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PANDEMICS



& POLITICS

MATT ASHER TALKS TO JEFF DEIST ABOUT
THE REALITY OF POST COVID AMERICA

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From the Publisher

Jeff Deist

Uncertainty must be taken in a sense radically distinct from the familiar notion of risk, from which it has never been properly separated.... It will appear that a measurable uncertainty, or “risk” proper is so far different from an unmeasurable one that it is not in effect an uncertainty at all.

– Frank Knight, Risk, Uncertainty and Profit

At this writing, Israeli and Palestinian forces are lobbing rockets back and forth in Gaza. Gas stations across the southeastern US are out of fuel, resulting in long lines, angry honking, and the odd fistfight. Price inflation is rampant, from lumber to car prices to bacon at Walmart. Even a humble Big Mac from McDonald's will run you \$6 in Seattle.

If it feels like the 1970s all over, maybe that's because Joe Biden is still in DC.

This sense of unraveling is the focus of my wide-ranging conversation with podcaster Matt Asher. The covid crisis—mostly manufactured—was the perfect backdrop for power-hungry politicians. But they could not have pulled it off without a public deeply in thrall to phony scientism and almost pathologically incapable of considering the tradeoffs involved in shutting down businesses, schools, churches, and travel.

Those tradeoffs are just now becoming understood. Depression, alcoholism, weight gain, undetected cancers, and crippling social isolation are just a few of the “human” costs. The economic costs will be enormous, following an orgy of fiscal and monetary stimulus that will hurt savers and dramatically increase inequality. Commercial real estate, restaurants, physical retail stores, trade shows, and the travel industry may not recover in our lifetime. And damage to the US dollar from unhinged monetary expansion will change America forever.

There is a silver lining to the covid crisis, however—namely the breakdown of centralized political authority. Neither the WHO nor the CDC were able to project much influence over the world, as most countries simply followed their own

approach. The same is true among the various US states, with South Dakota and Florida emerging as winners while California, New York, and Illinois suffered both in terms of reputation and their tax coffers.

They also suffered from outbound migration, as millions of Americans voted with their feet and left the lockdown states for greener pastures. Arizona, Tennessee, Idaho, Texas, and Florida have all seen huge numbers of new arrivals, in what amounts to a de facto form of secession.

This possibility for radical political realignment presents us with both uncertainty and opportunity. Decentralization of state power, aggressive federalism, and even outright political secession are the obvious solutions staring us in the face. Several “new” Americas may well emerge in the coming years. In other words, the powers that be may get a very different kind of Great Reset than hoped for.

David Gordon is back in this issue with another great review, this time featuring law professor Frank Buckley's new book, titled *Curiosity and Its Twelve Rules for Life*. Professor Buckley grabbed our attention last year with his sober but engaging analysis of the prospects for secession in America (*American Secession*), and while his new effort sounds like a self-help tract, it's actually a call for intellectual courage.

In Buckley's view, Americans have become too timid, and this judgment applies equally to economists and other social scientists. Entrepreneurs deal endlessly with uncertainty, and in fact embrace it. Politicians and economists, meanwhile, remain fixated on risk—a very different concept. Buckley's message favors the bold, and he urges all of us to become not only better thinkers but grittier risk takers. Curiosity and beauty are linked, whether in business, education, architecture, visual arts, or literature, and with Buckley's counsel we can enjoy more of both.

Finally, be sure to mark your calendar now to join us in Florida later this year for a celebration of civilization and sanity. Our Supporters Summit is the best weekend of the year, held the weekend of October 22 at the elegant Don CeSar resort in St. Petersburg, with white sand beaches on the Gulf of Mexico. It promises to be spectacular! We also have events this year in Auburn, New Hampshire, Colorado, Nevada, Texas, and Orlando, so check mises.org/events for updates.

Thank you as always for your support of our mission. ■

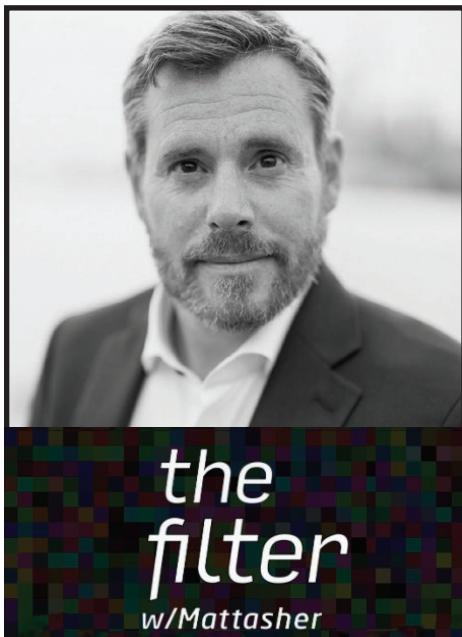
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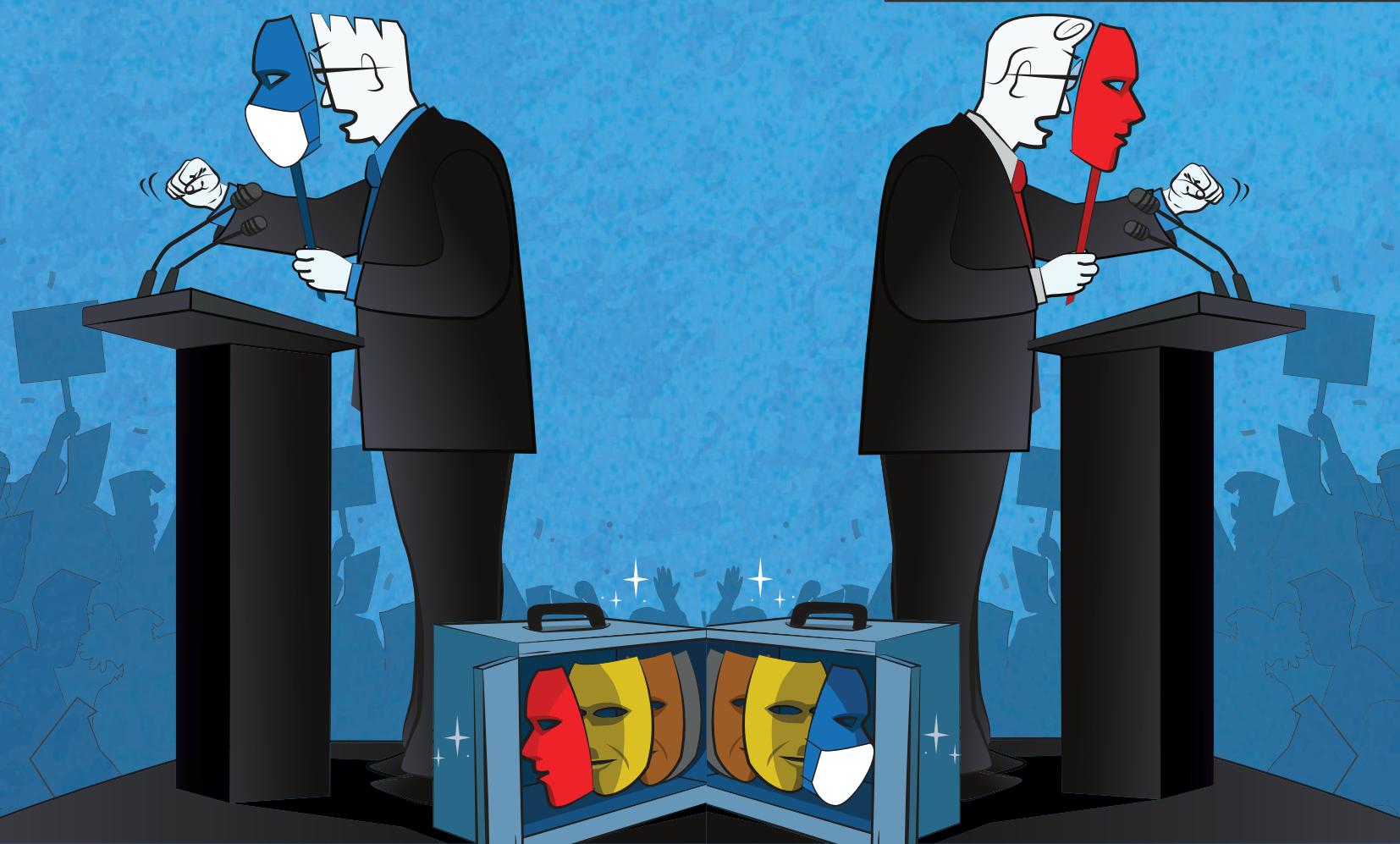
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Matt Asher is an investor, writer, and host of The Filter podcast. He has a background in journalism and statistics.



MATT ASHER: My guest today on The Filter is Jeff Deist. Jeff is president of the Mises Institute, where he serves as a writer, public speaker, and advocate for property, markets, and civil society. He previously worked as a longtime advisor and chief of staff to legendary congressman Ron Paul, for whom he wrote hundreds of articles and speeches. In his years with Dr. Paul, he worked with countless grassroots advocates and organizations dedicated to reducing the size and scope of government. Maybe you could start by telling us a little bit about your work at Mises, in particular what you're focused on right now.

JEFF DEIST: Like most people we've been focused on covid, which came out of left field. From my perspective, on the governmental side, it represents a huge overreaction in terms of tradeoffs and also a huge failure on the part of social scientists, in which I certainly include economists, to show us the unseen behind covid. The tradeoffs are enormous that we're going to suffer from in terms of economic damage, in terms of psychological damage, mental health, obesity, untreated cancer, all kinds of doctor's visits, people gaining weight, people becoming despondent, people losing social connections and social ties. That's the job of a social scientist, to help us see and understand the unseen that's not necessarily right in front of our eyes, in terms of data. Covid has been a bit of a wake-up call and an indictment of economics somewhat as a profession, because economists have not been on the fore of saying, Hey, hold on a minute, the



government policies we're enacting here, maybe we ought to be thinking about this. Maybe we ought to be looking at history. Maybe we ought to be saying epidemiology and virology are not everything; we also need to understand the social science element of what we're doing with these lockdowns.

For the last year or so at Mises, we have been very focused on trying to promote the idea of freedom over lockdowns. That is, that the marketplace, that doctors, that individual physicians, that families, that individual and local communities can deal with covid in ways that make sense for them. We don't need a one-size-fits-all policy for a really crowded urban environment versus a very sparsely populated state, like Wyoming.

As with so many things in our society we seem hell bent on having a really centralized top-down, one-size-fits-all policy coming out of Washington, DC. That's a huge mistake. Ludwig von Mises, our namesake at the Mises Institute, wrote extensively about sovereignty. He wrote about self-determination. He wrote about nation versus

state and what liberalism would look like. One of the big elements for him of a truly liberal society—in the Misesian sense, a liberal society is one where people have some sort of say over the rules under which they're supposed to live, when it comes to the state—is secession and decentralization.

We have this situation in the United States where we're politically at odds over Trump, over red states versus blue states, over the culture wars, and add a new element to this, covid, which brings up lockdowns versus open. It brings up masks versus no masks, it brings up vaccine versus no vaccine, passports versus no passports. It's almost uncanny the way our government—I would include our state and media complex—manages to take everything that happens in society and turn it into a divisive wedge issue when, in fact, economics is all about social cooperation and people dealing with one another peacefully. It's been an instructive year. I think a lot of people saw a side of US society and Canadian society and European society and of places all around the world that they're not so happy with.



MA: I want to go back to the idea of the focus and the idea that at the beginning of this it was almost as if the only thing one could focus on was covid. That was the most striking thing to me about the early days of the pandemic and of the media about the pandemic, was that there was no other topic, there was no other thing one could think about. It was an astounding narrowing. It was almost as if all of society had been put into a fight-or-flight mode, some kind of really heavily cortisol-injected, adrenalized moment where it was hard to think past days or weeks. Everybody seemed to be intently focused on that one thing. I'd never lived through anything like that, as far as just the intensity and the narrowing of the focus.

JD: Yes, and to say that everything was about life and death, first and foremost, was a wild exaggeration. Now—of course, we do have some benefit of hindsight today, to be fair—we know that maybe 80 percent of people were already immune, had natural immunity from previous cold viruses in their bodies. Among that 20 percent, the people who were greatly at risk were overwhelmingly people over sixty, over seventy, over eighty, and also people with obesity problems. Given that, the idea that this was a life-or-death moment for the United States and we had to shut everything down, that we had to focus solely on supposedly humanitarian or health concerns and forget the rest because of the gravity of the situation, I think was untrue then. It's certainly untrue now.

But you could understand what's happening here, which is that we have fallen into the trap of "well, that's mere economics." Forget the economy, the economy doesn't matter if we're all dead or if we're all sick. We have to be worried about people's health first and foremost. What this implies is that you can somehow separate the two. There's no universe where a poorer society is a healthier

If you want to create a healthier society, locking down the economy strikes me as a bad idea.

society. We know this beyond any shadow of a doubt, that more prosperous societies have better health outcomes in terms of longevity, in terms of disease, in terms of deaths at birth, in terms of quality of life. There's no question about this. As societies get poorer, their healthcare generally deteriorates as well.

First and foremost, if you want to create a healthier society, locking down the economy strikes me as a bad idea and an exaggeration, to put it mildly. But I think this is really part of the overall project, which is to treat economics as a phony or made-up science, to dismiss economics and to say, Well, you know, there aren't any real laws of economics. Economies can basically be commanded by legislative fiat. We can just create the outcomes we want. We can do it through monetary policy, through fiscal policy, through regulatory policy. I think this is a gigantic error. I think this is a form of hubris, free lunch-ism, which really defies belief.

And the idea that there's not economic laws, that we can, for example, raise wages forever, that we can give people a UBI (universal basic income) to sit at home and that incentives won't matter, they'll still want to come back to work just as strongly—all these things which we might consider economic theorems or economic laws a lot of people on the left, they just don't buy it. Now, there's certainly some bad economics on the right. There's some terrible economics on the right, but this idea that economics isn't real, that it's just this made-up profession that's mostly designed to provide intellectual cover, a sort of pseudo discipline to excuse property and rich fat cats, like the guy in the Monopoly game. That's not true. But that perception represents a huge advancement of left ideology.

We're now in the twenty-first century and unless you're maybe Bernie or AOC—or even Bono from U2—and say, Well, markets work and we ought to have markets in Africa, because that'll actually do better in terms of helping African people come up out of poverty and increase their standard of living than charity. So, even a Bono will say that and maybe a Hillary Clinton would say that, maybe a John Podesta would say that, so we think neoliberalism has now triumphed. And that represents some kind of social democracy with a strong social safety net and a lot of antiracism focus, a lot of LGBT focus, a lot of feminism focus, *but* at least a grudging acceptance of markets and their ability to create prosperity. Maybe their accesses need to be regulated, but for the most part capitalism has won the day and now the Soviet Union is gone, and look at Singapore and Dubai and these kinds of places. Well, fast-forward and we find that that's very much in question. Socialism is a mainstream economic form of thinking on the left today. Socialism has not gone away, and I think the Great Reset talk that has surrounded covid has given the Left an opportunity to really push that narrative.

MA: I think certainly what hasn't gone away is big government. Conservatives threw in the towel on that maybe twenty to thirty years ago. I remember there was a George Will column during the second Bush era where he tried to reframe big government as strong government, and that was essentially throwing in the towel. I see a thread running through both the Left and the Right, though maybe more so on the left economically, that is, a feeling that tradeoffs don't exist or don't matter. That goes for covid especially. The idea of this extraordinary state of an emergency was an exceptional cover to be in a place where you didn't have to consider tradeoffs. If

everything is an emergency, if there's a speeding car coming at you, then you do anything whatsoever to get out of the way and you don't worry if it costs you everything you have to get out of the way. There is no tradeoff because, as Cuomo famously said, “The virus is death.” It's death, right? If that's what you're facing, then there are no tradeoffs.

And that kind of thinking was certainly at a high point throughout the covid hysteria, but it's also somewhat endemic of our time that there is no sense that, say, spending limits matter. There's no tradeoff in the amount of money we spend. There's no tradeoff in the number of rules or complexity of government or whatnot. Maybe it's pushed back, maybe it's pushed forward a little bit, but when those things are implemented, there is very rarely a discussion of what the downsides are.

You mentioned the minimum wage. I think raise it as high as you want, it does not matter: there's no tradeoff there, and there's no need for discussion of it. We have a lot of people who are basically living in a reality in which whatever their goal is, there's no reason to consider the downsides of trying to obtain that. Partly that may be kind of a rationalization, and partly I don't think that we've been conditioned to think that there are those tradeoffs. In part, the universe hadn't handed them to us that harshly until covid, in which case the lockdowns had huge, clear tradeoffs, but those were somewhat buried in stimulus and in shock. Do you see that kind of general feeling that we no longer live in a world where people have to worry about tradeoffs?



JD: I think the rise of MMT, modern monetary theory, as a phenomenon, which is gaining traction in left progressive circles is really a symptom of that, this idea that deficits don't matter, at least they don't matter much unless and until we're running huge hyperinflation. The idea that the United States is sovereign, so we can simply print currency and we can finance deficits as far as the eye can see, this is not a crackpot theory in the sense that even people like Paul Krugman will give it grudging respect in the *New York Times*. Things that seemed crazy maybe five or ten years ago have been brought to the fore.

The idea of tradeoffs, that you could have everyone sit at home, that you could create money either on the fiscal side or on the monetary side, that you could reward people for not working, well that comes with a price, and increasingly a lot of Americans just don't believe there's a price. They think economics is something that can be commanded.

And so, we bring up minimum wage, but you could also bring up the capital gains tax hike. Joe Biden is proposing to take long-term capital gains from about 20 percent now to, for people with enough money, up over 40 percent. When you double that, there are tradeoffs, but I think a lot of folks on the left would say, Well what's the tradeoff? Yeah, the rich guy has to pay more, so he's unhappy, he has a tradeoff, but the rest of us don't have any tradeoff whatsoever. We just benefit because government gets more money in its coffers and then they spend that on us, so there's no tradeoff for me. The only way you could think this is if you have simply given up on the idea that a prosperous society results from production,

not consumption, and production is the result of profit, capital savings, and capital accumulation poured into more productive mechanisms within the economy. Everyone used to understand this simple fact, but if you don't believe that, if you don't believe that capital accumulation is required and capital investment is required to drive a healthy economy, if you simply reject that (almost as a political matter, but also I would say as a matter of faith. That's a faith-based belief), then you don't see a tradeoff in doubling the capital gains tax rate.

At some point you have to say, What's the answer to dealing with people who believe this sort of thing? Is it to give them another economics treatise? Is it to hand them a nine hundred-page copy of *Human Action*? Well, certainly some of them, but not very many. We're in a situation now where the education system and the political system and what I would consider a very complicit media have made people believe things which are crazy and untrue, and that's where we are. We ought to be honest with ourselves.

MA: We're ruled by a combination of magical thinking and mob rule at the moment, whether that is literally mobs in the streets or a kind of woke mob online, keyboard warriors. And that kind of mob action is very rarely influenced by logic or reason.

I kept waiting for someone to come along, some charismatic preacher, and see covid as the end of times and drive forward a religious group of separatists who saw this as a signal, one of the horsemen of the apocalypse. And then it very slowly



dawned on me over time that what had happened was not a single or multiple little split-off cult or sect, but that mainstream society had turned into covidians, a large number of people in society had created a new religion out of this that was an orthodoxy of medical doctor saints and a clergy. A clerisy and a set of new rules for living—that your face was impure and had to be covered at all times because you were spewing vile, infectious evil spirits out into the world.

The doomsday cult was what happened to mainstream regular society. Everybody was coopted into that and had their brains washed. It was startling to me and it took a long time to realize that, because you always think of extremist movements as being a small fringe that goes off and comes together as a small community and lives elsewhere. But in this case, it was all of us.

JD: By definition, a cult is a movement which cannot be challenged or questioned and so that certainly represents the prolockdown, promask covid side of things and the antilockdown, antimask side of things. That's true, but when you say that what we might need to right the ship here is some sort of magic, maybe we could rephrase saying it's going to take rhetoric as opposed to dialectic. I can hear Mises rolling over in his grave because he was somebody who really lamented the end of enlightenment rationalism in the conflagrations of the twentieth century, some of which he lived through.

A lot of people who like to read economics, a lot of people who like to read libertarian theory, a lot of people who like to think about the state and the economy like to think that we can reason our way through things and that there are enough people of goodwill to run things, but boy, this covid year really put the test to that. There's a lot going on here in terms of herd psychology, in terms of propaganda and influence. Edward Bernays comes to mind. There's a lot going on which is beyond just economics and which is beyond just public policy. There's a cultishness to it, there's a magic, and how you overcome that increasingly is some sort of separation rather than some sort of persuasion, by creating our own clergy and our own cult leaders.

MA: I think that's right, and that's one of the things that this magic moment opens up. At a moment when people are starting to think that nothing matters, nothing has consequences, at least in terms of

The magical thinking that lockdowns don't matter ends up spilling off some real-world consequences, and one of those is people are self-segregating.

spending money or these other things, you also have the reality that things do matter, that jobs were lost, that people are moving from places that are more locked down to less locked down. I am witness to that. I voted with my feet to get out of Ontario a few months ago and I'm here in Key West right now, in very large part because of the local political situation here, versus up north where I lived very happily for thirteen years and spent money and paid taxes.

The magical thinking that lockdowns don't matter ends up spilling off some real-world consequences, and one of those is that people are self-segregating. They're doing it both culturally and ideologically and physically. One of the interesting things you reported on, maybe it was in October, was all of the ways in which there are essentially two Americas. That if you filter election results from 2016 based on particular beliefs, you see that the United States swings all one way or swings all the other, depending upon which fault line of a particular belief people fall on, and sometimes there's magical thinking on both sides of that.

JD: It's terrible because the politicization of everything that yields these consistent voting patterns, not just urban versus rural, is really deadly and damaging for our country. It's predictable, but if you talk to people and they're honest with you, you'll find out that their politics really is tribal. In other words, it's not so much about policy and it's not even so much about my guy or gal. It's more that I'm not the other guy.

People don't vote for people who hate their guts as a general rule, and a lot of people rightfully thought Hillary Clinton held them in contempt. And there was a progressive, a deterministic arc to history. Hillary Clinton was destined to be president, she was going to be the first female president of the United States, and all of this was almost set in stone. And it turns out there were more deplorables than they thought, and they voted in greater numbers than they imagined in 2016 and shocked



the progressive world, which had been ready to anoint and coronate Hillary Clinton. There's a lot of resentment and anger and hostility over that still, which takes the form of vengeance, which takes the form of retribution, which are both related to this idea of magic. They don't operate purely in the rational realm. These are emotional constructs, emotional impulses that people have and there was the desire to hurt people.

That's really what politics is at the end of the day, it's a lesser form of warfare. It's a lesser form of violence in the sense that you want to vanquish people. It's a zero-sum game. You get Hillary Clinton or you get Donald Trump, and either way, there's an enormous percentage of the population, maybe 40 percent, who feels they're living in occupied territory, as silly as that might be. Presidents don't really matter that much and they don't have that much influence over our daily life (they have some, certainly). So, this division and the idea of magical thinking, I think are heavily related.

But rather than trying to conquer the political world, we have to look at the cracks, where entrepreneurship and economics flourish, and say what can we do personally, individually, to make a world that is more rational, a world that is more based on voluntary choice and that's not the political world? It just isn't. Should I spend all of my time trying to get a certain person elected president in

2024? That seems like a mugs game, because this magical thinking, this inability to conceptualize tradeoffs, this inability to apply reason to the political process, is not something you can just overcome. This takes decades and maybe centuries, and I'm not sure we have decades or centuries in terms of our entitlement problems, our dollar problems.

Like a lot of people, we have to pivot and say given the circumstances, what's the job of the Mises Institute? What are we trying to do? What are we trying to do everyday when we wake up and what are we trying to do also as individuals in our own lives? You took affirmative steps to change your own personal situation when covid hit, and I think that's really the kernel. That's where everything starts.

MA: I think that forces have been set in motion which are going to make some things inevitable. Magical thinking or no, there are realities. There are realities to what happens if you print endless amounts of money. There are realities when the response to the pandemic is essentially to consolidate wealth and power in the hands of the professional managerial class that probably, if you were doing one of those fault-line divides, would have voted for Hillary Clinton at a 90 percent rate.

The measures that were taken were highly favorable toward the professional managerial class and very unfavorable toward pretty much everybody else.



Those particular journalists, government workers, higher-echelon businesspeople, Amazon-style, Silicon Valley folks, and academia certainly—the people who didn't lose their jobs with the imposition of lockdown policies—they won, they vanquished, they consolidated power, they got much more wealthy. The covid was magical for them, as a group. Now, this is not to say that individual people in that group would have wanted a pandemic. This is not the allegation here, but the measures that were taken, the consequences of those, and this is certainly not an accident, were highly favorable toward the professional managerial class and very unfavorable toward pretty much everybody else. And those consequences are being felt now. They're being felt with me moving. They're being felt with also a sense that if a nation is a shared destiny, we're not a nation anymore, are we?

JD: No. We certainly aren't. I hadn't thought of it the way you just crystalized it, that the managerial class was the big winner here. And when we're talking about this class, this could just mean somebody who makes \$40,000 a year but they work at Fox. It doesn't necessarily mean you're Jeff Bezos when we talk about elites in society. But, when you say with this magical thinking that we can get by without any particular harm or pain economically—especially for managerial people that's been somewhat true. Even schoolteachers basically have gotten a paycheck, and all the way up.

You said lockdowns have been a big “screw you” to working-class and less affluent folks, and that's so true because they're the ones home without a paycheck, maybe hourly workers, maybe Hispanic immigrants who

build houses and do things where they can't work from home. Not everybody's a digerati looking at a screen all day and doing Zoom calls. A lot of people work with their hands, a lot of people work in hotels and restaurants and tourism down here in Florida and a lot of people pull fish out of the water so that you can have what you want at Publix.

There's a huge class of society that has suffered and what we're starting to see now are the unbelievable supply chain disruptions. You have lumber trickling, which is going to hugely add to the cost of new housing, which is going to artificially increase the cost of existing housing, which we've seen all over the country. There's an absolute housing mania, which is starting to rival anything we saw in the '05 to '07 timeframe when things got really crazy and cab drivers and strippers in Las Vegas were flipping condos. It feels like we're entering into something like that again with ultralow interest rates. And so, covid hasn't been bad for everyone. It hasn't been bad for Walmart or Target or Amazon or the *Washington Post*.

As you said, I don't think that the technocratic people in the society wish harm on people in the form of a virus. I don't think this is some sort of bioweapon that anybody really foresaw. This is just a very manageable virus with a really relatively small infection death rate and a really pretty small vulnerable population, which we could have dealt with by simply managing the risk among that vulnerable population. The rest of us could have pretty much gone on with life unabated, maybe wash your hands a little more, maybe wear a mask if you're going in to visit grandma at the nursing home. You know, really simple stuff, would have sufficed.

The idea that we shut down the world—we've never had this before. People went to work during every plague, during the Spanish flu, during world wars.

The idea that we shut down the world—we've never had this before. We've had shutdowns over pandemics in localized or regionalized times, but people went to work in London during the Blitz. People went to work during every plague, during the Spanish flu, during world wars. I have to think that this was fueled at least in part, by an underlying desire to create the Great Reset, which we've now heard, I'll be snarky, the Davos crowd speaking about it pretty openly.

Not only the Great Reset, which obviously frightens me and concerns me, but I think a part of this was just, We'll shut down the world to get Trump. And it worked, in part. They got Trump. I don't think that was the only reason. Covid is real. Covid has lethal effects for some people, but the reaction to it would not have been the same were Hillary Clinton president when it came along. There's no question that this would have been treated very differently as a media story if she had taken the exact same steps as Donald Trump did, to shut off international flights, vaccines, whatever he did. She would have been praised to the highest halls, as a competent leader who is soberly looking at covid. Let's not forget that "get Trump" was part of the impetus behind all of this.

MA: It certainly played a role, and maybe a significant role, though a lot of other countries found their own reasons to partake, excitedly, in the lockdown measures. Governments like power. They like having more power and that might have been driven in the US by the "get Trump" kind of affiliation in the sense that it was helpful, but then in other parts of the world there's just perhaps a useful reason for people in power to have more of it, which they generally always tend to like. One of the things that you mentioned about the strippers flipping houses

has me thinking that one of the marks of a magical era is that it's co-optive and that even people who wouldn't necessarily be prone to magical thinking are drawn into it because at an individual level it's in your own best interest to be irrational along with the crowd. You might as well, right? What is the old saying—"markets can stay irrational longer than you can stay solvent," right?

In situations like that, where everybody is thinking magically, your best rational choice may be to go along with that. Your best choice may be to quit that stripping job and go flip houses. That's what society is saying with economic incentives. You've done some work on the ways in which economic structures and the economic incentives that we've created have broken the link between underlying value and useful work.

JD: Yes, it's an incredible story and an untold story, in terms of journalism or social science, of what monetary policy has done to shift the sands underneath our feet so we don't really know what we're standing on. We don't really know what the foundation consists of. We don't really know the actual proper price or value of anything in society. In my opinion, it's the result of what the Fed has done.

That's a little bit complicated, there's some layers to that. It's not necessarily the easiest thing to explain in sound bites. It's certainly not something I understand fully, and I would argue that actual PhD monetary economists don't understand it fully. What really helped me was reading *The Great Deformation* by David Stockman, which is a brilliant book. One of the things he points out is that the federal funds rate that used to be—before they were flush with reserves from quantitative easing after the crash of '07—the overnight rate at which banks lent money to each other to cover their capital requirements and their reserve requirements. Now they don't really have to do that, and the federal funds rate kept going down and down and down and, effectively, at some point the Fed started paying them interest on those excess reserves they held. It was a quarter point, and at some point, banks said well, it's just better to keep our reserves parked, because we're actually getting paid interest. And so, this idea of banks lending and borrowing from each other became less important.

But Stockman's point is that there's a price, a cost of money, which is certainly linked to the federal funds rate in the United States, which is not set by the Fed, but it's

targeted. (They use the term “targeted,” because they can’t control it one to one.) Basically, you take that number (which is now effectively negative, when you think of real terms in inflation) and you, say, add a couple points to that and that’s the prime rate at which borrowers borrow from each other. Add a couple more points and that’s where subprime borrowers would be. This signal of a really low interest rate just cascades throughout society in so many ways.

We don’t know how much value this stripper created by flipping those houses, because the numbers are funny. And in a way—let’s just say the stripper’s a she, I guess there’s male strippers—she was acting rationally, given the signals, the magical signals that the Fed was sending out. At some point that filtered down to her local bank, let’s say, in Las Vegas, and in many ways, she was acting perfectly rational, given the signals and the ability to borrow without a lot of documentation, without a lot of income verification.

While the system underneath might be irrational, she was acting rationally and we see this throughout society now. We have, especially since ’07–’08, but with covid in 2020, we have so much new money and credit creation, both on the fiscal side, directly giving people money and giving industries money. Most of the money went to industries, you know, the CARES Act and all those trillions of dollars. Let’s not forget that most of that went to private industry, not to individuals getting their \$1,200 bucks or whatever they got. When you create a lot of new money and credit, both on the monetary and fiscal side, it’s like squeezing a balloon, where does it all go? Well, after ’07 and ’08, a lot of it just sort of stayed parked in bank reserves and we didn’t see a lot of consumer inflation. And looking

back, that makes more sense that it didn’t all pour into the general economy, but at the time, it wasn’t so clear what was going to happen with that.

Austrians have been criticized a lot for saying that that would create hyperinflation and it didn’t, but it did create a drastic form of inflation in certain asset classes, in equities, in housing, in places like Key West, Florida, and in Manhattan and in San Francisco and in Toronto and in Vancouver. A lot of money flowed into things other than just consumer goods. And there’s a supply and demand element to that, of course, but this idea that inflation didn’t happen isn’t true. When we have funny money at the bottom of it, in other words, money that’s not provided by the market, as Hayek called for, and an interest rate, the cost of money, which is not provided by the market, it becomes very hard for us to understand what things cost, what is its value or what is it worth.

For example, so much money went into stocks. So, stock prices went up and up and up and up, but does that mean that the underlying company, let’s say it’s Amazon, or look at the FAANG stocks, were they really getting that much better? They weren’t necessarily getting more profitable. They weren’t necessarily paying dividends. They weren’t necessarily entering new markets. They weren’t necessarily radically increasing their top-line growth. In other words, what was it that caused their stocks to go up? Well, to an extent, it was funny money at the bottom. And so, when that funny money flows throughout the culture, when it goes into venture capital, when it goes into private equity, when it goes into hedge funds, a lot of stuff begins to look good on paper. We call this malinvestment in the economics world.





Maybe some brilliant young kid in Silicon Valley comes up with a widget or an app and he builds a company; it's just seven or eight guys, it's kind of like a Minecraft story, and five years later, they sell that app to some big company or some big private equity firm for \$50 million. You look at this young guy and you say wow, the company you started is worth \$50 million, so you've created \$50 million worth of value for society, at least as judged by the buyer of your company. Well, maybe, but in a world of rational money and rational interest rates, which I would define as market driven, maybe he would have only sold it for \$20 million. It's very hard to understand what anything costs and what anything's worth when we have the basis of money itself being commanded and controlled by what we might call a politburo of monetary central planners.

Half of every transaction is in no way, shape, or form free market. You go buy a Honda Accord. Yes, that car has been through a lot of regulatory and safety stuff, Honda's paid taxes, Honda's had to pay a certain minimum wage and had to have certain workplace safety. There's a government overlay to what Honda does to produce a Honda Accord. But we can view that as a market good, in large part. But what's a Honda Accord, \$38,000, something like that? The money you're giving the good folks at Honda in exchange for that is in no way, shape, or form a market phenomenon. So, what's Honda getting? Well, in my opinion, at least in 2021, they're getting a rapidly depreciating \$38,000 and they better do something with it quick. And let's imagine that Honda's smart enough to bake in a little bit of a

premium for that risk and uncertainty on the currency they're getting. Can't know that, but I assume that.

It's a really screwy situation when you think of it in those terms, that half of every transaction, the money that you, or at least an American, are giving for the good or service on the other side, you can examine the quality of that good or service, but where is the examination of the quality of the money being exchanged? Pretty amazing to think about.

MA: It's really interesting how much we're playing around with money as if it's a toy or a fake now. I see that a lot. There is the story that you told about the effects of low interest rates and the Fed's manipulations on the market in the way that people react and the diminution of the dollar as a reliable signal, of cost as a reliable signal. There's also a story that has to do with technology, in that technology allows things to scale very quickly, very rapidly to go global. It makes a lot of marketplaces global that were not previously global, which creates more winner-take-all dynamics, which creates a much more skewed distribution.

We've gone from a world where a local musician, they're there, they may not be getting a lot of money, but they're getting some money, to a world where I can pull up on my computer right now any song by anybody that's ever been digitally encoded, which is to say, just about anything of the last fifty years of note. And in that kind of a world, you get a handful of players who are going to do exceptionally well, that's true in the area of music and then that's true in the area of any kind of a tech company. Software scales exceptionally well.

You get a situation where all of the factors that you described are in play and then you also have in play a kind of easy money, fast money, an era in which some people are accumulating large sums of money extremely quickly and everybody sees that. Everybody sees a small group of folks who are able to roll the dice, win, and walk away with an extraordinary amount of money. You throw that all together and you get a culture where people start to not treat money as a serious thing. You get phenomena like the GameStop gambling, which was essentially an attempt by a group of people to collude

and drive up the price of a stock in order to stick it to a particular hedge fund, I think, and also make money for themselves. But they were doing it very much in a spirit that “we’re gambling with our money,” but that’s just what’s happening right now. Everybody is gambling with their money.

I have a little bit of money in the bank. I feel like having that in the bank is gambling right now. You know, I’ve always known that inflation is kind of a slow, creeping thing, or understood that, but now, having money in the bank feels like gambling. I feel like maybe I should take my \$2K out and go spend it on something tangible, maybe I should be gambling on GameStop, that’s where people are getting rich, or starting a start-up—do something that has some lottery ticket-like aspect to it because that’s where the excitement is, that’s where the fun is, that’s where the incentives are pushing people. It’s very easy to get caught up in that kind of magical thinking about what one should do with one’s money or, conversely, to start to feel like if you don’t do something extreme with it that you’re just going to lose it—you’re going to lose ground very quickly just by standing in place or being conservative with it.

JD: We’ve seen huge price increases in just the last months, at the grocery store, at the gas pump. These things are going to be visible, and they may affect Joe Biden, because those are the two things, gas and groceries, that most people see in their day-to-day life, and there’s a million other things. And I agree, money has gotten to be something that we don’t really understand. It’s almost like a form of power or electricity, you get so much of it.

I don’t know that I have a good answer to this concept of tech scaling, because in many ways, we benefit from tech scaling. It makes things, like you mentioned digital music, available. You can go listen to just about any song ever, whereas when I was a kid, you had to go to the record store and find the vinyl, so it was more difficult. But for Honda to get yet another Honda Accord in physical form to your local dealer might require many thousands of people, many tens of thousands of materials, and a lot of logistics, whereas seven or eight guys could necessarily build Minecraft and then each additional unit of Minecraft sold is just a tiny bit of data somewhere and there’s huge scale. And so, young people growing up today say, Well, gee, I should be doing this for work, not this old fuddy-duddy tangible world.

I guess maybe I’m showing my stripes. I’m not a techie libertarian in the sense that I just absolutely cheer this stuff unequivocally. I think that there’s a social and a moral component to it. I don’t think wealth inequality is quite the problem the Left makes it out to be. When you mention how rich people can get rich so fast, what does that really mean? There’s sort of a diminishing marginal utility to those extra billions or hundreds of millions or whatever it might be.

I do think it’s true that today your day-to-day life is far more like Bill Gates’s than unlike, and two to three hundred years ago, your day-to-day life would be very, very, very unlike one of the richest people on earth in terms of just a physical and material reality surrounding you. You’d probably be working outside with your hands, a rough life, a short lifespan, that sort of thing, whereas Bill Gates gets up in the morning in a house. OK, maybe it’s bigger

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and nicer than yours. Maybe he gets in a car, maybe he's got a fancy car. He drives somewhere, maybe he stays at home. Maybe he looks at a computer screen all day, a lot of us look at a computer screen all day. He's got some food in the fridge, maybe it's a fancier fridge with fancier food, but calories, really, historically, are pretty cheap. They're going up lately, but up until a year or two or so ago, calories have never been cheaper relative to wages, I think, in human history.

And so, it's not a robber baron situation. It's just a situation where the scaling you mentioned has dovetailed with what I consider just absolutely crazy monetary policy, which is an enormous driver of wealth and income inequality, which the Left never talks about, by the way. And it all comes together in ways that can be unpredictable. It's hard to say the way that this filters throughout society, including culturally. Guido Hülsmann, the German economist, has written about the cultural consequences of fiat money. They make us have higher time preference. We want stuff now.

You say everybody feels like they have to chase something. Well, that includes little old ladies, who used to just say, Well, I have enough money I think to last me the rest of my life. I'm in my 80s, maybe I'll live another five or ten years, and I don't want to risk it in the stock market. I want to just have a really safe account and maybe get 5, 6, or 7 percent interest. Well, not only can you not do that today in simple investments, you're probably losing 2, 3, 4 percent in real terms to inflation. So, that means little old ladies go out and get investment advisors and they go buy

This idea that we all have to be financially savvy and keep up or we're going to lose money, that we can't have a simple safe savings vehicle, is really harmful for society.

Tesla, go buy bitcoin, whatever it might be. And that, to me, is a real tragedy. It's a tragedy for savers, it's a tragedy for blue-collar, working-class people who are maybe less sophisticated in the investment world. That's no knock on them. When someone works hard physically, cleaning

hotel rooms or something, fourteen hours a day, they may not just want to come home and spend their evening in their E*TRADE account reading company prospectives.

This idea that we all have to be financially savvy and keep up or we're going to lose money, that we can't have a simple safe savings vehicle, is really harmful for society. And how can we ever measure or quantify it? How many people bought a BMW instead of a Taurus, just little things like that, because of interest rates, because credit was so widely available? How many people went on European vacations instead of just driving to Disney? It's hard to say all the different ways in which fiat money affects us culturally.

MA: That's the key word. Culture is the key to all this. Culture is the big thing that people are not appreciating. I haven't spent as much time thinking about culture as I should have until the covid era, really. And it has me now very much rethinking the importance I put on economics versus culture as we're splitting up and voting with our feet and becoming two different or multiple different nations. The most important question may not be even policy per se, although those are still important at the local level, but maybe they come from culture more than they are driven by it and that is the important thing.

In fact, as I think about the forces that we talked about, the government forces in terms of money, but even more so just the natural force of technology in terms of driving extremism (and by that, I don't mean ideological extremism, I mean extremism of outcomes and extremism of ways of life and concentrations of wealth in the context of a government that's willing to be bribed, which is to say every government in history, concentrations of power that necessarily follow from those concentrations of wealth). Maybe what we need to be talking more about is the particular local cultures that we want to live in as we self-segregate. And also whether we might want to look at the value in systems like the Amish have, where your culture has built-in self-limitations to your aspirations, which is in some ways kind of a hard thing for me to say and would have been stunning words to my ears years ago. Our way forward collectively may be in cultures that decide that we don't want every technology all the time, that maybe we want to be more deliberate about that. Maybe we want cultures in which we

decide we should think about this whole Facebook thing and what it's doing to us.

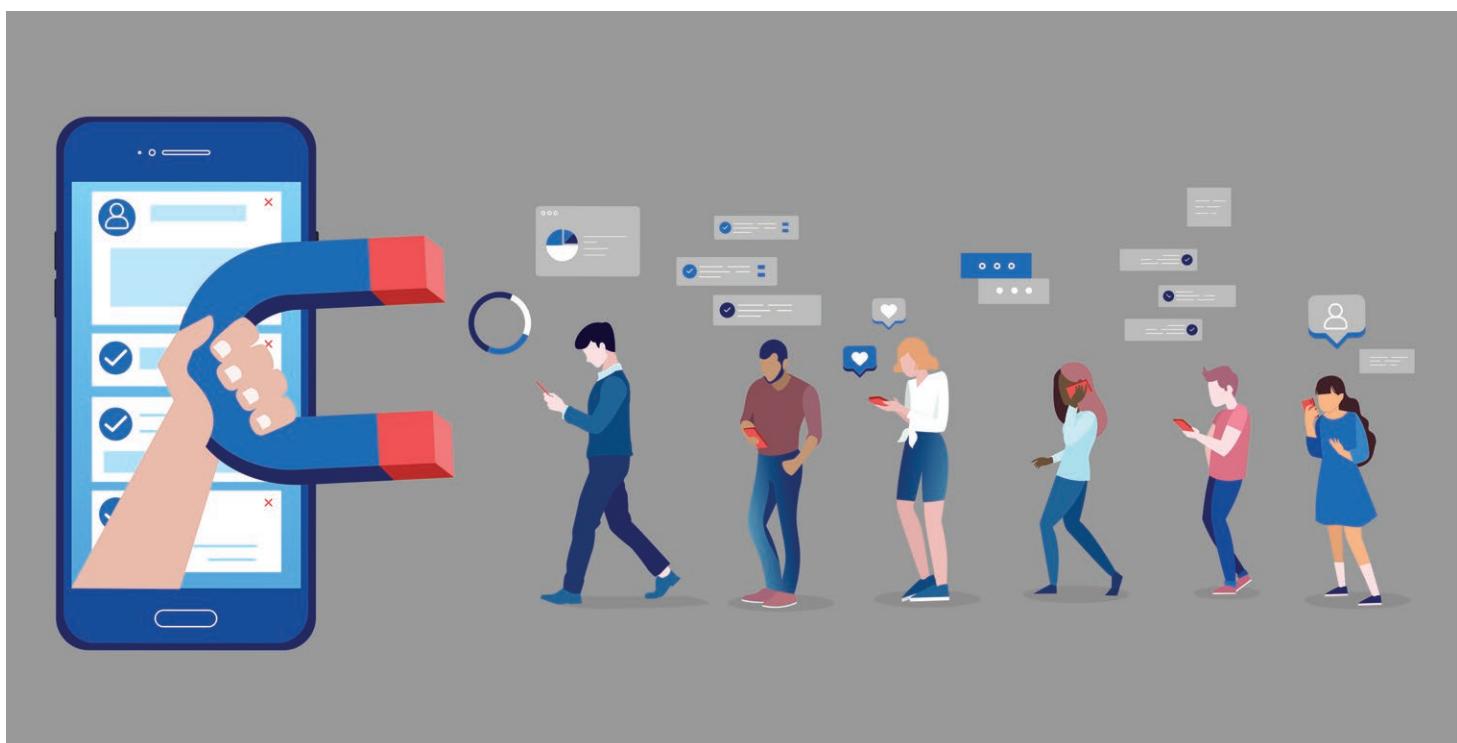
I, like probably almost every American, feel addicted, to some extent, to my phone and I'm trying to cull that. It's hard, as an individual person, to do that. If I could choose to live in a culture that had decided that we're not doing Facebook, we're not doing Twitter, we're not doing any of those things, that'd be an okay tradeoff. I can deal with getting my news once a day on paper. I can live in that kind of a world, but it's very hard for me to live in that kind of world alone. It has to be part of a culture around me and there has to be consensus about that. There has to be a community around that. I think that that's true about technology and being more deliberate about how we choose it. It's true about other things.

I see a movement among people who have been part of the tech industry, which includes myself, to be very careful about what we let into our own lives in terms of technology and also in terms of how we see our own kids using technology. I imagine, as a father, you have your own thoughts about whether it's great that your child has a cell phone. You see that and as someone who's familiar with that world, maybe even more so someone who's familiar with the world of

tech, you think maybe this isn't a good idea, maybe we should be striving for cultures that aren't endlessly embracing of this.

JD: It's a tough question, because culture's far broader than economics. Earlier we mentioned mere economics. I think economics is very important. Economics influences culture and it has an important role to play in culture, but culture's broader and wider, when you think about it. Hoppe has spoken a lot about the way government has degraded culture in many ways. So, when we say that we're so addicted to Twitter and Facebook and to our smartphones and that we sometimes wish maybe it weren't this way, well, we're not just swimming in a pond of free market ingenuity.

There's a government overlay to the media around us and what we consume. These companies just didn't arise from the ether. We have to understand that first and foremost, but it certainly caused me to have to challenge some of my own anarchist orthodoxies. The idea that private corporations can do whatever they want. My view today versus, let's say, ten years ago, has changed. I increasingly view those corporations as part of a government-technology nexus, a complex.





And I do worry about my kids. I think social media for the most part's a disaster, because it trains us to think in these quick, flickering sound bites, to let our hindbrain pull up our emotive response to that. And in many ways, rather than giving us lots of new information to consider and to become more thoughtful people, it's probably making us just dig in more to our existing worldview, because now we can curate exactly what we see and don't see. We can live in an echo chamber and hear things all day long that comport with our particular perspective, and then we can sit there and attack or lament or laugh at the other perspectives.

Far from creating understanding among people, social media is serving to divide us further. A lot of people would agree with that. Then, the follow up question would be, Come on, Jeff, you're this free market fundamentalist and that's what these companies have done, there's profit in that, there's money to be made in that, so where's your free market critique of what they're doing? The answer to that is that we have to understand value more broadly. I mean there's culture, there's our kids' well-being, there's all kinds of things we value or at least ought to value more than just pecuniary or economic benefits to things.

If you said to one of us here, that rather than do what you do currently for a living, you could go to Miami and sell crack cocaine and quadruple your income, I wouldn't do that, you wouldn't do that. I don't want to have people ruin their lives using drugs, and a lot of people are going to do that, but they don't need me to help them with it. We all understand implicitly that money isn't everything,

that there are tradeoffs but those tradeoffs are not just in the purely economic realm. They're in the ethical and moral and even spiritual realm for a lot of people. This has been an awakening. Seeing the tech world become what it's become, that's been a real eye-opener. I think it forces us to go back to fundamentals, to go back to Menger, for example, Carl Menger, the progenitor of the Austrian school in the late 1800s and say what's value and how do we define it? And it's not always just dollars and cents.

MA: For sure, it isn't, and economics has recognized this for a long time. The concept of utility is not necessarily the same as money. It allows for us to put our value in a wide range of things, whether those particular models that are used are valuable or not. There has mostly been the recognition that it isn't all about money, or money is not as simple as ten is half as much as twenty and twice as much as half, from the perspective of value to an individual person—and the same with any object—that it's more complicated than that, certainly. And culturally we get to decide where we place those values and what we want to do about that; what do we want to value?

Certainly, in terms of what you're saying about the tech companies and “oh, it's a private company,” I think it should be clear at this stage we're well beyond that. We're in waters that are so sufficiently muddied and companies that are so sufficiently bullied or captured by governments, or vice versa, governments that are bullied or captured by private corporations, that we're at a place where a certain

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number of free market arguments break down, not because they were unsound in theory or would be unsound in a particular kind of world, but because they just make no sense in a world in which private enterprise is the right arm of the government and vice versa.

In that kind of a world, talking about how you're doing value creation, or it's not censorship because it's a private company, none of those things make sense. Or economic theories of this being value creation because it's driven forward by the demand of consumers in a free market, that has something to do with it, but increasingly the dominant factor there is the strong arm of either a corporation working with the government or vice versa. When those models have broken down because we're in that kind of a world, then what's your next move?

My opinion is then you have to go back to culture. Well, for one thing, maybe you have to disentangle forcefully... I don't have any faith in the government's actions breaking up. I don't think that that's necessarily viable, but then, it does get you to the question of: Okay, you're now in this place where you have these two things tied at the hip. It's causing a lot of problems. You have cultures that are destructive that probably would have arisen even without the two hand in hand, like the increasing arms race or the addictiveness of our technology and phones. What's the next move? Is it purely cultural? Do you demand that you're going to try to get back to more of a free

marketplace? Through what? It's not clear to me. Maybe you have some thoughts.

JD: I guess the overriding question is, Is there some sort of new technology, is there some new driver in society, which forces us to change economic principles? That's a harsh question and a hard question. But I think the answer to that is no. The principles we apply to subjective value, and to value more generally, still apply.

But we have to look at these tech companies as sort of a new animal, something we haven't dealt with before, and as a result, we have to rethink how we approach them from a market perspective. I'm not sure that I've figured out the answer to that, but I think that the Rothbardian conception of harm in society, whether that's trespass or aggression against a person's physical person or a theft of their physical property—in other words, this entire conception of harm, which Rothbard wrote about in his book *The Ethics of Liberty*—is completely based in a physical world, not in a digital space.

In other words, what kind of harm ought to give rise to legal liability, a way to rein in some of these tech companies for what I consider actual real harms that they're creating in society, and how might we go about rectifying that within some sort of libertarian worldview? I think it starts with defining Rothbardian aggression a little more broadly and taking it into the digital world.

When we read Rothbard's *Ethics of Liberty* on the concept of defamation, for example—which Walter Block,

professor at Loyola in New Orleans, has expanded upon—the idea is that you don't own other people's thoughts and opinions and feelings about you, so if somebody utters a defamatory statement about you, you ought not to have any legal recourse to sue them civilly. In a libertarian legal code, you can only sue people for injuries, actual physical injuries, for the most part, against your own property, and what we're talking about in a defamation suit is not your own property. That's been sort of the plumb line, hardcore libertarian view for a long time.

Now, when you introduce defamation into the digital sphere of Twitter, let's say somebody on Twitter says a famous author is a pedophile and can prove it, and has evidence of this. Well, let's just say that that's completely outrageous and completely untrue, as a purely factual matter. And let's just say hypothetically that as a result of this defamation, this person was to lose his job, his position, lose his book publishing, lose his reputation, his family disowns him, he can't make any more money. There is a real harm there, and both in the Rothbardian and even in today's Walter Block conception of that, well, too bad for the guy. He just has to live with it because even if this statement is false, he didn't own, he didn't have a right in any libertarian sense of the word, from homesteading or contractual right, to the future goodwill of all those people who bought his books and employed him and maybe even his own wife and kids.

It strikes me that, at some point, we need to rethink that from a common law perspective. In other words, I think common law ought to be very localized and it ought to be very temporally applicable. I've mentioned this in an article recently, stealing a man's horse a couple hundred years ago is different than stealing a man's horse today, because a couple hundred years ago he may have been in the desert, that may be his only transportation, and stealing his horse may have consigned him to a death by dehydration in the Old West desert. Whereas today, if you steal a guy's horse, you're probably not consigning him to death, right? So, local custom, local rule of law, local common law can evolve, local juries can evolve and find a remedy for that, which would be different in Tombstone, Arizona, a couple hundred years ago than Key West today.

I think we have to allow some degree of common law to operate in the realm of reigning in tech companies, because what I don't want to see is a heavy-handed, top-down federal bureaucracy, which we know is, first of all, going to be captured by the very interest it attempts to regulate and, second of all, is going to have a million unforeseen consequences for good and bad. And I would argue that the famous section 230 of the Communications Decency Act has had consequences both good and bad. I don't want to see things done in a centralized or bureaucratic manner. I want to see them in a dispersed, localized manner. So, in an imperfect world, that's my imperfect answer to how you begin to approach this tech issue.



MA: It occurs to me that maybe the solution is there, or if not directly in the local, at least in terms of in the alternative. So, the solution isn't to break up Facebook or heavily regulate Facebook or Twitter. I think those are doomed to fail as measures anyway for the reasons that you provided. Maybe it's alternative structures, alternative platforms. Maybe it's voting with your feet and getting out of those platforms and into others. Now that's a very hard thing to do because Google is omnipresent.

One of the ideas I've floated is that it actually should be illegal for the government to be using social media platforms that censor because they're putting out information and they're not putting it out in a medium where everybody can access it. They're putting it out in a medium that discriminates, ideologically or on other things. Certainly, getting government out of the business of supporting, in any way, shape, or form, these platforms would be great.

JD: I really like your idea of a law prohibiting the federal government from using platforms which discriminate, and I think that's fantastic. If you're going to put out a federal government press release about covid, for example, and you're going to do so via Twitter, well, some people are kicked off Twitter, and so that seems like an excellent idea.

But more importantly, the thing to remember about companies like Twitter and Facebook, for example, is that as dominant as they seem today ... you can go back and look at the Fortune 500 list of biggest companies in America, you can go back five years, go back ten years, go back thirty years. You had IBM and companies like that, so it really does change. The market deals with this in large part.

MA: I see what you're saying. At the same time, I no longer see them as market. Their dynamics are well beyond the market, they're quasi-governmental. And so, changing out of Facebook is almost like a regime change. Those things happen, but they're a lot harder than dethroning IBM.

You saw what happened to Parler, right? Parler was a kind of alternative to Twitter. They gained a lot of traction among Trump supporters who were being kicked off Twitter, and then that platform was promptly kicked off Amazon, which hosted it, and also

It actually should be illegal for the government to be using social media platforms that censor.

kicked out of the Apple Store. I think it's coming back, but in probably a captured way where it's denatured, spayed. So, that idea that an upstart can come about, in the context we have now of these companies being quasi-governmental and controlling the platform and the infrastructure, it's trickier.

JD: And it can go a lot farther than social media being able to spout your opinions on Twitter. It can go to banking or having companies like gun manufacturers being kicked out of using Visa or Mastercard. We have certain big banks refusing to hold cash; and people who do a lot of bitcoin transactions, people who are maybe in certain industries, getting a letter saying, we're going to give you a check for all of your funds; you're no longer allowed to bank with us; APIs and payment gateways like PayPal being denied to some people. We're starting to hear ideas of no-fly lists, ostensibly by private airlines. Now, if you want to talk about a governmentality, airlines are so heavily regulated they might as well be divisions of the Department of Transportation or the FAA. It's not just the ability to talk about vaccines on Facebook. You're getting into an area where people are really going to be constrained in their personal lives and how they can operate and make a living, and this is something where we need to be rethinking our approach, because it's scary times.

MA: This brings us back to the idea that if we're going to find an out from that sort of a system, it's going to have to begin at the local and the cultural level, where we're opting out, we're voting with our feet. We are finding alternative structures, alternative platforms, alternative places to be and rebuilding, perhaps, from the ground up all of these pieces in our own, perhaps individual city-states.

JD: Amen to that. 

THE VALUE OF TAKING RISKS

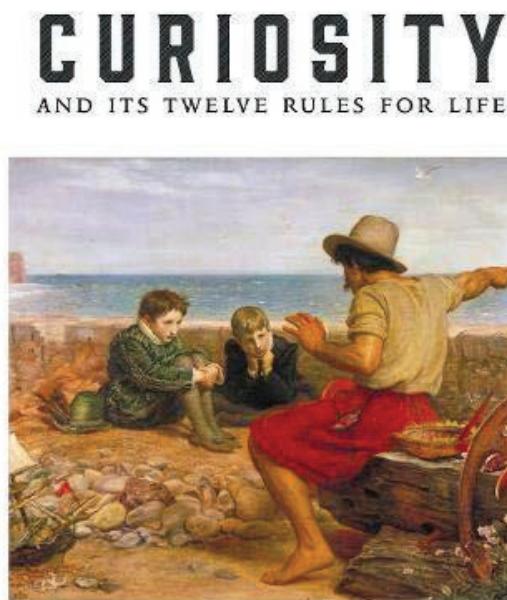
DAVID **GORDON**
REVIEWS

Curiosity and Its Twelve Rules for Life

By F. H. Buckley

Encounter Books, 2021

xx + 228 pages



F. H. BUCKLEY

Frank Buckley, a Canadian-born lawyer who teaches at the Scalia School of Law at George Mason University, has given us in this remarkable book a philosophy of life, based on unusually wide knowledge and penetrating reflection. In what follows, I shall discuss only a few of the topics he covers, concentrating on his observations about politics and economics. In doing so, I risk conveying a wrong impression of the book, as these topics by no means exhaust it; but Buckley himself emphasizes the value of taking risks.

Buckley says, “Survival is not enough. We also need to create, to struggle and not to yield, to be curious about the world and what we owe other people. Every leap of knowledge and every entrepreneurial firm was created by a person who was curious.” His twelve rules of curiosity are these: don’t make rules; take risks; court uncertainties; be original; show grit; be interested in other people; be entertaining; be creative; be open to the world; don’t be smug; don’t overreach; and realize you’re knocking on heaven’s door.

He tells us that “uncertainty isn’t the same as risk. With risks, you know the probabilities for different outcomes.... Uncertainty is different. There are different possible outcomes, but you won’t know the probabilities for each. Instead, you’re in Donald Rumsfeld’s world of unknown unknowns.”

In our uncertain world, entrepreneurs who are willing to take chances when they cannot calculate the odds are



crucially important for economic progress. “The anti-fragile entrepreneur [Nicolas Taleb’s term for those who thrive on uncertainty] must be willing to gamble on business opportunities. He’s looking for a payoff, and he’ll not put his time and money in government savings bonds or blue chip firms but on the uncertainty whose value can’t be measured before the wheel is spun. He’s the producer who creates something that beforehand, consumers never knew that they wanted. And that’s the story of the new, high-tech economy that gave us things we didn’t know we couldn’t do without.”

He cites in support a comment by Ludwig Wittgenstein: “If people did not sometimes do silly things ... nothing intelligent would ever get done.” Buckley is fascinated by Wittgenstein and gives an excellent account of his life and personality.

Many economists fail to recognize the importance of uncertainty, but the “Austrian school of economics is built around uncertain outcomes and the need for creative entrepreneurs like Steve Jobs who take a gamble. They may not know how to market their product, how to advertise or ship it; they don’t know who the customers are or where they live; and they don’t know if anyone wants it. But they bring a sense of ‘alertness’ to a business, one that recognizes an unfulfilled and even

unrecognized consumer demand. What’s missing from Austrian economics, however is a way to recognize alertness before the fact.” But isn’t the whole Austrian point that this cannot be done?

Bold entrepreneurs resemble original thinkers, who dare to challenge views that the mass media impose on us. “Writers crave attention and get it by attaching themselves to what George Orwell called the smelly little orthodoxies of the day.... And the nonconformists? In America, the great newspapers, the prime networks, apply a filter that excludes their voices, and they’re also

“Uncertainty isn’t the same as risk. With risks, you know the probabilities for different outcomes.... Uncertainty is different.”

Bold entrepreneurs resemble original thinkers, who dare to challenge views that the mass media impose on us.



silenced by the social media giants. The price of admission is conformity.”

One such nonconformist was Henry Manne, one of the founders of the law and economics movement. This “perspective favored free market rules, and that’s what attracted Manne. He ... thought that government planning would lead to economic waste and tyranny. With that in mind and brimming with self-confidence that he was first off the mark with a new discipline, he ventured into corporate law scholarship looking for people to shock. It didn’t take long. Even he was bowled over by the reaction to his *Insider Trading and the Stock Market* (1966) ... academics took it for granted that it was shameful and should be illegal. And here was this professor telling us it was a good thing?... A less courageous man might have backed off, but that wasn’t in Manne’s nature.”

Buckley has many illuminating things to say about creativity in the visual arts and literature, and readers

will find learned discussions of, among other matters, Gothic architecture, the art criticism of John Ruskin, the works of the Pre-Raphaelite Brotherhood, and the style of Walter Pater. (The painter Ford Madox Brown is wrongly called “Ford Maddox Brown.” Brown, by the way, was the grandfather of the writer Ford Madox Ford.)

The author’s philosophical knowledge and acumen are evident in his discussion of weakness of will. “What Socrates was denying was the possibility that we might know what’s good for us but fail to act on it because we’re weak willed.” On the view that Socrates opposed, “We might be problem drinkers, binge eaters, or drug users.... We know we’re choosing badly but lack the strength of will to stop ourselves.... Socrates didn’t agree. People who are weak willed are simply ignorant about their own good, he thought.” (See also the citations of contemporary philosophical literature on the subject, chapter ten, note 8.)

He concludes the discussion by saying: “We don’t have to decide whether Socrates was right. But if he was, and if ignorance about the good is the root of all evil, the remedy is more curiosity. And even if he were wrong, we’d be morally improved with a greater curiosity about where we go wrong.”

Buckley is well aware of the dangers of the wrong sort of curiosity. “Sometimes it’s rational to avert your gaze. There are things we’re not meant to see, such as public executions that are degrading to watch.... There are also the Holy of Holies that are veiled from our eyes and the forbidden games we are not meant to play. Curiosity killed the cat and turned Lot’s wife into a pillar of salt.” It’s surprising that he does not mention St.

Augustine’s condemnation of curiosity in the *Confessions*, though the work is listed in the bibliography. Interested readers should consult the learned discussion of St. Augustine’s views by Hans Blumenberg, in *The Legitimacy of the Modern Age*.

Buckley has a fine sense of what Unamuno calls the “tragic sense of life,” and he speaks about our need to confront death and the possibility of an afterlife. He also has much to say of great value about Pascal and the Jansenist movement. It is clear that he has sought for what the book of Job calls “the inner deeps.” ■

David Gordon is senior fellow at the Mises Institute, and editor of the *Mises Review*.

ECONOMICS FOR BEGINNERS

Be sure to check out “What Is Socialism?” and “What Is Cronyism?” the two most recent additions to our animated video series. In less than 30 minutes, you’ll learn all you need to know about economics. The series is nearing 800,000 views to date.

Take a look at mises.org/begin.



MISES GRADUATE PROGRAM

With nearly a year of instruction behind us, we have begun the initial steps to prepare our application for national accreditation. While we do this, applications for the August 2021 cohort, the third group of students, are coming in at a brisk pace with many outstanding applicants.

For more information, visit mises.org/edu.

We are homeschoolers and are going to use these to teach a class to our own kids and other kids in our homeschooling group.

Our campaign of distributing 100,000 copies of *Economics in One Lesson* is in full swing and we have shipped nearly half of them already. What a response! See what people are doing with their books.

I intend to add it to my high school economics class as required reading.

I'm a business owner, parent, and mentor to a group of young entrepreneurs.

I plan to give them to my 7 grandchildren and 2 great-grandchildren.

Will read and put into my neighborhood book share club!

I have a Marxist niece who thinks AOC and Liz Warren are economic geniuses. I need to give the young lady an intervention on how economics really works.

I am an adjunct professor of economics and will use it in my next class.

I'm a construction foreman for a prominent construction company in Los Angeles. I plan on sharing this book with some of my crew, friends, and family.

My boyfriend gave me his copy when I was learning about libertarianism. I want to pay it forward by giving a copy to my Democrat sister.

I have worn the mises.org bracelet for years now. People ask me questions all the time. This will be good to share with those who are interested.

Looking to educate myself and my children.

My college dorm mates and I have discussions about fiat currency, raising the minimum wage, and socialized healthcare and they don't understand. This book will help them.

I plan to deprogram myself and finally learn some economics.

These will be a great complement to my economics class. We will use them alongside our current text, "Lessons for the Young Economist."

We are starting a libertarian discussion club.

I will distribute copies among my fellow psychiatrists. They know nothing about economics and this is a good start.

Plan on leaving copies in community libraries.

I have two children who are recent college grads that still don't know economics.

I'm a high school junior. I'd like to hand out copies to students at my school who are nanny-state proponents.

Share with my employees, my church, and my family!

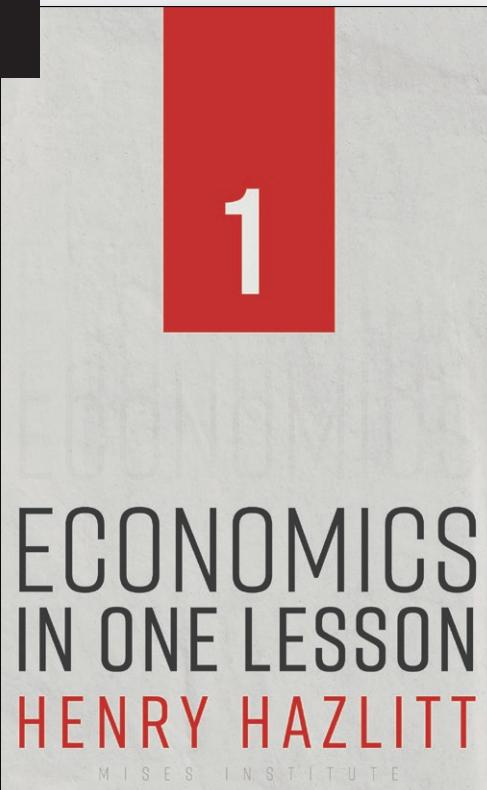
I lead an informal political discussion group. This would be perfect.

For my local GOP women's group who have no clue about the cost of the current legislation proposals.

For my grandchildren. What they learn in school is corrupting their minds and grossly inaccurate.

As a small business owner, it is my intent to distribute copies to those customers that I am able to engage with in meaningful conversation about the reasons for the downfall of the American economy.

I plan to assign this for extra credit in a class of first year college students and high school honors students, along with "I, Pencil."



I am the chair of the local Libertarian Party and would like to distribute these to members.

I am trying to educate myself about economics so I can explain it correctly to my kids so they don't make the same mistakes as I did.

Mises Meetup in Birmingham



SPECIAL THANKS TO MARK WALKER FOR SPONSORING THIS EVENT.

In April we returned to Birmingham's Avondale Brewery with a sold-out crowd. Everyone came for an unfiltered look at the continuing economic and political fallout from the government's response to the covid outbreak. Opening the event was Jeff Deist, who offered a "covid counterfactual" to illustrate the economic devastation caused by tyrannical governments in the name of "public health." The work of Robert Higgs was the inspiration of Thomas DiLorenzo's talk, which focused on the ways in which a "public crisis" is the lifeblood of the Leviathan state. From climate change to covid, terrorism to tobacco use, there is no more useful weapon for power consolidation than a public suffering from fear of some sort. There was also a roundtable discussion on strategies to promote liberty in an increasingly polarized America featuring Mises associated scholar Jonathan Newman, Buck Johnson of the Counterflow podcast, and *Mises Wire* assistant editor Tho Bishop.

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