benefits of the policy?

DeLong would no doubt dissent, averring that the market economy cannot deal effectively with severe depressions. He challenges the view, which he wrongly ascribes to the Austrians, that "neutral" money suffices to prevent economic calamity. "Right-wingers trying to hold tight to their belief that the market could not fail but only be failed, claimed that the Great Depression had been caused by government interference with the natural order. Economists such as Lionel Robbins, Joseph Schumpeter, and Friedrich von Hayek claimed that central banks had set interest rates too low in the run-up to 1929. Others claimed that central banks had set interest rates too high. Whatever. What they agreed on was that the central banks of the world had failed to follow a properly 'neutral' monetary policy, and so had destabilized what, if left alone, would have been a stable market system. Milton Friedman was chief among them. But dig into Friedman's thesis that the Great Depression was a failure of government and not of market, and things become interesting. For how could you tell whether interest rates were too high, too low, or just right? According to Friedman, too-high interest rates would lead to high unemployment. Too low interest rates would lead to high inflation. Just-right interest rates—those that corresponded to a 'neutral' monetary policy would keep the macroeconomy balanced and the economy smoothly growing. Thus theory became tautology" (emphasis in original).

This criticism of Friedman leaves Austrian theory unscathed. In the Austrian view, the task of the central bank is not to strive for "neutral" money (some early missteps by Hayek to the contrary notwithstanding). This cannot be its task, because Austrian theory regards the very existence of a central banking system run by the government as interfering with the operation of the free market. There is, then, no problem of finding the "correct" interest rate that balances inflation against unemployment. The free market rate just is the correct rate.

Many readers may think I have been too easy on DeLong; a few may deem me too hard. I do not claim to be "neutral," but I have tried to be fair; with what success you must judge for yourself.

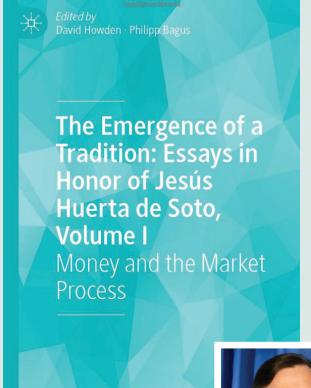
HUERTA DE SOTO REIGNS IN SPAIN

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festschrift contains many valuable essays, but I cannot do more here than comment on a few of them, as there are no less than twenty-seven essays in the first volume and twenty-four in the second, as well as two introductory essays by the editors, "Jesús Huerta de Soto: A Biographical Sketch" in the first volume and "Jesús Huerta de Soto: An Appreciation" in the second. The contributors include reminiscences of Huerta de Soto, and the reader will gain from these a vivid sense of his impact as a teacher, his devotion to Austrian economics and libertarian political philosophy, and his immense knowledge of the literature of economics, law, and history. Few know the work of Ludwig von Mises as well

> he has made creative contributions to both Austrian economics and libertarian legal and political theory.

as he does, and the festschrift aims to show that

A theme from Mises that Huerta de Soto has stressed in his work is the importance of uncertainty in human action and the efforts by people to cope with that uncertainty by establishing trust through a network of free market institutions. The uncertainty is of the radical Knightian kind and cannot be dealt with through

David Gordon is a Senior Fellow at the Mises Institute and editor of the Mises Review.

Jesús Huerta de Soto, who is professor of

economics at the Rey Juan Carlos University

of Madrid, is the leading representative of the

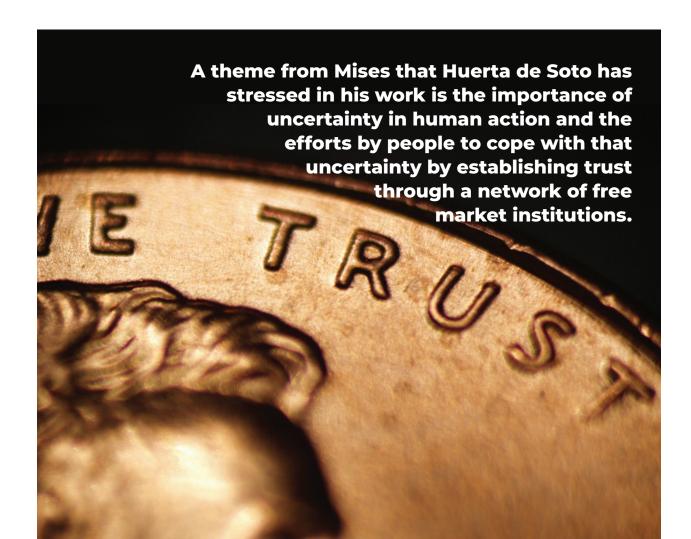
Austrian school of economics in Spain. He is a renowned teacher, and two of his many doctoral

students, David Howden and Philipp Bagus, both now themselves professors of economics, have edited a festschrift in his honor. The contributors include students, colleagues, friends, teachers,

two of his daughters, and his son. The two-volume

application of the probability calculus. Several of the festschrift's contributors carry this theme further. David Howden, in "Defining Money," argues that because of the uncertainty inherent in economic exchange, it is vital to have an asset that can always be traded at par, and money is the only asset that can fulfill this function. Nothing else, not even very reliable bonds, can serve this purpose. Because this is so, Howden says, the common definition of money as "the most general medium of exchange," though not wrong, is not complete. To define money this way is to put it at one end of a continuum, since there are other media of exchange that are less general; but if this is done, the uniqueness of money has not been brought out. Howden says, "Money is not first and foremost the most general medium of exchange, though that statement is not entirely wrong. Money is a special financial asset that emerges to alleviate the definite economic problems of (1) plan disruption caused by uncertainty and (2) to facilitate the completion of previously conceived plans. The only way to fulfill these roles is to sell at par value and on demand."

In their efforts to cope with uncertainty, Jörg Guido Hülsmann points out in "Financial Markets and the Production of Law," actors in the free market will establish financial markets as they think best. Because they have established these markets themselves, they will find it easy to rely on them, and in this way a network of trust can be built up. Not so, however, if the government interferes by legislation with these market arrangements. Market participants' trust will be shaken if they are compelled to use financial markets they have not chosen for themselves. Hülsmann uses to great effect the work of the Italian legal theorist Bruno Leoni to show that legislation by the government introduces unnecessary uncertainty and instability. Hülsmann remarks, "Leoni's analysis of the consequences of statutory law can be summarized by saying that statutory law tends to destroy the law. More precisely, under the impact of legislation, the law tends to become disconnected from the opinions and the will of their citizens, undermining their autonomy.... Most importantly, legislated law undermines



the stability of the law, and thus one of its basic functions."

The obvious remedy is to restore free market institutions; but Bagus argues in "The Disinterventionist Spiral" that once the government has interfered with the economy, many difficulties arise in reversing their interventions. Bagus ingeniously applies Mises's critique of interventionism in an unexpected way. Mises argued that measures of government intervention are inherently unstable because they fail to achieve their ostensible purpose and have undesirable side effects. For example, minimum wage laws do not secure higher wages for all workers but on the contrary cause unemployment. Faced with this consequence, the government must either withdraw the intervention or press on with corrective interventions, which will in turn fail and confront the government with these options again, in a spiraling process. Bagus argues that repeal of an interventionist measure while other government interventions remain in place will lead to an unstable situation that requires either retreat or additional action. "As we can observe, there is not only an interventionist spiral but also an anti-interventionist spiral. Reforms collide with still existing interventions leading to problems from the (official) point of view of reformers and non-reformers alike. There is pressure to abolish further interventions and reduce the role of the state. When further interferences are abolished, there arise new tensions with still existing ones. The reform path is unstable. Either the path is followed through to anarcho-capitalism or reforms are eventually undone by accumulating interventions anew. There is no third path."

In order to understand the role of uncertainty in the economy, it is necessary to use the Austrian tool of praxeology rather than seek mechanically to discover statistical correlations between macro aggregates. Doing the latter obliterates the individual decision-maker as he endeavors to assess uncertain market conditions. Joseph T. Salerno, in "Milton Friedman's Views on Method and Money Reconsidered in Light of the Housing Bubble," subjects to devastating criticism the methodology of Milton Friedman, ever the faithful follower of his mentor Wesley Clair Mitchell, for precisely this failing. Friedman relied on inductive inference, contradicting the strictures of Karl Popper against induction, though he professed to be a follower of

In order to understand the role of uncertainty in the economy, it is necessary to use the Austrian tool of praxeology rather than seek mechanically to discover statistical correlations between macro aggregates.

Popper's philosophy of science. Friedman's faulty methodology led him to make numerous inaccurate predictions about the housing bubble and other issues. Salerno says, "Thus, Friedman's monetary theory as delineated and 'tested' in the *Monetary History* is a highly aggregative and mechanical version of the quantity theory of money with very few variables and relationships."

Careful attention to the individual actor is thus a kev theme of Huerta de Soto's economic theory, and the same emphasis is also crucial to the libertarian political philosophy of which he is so distinguished an advocate. In "William of Ockham: An Unknown Libertarian Philosopher," Lorenzo Bernaldo de Quirós sees the great fourteenth-century Franciscan as an important political thinker. Ockham denied the Thomist view that natural law can be derived by reason from human nature, arguing that the doctrine of fixed essences contradicted the absolute power of God to decide according to his will. Ockham found the Thomist view that what is moral cannot be changed by God an unacceptable constraint on God's power. But he also held that individuals, who are created in God's image, should also be free to make arrangements as they prefer, so long as they respect the rights of others to do so, and that attempts to impose legislation on them based on the false doctrine that human reason can discern essences or natures are impermissible. Because it is difficult to know God's will, those who profess religious doctrines should be tolerant of conflicting views. Bernaldo de Quirós finds in this Ockhamist teaching a precursor of the freedom of thought and expression taught by John Milton in the seventeenth century. But Bernaldo de Quirós also says that "Ockham's nominalism leads him



Careful attention to the individual actor is a key theme of Huerta de Soto's economic theory, and the same emphasis is also crucial to the libertarian political philosophy of which he is so distinguished an advocate.

to undertake an energetic defense of human rights and, specifically, of one fundamental right: that of private ownership. This is not a conventional arrangement created by a social decision but a natural one born of free human action. It is, therefore, a natural right, willed by God, and, thus, inviolable." One wonders whether this view of private ownership, however welcome we may find it, is consistent with Ockham's own teaching of God's absolute power.

In "A Republican Defense of Anarchism,"

Juan Ramón Rallo criticizes the influential

republican school, of which Philip Pettit and Quentin Skinner are leading advocates, for a false conception of individual autonomy. The republicans are right to say that individuals should be free from domination by others, but they wrongly seek the remedy for domination in democratic decision-making that restricts the free choices of market participants. Democratic decision-making, even under ideal conditions, imposes the will of the majority on dissenters. Respect for individual autonomy mandates the right of secession from the political community and culminates in anarchism. "The key question that republicanism must confront is what to do with those minorities who, even after having scrupulously respected impartial procedures to which they themselves have not voluntarily adhered, feel that the collective decisions agreed upon contravene their conception of the common good and constitute, consequently, an arbitrary interference by majorities in their lives."

The Emergence of a Tradition is an indispensable contribution to Austrian economics and to libertarian thought, and readers will also gain a clear sense of Huerta de Soto's major contributions in these areas.



TWITTER USES MISES TO FACT-CHECK ANOTHER BIDEN LIE

by Tho Bishop

On May 2, Joe Biden's Twitter account did what so many politicians do—spread blatant lies about the economy. What came next, however, was new: Twitter fact-checked the commander in chief with a "community note" referencing an article from the Mises Institute. Around the world, supporters of the Mises Institute took notice.

The topic of the highlighted article is just as important as this Elon Musk-era innovation.

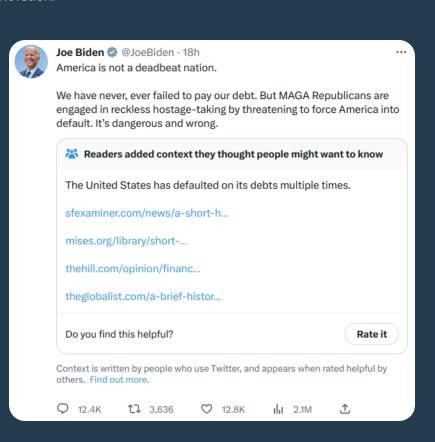
The article is an important revisionist check on one of the most common myths in American economic history: that the US federal government has never defaulted on its debt.

As author John Chamberlin noted, and as Mises Institute executive editor Ryan McMaken has since noted regularly on the *Mises Wire*, this is a myth perpetuated by the regime as a way to justify the reckless fiscal policies of Washington, DC.

As McMaken noted in May, examples of the federal government playing the role of a "deadbeat nation" include "how the US government during the US Civil War refused to make good on its promises to repay its notes in gold. Further defaults followed, with

the largest being the 1934 default on liberty bonds. The US had explicitly promised to pay back its debts in gold. It then refused to do so. Fortunately, the word is getting out."

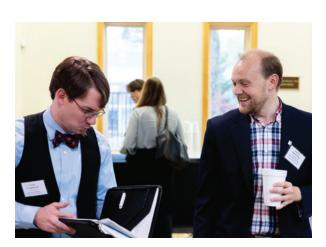
The Mises Institute will continue to fact-check the lies of the regime, as it has done for over forty years.





The Mises Institute hosted our annual Austrian Economics Research Conference, an international, interdisciplinary meeting of the Austrian school bringing together leading scholars doing research in this vibrant and influential intellectual tradition. There were presentations and panels dedicated to entrepreneurship, history, property, distributive justice, political economy, and money and banking. Every year, AERC stands as a testament to the flourishing of the Austrian school.

We began this year's conference with a reception honoring the life and legacy of Yuri Maltsev, who passed away earlier this year. Yuri was a one-of-a-kind scholar who dedicated his life to the economics of freedom after defecting from the Soviet Union. The toast was led by his good friend Thomas DiLorenzo.













Keynote Lectures

F.A. Hayek Memorial Lecture

Sponsored by Greg and Joy Morin

The Other Covid Crisis: Prospects for Recovery from Pandemic Policies Dr. Nicholas N. Eberstadt

Ludwig von Mises Memorial Lecture

Sponsored by Yousif Almoayyed

Whither Goest the Entrepreneur

Dr. Robert F. Hébert

Murray N. Rothbard Memorial Lecture

Sponsored by Steven and Cassandra Torello

Defending Private Property: Principles of Justice in Rothbard's

Ethics of Liberty

Dr. Wanjiru Njoya

Henry Hazlitt Memorial Lecture

Sponsored by Harvey and Mei Allison

ESG en Route to Etatism

Dr. Allen Mendenhall

Mises Graduate School Ralph Raico

Memorial Commencement Address

Economics from the Ground Up: Intellectual Community in the

Age of Artificial Intelligence

Dr. Timothy Terrell

AERC Prizes

Lawrence W. Fertig Prize in Austrian Economics for the published paper that best advances economic science in the Austrian tradition

The Monetary Theories of Carl Menger and

Friedrich von Wieser: A Comparative Study

Karl-Friedrich Israel

European Journal of the History of Economic Thought

O.P. Alford III Prize in Libertarian Scholarship

Why Do Companies Go Woke?

Peter G. Klein and Nicolai Foss

Academy of Management Perspectives









MISES GRADUATE SCHOOL COMMENCEMENT



The Mises Graduate School commencement has become a highlight of each AERC. Our second commencement ceremony, held on March 18, saw Daniel Tixier awarded a master of arts in Austrian economics. Daniel wrote his thesis on "The Pure Time Preference Theory of Interest." The ceremony was attended by faculty, students, observers, and Daniel's wife and young son.









Kenneth Garschina Graduate Student Essay Contest

First Place: The Sharing Economy and Subjective Value—a Conceptual Framework Proposition for the Ridesharing Services João Fernando Rossi Mazzoni

Baylor University

Second Place: The Instability of Stablecoins

Robert Aro

Mises Graduate School

Third Place: The Modern Worker Cooperative Movement:

A Critical Analysis Anthony J. Cesario Loyola University New Orleans

Honorable Mention: Monetary Interventionism's Role in the

"Luxurification" of the Traditional Nuclear Family

Jeffery Degner University of Angers

Special Student Essay Contest Honoring the 60th Anniversary of Murray Rothbard's *America's Great Depression*

First Place: Murray Rothbard's America's Great Depression

and Its Importance Today

Samuel D. Peterson Grove City College

Second Place: To Prevent Future Busts, Rothbard's America's Great Depression Must Be Reckoned With

Teyoman Gokcek

Florida Southern College

Third Place: What Have We Learned? Lessons from

America's Great Depression Andrew den Boggende Florida Southern College

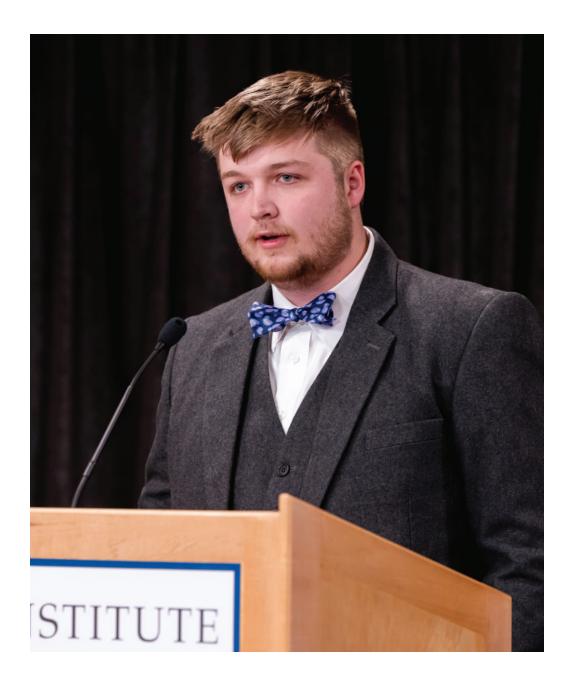








STUDENT SPOTLIGHT



SAMUEL D. PETERSON



Sam Peterson is an economics major at Grove City College. He has been attending regional Mises conferences since 2019 and attended the 2021 Mises University, the 2022 Libertarian Scholars Conference, and the 2023 AERC, where he presented his first-place paper in the student essay contest Murray Rothbard's America's Great Depression and Its Importance Today. Sam has also been chosen to participate in the inaugural Mises Apprenticeship program to commence during the summer of 2023.

How did you come to learn about the Mises Institute?

I was exposed to Austrian economics from an early age by my father. He became an Austrian after studying with Bruce Benson, Randall Holcombe, and James Gwartney at Florida State University in the 1990s. Thanks to my parents I developed a keen interest in history, politics, economics, and philosophy. By high school, I was exposed to many Austrian books and podcasts and had become a libertarian. I was already reading mises.org when I started high school, and by my senior year, I decided to study economics and chose Grove City College (where I study today) because it's a fully Austrian program.

What attracted you to Mises University?

Mises University is a one-of-a-kind program that allows students to learn from the world's top Austrian intellectuals. As soon as I learned about the program, I knew that I had to apply. Since I had planned to pursue a PhD in economics, I knew that Mises University would not only help me develop a sound economic framework but would also allow me to meet fellow students interested in Austrian economics and libertarianism. Having the opportunity to meet great thinkers and writers from across the country, like Peter Klein, David Gordon, and Tom DiLorenzo, was an opportunity I knew I couldn't miss.

What are your favorite Mises U memories?

The lectures are fantastic, but the outside-of-the-class discussions, I think, are the best part of the program. Virtually every night, students stay up until 3 a.m. discussing everything from Austrian economics and politics to theology and God. These discussions have helped deepen my thinking both as a Christian and an economist in innumerable ways, in addition to posing questions for the future. Most importantly, the students I met at Mises U have been some of the most morally upright and intelligent men and women I have had the pleasure of spending time with. Still to this day, I keep in regular contact with these amazing people.

Do you have a favorite Mises U topic?

Dr. Terrell's talk on energy economics made me interested in learning more about climate economics and energy policy, something I had never been interested in before. Dr. Engelhardt's talk on inflation was also fascinating and helped me develop a research topic on inflation and culture.

Do you have a mentor?

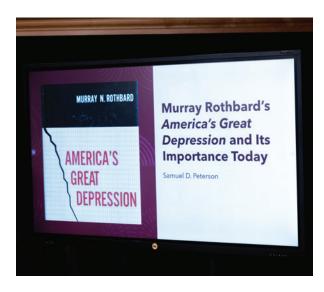
Since I have attended Grove City College, Dr. Shawn Ritenour and Dr. Jeffrey Herbener have profoundly influenced my development as an economist. Their continued encouragement of my pursuits and research interests has been incredibly kind and formative. Dr. Jonathan Newman and Dr. Patrick Newman have both had a tremendous



impact on my research and thinking as well. Dr. Patrick Newman, a fantastic professor, has helped guide me in my undergraduate studies as well as with my career goals. Dr. Jonathan Newman has been very kind and has gone out of his way to make suggestions on a research paper about the relationship between inflation and the decline of the family in Weimar Germany on which I am working.

Do you have any advice for future Mises U students?

Turn everything in before the deadline. Read, read, read, and use the free books provided by mises.org. If you are in high school, start building your resume and graduate with a good GPA.



It also does not hurt to reach out to some of the faculty if you have any questions. If you are a college student, join campus organizations that focus on intellectual development, like a philosophy or economics club. Make sure to get a good letter of recommendation, too.

Are you working on any research that was sparked by your Mises U experience?

One of the recent themes I have been thinking about is how profound the division of labor is. Mises himself called the division of labor and human cooperation the "fundamental social phenomenon." Through this, peaceful exchanges occur, and men are not only able to live but thrive. Anyone who holds liberty dear to their heart must recognize the profound importance of the division of labor.

What are your professional goals?

I want to pursue a graduate degree in economics and eventually teach at a college level. Attending events like Mises University as well as AERC has helped me realize how much I enjoy research and writing, which is what I plan to focus on as an academic. I know that I want to work in the fields of Austrian economics; law and economics; and economic history, with a special focus on the relationship between culture and inflation. Hopefully, one day I will be able to give lectures at Mises University, guiding and teaching the next generation of Austrians.

MISES IN BIRGHAM

The event was a call to arms for those concerned about the dangerous ideas and machinations of the Great Reset spreading to their state and their local communities.

Alabama vs. The Great Reset Michael Rectenwald, Allen Mendenhall, Bryan Dawson, and Will Blakely Macketter





On April 22, a standing-room-only crowd of liberty-minded individuals gathered at Oak Mountain Brewing Company in Birmingham, Alabama, to discuss the totalitarian threat of "the Great Reset." The event was sponsored by Birmingham resident Mark Walker.

Jonathan Newman, a Mises Fellow, opened with remarks on how money and banking have been weaponized by the state and how a central bank digital currency (CBDC) would be the Great Reset's ultimate weapon. Allen Mendenhall, Grady Rosier Professor and associate dean of the Sorrell College of Business at Troy University, explained how governments are driving environmental, social, and governance (ESG) investing, which involves the prioritization of companies that implement ESG goals at the expense of shareholders.

A panel discussion led by Will Blakely, a reporter for 1819 News, featured Mendenhall, Bryan Dawson (CEO of 1819 News), and Michael Rectenwald. The panelists discussed how the Great Reset affects Alabamians and suggested some strategies for state-level resistance. The panel also discussed the backwardness of "diversity, equity, and inclusion" policies.

Dr. Rectenwald, author of *The Great Reset and the Struggle for Liberty*, concluded the day with a critical evaluation of the stated goals of the architects of the Great Reset and offered a step-by-step resistance strategy he calls "the Grand Refusal," in which CBDCs, digital IDs, and ESG investing

are rejected in favor of free markets and free people.

The event was a call to arms for those concerned about the dangerous ideas and machinations of the Great Reset spreading to their state and their local communities. Mendenhall encouraged the crowd to embrace Ludwig von Mises's personal motto, which he borrowed from Virgil's Aeneid: "Do not give in to evil, but proceed ever more boldly against it."

AROUND THE COUNTRY

MISES CLUB **OPELIKA**

The inaugural Mises Club Opelika meetup was held on March 4 at the Red Clay Brewery in historic downtown Opelika, Alabama. Jeff Deist talked about the current financial crisis and interest rates and engaged in an energetic question-and-answer with attendees. There was plenty of time to socialize and meet new and interesting people.

If you'd like to attend the next Mises Club Opelika meeting on June 24, contact Ed and Jana Kerns at kerns1206@rocketmail.com.













MISES CLUB CAROLINAS

Mises Club Carolinas met on April 22 at the Farmhouse Butcher and Beer Garden in Fort Mill, South Carolina. Their speaker was Trey Carson, owner of Happy Mining, a bitcoin company in central North Carolina. For more information about Mises Club Carolinas, contact kent.misegades@gmail.com.

MISES CLUB YORK, PA

On May 6, ninety people attended the first Mises Meetup in York, Pennsylvania, organized by Mark Strategos.

There were presentations from two local physicians, as well as Mises associated scholar Dr. Paul Gottfried. Dr. Nicholas Pandelides spoke on the inefficiencies of our current health insurance system and some solutions to those problems. Dr. Patrick Rohal spoke about how direct primary care works, and how it is changing the primary care landscape—despite a bureaucratic healthcare system.

Dr. Paul Gottfried's talk was entitled "From the Welfare-Warfare State to the Woke State." He held court for two hours and answered questions for an enthusiastic audience.

Most were local to central Pennsylvania. A few traveled from as far as Virginia, Delaware, and New York. That is proof that the voice of Austrian economics is being heard loud and clear.







MISES CLUB **MIDWEST**

Mises Club Midwest held their "first ever event" on March 14, 2023, in Kenosha, Wisconsin, at The Club at Strawberry Creek. Austrian economics superstar Dr. Alex Pollock, our keynote speaker, gave a deeper look into his latest book, Surprised Again! The COVID Crisis and the New Market Bubble. Dr. Pollock cautioned that even the best of the best economists are sometimes blindsided by the onset of major market downturns. He showed that wars are the most important creators of financial change. He explained how central banks are handy for governments and for wars and how the Federal Reserve is bankrupt. We could have listened to him talk for hours.







CHINESE **TRANSLATIONS**

THORNTON AND MURPHY IN CHINESE

Mark Thornton's Skyscraper Curse and Bob Murphy's Lessons for the Young Economist, along with its teacher's manual, were translated into Chinese earlier this year by a courageous publishing house. Three months after the publication and distribution of Lessons for the Young Economist, it was ordered removed from the shelves by the government's department of propaganda.



MISES CLUB MIDWEST

A gentleman attending the meeting had attended an early Mises U held at Stanford University, and he shared his certificate, which was signed by Murray Rothbard himself.

There were massage therapists, PhDs, real estate developers, CPAs, accountants, financial analysts, students, and everybody in between. Gerry Bonn, the organizer, said, "I was blown away by the vast and varied range of backgrounds and experience, yet all united by a common interest in Austrian economic philosophy and principles.

The word is getting out. There is a hunger for knowledge of honest economic truth that goes way beyond the government, and fake-news-media smoke-and-mirrors rhetoric. And the Mises Institute is that economic lighthouse."

For more information, contact Gerry Bonn at gerrybonn@gmail.com.



SPRING 2023 INTERNS

Mark Thornton directed two interns from Auburn University in the spring of 2023. Addison Scherler and Liam Childers, both economics students, were assigned a list of core readings in Austrian economics and were required to summarize their findings in discussion and in writing. They completed research papers and had access to the Mises Institute Libraries and Archives. They both also attended the 2023 Austrian Economics Research Conference.





Addison, who had previously interned with Senator Rand Paul, has just graduated from Auburn University with a degree in economics. Liam, a junior, completed a for-credit AU internship with the Mises Institute and also worked in the Mises Institute Library. He is now contemplating the possibilities of an academic career.

UPCOMING EVENTS



MISES IN RENO

MAY 20, 2023 | RENO, NV

Join Tom DiLorenzo, David Gordon, Bill Anderson, and Ron Unz in Reno to discuss Property, Civilization, and Culture.



ROTHBARD GRADUATE SEMINAR 2023

JUNE 4-9, 2023 | AUBURN, AL

The Rothbard Graduate Seminar is an intensive study of Misesian and Rothbardian economic analysis, as well as substantive findings in related fields.



MISES UNIVERSITY 2023

JULY 23-29, 2023 | AUBURN, AL

Mises University is the world's leading instructional program in the Austrian school of economics.



MEDICAL FREEDOM SUMMIT

August 19, 2023 | Windham, NH

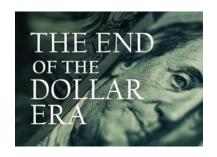
Join the Mises Institute, Dr. Peter McCullough, and Dr. Aaron Kheriaty for the Medical Freedom Summit!



MISES IN NASHVILLE

September 23, 2023 | Nashville, TN

Save the date.



SUPPORTERS SUMMIT 2023

October 12-14 | Auburn, AL

Join special guests Naomi Wolf, David Stockman, Guido Hülsmann, and others for our 2023 Supporters Summit.

UPCOMING PROGRAMS



FELLOWSHIPS IN RESIDENCE

MAY 22, 2023-AUGUST 7, 2023 | AUBURN, AL

Fellowships in Residence at the Mises Institute are available to graduate students and post docs interested in conducting research in Austrian economics and libertarian political economy. Our first Fellows arrive May 15.



MISES APPRENTICESHIPS

JULY-DECEMBER 2023

Mises Apprenticeships are designed for those who want to engage in the battle of ideas from outside the constrained and stagnant ivory tower.





THE DURABILITY OF Mises University

by Mark Thornton

I am one of the few lucky ones to have attended most Mises University conferences, all the way back to the beginning in the 1980s. It has been a true privilege to attend, as both a student and an instructor.

I have never been to a Star Trek convention (it's on my bucket list!), but after my first Mises University, I felt I had been to the next best thing—lots of kids wearing strange T-shirts, and everyone intensely interested in and even a little giddy about everything that was going on around them.

The years passed and I became an instructor and then the master of ceremonies. In my monologue, I told the students, who had only just met each other, that despite their different backgrounds, interests, and origins, they all had one thing in common, a question from friends and family: "You are leaving for a week to go to Alabama in the summer to do what?" My "joke" would get the crowd roaring, but it also put them in the right frame of mind.

In the earliest years, I remember standing in awe listening to the great Murray Rothbard talking about economics, politics, history, and the libertarian movement. Murray loved the late-night discussions with students. One night someone asked: How long would it take, in summer years, for everyone in the world who wanted to come to Mises University to attend?

Most thought it would only take three to five years. After all, there were freshmen, sophomores, juniors, and seniors here already, even graduate students! How many people actually knew about Austrian economics and Mises University? Then we talked about how unique Mises University is and how the word would get around and others would want to come. I think the group consensus was that Mises University would last a decade and that if the Mises Institute continued to exist, Mises University could last maybe twenty years. No one guessed that it would be going strong in 2023!

People have continued to find out about the Austrian school and MU continues to be inspirational, and the need for it is greater than ever. Of course, it would not exist and would have never existed without the Institute's Supporters.

To help a new class of students learn about real economics, go to mises.org/MU23.



The Mises Institute 518 W. Magnolia Ave. Auburn, AL 36832-4501

I want to support Mises University 2023!

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