



A Life in Liberty

Liber Amicorum in Honor
of Hans-Hermann Hoppe

Edited by Jörg Guido Hülsmann and Stephan Kinsella

A Life in Liberty

Liber Amicorum in Honor
of Hans-Hermann Hoppe

Edited by Jörg Guido Hülsmann and Stephan Kinsella



Papinian Press • Houston, Texas

Copyright © 2024, Jörg Guido Hülsmann, Stephan Kinsella and the respective authors.
Second printing, with corrections, October 2024

Published under a Creative Commons Attribution (CC BY) 4.0 International License

Main text font for the print version is Adobe Caslon; headers are LeMonde.

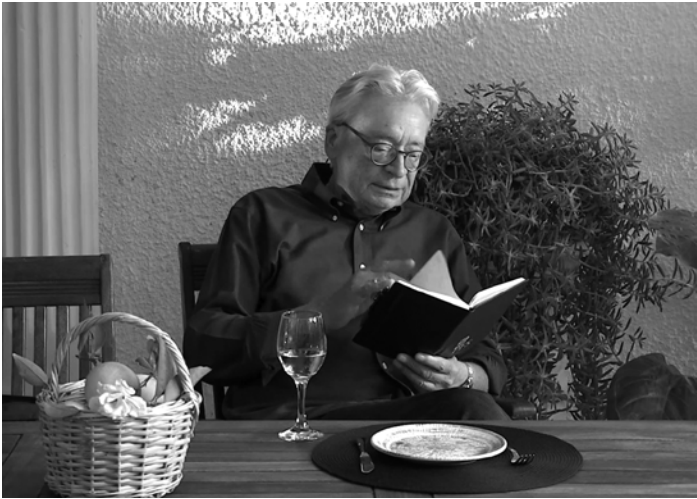
Back cover photo is from the 2009 ceremony for Professor Hoppe's first *festschrift*.

Cover Design & Interior Formatting by Susi Clark of Creative Blueprint Design

ISBN Paperback 979-8-9890306-4-4

ISBN Hardcover 979-8-9890306-5-1

ISBN Ebook 979-8-9890306-3-7



Contents

Preface	xi
---------------	----

Part One: Grato Animo Beneficiique Memores

1. Life With a Freedom Fighter	3
<i>Gülçin Imre Hoppe</i>	
2. Dedicated	7
<i>Emily Hoppe Dalton</i>	
3. A Father.....	9
<i>Nick Hoppe</i>	
4. In Honor of Hans Hoppe.....	13
<i>Llewellyn H. Rockwell, Jr.</i>	
5. A Beacon of Light	17
<i>Lee Iglody</i>	
6. Two Weddings and a Foundation.....	23
<i>Deanna L. Forbush</i>	
7. The Triumph of Hans-Hermann Hoppe	27
<i>Jeffrey M. Herbener</i>	
8. A Warrior Spirit	31
<i>Robert Grözinger</i>	
9. 2006 Was a Good Year	33
<i>Olivier Richard</i>	
10. A Heartfelt Tribute to My Good Friend Hans.....	37
<i>Thomas Jacob</i>	
11. A Series of Fortunate Events.....	47
<i>Caner (Jay) Baykal</i>	
12. Principled.....	49
<i>Jeffrey F. Barr</i>	
13. My Dinner With Professor Hoppe.....	53
<i>Gregory Morin</i>	

Part Two: The Meaning of Hoppe

14. The Pope of Libertarianism	59
<i>Sean Gabb</i>	
15. Hans Hoppe is No Revolutionary	69
<i>Mark Thornton</i>	
16. Hoppe Turned Me into an “Extreme Apriorist”	73
<i>Thorsten Polleit</i>	
17. The Humble Hero of Truth	87
<i>Nikolay Gertchev</i>	
18. An Austrian Perspective on Hans-Hermann Hoppe and the Property and Freedom Society	95
<i>Rahim Taghizadegan</i>	
19. Hoppe and the Current Stage of Austro-libertarianism in Brazil	103
<i>Fernando Fiori Chiocca</i>	
20. From the Foundations to the Overlooked Problems of Today ...	113
<i>Josef Šíma</i>	
21. On Argumentation Ethics, Human Nature, and Law	117
<i>Oscar Grau</i>	
22. An Intellectual Provocateur	133
<i>Carlos A. Gebauer</i>	
23. Transforming Toward Hoppean Security Production	137
<i>Tim Haffner</i>	

Part Three: Free Trade and Migrations

24. A Note on Hoppe’s “Open Borders” Critics	159
<i>Jeff Deist</i>	
25. Immigration and the Subsistence Fund	165
<i>David Howden</i>	

Part Four: Contending With Democracy

26. Hoppe on Time Preference and Democracy.....	183
<i>Doug French</i>	
27. Democracy and Philanthropy	189
<i>Hardy Bouillon</i>	

28. Should Political Parties be Abolished?.....	205
<i>Antony P. Mueller</i>	
29. Hoppe on Democracy and Prosperity.....	221
<i>Peter Wong</i>	

Part Five: Freedom and The Law

30. Law, Argumentation Ethics, Hoppe and Me.....	227
<i>Frank van Dun</i>	
31. Crime, Governments, and Psychopathology from a Praxeological Perspective.....	241
<i>Alessandro Fusillo</i>	
32. The Ethics of Physics.....	255
<i>David Dürr</i>	
33. Defamation as a Type of Intellectual Property.....	273
<i>Stephan Kinsella*</i>	

Part Six: Miscellaneous Essays

34. Medieval Christendom and Libertarianism.....	297
<i>Matteo Salonia</i>	
35. The Use of Private Property in a State Culture.....	303
<i>Philipp Bagus</i>	
36. One Thousand Liechtensteins.....	315
<i>Andreas Tögel</i>	
37. Was Milton Friedman a Causal Realist?.....	319
<i>Karl-Friedrich Israel</i>	
38. “Keep off” is a Good Maxim	335
<i>Robert Nef</i>	
39. A Hoppean Alternative to Hayek’s “Spontaneous Order”.....	341
<i>Juan Fernando Carpio</i>	
40. The Economics of Metaphysics	355
<i>Jörg Guido Hülsmann</i>	
41. Some of My Favorite Hoppe Quotes	373
<i>Thomas DiLorenzo</i>	
Editors and Contributors	377
Index.....	385

Preface

It is our great pleasure to present this book to our dear friend Hans-Hermann Hoppe and to the world at large. It features various texts written in his honor, on the occasion of his 75th birthday, by colleagues, friends, and family members.

It is a longstanding academic custom to publish *liberos amicorum* (books made by friends for a friend) thereby expressing esteem and reverence for the laureate and publicly highlighting the impact that he has had on others through his ideas and personality. Professor Hoppe's impact is manifest on each page of this volume. He has devoted his life to scholarship in pursuit of individual liberty. He has greatly distinguished himself as a teacher, as an author, and as a leader. But he has also touched his students and readers as a loyal and loving friend. We have both been blessed with this friendship over many years, and it gives us utmost delight to see how Hoppe the scholar and Hoppe the man have stirred the lives of so many others.

The present *liber amicorum* follows up on the *festschrift* that we had brought together in his honor on the occasion of his sixtieth birthday. That volume was published in 2009, as *Property, Freedom, and Society: Essays in Honor of Hans-Hermann Hoppe*, and presented to Hans on July 29, 2009, at a ceremony in Auburn, Alabama, just before his birthday a month later. Since then, his influence on the academic community has continued to grow, most notably through the annual meetings of the Property and Freedom Society and a number of important new books,

articles, speeches, and interviews. These include *Economy, Society, and History* (2021), *Getting Libertarianism Right* (2018), *A Short History of Man: Progress and Decline* (2015), *From Aristocracy to Monarchy to Democracy* (2014), and *The Great Fiction: Property, Economy, Society, and the Politics of Decline* (2012), as well as commentaries on Covid policies, the war in Ukraine, updates of his “argumentation ethics” defense of libertarian rights, and other texts. All these works are available at his website www.hanshoppe.com.

This *liber amicorum* is scheduled to be presented shortly after the good professor’s birthday in September, 2024, at the eighteenth annual meeting of the PFS in Bodrum, Turkey (<https://propertyandfreedom.org>). Like the 2009 volume, it contains different types of contributions, from personal reflections and well wishes to scholarly papers. Accordingly, we have divided the work into various parts, and the chapters have different citation and reference styles, depending on their character and subject.

We trust that followers and friends of Professor Hoppe’s work, and all other lovers of liberty and scholarship, will enjoy and profit from the present volume.

Jörg Guido Hülsmann
Angers, France

Stephan Kinsella
Houston, Texas
May 2024

Part One

Grato Animo Beneficiique Memores

1

Life With a Freedom Fighter

Gülçin Imre Hoppe

I first met Hans in 2003, at the Mises Institute’s Supporters summit in Auburn, Alabama. He was then presenting his book *The Myth of National Defense*.

I was working on my PhD on the subject “Ludwig on Mises’s Contributions to Economic Thought within the Austrian School” at the University of Istanbul. I had started this project in my 20s but did not finish. In 2003, I got a second chance, took a break from business and accepted the intellectual challenge. Choosing Mises and praxeology, of all subjects, I must give myself some credit for having the right instinct and being suspicious about mainstream economic theory and wondering why it did not make any logical sense.

During my studies I became a Misesian. However, Hans’s views were not easy to digest. My mainstream “commonsensical” way of looking at political and economic phenomena got seriously challenged. Reading over and over his views on the state, democracy, and ethics, I could not escape the sheer logic behind his argumentation. What appeared extreme at the beginning eventually became intellectually impossible to escape.

Dr. Gülçin Imre Hoppe lives in Istanbul.

Because of my experience, I keep telling young beginners studying Austrian theory to not just repeat the often outrageously sounding and appealing slogans, but to carefully read and digest the logic behind the argumentation.

In 2006 Hans left UNLV with an Emeritus status and moved to Istanbul, Turkey, and we started a life together. We have an international, transcontinental “patchwork family” with four children and by now seven grandchildren.

From the very beginning Hans had the idea of starting a conference at our family-owned hotel, the Karia Princess in Bodrum, Turkey, the ancient city of Halicarnassos where Herodotus lived. Hans believed firmly in the concept of a “salon,” where intellectuals from all over the world come and meet and exchange “not politically correct” ideas. Maybe it was born as a reaction to his maltreatment at UNLV (he was attacked for having used a perfectly innocent example to illustrate the principle of time preference).¹ I must admit, I did not believe that the salon idea would take root and go anywhere. But to my astonishment the PFS grew and flourished from year to year.

Initially, being an economist, I had thought it would make more sense to organize seminars for good students who would profit from studying the fine points of Misesian and Rothbardian economic theory in small groups, getting the benefit of learning from Hans Hoppe, Guido Hülsmann, Thomas DiLorenzo, and so on.

Regardless of my initial skepticism, as a family we did our best for Hans’s conference to be a unique and great experience. During the first years we did also some “touristy” stuff, which was later mocked by our English friend Sean Gabb. In time, Hans invited many interesting intellectuals and some of them became friends.

The gatherings at PFS took the place of his teaching at the Mises Institute. The Mises Institute is very dear to both of our hearts, but at PFS Hans could shape the event to his own liking. Half mocking, half serious, I used to complain that I set out for an intellectual endeavor, but then ended up being just the “chef of catering and guest relations.”

In retrospect now I see that this is not the case. I became Hans’s “good student,” his *famulus*, who day by day listens to his comments on

¹ See discussion of this incident in Mark Thornton’s chapter in this volume. —Eds.

political and economic events, on history, war, religion, and methodology. We always find something to talk about because we are both quite some geeks. We love to learn, we love to explain and teach, we love to brainstorm about the reasons behind events, we love to criticize, and we also love to play with words (Hans also loves to play this game with the grandchildren).

Sometimes I get annoyed because, coming from a family of medical doctors, and having studied biology for several semesters, I tend to hold the natural sciences in high esteem, whereas Hans has a lesser opinion of them, for “methodological reasons.” Since I am not a philosopher, in those fields I naturally cannot follow him. He has a very good training in philosophy and the logic of argumentation from his time at the Frankfurt School. On the other hand, when he makes upsetting remarks about politicians, I ask him: “Hans, didn’t you read your own book? How can you of all people expect there to be any good politician?”

Our preferences might not make us very endearing to other people, but I must say Hans has a very soft and loving side, which he prefers to hide behind a tough and earnest shell. He is a very concerned and thoughtful father and a very loving, playful Opa.

Writing does not come easy to Hans. He works on every word and sentence, on its logic and meaning extremely carefully. Like a goldsmith he carves out his thoughts and brings them to paper. Because of his extreme concentration he does not like to be bothered at all during working.

Often after months of lingering thoughts he gets intellectual ignited by some event and starts writing in a frenzy until he is finished and happy with the result.

Many years ago, in the Caribbean, I took a picture of a plate on a little house. The inscription was a thank-you note to the father of the owner. It finishes with “Pokie was a freedom fighter.” My husband Hans is a real freedom fighter, dedicating his life to follow the truth. He dismissed fame, money, and an easy life with cushy teaching jobs and social popularity. He relentlessly followed his instinct and knowledge.

I am blessed to be the wife and student of Hans Hoppe.

2

Dedicated

Emily Hoppe Dalton

Dedicated. This is how I always saw you growing up, Dad. Dedicated to your writing, dedicated to your teaching, dedicated to your family. As a little girl, I didn't always understand what you were doing in your office, what you were writing. It wasn't until I was much older and started to see you speak, see people follow you and rally around what you believed, that I fully grasped the power that your knowledge brought to the table. That was impressive! I remember the first time I went to see you speak in Auburn during graduate school. I couldn't believe how many people were there just to listen to you—a celebrity in your circle of intellectuals. That's when it fully hit me and when I understood the extent to which you were so respected within this realm of economics and political philosophy. I was proud. Proud of you after seeing how long and hard you had always worked to get there, and proud that you were my dad. Though I never developed your love of political economy, I did develop your love of learning and your love of work. I learned that to get where you want to go, you need to show grit and put in long hours. For me to get where I wanted to be in my career, I needed to do what you did. I needed to work hard and follow my passion. So, I would say that from you, I learned to be dedicated. I am so grateful for that example.

Emily Hoppe Dalton is Hans's daughter. She lives with her husband and children in California.

3

A Father

Nick Hoppe

It's been a question asked by friends and fans of my father's for as long as I can remember... "What's it like being the son of Hans-Hermann Hoppe?" I have a memory of having one of my father's former students ask me this at a Christmas party at our home in Las Vegas, where students were frequently invited for various gatherings, dinners, etc. I must have been in my early teens and remember thinking, "What kind of a stupid question is that? He's my dad. Why would you even ask that?" To me that seemed like a question you'd ask the children of Paul McCartney or Michael Jordan, not me.

The question arose again when, in my junior year of college, I took my father's microeconomics class after his comment that taking anyone else's class was an utter waste of time. This time it came from a friend of mine who was also in the class, and a fan of my father's. And while by this time I had a bit more insight into who my father was by virtue of sitting in a large lecture hall watching him command the stage with humor and intellect, I still thought the question was strange as in my mind he was still just my father, who happened to also apparently be a pretty hilarious audience-commanding university professor. I knew of course that he'd written a book or two. I knew he was invited to go

Nick Hoppe lives with his family in Austria.

speaking here and there from time to time. I knew Murray Rothbard, who had been a staple figure in our home until his passing, was also somehow important. But my father's role in all of this still wasn't fully clear. I didn't yet fully understand the gravity of the situation... the weight of who he was and what he was doing. I hadn't grasped the mark he was trying to leave on the world and the level of notoriety he had already attained.

Truth be told, being the son of my father was not always easy. For someone to be as dedicated to their ideology and prolific in their work as my father has been throughout his career naturally means other things usually have to take a back seat. That meant he was not always as present as perhaps I needed him to be. And even when he was physically around, in his study etc, he wasn't always "there" there. He was focused on his work. And as a boy, trying to find his way, that was not easy to understand, indeed it was sometimes a source of contention. And as I grew and began to rebel this only furthered the complications of the father-son dynamic. But children don't always understand who their parents are and, let's be honest, most children's fathers aren't prolific Austrian economists and scholars. Statistically speaking I think we're a pretty exclusive group. Most children's fathers haven't dedicated their lives solely and with every fiber of their being to trying to not only explain the world and how it works from a fundamental level, but to changing it. Most children's fathers aren't driven by a moral compulsion so great that to ask them to deviate from their life's mission would be akin to asking them to just stop existing. It would be like removing the air they breathe.

Alas, time moves on and decades pass. And what once was not to be understood suddenly becomes clearer and clearer. I'm in my 40s and I have a family of my own; my wife of nearly 10 years, Rebecca, and my two daughters Evie and Isa. And, having moved back to Europe in 2019, I am closer to my father than I have ever been. And while he's the first to say it took long enough, I eventually found my way to his work and the Austrian school of thought on my own time. Where political and economic theory were not of much interest in my younger years, they now continue to occupy more and more space in my mind. Where once I only cared about sports and music, now I ferociously consume Misesian-minded libertarian works, hoping to expand my

understanding of the world and make sense of the senseless. Where once my concerns about politics were narrow, I now understand that my father's work, and the work of his predecessors, exists to help current and future generations see the truth behind politics and economic decision making. They are the fundamental principles guiding the way we should view the world.

Sadly and yet somehow poetically, the things my father has been warning of are only becoming more and more apparent every day. And I realize what an island my father must have felt like he was on for so many years, the overwhelming stress and frustration it must have caused being ignored and written off by so many "mainstream" thinkers. I sympathize with what that must have felt like and admire his dedication and determination to push forward and not be deterred, no matter what the cost. After all, it is his life's purpose. And with the benefit of hindsight I know he didn't have a choice.

So I can say without question that being the son of Hans-Hermann Hoppe is something I'm immensely proud of and humbled by. I'm proud of my father's contribution to the world. I'm proud that he has stuck to his beliefs and has refused to compromise for the sake of political correctness or groupthink. I'm proud that he never sold out or took the easy road, even at the expense of his professorial career. And as the world continues to drastically change, I'm proud that his conviction and resolve remain as steadfast as ever. I'm proud he's not a communist. When most of us are forgotten in the decades and generations to come, his words will remain in the classrooms, on the bookshelves, and across the digital realm. When curiosity leads future generations searching for truth, looking to make change, looking to rebel against the machine, I hope they'll be led to the works of my father, his predecessors and his contemporaries. And when they find his words I hope they'll use them as a cause for good. We all owe my father a debt of gratitude and in that regard I'd like to say from the bottom of my heart, thank you and happy 75th birthday. May you keep pushing the envelope for many more years to come.

4

In Honor of Hans Hoppe

Llewellyn H. Rockwell, Jr.

I first heard of Hans Hoppe from Murray Rothbard in the early 1980s. Bubbling over with enthusiasm, Murray told me that a brilliant young German graduate student had become his disciple. Hans had been a prize pupil of the famous Frankfurt School Marxist Jürgen Habermas. He wasn't satisfied with the socialist views of his teacher and converted to the free market and, later, anarcho-capitalism after reading first Hayek, then Mises and Rothbard. By doing so, he gave up the chance for a major academic chair in Germany, because Habermas hated supporters of the free market and would do nothing to help Hans. But Hans has exemplary courage. He never bends or bows in the wind.

Hans showed his courage once more after he received a prestigious fellowship from the Humboldt Foundation to study in the United States. James Buchanan offered Hans a chance to study public choice economics, with a generous financial stipend, but Hans turned it down. He preferred to study with Murray, who had been marginalized by the mainstream, even though Buchanan, a Nobel Prize winner, could have done much more to help his career.

Llewellyn H. Rockwell, Jr., is founder and chairman of the board of the Ludwig von Mises Institute in Auburn, Alabama, and editor of LewRockwell.com.

When he came to New York, Hans attended all of Murray's classes, took careful notes, and had innumerable long conversations with Murray. He soon became one of the world's most knowledgeable Rothbardians and one of Murray's closest friends.

When I met Hans, I was impressed right away by his devotion to Murray, his knowledge, and his friendly personality. He and I soon became fast friends.

One thing that especially impressed Murray was that Hans had developed a new argument for libertarian rights. Hans used the "argumentation ethics" he had learned from Habermas and Karl-Otto Apel in a way that reversed the conclusions they drew from it. Argumentation ethics does not, as they thought, support socialism. To the contrary, if you deny the self-ownership principle, you are contradicting yourself. You couldn't deny self-ownership unless you in fact owned your body. Murray thought this was a brilliant contribution to libertarian theory. As he wrote at the time:

In a dazzling breakthrough for political philosophy in general and for libertarianism in particular, he [Hoppe] has managed to transcend the famous is/ought, fact/value dichotomy that has plagued philosophy since the days of the scholastics, and that had brought modern libertarianism into a tiresome deadlock. Not only that: Hans Hoppe has managed to establish the case for anarcho-capitalist, Lockean rights in an unprecedentedly hard-core manner, one that makes my own natural law/natural rights position seem almost wimpy in comparison.¹

A memory that stands out in my mind is seeing Hans at a Mises Institute Conference held in Manhattan in 1989. Hans presented his argumentation ethics and more than held his own when the utilitarian economist Leland Yeager objected to it.²

¹ Murray N. Rothbard, "Beyond Is and Ought," *Liberty* 2, no. 2 (Nov. 1988; <https://perma.cc/A5UU-P64A>): 44–45, at 44. For more on argumentation ethics, see Stephan Kinsella, "Argumentation Ethics and Liberty: A Concise Guide," *StephanKinsella.com* (May 27, 2011; www.stephankinsella.com). Despite his many contributions to austro-libertarian theory, Hans himself views argumentations ethics as his most important contribution. See Hans-Hermann Hoppe, "PPF163 | Hans Hermann Hoppe, 'On The Ethics of Argumentation' (PFS 2016)," *Property and Freedom Podcast* (June 30, 2022; <https://propertyandfreedom.org/ppf>).

² Yeager later claimed that Murray, who died in January 1995, had changed his mind before his death regarding the validity of Hoppe's argument, even after endorsing it in 1988. See Leland B. Yeager, "Book Review," *Rev. Austrian Econ.* 9, no. 1 (1996; <https://>

In the nearly 45 years since then, Hans has become, along with Joe Salerno, the greatest living Rothbardian. It is an honor to salute him on his 75th birthday.

perma.cc/UDC3-UQ3Z): 181–88 (reviewing Murray N. Rothbard, *Economic Thought Before Adam Smith* and *Classical Economics*, vols. 1 and 2 of [An Austrian Perspective on the History of Economic Thought](#) (Aldershot, England and Brookfield, Vt.: Edward Elgar, 1995; <https://perma.cc/3ABN-9FD2>)). Yeager asserts that, based on language in this posthumously-published treatise:

Rothbard no longer endorses Hans-Hermann Hoppe’s claim to derive libertarian policy positions purely from the circumstances of discussion itself, without any appeal to value judgments.... On the contrary, and as he had done earlier, Rothbard now correctly observes that policy recommendations and decisions presuppose value judgments as well as positive analysis. (p. 185)

It is true that Yeager himself disagreed with argumentation ethics. See Leland B. Yeager, “[Raw Assertions](#),” *Liberty* 2, no. 2 (Nov. 1988; <https://perma.cc/A5UU-P64A>): 45–46. However, Yeager provided no evidence for his contention about Murray’s change of mind. Murray was a fan and friend of Hans until the end, and never disavowed his support for Hans’s argumentation ethics.

5

A Beacon of Light

Lee Iglody

In my previous essay honoring Professor Dr. Hans Hermann Hoppe, I concluded by saluting his steadfast dedication to the pursuit of timeless truths, despite immense personal and professional costs. Here, I wish to focus more on how he has served as a beacon of light in the labyrinth of knowledge for those of us who have followed him personally in search of answers.

Like so many others, I traveled to Las Vegas to meet and study under Hans and Professor Rothbard. Upon first meeting him, filled with great trepidation, I approached him with some honest and sincere questions, which, let's be honest, were somewhat silly. Thankfully, he recognized that I had at least attempted to grapple with and comprehend the source material. He required only sincerity and a modicum of intelligence from those of us interested in mastering the material. This was the beginning of a long journey into the light.

Eventually, he invited me to his informal Political Economy Club meetings, held in a humble yet warm and inviting location filled with cigarette smoke and the smell of cheap liquor—a place where a poor student's meager dollars could stretch far. I fondly recall how a fellow

Lee Iglody, an attorney in Las Vegas, completed his Bachelor of Arts in Economics with honor under the guidance of Professors Murray N. Rothbard and Hans-Herman Hoppe at the University of Nevada, Las Vegas.

student, Bud Benneman (now Professor Benneman), helped secure university funding for the endless pitchers of beer and plates of wings and fries that fueled our many late nights of vigorous debate over the years.

Over the years, those Political Economy Club meetings were a source of inspiration, our own little Vienna Circle, if you will. I sat there, watching Hoppe dismantle bad ideas, extol good ones, and, most importantly, continue his systematic approach to methodology. I may not be Alexander the Great, but I can imagine the excitement he must have felt sitting at Aristotle's feet, seeing a universe of truth unfold before him. To this day, I apply the rigorous methodological tools in my practice as a trial attorney, constantly reminded of my fortune in studying under Hoppe.

I observed Hans's thoughts evolve on many issues, both large and small, and was privileged to witness his deep humanity as he patiently (or, sometimes, less than patiently) corrected numerous errors in thinking. I particularly enjoyed his absolute disdain for sloppy thinking and methodological errors. It is one thing to feel the exhilaration that inevitably comes from delving into *Economic Science and the Austrian Method*,¹ but it pales in comparison to the sublime joy of having Hans sit across the table, breaking it down in exquisite detail.

I was privileged to provide my modest assistance in getting his epic *A Theory of Socialism and Capitalism* published, and my children know that, when I pass, his autographed copy of the book will remain in the family for future generations to read and treasure. Sadly, those not-yet-born heirs will never have the thrill of taking Hans's class, which carefully reviewed Marxist thought, its insights and errors, and gradually led the students to a deeper understanding of why capitalism is the only answer.

While studying under Hans, I developed friendships that have lasted to this day. Some, like Professor Dr. James Yohe, went on to complete their dissertations and enter the fabulous and well-compensated calling of academia. Others, like me, pursued different paths with less prestige but still offering opportunities to make a difference in the eternal battle between lies and truth, and between injustice and justice.

¹ Hans-Hermann Hoppe, *Economic Science and the Austrian Method* (Auburn, Ala.: Mises Institute, 1995; www.hanshoppe.com/esam).

I can't remember whether it was Hans or Rothbard who provided the most withering critiques of the then-dominant Chicago School and other erroneous methodological approaches. However, I do remember his transformative and incisive dissection of the methodological approaches of, for example, Karl Popper and Rudolf Carnap. The Austrian Method and its promise become more apparent when the deficiencies of the widely accepted, so-called mainstream methods are dismantled and shown to be flawed, leading humanity astray. Hans arrived at his conclusions with impeccable logic and a discerning appreciation for the works of previous masters, such as Mises and Rothbard. However, he undertook this arduous journey precisely because he cares deeply about truth and meaning, and the fate of humanity. His passion was infectious. He inspired all of us to keep reading, keep thinking, and keep searching for answers.

As a classroom professor, he was one-of-a-kind: fearless, exceedingly informative, and, when inclined, humorous. His dry, Teutonic delivery of jokes always left the room roaring with laughter. He managed to teach the complete fundamentals of Austrian economics even in introductory classes. I remember fondly, many years later, mentoring a young attorney who unexpectedly said, "That's a performative contradiction," during a case review. I paused, looked at him, and asked, "Where did you get that?" Hans, of course! Although the young attorney had no interest in further pursuing Austrian Economics, he had internalized its basic tenets during his undergraduate days, as I discovered over the course of our professional relationship. He was one of the many students who greatly admired Hans but did not muster the time or courage to approach him or join our Political Economy Club meetings. His influence, his ideas, and his ideals linger in many more individuals than we will ever know.

Hans's writing style is so precise and discerning, but he, the man, the professor, the paragon of wisdom and guidance, had a rapier wit. What better way to help explain the concept of time preference (i.e., preference for immediate gratification over delayed satisfaction) than with the following illustration (with a pleasant German accent): "Ja, ja, so, all other things being equal, if a man with lower time preference seeks intimacy with a woman, he gets to know the woman, invites her to dinner, buys her some flowers, listens to her blah, blah, and then he scores! A higher time preference man, *ceteris paribus*, will just hit

her over the head with a stick and have his way with her.” (Another beloved version compares a hypothetical situation involving two young lads with different time preferences, both of whom really want the latest Air Jordans. The one with the low time preference gets a job, saves his money, shops around for the best price, and scores! The other lad finds a stick, locates a kid wearing the desired Air Jordans, hits him over the head, and takes the sneakers. Score!) In his lessons, Hans always made sure to remind his students that education is not merely about career preparation but also about character formation. A touch of hyperbole helped to clarify how abstract concepts, such as time preference, hold significant relevance for life. He emphasized that students should choose wisely, as we all bear the burden of civilization on our shoulders.

The march through the institutions made Hans’s time at the university unnecessarily difficult. I watched Hans fend off various attacks while I was a student, and then again as a young lawyer helping to protect Hans from the forces of darkness that could not tolerate a very popular and charismatic truth-teller enlightening students. It is unconscionable what they did to harass Hans, taking his time and energy, and thus depriving humanity of untold spectacular insights and discoveries that he might otherwise have shared with the world.

Eventually, thankfully, he met the love of his life, Dr. Gülcin Imre, and a new, even more fantastic chapter in his life began, eventually leading to the founding of the Property and Freedom Society. I will forever cherish the memory of watching Hans and Gülcin exchange vows, knowing this would bring Hans happiness and the renewed energy to immerse himself in his creative work.

Soon thereafter, Hans and Gülcin formed the Property and Freedom Society (PFS). I have traveled the globe attending educational and professional seminars, retreats, events, and conferences, but nothing compares to PFS. It is the premier annual gathering of the world’s best and brightest individuals, who come together to enjoy a grand salon experience. With Hans and Gülcin serving as the impeccable hosts, thoughtful individuals from all over the world gather at the gorgeous Karia Princess in beautiful Bodrum, Türkiye, to converse, debate, discuss, and find solace, adhering to

just one caveat: be pleasant and open-minded. Some of the most mind-opening conversations of my life have taken place at PFS.

Herodotus, the father of history, was a native of Bodrum. One day, history will remember that Hans, the father of modern praxeology, held his prestigious PFS meetings there. I have attended ten PFS conferences and met the most erudite and gracious men and women who share the common goal of increasing their knowledge through conversation. Although the participants are predominantly European, Hans's reach attracts attendees from Asia, Africa, Central and South America, and, of course, includes a sprinkling of "ugly Americans" like myself. I have so many fond memories, but one that stands out is an evening when our Austrian heavyweight methodologists, Hans and Guido Hülsmann, squared off against, among others, the great Peter Duesberg, in a debate over methodology. *Ach, du Lieber*, they argued into the wee hours! My only regret is not recording it for future generations to enjoy.

Over 35 years, Hans has filled my heart and mind with joy and wisdom. I have traveled the world and met many fellow travelers on the Hoppe Highway to truth and understanding. Thank you, my beloved Professor, for being our guide, our philosopher, and our sage. Your teachings will continue to resonate within us as we journey forward, carrying the torch of knowledge and wisdom that you have so passionately ignited. May your light continue to illuminate generations who strive for truth, and may they, in their thinking and acting, live as an echo of your wisdom.

6

Two Weddings and a Foundation

Deanna L. Forbush

I grew up in Utah a Libertarian, but didn't know it. We believed in freedom, capitalism and property rights without realizing there was a name for it. It just seemed axiomatic to me that a person owned their own body, had the right to exclude trespassers, should earn their own way and then keep most of what they obtain by the sweat of their brow, and that the government had a very limited role to play in our lives, *to wit*, to protect our property rights and that other minor tasks that we expressly invite them to perform. That there was an ideological framework supporting the ideas was a surprise. However, to my delight in 2001 I met and became friends with one of the intellectual giants of libertarianism, Hans-Hermann Hoppe. Now, I had authority to support my innate concept of existence.

Of course, I had the perfect entrée to Professor Hoppe: my husband, Douglas French. Hans sat on Doug's thesis committee at UNLV years prior. I always say, I'd rather be lucky than good. We met over red wine at a Mises Institute event and, to my good fortune, our lives have been somewhat intertwined ever since. From my days at the Venetian Hotel Casino and Resort and his at UNLV to the present we have shared both the nectar of the Gods and many life-changing discussions.

Deanna Forbush is an attorney with Fox Rothschild. She lives with her husband, Doug French, in Las Vegas.

For example, one night over filet mignon and Chateau Ste. Michelle, I waxed on, not so poetically, about not needing the state to sanction my years-long relationship with Doug. I amused myself by saying we both willingly came home every night without any bureaucrat forcing us to do so. Hans said “don’t be ridiculous, marriage existed long before the state did; marriage has long been the way people demonstrate and express their commitment to one another.” So it is said, so it shall be! Needless to say, within short order, Doug and I hosted Hans and Gülçin’s wedding in Las Vegas, and the Drs. Hoppe gave Doug and I a wedding extravaganza in Bodrum, complete with sea blue hydrangeas, ancient fertility rituals, prosperity henna art, and fireworks. Leave it to say that while I have been enriched by reading his words, absorbing his ideas, and benefited from his laser-focused logic, I’ve been blessed to know him as a friend.

Another fun fact: his brilliance aside, Hans is genuinely funny and quite charming. Something many people don’t know or don’t appreciate. One year, Hans and Gülçin met me and Doug in Vienna to scout the city for the following year’s Mises Institute Supporters’ Summit. In addition to attending the Vienna Opera and other sites Hans-the-expert-tour-guide showed us, we heard him speak in his native German to a crowd of international students. While I’ve been told that the subject of the speech was Austrian economics, the audience often roared with laughter at Hoppe’s wit. I asked him about it later and he said, “ya, ya, I was telling them that you can’t eat German sausage because they are the wurst.”

Hoppe is also magnanimous and kind. In 2015, Hans gave me the great honor of speaking at his Property and Freedom Society conference in Bodrum, Turkey where I spoke of my days jousting with the Culinary Workers Union in Las Vegas. That year, he exposed his benevolent nature.

Hans is also a recognized authority. As a practicing attorney, Hoppe’s insight into property rights has been invaluable. Ironically, my employment practice has led me to represent politically-incorrect employers, such as gentlemen’s cabarets and one of the only legal brothels in the United States, located in Pahrump, Nevada. In a piece published

in *The Nevada Independent* defending prostitution¹ I turned to professor Hoppe for an instructive quote to make my point.

The answer to the question of what makes my body “mine” lies in the obvious fact that this is not merely an assertion but that, for everyone to see, this is indeed the case. Why do we say “this is my body”? For this a twofold requirement exists. On the one hand it must be the case that the body called “mine” must indeed (in an intersubjectively ascertainable way) express or “objectify” my will. Proof of this, as far as my body is concerned, is easy enough to demonstrate: When I announce that I will now lift my arm, turn my head, relax in my chair (or whatever else) and these announcements then become true (are fulfilled), then this shows that the body which does this has been indeed appropriated by my will.²

It should be no surprise that Hans’ steady logic and strong belief in a natural justice has resulted in a number of Hoppe’s students becoming lawyers. It makes sense, given that Austrian predecessors to Hoppe, Carl Menger, Ludwig von Mises and Eugen von Bohm-Bawerk were legally trained. Nobel Prize co-winner F.A. Hayek had a legal degree. Austrian economists, like lawyers, concern themselves with real people living real lives with the law untangling real conflicts.

Murray Rothbard, Dr. Hoppe’s great friend and mentor wrote eloquently about the law and property rights:

... tort or criminal law is a set of prohibitions against the invasion of, or aggression against, private property rights; that is, spheres of freedom of action by each individual. But if that is the case, then the implication of the command, “Thou shall not interfere with A’s property right,” is that A’s property right is just and therefore should not be invaded. Legal prohibitions, therefore, far from being in some sense value-free, actually imply a set of theories about justice, in particular the just allocation of property rights and property titles. “Justice” is nothing if not a normative concept.³

¹ Deanna Forbush, “When It Comes to Prostitution, Let Freedom be the Last Word,” *The Nevada Independent* (Feb. 3, 2023).

² Informal translation from Hans-Hermann Hoppe, *Eigentum, Anarchie und Staat* (Manuscriptum Verlag, 2005, pp. 98–100; originally published in 1985), quoted in Stephan Kinsella, “How We Come to Own Ourselves,” in *Legal Foundations of a Free Society* (Houston, Texas: Papinian Press, 2023), text at n.17.

³ Murray N. Rothbard, *Economic Controversies* (Auburn, Ala.: Mises Institute, 2011; <https://mises.org/library/economic-controversies>), p. 369.

I am thrilled to be included among the contributors to the Hoppe *Liber Amicorum* which honors a man who is not only great in his field but an enormous inspiration and valued friend.

7

The Triumph of Hans-Hermann Hoppe

Jeffrey M. Herbener

Colleagues and friends of Hans-Hermann Hoppe remember his victory over the thought police at UNLV. His ordeal kept grinding on from early March 2004 until late February 2005. Even though it ended in “a moment of great personal triumph,” for Hans, he expressed concern at the time about the “chilling effect on less established academics” his case may foster and “about the level of self-censorship in academia.”¹

His lament that “if I made one mistake, it was that I was too cooperative and waited too long to go on the offensive” was true only in the sense of his personal interaction with his antagonists during the ordeal.² Only a few months after his tribulation began, Hans was on the offensive in the battle of ideas. In June of 2004, he conducted a weeklong series of lectures at the Mises Institute. The lectures, transcribed and collected in *Economy, Society, and History* demonstrate how far he had departed from the sterile path of the economics profession which is bent on formulating models with an increasingly narrow focus

¹ Hans-Hermann Hoppe, “My Battle with the Thought Police,” Mises.org (April 12, 2005).

² Ibid.

Jeffrey M. Herbener (jmherbener@gcc.edu) is professor of economics and chairman of the economics department at Grove City College. He is a Senior Fellow of the Ludwig von Mises Institute and associate editor of *The Quarterly Journal of Austrian Economics*.

to give one-off explanations of each specific case.³ Far from following this trend into irrelevance, Hans was broadening his vision and generalizing his analysis. From the firm foundation of private property, he was building out from economics to provide a Grand Narrative of the history of human society.

Hans realized that fulfilling the potential of such a project required a new independent intellectual institution. In August 2005, he organized the Property and Freedom Society, which held its first meeting in May 2006.

Six months later, on November 4, Hans delivered the Mises Memorial Lecture at the Austrian Student Scholars Conference. Sticht Lecture Hall on the campus of Grove City College, which seats around 200, was packed. Except for the 20 students presenting their research at the conference, the audience was a general student body. The main interest of most students in attendance was to earn extra credit in their introductory economics courses. It's safe to say that the vast majority had neither read the work nor even heard the name of Hans Hoppe before that night, let alone knew of his courageous stand against the thought police. Yet, their reaction to Hans's lecture was unprecedented.

There have been 40 keynote lectures in the 20 annual renditions of the ASSC. The conference has been blessed to host many leading Misesian economists delivering outstanding lectures on important topics. Speakers have employed varying degrees of rhetorical and technological engagement with the audiences. The response of students over the years has ranged from polite applause to warm appreciation. Hans's talk was vintage Hoppe. He stood behind the podium speaking in his logically rigorous manner for 55 minutes on the topic, "The Private Law Society." He made no attempt to ingratiate himself to the audience with the usual rhetorical and technological devices. Yet at the close of his remarks, Sticht Lecture Hall erupted in a sustained standing ovation. Neither the economics faculty nor the conference participants promoted this response by being the first to jump to their feet. The response was spontaneous.

³ Hans-Hermann Hoppe, *Economy, Society, and History* (Auburn, Ala.: Mises Institute, 2021; www.hanshoppe.com/esh).

Several reasons might be offered for such a response. Hans's delivery can be mesmerizing; his logic overwhelming; his lucid thinking felicitously expressed; his fearlessness in speaking the truth. Hans himself remarked on the latter, "I had recognized and accepted no intellectual taboo whatsoever, and, whether because or despite of this, I had enjoyed great popularity among my students."⁴

There was, however, another more important reason for the exuberance of the audience that night. The content of Hans's talk resonated with GCC students because it connected for them two beliefs which they held. First, the reality of human nature, which as Christians they accepted and therefore, understood from their personal experiences in life. And second, their sense of justice which they learned and therefore, accepted from the teaching of scripture. The response of GCC students to Hans's lecture was a manifestation of the foundation on which genuine human flourishing rests.

Since 2006, Hans has continued to broaden his scope of analysis in a quest for a Grand Narrative of human history. In this, he has gone beyond his mentor's system of liberty grounded in natural law by placing Rothbard's system within the broader moral system of the Bible.

Colleagues and friends of Hans are eager to see the ultimate triumph, both professionally and personally, he achieves at the end of his new path.

⁴ Ibid., p. xv.

8

A Warrior Spirit

Robert Grözinger

The American historian and economist Dr Gary North once observed that for many centuries Germans used to be a warrior nation—until 1945. I couldn't agree more. However, while growing up and living in (West) Germany from the 1960s until the year 2000, I observed that even after World War Two, a remnant had survived among the Germans with their warrior spirit intact.

Due to well-known circumstances, these post-war Germanic Samurai poured their warrior energy exclusively into productive work and business life. With grim and focussed determination, tenacity, and relentless diligence they cleared the rubble, built or reconstructed their homes, infrastructure, and companies, had careers and ventured forth to create cutting-edge, world-renowned machines, precision tools and other production and consumer goods. The famous West German “economic miracle” was not only due to Ludwig Erhard's elimination of price controls in 1948. It was also, crucially, due to the presence of this warrior remnant.

I met numerous people in Germany full of such spirit. A few of them I was able to observe for some time from close quarters. One was my father who, despite his shrapnel-damaged hands, became an

Robert Grözinger lives and works in the United Kingdom.

influential professor of Graphic Design. Another was a classical liberal local councillor I worked for who had survived an East German concentration camp. Yet another, whose writings I didn't encounter and whom I didn't meet personally until after I had left Germany, is Hans-Hermann Hoppe.

Hans's determination, diligence and uncompromising insistence on intellectual honesty make him a unique feature even within the highly individualistic and truthfulness-valuing community of libertarians. With his numerous thoughtful contributions to political economy he has injected, and continues to inject, a heavy dose of warrior spirit into the liberty movement around the world. He exudes an inspiring fearlessness, while his laser-like mind misses not the minutest flaw in anybody's chain of argument. Thus, in a world gone mad, he has made himself a lot of enemies. However, as the German saying goes: *Viel Feind, viel Ehr'*, which means "The more enemies, the greater the honor."

In this and many other ways, Hans is a worthy successor of his role models Ludwig von Mises and Murray Rothbard. He deserves all the praise he receives. It matters not that Hans is German. It matters a lot that he is a true warrior on the side of liberty, wealth-creation, and truth. For this he deserves to be honored by, and receive the highest accolades from, both his contemporaries and future generations.

9

2006 Was a Good Year

Olivier Richard

As a young man, I was always wary of politics. But in January 2006, I grew itchy, looked around, and eventually stumbled onto an excellent summary for educated laymen by Christian Michel of the academic article “Marxist and Austrian Class Analysis,” originally published in pure academic format by Hans-Hermann Hoppe in *The Journal of Libertarian Studies* (Vol. IX, No, 2). Digging deeper into the original source, I quickly discovered that Hans’s most controversial book was the one entitled: *Democracy: The God That Failed*. So I ordered it in hardcover. In March 2006, my family went away for Easter vacation. Given that I had to stay behind and work regular office hours, I used my free time at home to read Hans’s book very thoroughly.

Just by looking at the front cover, I knew that this was an *impossible* book: surely, nobody can make a cogent case that democracy is bad and that some other political regime could possibly be better? So that tempted me: I like to read impossible books. Either the arguments are weak and childish, or I will be flipped like a pancake. Any other kind of book (i.e., not impossible) tends to be kind of a boring read, and almost a waste of time.

Olivier Richard lives and works in Switzerland.

Lo and behold, the arguments in Hans's *Democracy* were strong and scientific. They flipped me like a pancake. Maybe youngsters these days would call it taking the red pill, after the well-known meme from the movie "The Matrix."

So I had no choice but to email Hans in April 2006 and tell him of my admiration for his work: it is not easy to undo decades of mental conditioning. To which he kindly replied by inviting me to the first Property and Freedom Society Conference. I never thought an author of his intellectual caliber would deign to respond to me (a nobody), but he did so immediately, engagingly, and extremely amicably—even though I was a total stranger.

After my wife came back from Easter vacation with the kids, obviously all I wanted to talk about around the dinner table was the implications of this book for every discussion topic that might be current. She quickly concluded that I was absolutely mad. To save our marriage, she—to her eternal credit—decided to invite herself along with me to Bodrum in June 2006 in order to personally assess the kind of crowd I was intellectually engaged with. And to confirm or revise her initial assessment regarding my mental sanity by collecting actual first-hand data, in her own way.

The turning point was when Sean Gabb deciphered an ancient Greek pillar on an archaeological excursion. My wife quickly decided that Anarcho-Capitalists who read Ancient Greek for fun cannot be intellectually dismissed out-of-hand.

After the talks were completed, the Anarcho-Capitalists got slightly rowdy. As we were all on sailboats in the middle of the Aegean Sea, one of the main speakers somehow convinced my wife that they would jump together into the waters at the same time. There was a countdown 3-2-1: she did, and he didn't. The waters were super cold (think 19 degrees Celsius), and she howled out at the betrayal. From the deck, he was smirking at her, proud of his trick... Yet, days later, after having safely flown back home, she admitted that it was super fun! And this moment is still fondly etched into her memory to this day. This is the spirit of camaraderie at PFS conferences.



More seriously, I ran into a real problem: I intended to waltz into the inaugural PFS conference as a hero, being involved in making the financial markets more efficient as Milton Friedman, Margaret Thatcher, and Ronald Reagan would have wanted.

Sorely I was disappointed ... Hans pegged me as a cog in the machine that prints money out of thin air. I left the conference happy to have convinced my wife that I was not completely insane, but questioning my destiny in life as a banker.

Fast forward a few months to August 2006: some senior researcher gave the first inklings that the credit expansion in the current cycle is second to none in history, and hence the subsequent crash when the fiat money spigot (inevitably) contracts will be the worst in history. Out of 60 senior finance professionals in the audience, 59 dismissed the warning because they were producing juicy revenues out of the boom part of the cycle, through no talent of their own, just by riding the wave up, and committing the big bank's balance sheet to inescapable loss-making situations in the near-to-medium future.

I was the only one who understood this warning loud and clear. It is because I had gotten the memo from Hans two months beforehand in Bodrum. So, in September 2006, I started planning a graceful exit from the financial galaxy. My wife and I went out and drove around on a cross-country tour to buy a house far, far away from all the potential mayhem.



Banking is a profession easy to get into, but hard to get out of. Two years pre-planning is the bare minimum. Even then, you are cutting it so close to the edge that keeping your fingers crossed and biting your nails become daily necessities. Our family house was the last one to sell at the top of the market, and just afterwards the real estate transaction volume in our neighborhood went down to exactly zero.

To make a long story short, by hook or by crook we somehow managed to execute a graceful exit from the banking world 8 months before Lehmann Brothers blew up. If you want a graphical illustration of these turbulent times, the movie "The Big Short" gives a harrowing yet accurate and (perhaps) hilarious account.

When I triggered my timely departure in January 2008, based on Hans's teachings about money and credit, all my extended network of

peers in the industry called me to say that I was insane to hop off the gravy train. After Lehman blew up on September 15, 2008, the exact same people called me back to say that I was a genius. I am neither insane nor a genius. But they wanted to know how I pulled it off. One-word answer: HOPPE.

10

A Heartfelt Tribute to My Good Friend Hans

Thomas Jacob

Dear Hans,
My contribution has three goals. Firstly, I want to tell you why you mean so much to me, also on behalf of my wife. In addition, my personal experiences are representative of similar stories that friends and acquaintances have told me. Secondly, I want to entertain those readers who know you already, and thirdly, I want to introduce newcomers to the spirit of your ideas.

We met for the first time in July 1990 in Stanford, California, at Mises University. Your explanations on praxeology and the ethics of argumentation were clear, logically razor-sharp, and immediately comprehensible with the necessary concentration. Your accent made the whole thing even more likeable for me as a Swiss-German. It was a revelation for me. I realized that I was about to clarify the most urgent question that plagued and frustrated me after ten years in an Ayn Rand Objectivist bubble, namely: how can freedom be justified in a watertight manner?

Thomas Jacob studied economics at Zurich University, was a Swissair airline pilot and now works in the insurance sector. In 1981 he became a Randian Minarchist and in 1990 a Hoppean Anarchist. He has four children and lives with his wife and the two younger ones in Zurich, Switzerland.

Your brilliant answer: the a priori of argumentation, the ethics of argumentation.¹ It is unsurpassable in its elegance, at least as I understand it, and my understanding is as follows: Freedom cannot be denied argumentatively without entering a “performative contradiction”; freedom is a prerequisite for the possibility of speaking about freedom. And this freedom must also include the possibility of being able to physically conduct and maintain a conversation; in other words, it demands the right of ownership of one’s own body and of all legally acquired goods.

Why has your idea not conquered political philosophy? As you like to put it: “The difference between a minarchist and an anarcho-capitalist is half an hour of unbiased and disciplined thinking.” It seems that few people are willing and able to make that effort.² Another reason is that accepting your conclusions would make the majority of political science and ethics departments in universities irrelevant and redundant. It is the same reason why economics departments all but ignore Austrian Economics—and why you will never win a Nobel Prize.³

After Stanford, I immediately began to record your books—at that time still mainly in German—on cassettes and to listen to them over and over. After all, I had to overwrite decades of statist brainwashing. Reading books on cassette was a habit I had cultivated since the invention of the Sony Walkman. Here’s a little anecdote that illustrates the pros and cons of progress: shortly after I had read Mises’s *Human Action* and Rothbard’s *Man, Economy and State* on about 30 cassettes each, the Mises Institute made them available, read by my favorite narrator, Jeff

¹ See Kinsella, “[Argumentation Ethics and Liberty: A Concise Guide](#),” *Mises Daily* (May 27, 2011).

² As you have written, “even if the libertarian ethic and argumentative reasoning must be regarded as ultimately justified, this still does not preclude that people will act on the basis of unjustified beliefs either because they don’t know, they don’t care, or they prefer not to know. I fail to see why this should be surprising or make the proof somehow defective. More than this cannot be done by propositional argument.” Hans-Hermann Hoppe, *The Economics and Ethics of Private Property: Studies in Political Economy and Philosophy* (Auburn, Ala.: Mises Institute, 2006 [1993]; www.hanshoppe.com/eppp), pp. 407–408.

³ As Gary North said of your mentor. See Gary North, “Why Murray Rothbard Will Never Win the Nobel Prize!”, in Walter Block & Llewellyn H. Rockwell, eds., *Man, Economy, and Liberty: Essays in Honor of Murray N. Rothbard* (Auburn, Ala.: Mises Institute, 1988; <https://mises.org/library/book/man-economy-and-liberty-essays-honor-murray-n-rothbard>).

Riggenbach, free to download. I threw these and many other cassettes away with only a bit of melancholy.

The decade of the 90's was filled with excitement and fun. As an airline pilot, I had a lot of free time for studies plus opportunities to visit you in Las Vegas. You in turn found a base for your visits to Europe in Zurich. I vividly remember numerous days and nights with the warmest feelings and a lot of smiles. During this time, I began to be impressed and inspired by your stoic composure in the face of the madness of political reality and your confident and uncompromising argumentation in all kinds of conversations.

Example one, a Mont Pélerin Society event in Cannes. If I remember correctly, it was about commenting on a lecture by a statist educationalist. You knew exactly what it would have taken for you to be admitted to the Society, but such a betrayal of principle was never in your cards. You entered the fray with a mischievous delight in provocation, Groucho Marx's dictum came to mind: "I refuse to join any club that would have me as a member."

Example two, a philosophers' conference in Austria, again from my memory. It was a packed event and it was, needless to say, a left-wing audience. It became and remained dead quiet during your presentation; you seemed to sense that the audience was being challenged and allowed itself to be challenged. You must have sensed this too, because at the time of the question and answer session, you seemed satisfied and amused and wanted a glass of white wine instead of water. For me, it was an impressive example of how uncompromising arguments can impress even die-hard opponents, if not win them over.

Example three. Your first lecture at the invitation of the Swiss think tank "Liberales Institut" took place in the stately house of the Lyceum Club Zurich. You spoke about Robinson Crusoe, about property, about a private law society and compared these ideas with today's reality. Two venerable former members of the Swiss government sat in the back row. I could literally hear them gasping for air and their question at the end was something like: "How can you even think that!" At a follow-up event, we agreed to return to the same place, but found ourselves in front of closed doors. *Honi soit, qui mal y pense.* We quickly relocated to the pizzeria around the corner, where we had an unexpected meal in

addition to your lecture. Those were the days when your audience fit in a pizzeria...

During all these years you published a flood of books and articles with groundbreaking insights, a creative achievement that further cemented your reputation as the successor of Mises and Rothbard.

The spirit of your work can be found in one of your favorite quotes:

We need intellectual leaders who are prepared to resist the blandishments of power and influence and who are willing to work for an ideal, however small may be the prospects of its early realization. They must be men who are willing to stick to principles and to fight for their full realization, however remote.⁴

For years I was surprised at how unbendingly you argue and how you don't budge an inch from thoughts that you consider to be right, in the German-Lutheran spirit of "here I stand and can do no other." Through your example, I have learned that intellectual honesty and a contented, humorous life are not only possible, but complement each other. I was lucky enough to get to know and observe your good friend Murray Rothbard. He too was an inspiration in this respect: razor-sharp and relentless at his desk, the "happy libertarian" late at night over a whiskey.

Perhaps it was Rothbard who inspired you to complement and round off your academic work with a sociable project. Your "Property and Freedom Society," the PFS, founded in 2006, is, as you once wrote in a review, "a place where likeminded people from around the world could gather regularly in mutual encouragement and in the enjoyment of unrivaled and uncensored intellectual radicalism." In my humble opinion, the PFS is a stroke of genius and a complete success. You and your wife Gülçin—where would we be without our wives—are warm and dedicated hosts. Each year, you spoil the "Libertarian Marines" from all continents in a beautiful setting in Bodrum, Turkey, or five unforgettable days. It is a huge achievement and deserves special thanks. The event is now fully booked before all the invitations have even been sent out.

⁴ F. A. Hayek, "The Intellectuals and Socialism," *University of Chicago Law Review* 16, no. 3 (1949); <https://chicagounbound.uchicago.edu/uclrev/vol16/iss3/7/>: 417–33, p. 432.

One of the secrets of the PFS's success is undoubtedly and once again your adherence to principle. Right from the start, you insisted on only accepting trustworthy guests approved by you personally. That is why the PFS became one of the rare occasions when guests can speak as they think. It's a mental spa, an oasis of sanity and an opportunity to debate, laugh and celebrate with kindred spirits. Many guests come to get to know you and the feedback is always the same: "Hans is so approachable, likeable and funny." The only surprise for me is that this surprises some people.

The PFS is also an impressive testimony to the progress of radical libertarian ideas. In the 1980s, I knew exactly one other person in Switzerland whom I would describe as libertarian. He was and remains a minarchist, but still. There were also the ordoliberal, but they were dying out. Hayek? Perhaps. Rand, Mises or Rothbard? Never heard of them. Admittedly, Europe was still an anarcho-capitalist desert, and the exchange of information was almost unimaginably limited by today's standards: my orders from the laissez-faire bookstore in New York took 6 to 8 weeks, a phone call to the USA cost a dollar a minute—not adjusted for inflation!

At the end of the nineties, my most important mission in life, namely, to have children, was alive and kicking. You were also a positive factor in this decision. My next goal was to make a contribution to the promotion of freedom.

My first project was a political one, the Gold Coin Initiative. You have allowed me several times to present the progress of the project during off-peak times at the PFS, which always motivated me to reach another milestone. In essence, we want to legalize the production of practically usable gold coins and to safeguard the unrestricted trade and tax exemption of gold in the Swiss constitution. We have unique political opportunities to do this via an initiative to amend the constitution. After being on hold for several years for various reasons, we plan to give the project new momentum.

My next project, *Hoppe Unplugged*, is a collection of quotes from your interviews and speeches.⁵ Thanks to your trust, I had a lot of creative freedom. One of the goals was to have a booklet that I could hand

⁵ See <https://en.hoppeunplugged.com>.

out to anyone who asked me: “What is your political conviction?” Since then, I’ve made a habit of using an old Amex advertising slogan: “don’t leave home without it.” It has often proved its worth. On an evening trip on the Zurich streetcar, for example, I overheard a political discussion and finally intervened with the remark: “here, this booklet might interest you.” One of the strangers read the title and said: “Hans Hermann Hoppe? Sure, I know him...”

Hoppe Unplugged has already spread many thousands of times over, in print and via downloads and in more and more languages. So far, so good. When I comment to libertarian colleagues that I want the number of copies to have a few more zeros, the answer is often: “Forget it, the potential for anarcho-capitalist ideas is limited to a small percentage of the population.” The German publisher André Lichtschlag once speculated with a wink as to whether we libertarians have a genetic defect. After all, experience shows that most libertarians, when asked how they came to libertarianism, answer: “I’ve always thought this way, libertarian literature has simply confirmed it for me.”

I don’t want to accept this defeatism. Anarcho-capitalism is much clearer, more elegant, more consistent, more peaceful, more productive, more modern and more revolutionary than the worn-out socialist utopias in red, brown or green. It is our fault that the socialists still dominate the imagination of the rebellious youth and the intellectual elites. It is our duty to ensure that Marx is replaced by Rothbard in universities and that instead of T-shirts with Che Guevara, kids wear ones with “Hans Hermann Hoppe, privatize everything!”

Hayek described the issue like this:

We must make the building of a free society once more an intellectual adventure, a deed of courage. What we lack is a liberal Utopia ..., [a] truly liberal radicalism The main lesson which the true liberal must learn from the success of the socialists is that it was their courage to be Utopian which gained them the support of the intellectuals and therefore an influence on public opinion which is daily making possible what only recently seemed utterly remote.⁶

What could a liberal utopia look like?

⁶ Hayek, “The Intellectuals and Socialism,” p. 432–33.

Your first impetus was Robinson Crusoe. No matter how supposedly sophisticated the audience is, you often start with Robinson and Friday to illustrate the principles of an anarcho-capitalist society, especially the function of property and scarcity. Then you continue in the spirit of “this is easy to understand, even small children understand it, and yet it has far-reaching consequences....” The subsequent criticism of the current situation is only logical and correct, no matter how biting and rhetorical.⁷

Your second impetus comes from your book *A Theory of Socialism and Capitalism*. The book has essentially the same structure, simply in reverse order. The first part of the book deals with today’s political realities. You dissect the logic of state intervention, precisely, comprehensibly, and exhaustively. Any kind of state intervention leads to less prosperity and moral degradation. Period, and that’s all. The second part solves some of the trickiest questions of a private law society. Both parts together comprise the essence of political science, everything else, in my view, is bells and whistles. To top it off, the book also contains the final nail in the coffin of socialist theories, namely your argumentation ethics.

Your third impetus was a conversation about Covid.

⁷ Of course many thinkers use hypothetical or simplified constructs to isolate and analyze aspects of a phenomenon under consideration. For example, other than Robinsonades, Hans uses the (unrealistic) hypothetical of someone other than you being able to directly control your body as part of his argument for self-ownership. See Stephan Kinsella, “Defending Argumentation Ethics,” in *Legal Foundations of a Free Society* (Houston, Texas: Papinian Press, 2023), text at n.38. Hans also hypothesizes the magical and impossible world of the Garden of Eden or the Land of Cockaigne (or Schlaraffenland), in which there is no scarcity or conflict possible, to analyze the world of scarcity and the nature of property rights. See *ibid.*; also Kinsella, “On Libertarian Legal Theory, Self-Ownership and Drug Laws,” text at notes 16–17. And of course Mises and Rothbard employed the construct of the “evenly rotating economy,” or ERE, for economic analysis, even though human action is virtually inconceivable in such conditions. See the criticism of the ERE in Jörg Guido Hülsmann, “A Realist Approach to Equilibrium Analysis,” *Q.J. Austrian Econ.* 3, no. 4 (Winter 2000; <https://mises.org/library/realist-approach-equilibrium-analysis>): 3–51. On the Schlaraffenland construct, see Hoppe, “Of Common, Public, and Private Property and the Rationale for Total Privatization,” in *The Great Fiction: Property, Economy, Society, and the Politics of Decline*, Second Expanded Edition (Auburn, Ala.: Mises Institute, 2021; www.hanshoppe.com/tgf), p. 86; *idem*, *A Theory of Socialism and Capitalism: Economics, Politics, and Ethics* (Auburn, Ala.: Mises Institute, 2010 [1989]; www.hanshoppe.com/tsc), p. 219.

I had been asking myself for years: How can you, in interviews, on podiums or in personal contact, often deliver answers that are ready to print, structured, precise and exhaustive? I found a possible explanation when I asked you what you thought about Covid.⁸ You started, once again, with the remark: “in a private law society, it would simply be a question of who I invite to my place and who I go to...” and then you went on to analyze the political reality. Bingo. You start with the stateless solution, as a zero point, so to speak, and the rest follows from the logic of state intervention. Not that I could ever do it as well as you, but this was the moment when the idea of a stateless planet took concrete shape.

At the core of the idea are the two worlds you talk about, the private law society on the one hand and today’s political reality on the other. From this we create a picture with two planets. The first planet is our Earth, including all states, political conflicts and ideologies. Figuratively speaking, we put the Earth in a box, close the lid and put it aside. Now we are free to do some “out of the box” thinking. We imagine a twin planet, copy-paste the earth, including plants, animals and people, but without states, and call it the “OboxPlanet.” Now we can take any political problem and think about how it would be solved on this anarcho-capitalist OboxPlanet. The website www.oboxplanet.com is a “tourist information center” to help visitors get started.

This image of a politically non-binding, imaginary planet can have a powerful and subversive impact. Firstly, pictures say more than words. We can describe life in an anarcho-capitalistic private law society in colorful scenes and engaging stories, without the distracting questions of political feasibility or political interdependencies. Secondly, the OboxPlanet presents itself as a charming intellectual challenge. But all the visitors who have immersed themselves in this virtual reality world can no longer undo their impressions. What has been seen cannot be unseen. At the very least, all visitors will have learned that alternatives are conceivable, and I bet that most of them will never look at real life politics with the same eyes again.

⁸ Hans-Hermann Hoppe, “[On the Corona Panic and Other Insanities: Interview by Andrea Venanzoni](#),” LewRockwell.com (Aug. 4, 2021); idem, “State or Private Law Society on Dealing With Corona,” LewRockwell.com (Jan. 4, 2021), both available at www.hanshoppe.com/publications.

Let's have some fun and paint an optimistic scenario. Let's imagine that the OboxPlanet spreads like wildfire. Social media channels present memes and videos, children play video games set on the OboxPlanet, schools have an "OboxPlanet Day" in the curriculum, student organizations offer "OboxPlanet workshops" and universities create chairs for anarcho-capitalism. Step by step, the OboxPlanet is replacing the socialist guiding star. One morning, people wake up, look at politicians and ask themselves: What is going on here? Why am I letting these characters dictate how I should lead my life? Then, poof, the sanction of the victims ends, and the authority of the states vanishes into thin air. Is that realistic? Who knows? Is it possible? Absolutely.

After all, history teaches us that predictions are difficult, especially regarding the future. We have already experienced the unimaginable once, the fall of the Berlin Wall in 1989. Now, just in time for your 75th birthday, Javier Milei is elected President of Argentina. For me, this is another such sensation. Milei catapults the concept of anarcho-capitalism onto the world political stage and into the headlines of the mainstream media. One of Milei's dogs is named Murray, in honor of Rothbard—what would he have said about this development?

Milei is not a "minimal state" "Liberallala" libertarian.⁹ He follows your call for uncompromising radicalism as a recipe for success, and lo and behold, won a democratic election, including 70% of young voters. He communicates offensively and with positive messages about freedom and capitalism, in fact replacing the socialist guiding star with anarchocapitalism. Is this the beginning of the end of the dominance of socialist dreams?

This closes the circle of my gratitude. Mises University and your lectures at Stanford showed me the way to intellectual clarity and serenity. Your personal behavior provides me with inspiration for my life planning. The PFS is a highlight of every year and the way you argue was the midwife for my projects with which I hope to contribute to more freedom.

⁹ See Hans-Hermann Hoppe, "[Libertarianism and the Alt-Right: In Search of a Libertarian Strategy for Social Change](#)," *Mises UK* (Oct. 20 2017), mentioning the "Liberallala-Libertarians."

Thank you, Hans, for being who you are and thank you, fate, for letting me get to know you.

How would Javier Milei conclude? *Viva la Libertad!* And long live Hans, carajo!!

11

A Series of Fortunate Events

Caner (Jay) Baykal

During my time in high school, I possessed a skill for mathematics and statistics, and my inquisitive nature always led me towards the subject of economics. It was then that I made the decision to pursue a degree in Econometrics, believing it would provide answers to all the questions that plagued my mind on the matter.

However, after completing my first year at university, I soon discovered that Econometrics held no solutions to the enigmas I sought. I found myself adrift and resolved to acquire another degree that, at the very least, would make some semblance of sense. While waiting for an opportunity to present itself, I began working at the Karia Princess hotel as an apprentice. It so happened that this establishment belonged to my great aunt's granddaughter, Gülçin.

During my time at the hotel, Gülçin and I engaged in stimulating conversations regarding the realms of business and economics. On one occasion, I mentioned my disillusionment with econometrics and my intentions to pursue a different field of study. Astoundingly, her response proved to be a game-changer. Gülçin opined, "It makes sense that econometrics doesn't make any sense." She went on to reveal that she was diligently working on her doctoral thesis, focused on the

Caner (Jay) Baykal lives and works in Bodrum, Turkey.

Austrian School of Economics and its esteemed figure, Ludwig von Mises. She even presented me with one of Henry Hazlitt's works.

As an econometrics student, both Mises and Hazlitt were foreign names to me. However, with their influence entering my life, economics suddenly began to fall into place, and I found myself embracing classical liberalism.

In 2005, I was bestowed the honor of serving as an embedded assistant to Hans-Hermann Hoppe during his inaugural visit to Turkey for a series of conferences held across Ankara, Izmir, and Istanbul. While I had heard of him before, I could not anticipate what lay ahead. After spending ten days together, I believe both Hoppe and I found the experience immensely gratifying. We shared meals, engaged in conversation, and he endured my seemingly far-fetched inquiries about libertarian societies with calm and logical responses. It was around the fourth or fifth day of our interactions that my paradigm shift occurred, so to speak.

Later that year, Gülçin and I attended Mises University, which proved to be the most intellectually demanding period of educational rediscovery in my entire academic history. Over those days, Gülçin and I enjoyed dining and talking with intellectual figures including Hans-Hermann Hoppe, Guido Hülsmann, Ralph Raico, Tom DiLorenzo, and others.

By the following year, in 2006, Hans and Gülçin were married and the inaugural meeting of the Property and Freedom Society was held at the Karia Princess in Bodrum. I was called upon to assist with this meeting, to which I was honored to contribute and participate. In subsequent years, I was called upon to help organize later PFS Conferences, where I encountered great personalities and met great friends.

From the moment I first encountered Hans-Hermann Hoppe, he possessed the ability to shift paradigms. He initially served as an influential mentor in my life but eventually blossomed into a cherished friend as well.

12

Principled

Jeffrey F. Barr

In a lifetime of accolades that could be bestowed upon Hans-Hermann Hoppe, one stands out among all the rest: his relentless commitment to Truth. For 35 years, I have had the good fortune to be a first-hand witness to Professor Hoppe's pursuit of Truth. I have been his student, his lawyer, his friend, and lifelong admirer. For me, Hoppe's relentless commitment to Truth has manifested itself in three ways: Hoppe the Principled Scholar; Hoppe the Principled Educator; and Hoppe the Principled Man.

THE PRINCIPLED SCHOLAR

Hoppe started his academic career as a student of Jürgen Habermas. The brilliant young Hoppe could have enjoyed a prestigious sinecure as a leftist professor in Europe. Instead, he rejected the ideas of the renowned Habermas, left Europe, and joined a then-obscure Austrian economist, Murray Rothbard. The pursuit of Truth provoked the Principled Scholar to jettison comfort and false glory.

Jeffrey F. Barr practices law in Las Vegas, Nevada. He studied under Murray Rothbard and Hans Herman-Hoppe in the late 1980s and early 1990s.

Many are familiar with Professor Hoppe’s academic works. All of these works are deeply philosophical, yet easily accessible to a discerning reader. I am fortunate to have witnessed the embryonic stages of many of these pieces. For example, we shared countless nights of discussions over casual drinks as Hoppe worked out the material that would become *Democracy: The God That Failed*. I also remember long conversations about works that Hoppe had yet to complete—in particular, Hoppe’s fascination with the philosopher, Adolf Reinach. (I hope he someday finishes this.)¹ In all of these (sometimes strident) debates, the Principled Scholar remained committed to discovering the Truth, regardless of where it led, and I am grateful to have shared this one-on-one time with him in this pursuit.

Of course, Hoppe was not content to rest on his laurels as an accomplished philosopher and economist. The Pursuit of Truth led the Principled Scholar to found the Property and Freedom Society. The PFS reflects Hoppe’s unique commitment to Truth. With its salon-like atmosphere and erudite attendees, the PFS most closely resembles the early casual conversations and strident debates that Hoppe led with me and others. It is a place where curious people can freely discuss economics, religion, philosophy, sociology, and all of human action. The singular, most memorable conversation of my life occurred over breakfast at PFS one year. I am grateful that the Principled Scholar saw fit to bring together such literate people.

¹ Professor Hoppe for example participated in “[Reinach and Rothbard: An International Symposium](https://perma.cc/396W-HJEL),” Ludwig von Mises Institute, Auburn, Ala. (March 29–30, 2001; <https://perma.cc/396W-HJEL>), which symposium also included Guido Hülsmann (the director), Walter Block, Stephan Kinsella, Larry J. Sechrest, and Barry Smith. This resulted in Hoppe’s article “[Property, Causality, and Liability](https://mises.org/library/property-causality-and-liability-1),” *Q. J. Austrian Econ.* 7, no. 4 (Winter 2004; <https://mises.org/library/property-causality-and-liability-1>): 87–95, also included in *idem*, *The Great Fiction: Property, Economy, Society, and the Politics of Decline*, Second Expanded Edition (Auburn, Ala.: Mises Institute, 2021; www.hanshoppe.com/tgf), discussing Reinach’s views on causation. See also Adolf Reinach, “The A Priori Foundations of the Civil Law,” *Aletbeia* 3 (1983; <https://philarchive.org/rec/REITAP-9>): 1–142 and *idem*, “[On the Concept of Causality in the Criminal Law](http://libertarianpapers.org/35-concept-causality-criminal-law/),” *Libertarian Papers* 1, art. no. 35 (2009 [1905]; <http://libertarianpapers.org/35-concept-causality-criminal-law/>); also Kevin Mulligan, ed., *Speech Act and Sachverhalt: Reinach and the Foundations of Realist Phenomenology* (Dordrecht/Boston/Lancaster: Martinus Nijhoff Publishers, 1987).

THE PRINCIPLED EDUCATOR

Few people have experienced Hoppe as the Principled Educator. I have had this distinct privilege. (Although I have not formally been his student for 30 years, I am proud that he still introduces me as such to this day.)

As I have written elsewhere, the Principled Educator was not content with simply presenting ideas as a monolith in a vacuum, hoping his students would regurgitate it on exam day. Instead, Hoppe lectured logically and factually with an open mind, demanding that his students approach learning with equally open-minded rigor. I have carried these lessons with me my entire life. It is a great blessing of one's life to have one's worldview set at age 18, and I thank the Principled Educator for this lifelong gift.

Ironically, it is his pursuit of Truth as a Principled Educator which led to the display, in my mind, of Hoppe's most estimable quality: the Principled Man.

THE PRINCIPLED MAN

In March 2004, Hoppe connected Keynes's homosexuality with his famous dictum that "in the long run, we are all dead." Hoppe, himself, has written about his battle with the "thought police" in his typically laconic style. What followed, however, was a firestorm of persecution and recrimination from the University of Nevada, Las Vegas that has become legendary. (I will not recount the details here; Hoppe's essay is well-worth the read.)² I, however, would like to add a first-hand account to the legend.

UNLV threatened Hoppe's livelihood, reputation, and his retirement pension over this innocuous comment in pursuit of Truth. Hoppe consulted with me and other lawyer-friends to discuss his options.

² Hans-Hermann Hoppe, "[My Battle With The Thought Police](https://mises.org/mises-daily/my-battle-thought-police)," *Mises Daily* (April 12, 2005; <https://mises.org/mises-daily/my-battle-thought-police>). See also Stephan Kinsella & Jeffrey Tucker, "[The Ordeal of Hoppe](https://www.stephankinsella.com/2005/04/the-ordeal-of-hoppe/)," *The Free Market* 25, no. 4 (April 1, 2005; <https://www.stephankinsella.com/2005/04/the-ordeal-of-hoppe/>). This episode is also mentioned in Mark Thornton's chapter in this volume.

I remember vividly sitting at his dining room table helping him evaluate his case.

The mood was somber and dark. Hoppe, the Principled Scholar and Educator was also a man—a man who was understandably shaken and fearful. He had a choice to make. Fighting the Eye of Sauron, with its unending resources, could mean years of public litigation at princely price. His family and his reputation would undoubtedly have suffered with no assurance of ultimate victory.

But there was a way out: Hoppe could acquiesce to UNLV's demands: Retract his comment, issue a mealy-mouthed apology with some performative humility, and offer a mere pinch of incense to Caesar. Hoppe could keep his position, save his pension, and re-join "polite" society. It was an uncomfortable, but quiet, resolution.

In the end, Hoppe chose to fight because he was (and remains) a Principled Man. Courage is not charting a risky course without fear; rather it is proceeding despite the fear. Hoppe proceeded despite the fear. Few scholars, few educators, and few men would have chosen this fight. Hoppe was ultimately vindicated. But the courage he displayed 20 years ago still resonates with me. The Principled Man continued his relentless pursuit of Truth.

I remain sorely grateful for Hans-Hermann Hoppe, the Principled Scholar, Principled Educator, and Principled Man, and I congratulate him on a lifetime in pursuit of Truth.

13

My Dinner With Professor Hoppe

Gregory Morin

My first encounter with Hans Hoppe was at the 2015 Mises Institute’s “Austrian Economics Research Conference.” He spoke for over an hour to a rapt audience concerning the four key areas where Austro-libertarian philosophy offers a range of unique insights: “On Man, Nature, Truth, and Justice.”¹ Given that Hans Hoppe has written on all four subjects it was an engaging talk to say the least. Being somewhat of a neophyte to this movement at the time my general impression was that he was “important” but I wasn’t exactly sure why. I had heard of Argumentation Ethics but not much beyond that. After the presentation it became clear why he was held with such esteem. The man wields logic and rhetoric like a golfer wields his club sinking a hole-in-one.

I encountered him again at the 2017 Mises Institute’s 35th anniversary event in New York City. He addressed an overflowing

¹ See <https://mises.org/podcasts/aerc-2015/man-nature-truth-and-justice>.

Gregory Morin, Ph.D., Chemistry, owns and operates a manufacturing firm in Georgia (US). He is a chemist by training and an armchair economist by passion. He and his wife Joy are longtime supporters of the Mises Institute and the Property and Freedom Society. Greg currently serves on the board of the Mises Institute.

ballroom with equal parts wit and humor.² He was not the totemic Teutonic figure that his reputation might suggest. He was a down to earth human being, and it could be argued he might even give Steven Wright a run for his money in the dry humor department. That evening he spoke of his former mentor, Murray Rothbard, with both affection and humorous anecdotes. There was more here than the gruff and stern “Professor Kingsfield” like academic that I, and I suspect many others, had assumed.³

I’m sure what I will disclose next will not surprise Hans’s close friends. The man is a convivial socialite. It was not until I had the good fortune to attend several recent “Property and Freedom Society” gatherings in Bodrum, Turkey that I was exposed to a side of Hans that I’m sure his “fans” are entirely unaware of. To be fair it would not be expected one would know much about him personally as he is mostly retired and has the good sense to stay out of the “social media” landscape—offering up only the very rare podcast interview.⁴ Our (his admirers) impression of him is only through his writing and a few select YouTube videos.

There are numerous opportunities at PFS gatherings to mingle, talk, and drink, and Hans partakes in all three. At PFS gatherings it is not rare to see him laugh or smile. These annual gatherings are most definitely his milieu, and he is his most relaxed when among his friends and intellectual comrades. One memory that stands out for me is a dinner conversation that quickly veered toward popular culture. Surely this (pop culture) was not something a serious intellectual would waste his time on. There are so many other more important pursuits! On the contrary, he had an opinion on almost every topic. And most surprising of all was that he loved the “rom-coms” (romantic comedy). I believe “When Harry Met Sally” was at the top of his list!

² See Hans-Hermann Hoppe, “[Coming of Age with Murray](#),” *HansHoppe.com* (Oct. 12, 2017).

³ This is a reference to a character in the novel, movie, and television series “The Paper Chase.”

⁴ See, e.g., Hans-Hermann Hoppe & Michael Malice, “[PFP194b | Bonus: Interview of Hans-Hermann Hoppe by Michael Malice on ‘YOUR WELCOME’: Ep. 018—On the Right \(PFS 2018\)](#),” *Property and Freedom Podcast* (Aug. 30, 2022; <https://propertyandfreedom.org/pfp>).

“You should never meet your heroes,” they say. However, I’m happy to report that in the case of Hans Hoppe that adage does not apply. He does not disappoint and indeed exceeds what many assume by reputation alone. And for those libertarians concerned that the state uses popular culture to “distract” us—relax, don’t worry. If Hans Hoppe can balance intellectual pursuits and “frivolous” enjoyments while simultaneously destroying arguments for the state with unsailable logic, then so can you. If we spend our lives fighting the state and not enjoying life, then the state has already won. Don’t let it.

Part Two

The Meaning of Hoppe

14

The Pope of Libertarianism

Sean Gabb

There have been bleaker times for being a libertarian. I think of the two world wars, when respect for life, liberty and property fell off the list even of formal aspirations. Undoubtedly, though, now is a bleak time. If we go back a quarter of a century, both Britain and America had flourishing libertarian movements, and an acceptance by the political classes that libertarianism had its place on the spectrum of political opinion.

All is now altered. A quarter century of wars, of omnipresent moral panics, of cultural debasement, and libertarianism has been largely driven from public discourse. In my own England, the breaking point came in 2011, when a new Conservative Government had recently come in, and was starting on a decade and a half of shameless fraud and looting. An autonomous libertarian movement was at least a potential embarrassment, and so that movement was snuffed out. The true believers were purged and smeared. From that moment, libertarianism in England was claimed by a coalition of corporate shills and unmoored Trotskyites. Not surprisingly, there is no longer a libertarian presence in England.

I cannot speak with any detail for America. Even so, my perception that the American movement has been abandoned by almost everyone

Sean Gabb, an English libertarian and conservative, is a novelist and Director of the Centre for Ancient Studies, an academy that teaches Greek and Latin.

of ability and left to eccentrics and the very old. The place that libertarianism used to have in America seems to have been taken by white nationalism.

Every healthy civilisation needs a libertarian movement of some kind. There must always be a platform from which men and women can speak loudly against the universal trend of politics towards greater control over individual choice. The substantial vanishing of this platform can be explained by the collapse of Britain and America into total government since the beginning of the century. That vanishing has also contributed to the collapse.

Hans-Hermann Hoppe is the great exception. He is alive. He is active. He is prominent. He is without competition in the variety and interest, and in the originality, of his work. Now bearing in mind the vanishing of competition I have mentioned, this is weak praise in itself. The last man standing in a battle, when everyone else is dead or deserted, counts as hero—even if not the bravest or the most able of the men there at the beginning. If we look, however at his work in terms of variety and interest and originality, we can step outside the limitations of present comparison. Hoppe is, by default, the nearest the present libertarian movement has to a Pope. What he says on any present issue must be taken into account, even where not accepted, by all believers.

Let us move, then, to the matter of what Hoppe says. I will begin with what may be his most important contribution to abstract political philosophy. This considered, I will move to his thoughts on Marxian exploitation theory, and then to his rejection of democracy as the best political order even for an adulterated form of libertarianism.

ARGUMENTATION ETHICS

Excepting those purely analytic, every system of thought appears to rest on shaky foundations. Free market libertarianism is no exception. Why *should* people be left alone? Why should they be free? We can argue that freedom allows people to make themselves happier than they would otherwise be. We can argue that it lets them become richer. The response is to ask why people should be happy or rich. These may seem self-evident goods, but they are not always so regarded. A further

objection is to start picking holes in the definition and measurement of happiness.

We can claim that every human being is born with certain natural and inalienable rights, and that these include the rights to life, liberty and property. This has a nice ring to it as a manifesto. The objection is to ask how, without God as their grantor, these claimed rights are other than an exercise in verbal flatulence.

Hayek and von Mises, the two men who did most during the middle of the twentieth century to keep classical liberalism alive as an ideology, were various kinds of utilitarian. Rothbard, who took Austrian Economics and fused it with native American radicalism to create the modern libertarian movement, shared a belief with Ayn Rand in natural rights. What Hoppe tries with his *Argumentation Ethics*, is to transcend this debate. In doing this, he draws on his early work with Habermas, on the Kantian tradition of German Philosophy, and on the ethical writings of Rothbard. He begins with the observation that there are two ways of settling any dispute. One is force. The other is argument. Any one party to a dispute who chooses force has stepped outside the norms of civilisation, which include the avoidance of aggressive force, and has no right to complain if he is used harshly. Anyone who chooses argument, on the other hand, has accepted these norms. If he then argues for the rightness of force as a means of getting what he wants from others, he is engaging in logical contradiction. In short, whoever rejects the libertarian non-aggression principle is necessarily also rejecting the norms of rational discourse. Whoever claims to accept these norms must also accept the non-aggression principle.¹

Speaking long after first publication, Hoppe denied that this was a retreat from natural rights:

I was attempting to make the first two chapters of Rothbard's *Ethics of Liberty* stronger than they were. That in turn would provide more weight

¹ See, for example, Hans-Hermann Hoppe, "The Ultimate Justification of the Private Property Ethic," *Liberty* 2, no. 1, September 1988), p. 20, republished as "On the Ultimate Justification of the Ethics of Private Property," in *The Economics and Ethics of Private Property: Studies in Political Economy and Philosophy* (Auburn, Ala.: Mises Institute, 2006 [1993]; www.hanshoppe.com/eppp). See also Stephan Kinsella, "[Argumentation Ethics and Liberty: A Concise Guide](http://www.stephankinsella.com/publications)," *StephanKinsella.com* (May 27, 2011; www.stephankinsella.com/publications).

to everything that followed. I had some dissatisfaction with [the] rigor with which the initial ethical assumptions of libertarian political theory had been arrived at. Intuitively, they seemed plausible. But I could see that a slightly different approach might be stronger. Murray never considered my revisions to be a threat. His only concern was: does this ultimately make the case? Ultimately, he agreed that it did.²

Indeed, Rothbard gave the theory his highest praise. He called it

a dazzling breakthrough for political philosophy in general and for libertarianism in particular.... [Hoppe] has managed to transcend the famous is/ought, fact/value dichotomy that has plagued philosophy since the days of the Scholastics, and that had brought modern libertarianism into a tiresome deadlock.³

THOUGHTS ON MARXIAN EXPLOITATION THEORY

There was a time when libertarians read Marx only to refute him. He was a monster in his personal life. He was wrong about Economics. And so he was. But this wholly negative view also flourished at a time when a foreign government that had a form of Marxism as its established faith was pointing nuclear missiles at us. This foreign government passed away a third of a century ago. It should now be possible to take a less polemical approach to Marx and his claims. This is what Hoppe sets out to do in his 1990 article *Marxist and Austrian Class Analysis*.⁴

The article offers a critical examination and comparison between Marxist class analysis and the Austrian School's approach to understanding societal structures and economic dynamics. Hoppe explains the distinctions between these two perspectives, highlighting their foundational assumptions, methodologies, and conclusions regarding class, the state, and the nature of social conflicts. Much of his analysis

² Hans-Hermann Hoppe, "[The Private Property Order: An Interview with Hans-Hermann Hoppe](https://perma.cc/Q85T-UUSZ)," *Austrian Economics Newsletter* 18, no. 1 (2014; <https://perma.cc/Q85T-UUSZ>).

³ "Symposium: Breakthrough or Buncombe?" *Liberty* 2, no. 2 (Nov. 1988; <https://perma.cc/A5UU-P64A>): 44–53.

⁴ Hans-Hermann Hoppe, "Marxist and Austrian Class Analysis," in Hoppe, *The Economics and Ethics of Private Property* (originally published in *J. Libertarian Stud.* 9, no. 2 (Fall 1990): 79–93).

varies between the hostile and the dismissive. In this respect, he follows the standard approach to libertarian discussions of Marxism.

Hoppe begins with a critique of the Marxist framework for class analysis, which is primarily based on the ownership of the means of production. In Marxist theory, society is divided into two main classes: the *bourgeoisie* (capitalists who own the means of production) and the proletariat (workers who do not own the means of production and must sell their labour). Classical Marxism claims that the history of society is the history of class struggles, and that, since the end of the eighteenth century, the exploitation of the proletariat by the *bourgeoisie* has been the source of social conflict and historical change.

The Austrian School, with its foundation in methodological individualism, offers a different approach to understanding class. Hoppe outlines how the Austrian perspective focuses on the actions and choices of individuals, rather than viewing classes as monolithic entities. The Austrian class analysis emphasises the role of voluntary exchanges and the coordination of individual plans in the market as the basis for social cooperation and advancement.

Part of this differentiation of the two approaches is Hoppe's discussion of the role of the State in class formation. Unlike Marxists, who see the state as an instrument of *bourgeois* domination, he argues that, regardless of who owns the means of production, the State itself is a vehicle through which a ruling class emerges. The State, by its nature, creates a distinction between those who produce wealth and those who expropriate it through taxation and regulation. This leads to a new understanding of class conflict, not between capitalists and workers, but between taxpayers and tax consumers, or more broadly, between producers and expropriators.

Hoppe further distinguishes between capitalist exploitation, as characterized by Marxists, and state expropriation. He argues that in a free market, exchanges are voluntary and mutually beneficial, making the notion of exploitation by capitalists misleading. In contrast, the State's expropriation of wealth through taxation and regulation is inherently coercive and constitutes the real form of exploitation in society.

Indeed, much of the Marxian attack fails simply because it does not take any account of time preference:

That the laborer does not receive his “full worth” has nothing to do with exploitation but merely reflects the fact that it is impossible for man to exchange future goods against present ones except at a discount. Unlike the case of slave and slave master, where the latter benefits at the expense of the former, the relationship between the free laborer and the capitalist is a mutually beneficial one. The laborer enters the agreement because, given his time preference, he prefers a smaller amount of present goods over a larger future one; and the capitalist enters it because, given his time preference, he has a reverse preference order and ranks a larger future amount of goods more highly than a smaller present one.⁵

A useful outlining of differences, there is nothing controversial here among libertarians. In his opening sentences, though, Hoppe makes it clear that his discussion will not be bounded by the prejudices of the twentieth century:

I want to do the following in this paper: First to present the theses that constitute the hard core of the Marxist theory of history. I claim that all of them are essentially correct.⁶

Hoppe has no time for the claim made by less thoughtful libertarians—or by the corporate shills mentioned above—that private ownership of the means of production is always just. Only a “clean capitalism”—that is, a market order in which there is no institutional fraud or force to tip the scales—is legitimate and therefore free from the Marxist attack. All present and past market orders are more or less open to this attack—always granting that the Marxists have no proper understanding of Economics, and that their real agenda has almost never been the liberation of mankind they proclaim so loudly. He elaborates:

History, then, correctly told, is essentially the history of the victories and defeats of the rulers in their attempt to maximize exploitatively appropriated income and of the ruled in their attempts to resist and reverse this tendency. It is in this assessment of history that Austrians and Marxists agree and why a notable intellectual affinity between Austrian and Marxist historical investigations exists. Both oppose a historiography that recognizes only action or interaction, economically and morally on a par; and both oppose a historiography that instead of adopting such a value-neutral stand thinks that one’s own arbitrarily introduced

⁵ *Ibid.*, p. 122.

⁶ *Ibid.*, p. 117.

subjective value judgments have to provide the foil for one's historical narratives. Rather, history must be told in terms of freedom and exploitation, parasitism and economic impoverishment, private property and its destruction—otherwise it is told falsely.⁷

Hoppe concludes with a contrast between the Marxist and Austrian visions of social harmony and the resolution of class conflict. While Marxism anticipates a classless society emerging from the overthrow of the *bourgeoisie* by the proletariat, Hoppe suggests that the elimination of the state's coercive powers and the establishment of a society based on voluntary exchanges and property rights would lead to a resolution of class conflicts. In such a society, according to Austrian theory, individual interests would align, and the exploitation of one class by another would cease, leading to genuine social harmony.

DEMOCRACY: THE GOD THAT FAILED

This brings me to the last of the three contributions I wish to discuss. In his 2001 book, *Democracy: The God that Failed*, he takes issue with the central claim of modern politics—that the most desirable order is one in which people vote for those who will rule them, and that a majority of the votes cast in an election largely legitimises the actions of the winner. The central point in Hoppe's book is that the collapse of liberty now gathering pace in those countries with representative democracy is not some accidental flaw in the system—rather, it is part of the system's own internal logic. Allowing people to choose their rulers is a certain recipe for the collapse of civilisation:

The mass of people, as La Boetie and Mises recognized, always and everywhere consists of “brutes,” “dullards,” and “fools,” easily deluded and sunk into habitual submission. Thus today, inundated from early childhood with government propaganda in public schools and educational institutions by legions of publicly certified intellectuals, most people mindlessly accept and repeat nonsense such as that democracy is self-rule and government is of, by, and for the people.⁸

⁷ Ibid., p. 126-127.

⁸ Hans-Hermann Hoppe, *Democracy: The God that Failed* (Transaction, 2001; www.hanshoppe.com/democracy), p. 92.

In a functioning monarchy, a country is owned by the head of a particular family. Because he expects to pass the country to his son, and then to his grandson, there is an incentive against national debasement. Short term benefits must be balanced against long term costs. Everyone knows who is in charge, and who is therefore to be blamed when things go wrong. When pushed, a weak monarch may offer the head of a disgraced minister. But this is an exercise in shifting blame that works only so often.

This is not to say that kings are necessary wise or virtuous. Hoppe knows his history, and he knows that kings in practice have often been low and trashy people. For him, though, politics is a matter less of character than of interests:

[A rational monarch,] in order to preserve or possibly even enhance the value of his personal property... will systematically restrain himself in his exploitation policies. For the lower the degree of exploitation, the more productive the subject population will be; and the more productive the population, the higher will be the value of the ruler's parasitic monopoly of expropriation. He will use his monopolistic privilege, of course. He will not *not* exploit. But as the government's private owner, it is in his interest to draw parasitically on a growing, increasingly productive and prosperous nongovernment economy as this would effortlessly also increase his own wealth and prosperity—and the degree of exploitation thus would tend to be low.⁹

In a democracy—especially in a democracy where some previous impress of monarchy has faded—power will tend to be taken and held by an army of the invariably low and trashy. Their main ability is lying to the voters. Their main incentive will be to make themselves rich through various kinds of corruption, and to win the next election. They will be driven, *as if by some invisible hand*, to fill up the voting lists with people as low and trashy as themselves—and considerably more stupid. The presence of such people justifies extensive welfare programmes that raise up supportive bureaucracies. It is also an excuse to abolish freedom of association among people who might otherwise combine to demand a smaller state. In due course, it changes the nature of the electorate in ways favourable to lying politicians. The last thing in their

⁹ Ibid., p. 48.

own interests is an informed, sceptical electorate. The result is now plain for anyone willing to open his eyes:

After more than a century of compulsory democracy, the predictable results are before our very eyes. The tax load imposed on property owners and producers makes the economic burden even of slaves and serfs seem moderate in comparison. Government debt has risen to breathtaking heights. Gold has been replaced by government manufactured paper as money, and its value has continually dwindled. Every detail of private life, property, trade, and contract is regulated by ever higher mountains of paper laws (legislation). In the name of social, public or national security, our caretakers “protect” us from global warming and cooling and the extinction of animals and plants, from husbands and wives, parents and employers, poverty, disease, disaster, ignorance, prejudice, racism, sexism, homophobia, and countless other public enemies and dangers.¹⁰

The answer is to find some way to a natural order—a place where all exchanges are voluntary, with strong property rights, and the absence of a coercive state. Representative democracy is not a staging post towards any kind of libertarian utopia. It is, rather, a movement away from utopia. Hoppe envisions a society where individuals and communities self-organize and govern themselves through private law rather than through the mechanisms of a centralised state.

Not surprisingly, Hoppe is not universally popular within the libertarian movement. But, in an age when all the clever schemes of the 1970s and 1980s, to make governments more liberal by making them more efficient, have only produced governments larger and more dangerous than before, there is a case for sitting down and rethinking politics and political strategy from first principles.

And that, I will briefly conclude, is where Hans-Hermann Hoppe is unique among the libertarians of our age. He is not afraid to diagnose the remote causes of our present evils, and he is certainly not afraid to suggest alternative courses that are more likely to take us from where we are to where we should wish to be.

¹⁰ *Ibid.*, p. 89.

15

Hans Hoppe is No Revolutionary

Mark Thornton

Hans Hoppe entered my world through the Ludwig von Mises Institute which had invited him to its headquarters in Auburn, Alabama to give a lecture in the College of Business at Auburn University. At that point in time, he as an unknown in American academia. The date of the lecture was mid-1986, as I recall.

As I remember it, the lecture was very well attended by the standards of modern academia. The Dean's large seminar room was completely full. Hans's lecture was on the subject of public goods theory, and he read the written transcript of this lecture. His German accent was thick in those days, and he spoke for the entire period of the lecture. He proceeded to tear public goods theory apart in every and all respects in the same way someone might butcher an entire cow on the kitchen table.

The audience was stunned, and no questions were asked. The lecture was adjourned.

Mark Thornton is the Peterson-Luddy Chair in Austrian Economics and a Senior Fellow at the Mises Institute. He serves as the Book Review Editor of the *Quarterly Journal of Austrian Economics*. His publications include *The Economics of Prohibition* (1991), *Tariffs, Blockades, and Inflation: The Economics of the Civil War* (2004), *The Quotable Mises* (2005), *The Bastiat Collection* (2007), *An Essay on Economic Theory* (2010), *The Bastiat Reader* (2014), and *The Skyscraper Curse and How Austrian Economists Predicted Every Major Crisis of the Last Century* (2018).

My appraisal was that based on his nearly emotionless presentation, dark German accent, and serious academic tone, that Hans had intimidated the audience. This was probably the closest thing many of the economics department faculty, educated almost exclusively in Southern State research universities had come to a Karl Marx figure—no insult intended Hans.

Moreover, Hans had attacked the foundation of one of the pillars of modern economics. Most of the faculty had no interest, research or otherwise, in public goods theory. However, it was a pillar of mainstream economics. That day I saw Hans as a revolutionary; bold, courageous, and forthright.

The audience also saw him in the same way, as a revolutionary, but in a bad way. In their minds, he was crazy because no professor at a state university would go around saying such things.

After the seminar I tried to use the tactic of agreement. I would agree that Hans *was* crazy, but that in previous conversation with individual faculty members that they had agreed with 80 to 90 percent of what he said regarding public goods theory. It did not work.

Over time I realized that the shock value of the presentation had led me to consider Hans a revolutionary. His shock value has led others to consider him a reactionary, a fascist, a bigot, and more. That's all wrong.

The two most noteworthy injustices to Hans have come about by reactionaries and egalitarians. The first is the idea that monarchies make for better States based on his straightforward property rights analysis. Hans's analysis is correct, but democracy reactionaries howled, usually without addressing the analysis or maybe even reading his writings.

The second was an introductory classroom lecture where Hans used the example, for illustration purposes, of homosexuals having higher time preferences because they could not bequeath their wealth to their children (at the time it was extremely difficult for homosexuals to adopt children).

Again, there were egalitarian howls of protest around the profession and within his own university calling for his head and, again, no debate or discussion about the merits of his analysis. I and many others had used the exact same example in class, at least until that point in time. Hans's character assassination marks the ultimate victory of political correctness in American academia, something from which it will never recover.

My own blemish is to have thought of Hans as a *revolutionary* at all.¹ I am using the term here to mean someone who wants to change society from what it is, to what they envision for the future. They do not want to suggest a return to what worked in the past or what happen naturally. They want to take control of a nation by taking control of the State and remake in their own image to suit their own goals and interests.

In this sense, Hans Hoppe is not a revolutionary. He is just an objective analyst of the past and present. Of course, he is a natural rights theorist who attempts to check his analysis with economic theory, well-established history, and the thoroughly well agreed upon aspects of the nature of man.

The three historic western revolutions provide plenty of evidence for all libertarians to oppose, if not to abhor *revolution*, as in revolution of the political sort.

The American Revolution is a good place to start. Yes, Americans are happy to have an independent country and love to celebrate July 4th and they hold the Bill of Rights dear. But that is not the right place to start.

Prior to the illicit passage of the Constitution of the United States, the American Colonies and Confederation had beaten the world's greatest economic and military superpower. Under the Articles of Confederation, the colonies had declared themselves independent States and were associated for limited purposes. The Constitution created a central government that has only grown in power relative to the States. It has made worse all the problems it was meant to solve, such as tariffs and inflation. Finally, it has grown to become the biggest threat to liberty and human existence the world has ever known, rather than 13 independent and jealous small states.

¹ Rothbard explained the difference between the common conception of revolution as merely the violent overthrow of a regime and the libertarian conception which is a “mighty, complex, long-run process, a complicated movement with many vital parts and functions” for the achievement of human liberty. In this latter conception Hans Hoppe can be rightly considered a revolutionary leader and theorist. See Murray Rothbard, “The Meaning of Revolution,” *Libertarian Forum* 1, no. 11 (Sep. 1, 1969; <https://mises.org/library/periodical/libertarian-forum-1969-1984>), reprinted in *idem*, *Egalitarianism as a Revolt Against Nature, and other Essays*, 2d ed. (Auburn, Ala.: Mises Institute, 2000; <https://mises.org/library/book/egalitarianism-revolt-against-nature-and-other-essays>).

The French Revolution is supposed to be a mixed bag. It rid the country of the Bourbon dynasty and monarchy, the epitome of the absolutist State. It enshrined concepts such as liberty and equality in government. However, there were excesses during and after the Revolution that are considered unfortunate. Boys will be boys.

As evil as the dynasty was, the Physiocrats and the great Turgot and many others thought that it could be reformed simply by reestablishing rules of authority and budget constraints. Many of them joined the Revolution to accomplish that. However, political revolutions once started are unstable and unpredictable and in this case the results were disastrous. Half a century of instability and murderous campaigns would follow. The sanctity of private property, the pillar of Western Civilization had been forever scared if not destroyed. Democracy would bring the once great French nation to its knees.

The Russian Revolution is perhaps the greatest lessons of why revolutions are a bad thing and not to be desired by libertarians. Through a largely unplanned series of knee jerk reactions on the part of the Czar and foreign governments, the most unlikely of all Russians, Lenin, was brought into supreme power from which he launched the dastardliest assault on human life and property rights ever contemplated and accomplished.

Hans Hoppe is the opposite of a revolutionary in this sense. His career is exemplary for his devotion to science, objectivity, and the truth. He does not want to change society for his personal purpose, but to allow it to be natural in the absence of a predatory State. The history of modern revolution underscores and mandates that libertarians not follow the “revolutionary” path.

REFERENCES

- Dempster, Gregory, M. and Robert B. Ekelund, Jr. 2023. “Understanding the timing and outcome of the Russian Revolution: a public choice approach,” *Journal of Public Finance and Public Choice*.
- Ekelund, Robert. B. 2020. “Rent Seeking as an Evolving Process: The Case of the Ancien Regime,” *Public Choice*, Vol. 182, pp. 139–155.
- Thornton, Mark. 2009. “A Theory of Socialism and Capitalism,” *Property, Freedom, Society & Essays in Honor of Hans-Hermann Hoppe*, edited by Jörg Guido Hülsmann and Stephan Kinsella, Ludwig von Mises Institute.

16

Hoppe Turned Me into an “Extreme Apriorist”

Thorsten Polleit

“If the power of government rests on the widespread acceptance of false indeed absurd and foolish ideas, then the only genuine protection is the systematic attack of these ideas and the propagation and proliferation of true ones.”

—Hans-Hermann Hoppe

1.

It was the beginning of 2006 when I unexpectedly received a package from Llewellyn H. Rockwell Jr., the founder and chairman of the Ludwig von Mises Institute in Auburn, Alabama, USA. In it was the second edition of Hans Hermann Hoppe’s book *The Economics and Ethics of Private Property: Studies in Political Economy and Philosophy* (2006). Reading Hoppe’s book has influenced my thoughts and actions like no other economic-philosophical work. In fact, by the time I had finished and closed it, I found myself faced with the shambles of many of my previous academic endeavours—and I suspect that many others who also encountered Hoppe’s writings, particularly at a time when they already considered themselves rather well-read and well-informed economists—experienced a similar shift in perspective.

Dr. Thorsten Polleit is Honorary Professor for Economics at the University of Bayreuth and President of the Ludwig von Mises Institut Deutschland.

Looking back, I would describe myself as a type of “mainstream economist” of a monetarist brand (although I had never entertained Keynesian ideas). Consequently, I saw no issue with conducting empirical studies in my academic work—mostly on monetary topics and financial market matters. By the time I received Rockwell’s book as a gift, I had already encountered some of Ludwig von Mises’s (1881–1973) works—after I had read plenty of the publications of Friedrich August von Hayek (1899–1992). However, it was Hoppe’s writings that made me really understand what Mises conveyed, ultimately leading me to embrace an “extreme apriorist” stance: This means, most importantly, I now adhere to the epistemological position that the science of economics is an a priori science of human action rather than an empirical science.¹

Hoppe’s work is built on the foundational ideas of two remarkable thinkers: Ludwig von Mises and his most important disciple, Murray N. Rothbard (1926–1995). However, Hoppe’s contribution extends beyond merely continuing the legacy of these two brilliant intellectuals. Hoppe also succeeds in upholding and advancing existing epistemological inquiries, illuminating issues and questions that had previously not been fully appreciated in Mises’s and Rothbard’s work. For instance, a notable example is Hoppe’s “a priori of argumentation,”² with which he provides Rothbard’s idea of the possibility of rational ethics—which he had previously grounded solely in natural law—with an a priori foundation.³ Another example is Hoppe’s elucidation and justification of Mises’s logic of human action (praxeology) as the suitable scientific method for economics. Let’s briefly review Hoppe’s approach.

¹ An assertion is considered a priori when its truth value is independent of experience, when it can claim strict universality. One cannot consistently deny an a priori statement without implicitly presuming the statement to be valid. For further exploration, refer to, for instance, Tetens (2006), Kant’s “Kritik der reinen Vernunft” (“Critique of Pure Reason”), pp. 36–37; also Willaschek (2023), Kant, pp. 285–295.

² See Hoppe (2006), *On the Ultimate Justification of the Ethics of Private Property*.

³ See Rothbard (1983), “The Ethics of Liberty”.

2.

Mises posed a fundamental question: How can laws, or: regularities, be discerned in economics, a scientific discipline that belongs to the realm of human action? His response was that the appropriate scientific method of economics is the logic of human action or *praxeology*. Hoppe elucidates with unparalleled epistemological rigour and clarity that Mises’s assertion holds true; the social and economic sciences can indeed only be meaningfully conceptualized as an a priori science of action but not as an empirical science. In my opinion, Hoppe’s particularly important contributions in this context are *Kritik der kausalwissenschaftlichen Sozialforschung Untersuchungen zur Grundlegung von Soziologie und Ökonomie* (“Critique of Causal Scientific Social Research,” 1983) and *Economic Science and the Austrian Method* (1995).

The decisive reason why the scientific method of the natural sciences, rooted in positivism-empiricism-falsificationism, cannot be applied in economics is human actors’ *ability to learn* (“Lernfähigkeit”). The assertion that human actors possess the ability to learn cannot be denied without logical inconsistency.⁴ Rather, it stands as an a priori truth—its truth value can be established independently of empirical experience, it does not require proof or disproof through experience, nor is such verification or falsification in this way possible, and it can claim universal applicability. Consequently, in human action, there cannot be quantitative behavioural constants like those observed in natural sciences, such as the relationship “If *A* increases by *x*%, *B* reacts by *y*%.”

There are no analogous (homogeneous) observations (data points) in the realm of human behaviour that would allow us to predict future human actions based on past observations. Instead, each human action must be considered unique, occurring under specific conditions that cannot be replicated identically. Consider the a priori of the capacity to

⁴ See Hoppe (1983), *Kritik der kausalwissenschaftlichen Sozialforschung*, pp. 13 ff. We cannot deny that humans have the ability to learn. If you say “Humans are not able to learn”, you explicitly or implicitly assume that the person you are talking to is able to learn—otherwise you would not say what you just said. To argue that “Humans are not able to learn” is a *performative contradiction* and thus false. And if you say “Humans are able to learn *not* to learn,” then you get caught up in an *outright contradiction*. That said, the statement “Humans are able to learn” cannot be challenged without implicitly admitting that it is correct, it is valid a priori.

learn in this context: It implies that an actor's knowledge, which determines his actions, evolves, changes over time. As a result, actions taken by an actor at different points in time cannot be treated as uniform. Therefore, in the sphere of human action, a database of comparable observations akin to what is attainable in the natural sciences through experimentation does not exist.

Mises argued that, given the current state of scientific knowledge, it was impossible to scientifically explain and predict the ideas that undeniably shape human actions solely based on external factors, be they chemical or biological—leaving room for the expectation that some day it might be.⁵ Through his a priori concept of the ability to learn, however, Hoppe elucidates that the ideas guiding human action can *never* be scientifically explained by external factors for logical reasons. If I were to possess knowledge of all my future actions, it would imply knowing, in the present, all my future actions—a notion inherently contradicting the a priori truth of the ability to learn, rendering it a fallacious statement.⁶ As we cannot ascertain (all of) an actor's future knowledge, predicting his/her future action remains unattainable.

Hoppe not only presents the conclusion that the social and economic sciences can only be meaningfully understood as a priori science of human action, but he also meticulously addresses the challenges that arise when these disciplines are pursued as empirical sciences—which is the case today, almost without exception. In this context, Hoppe also delves into the reasons behind the preference among scientists and economists for such an epistemological approach. In doing so, he provides substantial and nuanced support for critiques akin to those articulated by Helmut Schelsky in *The Work is Done by Others: Class Struggle and the Priestly Rule of the Intellectuals* (1975) and Stanislaw Andreski in *The Sorcerers of the Social Sciences. Abuse, Fashion, and Manipulation of a Science* (1977).

Hoppe explains unequivocally that the social and economic scientists who approach their discipline as an empirical science are not merely generating unscientific results. Instead, framing economics as an empirical science serves, first and foremost, the career advancement

⁵ See Polleit (2022), Ludwig von Mises. Der kompromisslose Liberale.

⁶ Ibid, pp. 44–47.

and self-interests of the social and economic scientists themselves.⁷ By adopting methodologies akin to those in the natural sciences, social scientists can embark on a seemingly infinite number of research endeavours, produce numerous articles and books, appear in the media, secure generous research grants, and organise countless conferences without ever achieving scientifically robust results. By embracing the scientific approach of natural sciences, sociologists and economists become particularly attractive to the state, politics and, of course, special interest groups.

Even the most ludicrous theories—like advocating for the replacement of gold and silver money with state-monopolised fiat money under the guise of economic growth enhancement or proposing socialism as a means to a better and more prosperous world—stand a chance of implementation.⁸ This is because if economics is considered an empirical science, the only method deemed acceptable for verifying the truth value of economic theories is through testing, practical application. Those opposing such a process are often dismissed as unscientific, anti-progress, backward-thinking. Economists who align themselves with the empirical science paradigm can anticipate various rewards, including state-sponsored prestigious titles, stable incomes, pensions, and ample research funding. Ultimately, Hoppe argues that the empirical science orientation of economics not only undermines the integrity of the discipline, easily corrupting it, but also distracts it from its pursuit of truth, rendering it susceptible to manipulation by special interest groups, and, above all, reducing it to a state propaganda instrument.⁹

3.

The a priori theory of human action extends beyond isolated economic occurrences, such as the effects of an expansion of the money supply, reductions of market interest rates by central banks, increases in income

⁷ See in this context, on the role and fate of the intellectuals, Hoppe (2006), *Natural Elites, Intellectuals, and the State*.

⁸ See, for instance Hoppe (2006), *Austrian Rationalism in the Age of the Decline of Positivism*.

⁹ See Hoppe (2021), *The Role of Intellectuals and Anti-intellectuals*.

taxation, or the imposition of import tariffs or other protectionist measures. It can also be applied to socio-macroeconomic phenomena projecting the outcomes of specific human actions, human-created institutions. Hoppe demonstrates such an a priori assessment of consequences (or: progression-theoretical thinking) in his essay “Banking, Nation States, and International Politics: A Sociological Reconstruction of the Present Economic Order” (2006).¹⁰ The paper is of significant importance for many reasons.¹¹

It represents a potent blend of rigorous a priori analysis, historical interpretation and conditional forecasting of future developments and outcomes. Hoppe begins by explaining that the state as we know it today, is a group of people that act as a *territorial, coercive monopolist with the ultimate decision-making authority over all conflicts within its territory and tax authority*, endeavours to monopolise money production to bolster its authority and enrich itself. Internally, the state is aggressive towards its own populace through escalating taxation, imposing an increasing number of regulations and laws, causing chronic inflation through fiat money expansion. And as if that weren’t already enough, the state also engages in external aggression against other states.

The economically and militarily dominant state, whenever and wherever possible, exerts influence over economically and militarily weaker states, coercing them into obedience, demanding their allegiance, and imposing its fiat currency for international transactions and as foreign reserve holdings. According to Hoppe, a state of a economically strong country with relatively liberal internal policies stands poised to expand its power most effectively, leveraging extensive resources with relatively little strain on its domestic economy and society, keeping resistance at bay, thus facilitating the pursuit of aggressive foreign policies. Hoppe further deduces that a community of states—as we know them today—

¹⁰ See Hoppe (2006) “Banking, Nation States, and International Politics: A Sociological Reconstruction of the Present Economic Order,” pp. 77–116. The original was published in the *Review of Austrian Economics*, 4 (1990).

¹¹ I first addressed the topic at Hoppe’s Property and Freedom Society in 2013, under the title “Organized Crime and the Progression Towards a Single World Fiat Currency” (available at www.propertyandfreedom.org/paf-podcast/pfp104-polleit-organized-crime-single-world-fiat-currency-pfs-2013/). In 2020, I published a book titled *Mit Geld zur Weltherrschaft*, an English version followed in 2023 with the title *The Global Currency Plot: How the Deep State Will Betray Your Freedom, and How to Prevent It*.

does not represent a stable equilibrium but rather propels towards the formation of a global entity, a world state or government, that will introduce a singular global fiat currency.

Hoppe’s progression-theoretical framework offers a robust intellectual lens through which developments in the monetary and banking systems, state formation and expansion, and foreign policy can be meaningfully explained. Within this context, it becomes evident, for example, that the creation of the euro is not a “natural outcome” but rather the result of the states’ deliberate efforts to eliminate currency competition, even if it only existed between state fiat currencies, and to assert total control over the monetary realm. A rather uncomfortable truth emerges: The existence of the state as we know it today, or a coalition of states, harbours a disastrous dynamic, leading towards the emergence of a singular world state or government, a prospect fraught with the potential for unparalleled tyranny.

Hoppe offers a revelation that may surprise some and most likely overwhelm many: namely, that the existence of the state as we know it today has set society and all of civilisation on a destructive path. Through the application of a priori progression-theoretical analysis, it becomes evident that even a minimal state will inevitably evolve into a maximal state and pave the way for a single world fiat currency. He asserts:

[T]he “phoenix” (or whatever else its name may be) will rise as a one-world paper currency—unless, that is, public opinion as the only constraint on government growth undergoes a substantial change, and the public begins to understand the lesson explained in this book: that economic rationality, as well as justice and morality, demand a worldwide gold standard and free, 100-percent reserve banking as well as free markets worldwide; and that world government, a world central bank and a world paper currency—contrary to the deceptive impression of representing universal values—actually means the universalisation and intensification of exploitation, counterfeiting-fraud and economic destruction.¹²

¹² Hoppe (2006), *Banking, Nation States, and International Politics*, p. 116.

4.

As pointed out before, Hoppe has extensively explored the epistemological underpinnings of the social and economic sciences, particularly focusing on the logic of human action (praxeology) as articulated by Ludwig von Mises. According to Mises, the study of human action is not an empirical science but can only be conceptualised as an a priori science. At the core of praxeology as a scientific method lies the proposition “Man acts”, which serves as a foundational principle, as the Archimedean point, so to speak. Hoppe has meticulously examined the epistemological status of the proposition and categorises it as a synthetic a priori judgment in the tradition of the philosophy of Immanuel Kant (1781–1804). While differing views on this issue may exist, I would like to offer additional supporting remarks to bolster Hoppe’s stance.

In his *The Critique of Pure Reason* (1781), Kant was not concerned with a priori knowledge per se.¹³ Rather, he specifically delved into the notion of “pure” a priori, as indicated by the adjective “pure” in the title of his book. In this context, Kant refers to “pure concepts of understanding”, that is, to special a priori concepts that lack experiential content and originate solely from human understanding. According to Kant, these pure concepts of understanding are always presupposed by empirical concepts. Unlike general concepts, they are not derived from other sources, and following Aristotle’s tradition, Kant refers to them as “categories,” the fundamental concepts of thought. Kant derived these “pure” a priori concepts of understanding from his “table of categories” and “table of judgments”—which, however, are not universally accepted in professional philosophical circles.¹⁴

But even if his table of categories was not consistently derived and filled, Kant did introduce certain concepts within it that can reasonably be classified as pure a priori concepts of understanding, such as, for instance, logical operators (like, say, negation (“no”) and conjunction (“and”)). Moreover, Kant seeks the origin of the “unity in the conditions of our objects of experience,” that is, the source from which we unify and comprehend the diversity of sensory perceptions in a coherent

¹³ See Kant (1781), *Kritik der reinen Vernunft*. A second, revised, edition of the book was published in 1787.

¹⁴ See Hoeffe (2007), *Immanuel Kant*, pp. 92–97.

manner and from which all categories ultimately emerge. Kant’s exploration centres on the “original-synthetic unity of apperception”, which denotes the capacity of the human understanding to construct objects of experience or conceive them from sensory perceptions through synthesis or unification. Kant identifies the source of all unity in our objects of experience within the self-consciousness of the subject. According to Kant, “I think” is the irreducible idea—the original synthetic unity of apperception—that must accompany all experiences.

Kant articulates this idea as follows: “The ‘I think’ must accompany all my representations, for otherwise something would be represented in me which could not be thought; in other words, the representation would either be impossible or at least be, in relation to me, nothing.”¹⁵ Viewing thinking as a concrete form of human action, Mises’s assertion “Humans act,” or more personally expressed, “I act,” is thus an irreducible concept.¹⁶ This notion suggests that the diversity of all sensory perceptions, including those related to the categories of action, is inherently bound to precisely this condition of “I act.” From this perspective, Mises’s statement “Humans act” not only qualifies as a priori but also a pure a priori. Mises appears to allude to such an interpretation: “It is our human characteristic that we are thinking and acting beings, and as humans, we know what thinking and acting mean. If we weren’t thinkers and actors ourselves, no experience could tell us what thinking and acting are.”¹⁷

5.

Hoppe may be most recognised by a wider public for his book *Democracy: The God That Failed—The Economics and Politics of Monarchy, Democracy, and Natural Order* (2001). However, as already noted before,

¹⁵ See Kant (1781), *Kritik der reinen Vernunft*, §16. Von der ursprünglich-synthetischen Einheit der Apperzeption der reinen Vernunft, pp. 114 ff.

¹⁶ Mises (1962), *The Ultimate Foundation of Economic Science*, suggested this point (pp. 35–36): “In acting, the mind of the individual sees itself as different from its environment, the external world, and tries to study this environment in order to influence the course of events happening in it.”

¹⁷ Mises (1940), *Nationalökonomie*, p. 16 (my translation).

I personally did not become an “extreme apriorist”¹⁸ through Hoppe’s criticism of democracy, revisionist interpretation of history, destruction of the “myth of the state,” the debunking of the idea of “public goods”, and other exciting contributions he has made (of course I was certainly enlightened by them). Instead, it was the study of Hoppe’s foundational work on epistemology, his exploration of the scientific method, and his elucidation of the epistemological writings of Ludwig von Mises and Murray N. Rothbard that proved pivotal in becoming an extreme apriorist myself. What exactly is an extreme apriorist?

The extreme apriorist acknowledges and embraces the inherent limitations of scientific knowledge in the realm of human action. He understands that (economic) laws cannot be discovered through empirical investigations and are not subject to validation or refutation by experience. Instead, he asserts that a select few economic truths are apodictic, such as the fact that voluntary exchange is mutually beneficial for those participating in the transaction; an increase in the money supply reduces the purchasing power of money (compared to a situation in which the money supply remains constant); that the state as we know it today relies on coercion and violence rather than a voluntary consensus; that interventionism, if allowed to go unchecked, will inevitably lead to socialism, which is inherently unfeasible. These are just a few examples of the scientific insights embraced by the extreme apriorist.

At the same time, the extreme apriorist recognises the existence of numerous intriguing questions that, however, surpass the realm of the science of human action and elude scientific resolution—questions such as: Will stock prices rise or fall in the future? Will central bank councillors adjust interest rates in the coming months? Will the economy fall into recession in the coming quarters or not? Will capital market interest rates keep trending downwards? The extreme apriorist abstains from attempting to answer such questions (which tend to be of great interest to many) with the help of complex econometric models. In fact, he refrains from giving his audience the false impression that any of these questions can be effectively resolved through scientifically-sounding but misplaced methodologies that seek to impress the layman.

¹⁸ I borrowed the term from Rothbard (1957), In Defense of “Extreme Apriorism.”

Instead, the extreme apriorist does his best to debunk and expose as inappropriate, as false, as a pseudo-scientific approach, the use of the scientific method of the natural sciences in the realm of the social and economic sciences, as it is unfortunately commonly practised today. Specifically, he openly challenges the notion that economics, in particular, can be approached as an empirical science, and it is here where he shows no compromise. Furthermore, he is unafraid to assert that many social and economic scientists fail to deliver the benefits they claim to offer. Rather, they often belong to a “false intellectual priestly caste”¹⁹ that pursues their professional and personal interests at the expense of the general population and, in doing so, facilitates the implementation of harmful ideologies and detrimental political measures.

The extreme apriorist remains steadfast in his principles, refusing to compromise merely for social approval and career advancement. Aware that he may receive little or no support from mainstream social and economic scientists, let alone from the state, he stands resolute. Hoppe’s epistemological contributions are invaluable in upholding truth and integrity in the social and economic sciences, shaping peoples’ thinking and their actions. Like Mises and Rothbard, he is a social and economic scientist who fearlessly presents his work, often with a refreshingly candid and scathing tone, despite facing harsh attacks. Hoppe epitomises the essence of extreme apriorism, standing apart in his unwavering commitment. His timeless contributions warrant the utmost attention; his scientific courage, intellectual incorruptibility, and academic integrity should serve as us a role model.

REFERENCES

- Andreski, S. (1977), *Die Hexenmeister der Sozialwissenschaften. Mißbrauch, Mode und Manipulation einer Wissenschaft*, Deutscher Taschenbuch-Verlag, München.
- Hoppe, H. H. (2021), *The Role of Intellectuals and Anti-intellectuals*, 4 August (<https://mises.org/mises-wire/role-intellectuals-and-anti-intellectuals>).

¹⁹ Exemplifying this in the context of the monetary system, see Polleit (2023), *Die falsche Priesterschaft der Intellektuellen und das Fiatgeld* (podcast: www.youtube.com/watch?v=CubkVEZ7Ulc); and Polleit (2022), Helmut Schelsky’s ‘Let the actual work be done by others. Class struggle and the priestly dominion of the intellectuals’ revisited.

- Hoppe, H. H. (2006), *The Economics and Ethics of Private Property Studies in Political Economy and Philosophy*, second edition, Ludwig von Mises Institute, Auburn, US Alabama.
- Hoppe, H. H. (2006), On the Ultimate Justification of the Ethics of Private Property, in: *The Economics and Ethics of Private Property Studies in Political Economy and Philosophy*, second edition, Ludwig von Mises Institute, Auburn, US Alabama, pp. 339–345.
- Hoppe, H. H. (2006), Austrian Rationalism in the Age of the Decline of Positivism, in: *The Economics and Ethics of Private Property Studies in Political Economy and Philosophy*, second edition, Ludwig von Mises Institute, Auburn, US Alabama, pp. 337–379.
- Hoppe, H. H. (1983), *Kritik der kausalwissenschaftlichen Sozialforschung. Untersuchungen zur Grundlegung von Soziologie und Ökonomie*, Westdeutscher Verlag, Opladen.
- Hoppe, H. H. (2001), *Democracy. The God That Failed. The Economics and Politics of Monarchy, Democracy, and Natural Order*, Transaction Publishers, New Brunswick (U.S.A.), London (U.K.).
- Hoppe, H. H. (2006), Natural Elites, Intellectuals, and the State, 21 July (www.mises.org/mises-daily/natural-elites-intellectuals-and-state).
- Höffe, O. (2007), *Immanuel Kant*, C. H. Beck, München.
- Kant, I. (1781, 1913), *Kritik der reinen Vernunft*, Bruno Cassirer, Berlin.
- Mises, L. v. (1998), *Human Action. A Treatise On Economics*, Scholars' edition, Ludwig von Mises Institute, Auburn, US Alamba.
- Mises, L. v. (1962), *The Ultimate Foundation of Economic Science. An Essay On Method*, D. Van Nostrand Company Inc, Princeton, New Jersey, Toronto, Londown, New York.
- Mises, L. v. (1957), *Theory and History. An Interpretation of Social and Economic Evolution*, Ludwig von Mises Institute, Auburn, US Alabama.
- Polleit, T. (2023), *The Global Currency Plot. How the Deep State Will Betray Your Freedom, and How to Prevent It*, Ludwig von Mises Institute, Auburn, US Alamba.
- Polleit, T. (2023), *Die falsche Priesterschaft der Intellektuellen und das Fiatgeld*, Ludwig von Mises Institut Deutschland, 4. August (www.misesde.org/2023/08/die-falsche-priesterschaft-der-intellektuellen-und-die-macht-der-ideen/).
- Polleit, T. (2022), *Helmut Schelsky's 'Let the actual work be done by others. Class struggle and he priestly dominion of the intellectuals' revisited*, 22 September, libertarianism.uk (www.libertarianism.uk/2022/09/22/helmut-schelskys-let-the-actual-work-be-done-by-others-class-struggle-and-he-priestly-dominion-of-the-intellectuals-revisited/).
- Polleit, T. (2022), *A Global Fiat Currency: "One Ring to Rule Them All"*, Ludwig von Mises Institute, Auburn, US Alamba, 24 September (www.mises.org/mises-wire/global-fiat-currency-one-ring-rule-them-all).
- Polleit, T. (2022), *Luwig von Mises. Der kompromisslose Liberale*, Finanzbuch Verlag, Muenchen.
- Polleit, T. (2023), *Organised Crime and the Progression Towards a Single World Fiat Currency, Property and Freedom Society*, Bodrum, September (www.propertyandfreedom.org/paf-podcast/pfp104-polleit-organized-crime-single-world-fiat-currency-pfs-2013/).
- Rothbard, M. N. (2011), *Economic Controversies*, Ludwig von Mises Institute, Auburn, US Alamba
- Rothbard, M. N. (1982), *The Ethics of Liberty*, New York University Press, New York, London.

- Rothbard, M. N. (1957), In Defense of “Extreme Apriorism”, in: *Southern Economic Journal*, January, pp. 314–320.
- Schelskys, H. (1975), *Die Arbeit tun die anderen: Klassenkampf und Priesterherrschaft der Intellektuellen*, Westdeutscher Verlag, Opladen.
- Tetens, H. (2006), *Kants „Kritik der reinen Vernunft“*. Ein systematischer Kommentar, Philipp Reclam jun., Stuttgart.
- Willaschek, M. (2023), *Kant. Die Revolution des Denkens*, C. H. Beck, München.

17

The Humble Hero of Truth

Nikolay Gertchev

I first met Professor Hoppe in 2002, at the summer university organised by the Mises Institute in Auburn, Alabama. I was immediately stunned by the monumental force and implacable logic of his arguments. At the time and still today, his articles and lectures on ethics, economics, social issues and scientific method impress me with their enthusiastic and empowering message—truth, the one thing that matters most, is something that not even the most oppressive government could ever take away from those who cherish it and seek it. Since that first encounter, I have been honoured by Professor Hoppe’s company at several public conferences and private gatherings, including the inaugural and other early meetings of the Property and Freedom Society.¹ At any of these occasions I have always felt being in the presence of an exceptional

¹ Anyone who has attended any meeting of the PFS would testify that this private society is, in a word, exquisite. I remember Professor Hoppe having said once in Bodrum that lovers of liberty tend to outcompete their opponents in beauty too. There can be no doubt that this concrete statement was triggered by the very satisfactory look of the surrounding environment. Yet the argument goes much deeper. Indeed, liberty is the necessary pre-condition for the successful pursuit of beauty and the related thriving of aesthetics.

Nikolay Gertchev holds a Ph.D. in economics from the University of Paris II Panthéon-Assas. He works for an international organisation in Brussels, Belgium and teaches financial sector regulation in the Master Law and Finance at the University of Angers, France.

person whose character combined true heroism with genuine humility. I am certain this is a feeling experienced by all those who have gotten closer to Hans-Hermann and to his intellectual universe. Here I would like to relate two personal interactions with him, which illustrate these two aspects of his outstanding character.

Professor Hoppe approached me in early 2011 with the request to improve the French translation of an interview on taxation with *Philosophie Magazine*. This monthly review, which describes itself as non-partisan, aims at vulgarising philosophy in France. I was very excited that Professor Hoppe's views would reach a wider audience and could substantiate a more serious debate in a country where public finances were last balanced in 1974 and government expenditure was hovering above 55% of GDP (and closer to 60% nowadays). I enthusiastically invested some effort in making sure that the French readers would get both the content and the style of the arguments as accurately as they appeared in the original English version. I sent Professor Hoppe the improved translation and then did not hear back for quite some time. A few months later I got an email from him where he excused himself for the unfortunate outcome that, as far as he could tell, the interview would not be published. Apparently, the journalist had simply vanished without any explanation!

Of course, I was disappointed. However, I did not regret a single second spent on understanding Professor Hoppe's carefully crafted text and re-drafting it in another language. That had been an incredibly rewarding experience in itself. My disappointment came from that ruthless denial of audience to the expression of truth, simply because truth's implications were disliked. This interview² is, still today, the most concise and clear statement of the nature and ethics of taxation. It is a coherent step-by-step explanation of why taxes must be considered theft, the reasons why no tax is fair, and consequently why it is not unjust to avoid paying taxes. I am convinced the journalist did not like many of the logical conclusions, especially those that cracked the foundations of an egalitarian redistributive tax policy, e.g. that a progressive tax is not more

² It can be found on the webpage <https://www.hanshoppe.com/2011/03/philosophie-magazine-interview-on-taxation/>, as well as in the collection of essays Professor Hoppe has published under the title *The Great Fiction* (www.hanshoppe.com/tgf).

justified than a flat tax, or that rich people need not be taxed more than the poor. Yet I doubt this was the main reason to reject the interview. After all, different tax systems exist in different countries. This already suggests either a lack of consensus among economists and politicians as regards the “best” taxation system or a plurality of solutions, depending on the concrete policy objectives or some other specific circumstances.

I believe the truly “problematic” part of that interview was another logical implication that Professor Hoppe did not refrain from making explicit. Namely, taxation divides society into two classes: exploited net tax-payers and exploiting net tax-consumers.³ It is unlikely that those whose livelihood depends on taxes, i.e. the net tax-consumers, would ever support a reform in defence of lower taxes and, instead, voluntary financing. To the extent that the vast majority of contemporary intellectuals live off taxation, one can easily guess what they would preach.

Now, this implication about the most likely content of present-day intellectuals’ writings is not a minor observation! It unveils a broader, and rather unpleasant, truth—whenever governments provide special, non-market advantages to an economic activity, and in some cases to an entire profession, the nature of that activity or profession gets corrupted and distorted. There is an essential difference between an economist and a state-funded number-cruncher,⁴ a musician and a state-funded sound-maker, a physician and a state-funded prescriptions-writer, etc. In brief, governments bring about an unavoidable perversion of human talents.⁵ This is nothing short of a progressive de-civilization and destruction of humanity itself. This conclusion, namely that governments are the true enemy of the people, must have triggered the exclusion of the interview from the pages of *Philosophie Magazine*. Yet Professor Hoppe did not get discouraged, nor did he offer the journal a more

³ See also Hans-Hermann Hoppe, “Marxist and Austrian Class Analysis,” in *The Economics and Ethics of Private Property*, 2nd ed. (Auburn, AL: Ludwig von Mises Institute, 2006; www.hanshoppe.com/cepp).

⁴ On that specific point, you should trust me that a professional “desk economist,” a specialised “forecaster,” or an “expert in structural reforms” with a national or international bureaucracy practices economics as much as an astrologist practices astronomy.

⁵ This is not to say that there are no diligent people in state employment who attempt to be good economists, musicians or physicians. The point, rather, is that their talents do not thrive to the same extent and in the same direction as in the case of voluntary market-based funding.

accommodative version of the text, with a view to reaching a larger audience. No, he would have considered this self-censorship unacceptable! This was to me one example of the single thing that matters to Hans-Hermann, namely that his arguments are crafted with the utmost care for exactitude and clarity. This uncompromising loyalty to the logical validity and completeness of an argument, irrespective of any potential personal prejudice, makes him a true hero of truth.

One could think that such a strong conviction in the primacy of truth, therefore coupled with the related awareness of always having truth on one's own side, would go together with an attitude of emphasized self-righteousness, and hence some degree of intellectual arrogance. As far as I can tell, the exact opposite has happened in the person of Professor Hoppe! I have been truly amazed by the tact with which I saw him treating his interlocutors and by his delicate attention not to embarrass them by an apparent superiority in knowledge or intelligence. Maybe such a degree of humility is an in-born quality, or maybe it is a result of a progressively acquired deep and philosophical understanding of our world. One way or another, I daresay this is now Hans-Hermann's natural way of being.

I experienced Professor Hoppe's remarkable humility once in a personal exchange after a talk I gave in Bodrum on the omnipresence of monetary policy. Professor Hoppe looked satisfied and gratified me with his characteristic smile, while uttering a few succinct but uplifting words. He pointed out that I should have described the inflationary international connivance between major central banks as an act of conspiracy, instead of cooperation, as we economists should reserve the latter concept exclusively for voluntary undertakings. In the ensuing discussion, I mentioned to him how powerful I found the Austrian fundamentals of monetary theory and his own contributions in that area, both for grasping major social trends and for understanding sector-specific developments in finance. On the latter point, Professor Hoppe confided that they, i.e. the recognized mentors, could not expand further the area of practical application of the theory because they did not know much about the exact technicalities of how modern banks were functioning.

On the spot, that statement surprised me for at least two reasons. First, it was an open recognition of some degree of knowledge limitation.

As we know, a big part of the standard intellectual game consists, instead, in hiding any appearance of such a limitation. But Professor Hoppe is not the trivial modern university professor who invests more energy in concealing his weaknesses than in broadening his knowledge. Second, that observation made me think about the actual limitations of the Austrian monetary and banking theory. Would Austrian economists have an insufficient understanding of modern finance due to a lack of intimate knowledge about some technical details? Therefore, should Austrians invest more time and energy to get acquainted with and even master such technicalities? At the time, I did not have answers to these questions. It so happened that since that exchange with Professor Hoppe in Bodrum my professional career took a turn that has exposed me closely to many concrete aspects of commercial and central banking and of banking regulation. Based on that personal experience, I would like to briefly share two broad observations, and that way continue a dialogue that started about a decade ago.

First, what we call technical details are, as a matter of fact, the concrete aspects through which a natural social phenomenon or a government-induced economic policy unfolds in a given place (here) and at a given moment (now). From that point of view, technicalities are indeed very important for applied analysis or for any practical policy discussion. To some extent, the very choice of the proper theoretical concepts that are needed to grasp a specific phenomenon depends on the prior identification of the relevant technical aspects. For instance, the economic analysis of the so-called Transmission Protection Instrument of the ECB, or of monetary tightening as currently defined and practiced by the FED, or of non-performing loans in relation to banks' capacity to expand credit in a context of rising interest rates, requires a relatively in-depth historical understanding of the specific parameters and actual workings of these monetary mechanisms and instruments. Admittedly, this type of knowledge belongs more to technology and history than to economics. Yet it is indispensable for a correct application of economic theory to the world here and now. Hence, to meet their own high standards of realism, Austrian economists must get familiar with the relevant present-day technicalities.

Second, while history and technology are much needed to make practical use of theory, theory remains foundational for seeing through

both the evident and also less obvious cause-to-effect relations in our world. Naturally, the concept of theory here does not refer to some formalistic mathematical model with a specialised, i.e. intentionally narrow, scope. Rather, it refers to a broad scientific *corpus* such as the one of Austrian economics. The relevant question here is whether being an Austrian makes a difference in the professional workplace, among technicians. Based on my own experience, however limited it might be, I can share that Austrian economists suffer no handicap and even have a distinct advantage in comparison to other practitioners and analysts. Typically, when faced with a specific policy action or an institutional detail, non-Austrians fail to put them in a broader context that would also clarify some wider ramifications throughout the economy. Austrian economists, on the contrary, have no difficulty in connecting the dots and seeing through the forest, precisely because they rely on a wider theoretical *corpus*, all of the elements of which are valid always and everywhere, and therefore also now and here. It is true that Austrians first have to learn a particular jargon and then translate it into a notion familiar to them. However time-consuming that process might be, I have found that it has often resulted in most pertinent observations and even eye-opening comments for colleagues.⁶ Finally, Austrian economics offers a unique and foolproof protection against

⁶ Yet one should remain humble and acknowledge that, despite their pertinence, such observations do not influence actual policies. While many factors contribute to this unfortunate outcome, the main driver might be the very nature of modern policy making. Policy measures are no longer decided based on their consequences, in a consistent means-ends framework. Rather, they are undertaken on the ground of their, often assumed, contribution to a higher policy goal, which, in a progression ad infinitum, ultimately can only be a salutary goal. In these circles one would often hear, “We knew, but we had to do it,” implying that a policy measure that is questionable from an expert point of view, and might have been recognized as such, had to be followed out of necessity, for instance to save the planet, save endangered species, save democracy, save the euro, save the Union, etc. Incidentally, this leads to a delusionary attitude, quite common among policy actors at all levels, that I would name “the Jesus syndrome” only because I lack sufficient training in the proper diagnosis of mental disorders. The rather recent reference in public discourse to “evidence-informed” or “evidence-based” policy making is quite an explicit recognition that, so far, actual policies have been rooted in anything but reality and knowledge about it.

misconceptions of all sorts that are so common among practitioners.⁷

⁷ As Professor Hoppe writes,

while economic *forecasting will indeed always be a systematically unteachable art*, it is at the same time true that *all economic forecasts must be thought of as being constrained by the existence of a priori knowledge about actions as such*.

The quantity theory of money then cannot render any specific economic event, certain or probable, on the basis of a formula employing prediction constants. However, the theory would nonetheless *restrict the range of possibly correct predictions*. And it would do this not as an empirical theory, but rather as a praxeological theory, acting as a logical constraint on our prediction-making. Predictions that are not in line with such knowledge (in our case: the quantity theory) are systematically flawed and making them leads to systematically increasing numbers of forecasting errors. This does not mean that someone who based his predictions on correct praxeological reasoning would necessarily have to be a better predictor of future economic events than someone who arrived at his predictions through logically flawed deliberations and chains of reasoning. It means that *in the long run the praxeologically enlightened forecaster would average better than the unenlightened ones*.

It is possible to make the wrong prediction in spite of the fact that one has correctly identified the event “increase in the money supply” and in spite of one’s praxeologically correct reasoning that such an event is by logical necessity connected with the event “drop in the purchasing power of money.” For one might go wrong predicting what will occur to the event “demand for money.” One may have predicted a constant demand for money, but the demand might actually increase. Thus the predicted inflation might not show up as expected. And on the other hand, it is equally possible that a person could make a correct forecast, i.e., there will be no drop in purchasing power, in spite of the fact that he was wrongly convinced that a rise in the quantity of money had nothing to do with money’s purchasing power. For it may be that another concurrent change occurred (the demand for money increased) which counteracted his wrong assessment of causes and consequences and accidentally happened to make his prediction right.

However, and this brings me back to my point that praxeology logically constrains our predictions of economic events: What if we assume that all forecasters, including those with and without sound praxeological knowledge, are on the average equally well-equipped to anticipate other concurrent changes? What if they are on the average equally lucky guessers of the social and economic future? Evidently, we must conclude then that *forecasters making predictions in recognition of and in accordance with praxeological laws like the quantity theory of money will be more successful than that group of forecasters which is ignorant of praxeology*.

It is impossible to build a prediction formula which employs the assumption of time-invariantly operating causes that would enable us to scientifically forecast changes in the demand for money. The demand for money is necessarily dependent on people’s future states of knowledge, and future knowledge is unpredictable. And thus *praxeological knowledge has very limited predictive utility*.

Hans-Hermann Hoppe, *Economic Science and the Austrian Method* (Auburn, Ala.: Mises Institute, 1995; www.hanshoppe.com/esam), p. 44 *et seq* (emphasis added; citations omitted). See also related comments by other Austrians in Stephan Kinsella, “*Verstehen and*

Indeed, way too often practitioners believe that they are those who really know how things work.⁸

As Austrian economists, we should not shy away from engaging with practitioners, technicians and consultants. Not only do we have a trick or two to impress them with, but we can also demonstrate the validity, and sometimes even practical superiority, of our theoretical corpus. That is also one way to pay tribute to the superb achievements of such intellectual giants as Professor Hoppe.

[the Role of Economics in Forecasting, or: If You're so Rich, Why Aren't You Smart?](#), *StephanKinsella.com* (Sep. 1, 2009; www.stephankinsella.com).

⁸ I would like to share three examples of discussions with fellow practitioners. Colleague *A*, with a good managerial experience at a significant French bank, firmly believes that commercial and central banks do not have a monopoly on the production of media of exchange. He thinks that the capacity of banks' clients to write checks in discretionary amounts of their choice demonstrates that any bank-account holder can produce money. Colleague *B* thinks that he can calculate the price a government should charge a bank for the capital it injects into it in such a way that competition in banking is not distorted. Colleague *C* believes that the international standing of the euro is below its potential because of insufficient amounts of high-quality euro-denominated assets, irrespective of the fact that the euro area governments have issued massive amounts of public debt securities over the last decade. To remedy the situation, he continues, it would be necessary to expand the pool of high-quality euro assets available to foreign investors, notably by convincing the member states of the European Union to agree on issuing common debt in a centralized way.

18

An Austrian Perspective on Hans-Hermann Hoppe and the Property and Freedom Society

Rahim Taghizadegan

A SLENDER THREAD

I grew up in Austria, where one might expect the Austrian School of Economics to be a natural part of my education, especially since I studied economics at university. However, the tradition had been entirely disrupted in Austria. It was only upon going to the United States as a young physicist that I discovered the Austrian School was far more than a mere footnote in history books on economics; it was a vibrant tradition with significant relevance to our times.

The survival of the Austrian School owes much to a slender thread of scholars, connected across generations. Ludwig von Mises, a towering figure of the Austrian School, migrated to the United States like many others but never secured a professorship. Despite this potential barrier to academic recognition, a select group became his students. A smaller number still devoted their lives to preserving this tradition.

Rahim Taghizadegan is the last Austrian economist of the Austrian School in the direct tradition, having taught at universities in Austria, Liechtenstein, Switzerland, and Germany. Author of over fifteen books, he is the founder of the private university *scholarium*, where the Austrian School can be studied in its original interdisciplinary form. He is also a physicist (specialization in nuclear physics and complex systems), entrepreneur, and investor. Originally from Iran, he has grown up in Austria and studied in Switzerland and the US.

Among them, Murray N. Rothbard stood out, whom, regrettably, I missed by a few years. Fortunately, Rothbard's dedication found a successor in Hans-Hermann Hoppe, who distinguished himself through his commitment to keeping the tradition alive with the necessary passion and intellect, despite considerable challenges.

I am privileged to regard Hans-Hermann Hoppe as a teacher and one of the vital links enabling the Austrian School of Economics' unlikely endurance. This persistence occurred against all odds, despite the original Austrian School being at odds with what Rothbard regarded as the worst century yet, and it continues to be at odds with the interests of pseudo-elites and academics around the world.

I could not believe my luck when I learned that this eminent figure of the modern Austrian School was not only a native German speaker like myself but also had close personal ties to Austria, and was moving back permanently to Europe from the US. Hans thus symbolizes the Austrian School's final return to its roots. My other teacher and mentor, Hayek's student Roland Baader, an entrepreneur and equally passionate publicist, was also of German decent and a good friend and admirer of Hans. Regrettably, he passed away in 2012 and had been unable to travel for many years prior.

Fortunately, Hans has preserved not only his intellectual vigor but also his physical health into old age. As a result, he has been able to frequently visit the birthplace of our shared tradition in person over the past decades. I have had the privilege of organizing splendid events in some of Vienna's most beautiful historic buildings, often associated with the Austrian School, with Hans as the guest of honor.

With the Austrian School, nearly all other vestiges of old Europe's vibrant high culture succumbed to the totalitarian regimes of the last century. Modern Austria largely resembles a museum, where envy plays a significant role in the national identity. Beyond the urban center, which disseminates fiat money and fiat ideas, at least some elements of Alpine culture and beauty have managed to endure.

A SALON IN A GARDEN

An exception was the last Viennese “liberal” Salon, in the traditional European sense of classical liberalism and openness to all arguments, even those deemed politically incorrect. Until his passing in 2011, my friend Rainer Ernst Schütz hosted this Salon in a penthouse apartment within the building he owned, located right beside the Danube canal. He and his wife Elisabeth managed to visit Bodrum a few times before his untimely death, witnessing how, in an unexpected place and under unlikely circumstances, the old European Salon culture experienced a new and surprising revival.

The setting, a garden exquisitely designed by Gülçin Imre Hoppe, Hans’s wife and companion, creates a historical connection of even greater depth. Situated in one of the ancient cultural centers of the Mediterranean, it evokes the original concept of “academia.” This term originates from the garden named after the Attic hero Academos, which Plato established as an intimate space for profound argumentation.

In old Vienna, such intimacy was discovered in private living spaces like Rainer’s, hence the term “salon.” Privacy is essential for meaningful discourse, making the salon—whether in Vienna or Bodrum—the antithesis of today’s “academia.” Where the focus is on public appeal, or even worse, “public money,” intellects are as defaced and disregarded as public restrooms. Especially in an era where public pressure against “thoughtcrimes” intensifies, privacy becomes the thinker’s sanctuary.

Hans has praxeologically demonstrated that private property emerges as a result of argumentation. Through his role as a host, he has practically demonstrated how, conversely, argumentation emerges from private property because it fosters the privacy essential for a salon. Access by invitation ensures accountability—a concept often shunned by politicians and “academics.” This mechanism of quality control, occasionally leading to consequences for misconduct, has preserved the caliber of participants necessary for meaningful discourse. Even more crucial to genuine argumentation is the intimacy that enables complete freedom of speech without animosity. The Property and Freedom Society embodies the closeness of a family gathering, creating an atmosphere of intellectual camaraderie that frees both mind and speech, devoid of the pettiness and malice typical of “public debate.”

A COUNTER-ACADEMIA

The concept of “public debate,” intertwined with the detrimental notion of the media acting as a “fourth power” within the state apparatus, has acted as a force of decivilization. The atmosphere, aesthetics, culture, and—most critically—the quality of thought and debate within the Property and Freedom Society serve as a stark contrast.

The Austrian School is often categorized as an academic tradition, yet this characterization overlooks a crucial aspect of its heritage. Carl Menger, the school’s founder, advised his favorite students against pursuing academic careers, highlighting a different path for the tradition. The zenith of the Austrian School is not located within the lecture halls of the University of Vienna, but rather in the private salon of Ludwig von Mises—his “Kreis” (circle). This circle usually gathered in a room at the chamber of commerce, Mises’s workplace, then moved to a restaurant specializing in Mediterranean cuisine, and finally concluded in a coffee house. The chamber of commerce’s wall paintings, the restaurant’s name (*Ancora Verde*), and the coffee all echoed the ancient seafaring tradition of trade. With Austria landlocked in the modern era, Bodrum, the ancient Halicarnassus, indeed offers a more fitting backdrop for a Hoppe Kreis, continuing this grand tradition.

A fundamental distinction from modern academia lies in the interdisciplinary nature of the old Austrian School and its circles. Contrary to expectations that a “conference” on the Austrian School of Economics might be a tedious dissection of minor points within a specialized interest of the economics field, a session of the Property and Freedom Society is anything but. While Hans might not align with Friedrich A. von Hayek on numerous issues, he embodies Hayek’s adage that one who is only an economist cannot be a good economist.

As a distinguished philosopher, Hans exhibits a fervent interest in a range of disciplines including history, ethics, law, politics, and psychology, mirroring Rothbard’s comprehensive approach. The Property and Freedom Society, a cosmopolitan event held in a location deeply intertwined with world history and geopolitics, consistently astonishes with the high level of historical expertise and curiosity it attracts. History, being among the most manipulated disciplines due to its role

in controlling narratives, makes the importance of critical and even contrarian perspectives all the more significant.

Over the decades, Hans has expanded his intellectual contributions across various fields, sharing significant advancements in legal philosophy, epistemology, history, and political theory primarily within the intimate yet rigorously critical environment of the Property and Freedom Society. Total agreement is never expected; discussions often extend into the warm nights of Bodrum, occasionally veering into unexpected directions, aided by the surprisingly fine red wine served by the ever-attentive staff.

The distinction between modern academia and the older tradition of critical thought isn't just the deep specialization into single disciplines to legitimize "experts." More fundamentally, it is the specialization in theory—in its very modern sense. Originally, theory meant critical reflection on reality. Nowadays, theory often revolves around models and constructs, frequently distancing itself from reality.

Ludwig von Mises introduced the term praxeology to describe a proper theory that captures the real actions of real human beings, in contrast to modern economics, which often focuses on the unrealistic and the abstract. On one hand, this trend is part of a "science" cargo cult that serves very tangible, worldly interests. On the other, theory, as opposed to practical application, rationalizes endeavors of little voluntary financial value—providing a perfect haven for state-financed intellectuals.

A PLACE OF PRACTICE

Both the Mises Kreis and the Property and Freedom Society stand in stark contrast to the tendencies observed in modern academia. These gatherings have successfully drawn the most practical and straightforward individuals, not to the exclusion of the intellectually inclined, but as a vital counterbalance and grounding in reality. A significant accomplishment of Hans's salon is undoubtedly its ability to attract and select some of the most fascinating individuals of our era, who are more reminiscent of the Renaissance than of today's compartmentalized and dependent ways of life: entrepreneurs, engineers, doctors,

programmers, inventors, warriors. The breadth of conversations reflects the diverse and distinguished nature of the participants, as one might expect from such a unique assembly.

It comes as no surprise that many innovations have been discussed at the Property and Freedom Society earlier than elsewhere. A notable instance is Bitcoin. Hans has had strong reasons for his skepticism, stemming from his too early exposure to Bitcoin, back when it was probably primarily embraced by individuals whom he would not consider trustworthy or suitable for invitation to the Property and Freedom Society. Nevertheless, he has permitted discussions and even a minor, off-schedule presentation on the subject. As a result, many participants first learned about Bitcoin at the Property and Freedom Society, and for some, this knowledge has led to significant financial benefits. Intriguingly, Bitcoin has now become one of the main avenues drawing interest to the Austrian School and Hans's teachings.

The absence of political correctness or imposed quotas at the Property and Freedom Society has indeed led to a predominance of male speakers, who often display a greater willingness to risk appearing foolish on a stage where the audience's average IQ is notably high. However, it is important to recognize that, much like Mises in contrast to Hayek, Hans has consistently welcomed women to this distinguished society. Over the years, several women have been among the most insightful and learned participants. Notably, the actual host of the gathering stands out. The more practical aspects of the Property and Freedom Society, echoing the tradition of the old Viennese salons, have largely been in the hand of a woman: Gülçin Imre Hoppe, Hans's wife, is not only an entrepreneur and the owner of the venue but also a passionate gardener and an intellectual whose expertise and interests span the Austrian School and extend well beyond it. Her contributions merge the finest aspects of Eastern and Western traditions, playing a crucial role in creating this unique interdisciplinary and intercultural oasis.

What Mises would have predicted, is true at least within the confines of this unique space: grounded in sound principles and ideas, there is no necessity for conflict among sexes, cultures, races, or identities. This vision also aligns with Roland Baader's beliefs: whereas politics divides us, he observed, the economy—the peaceful exchange of goods and ideas—unites us.

Catallactics, a term Mises introduced for the praxeology of voluntary exchange relationships, encapsulates this concept. The term's Greek roots suggest not just trade but the transformation of enemies into friends. In this light, the Property and Freedom Society represents another success story: it has fostered countless friendships, witnessed marriages, and seen families grow. It is these connections that have made me miss only two gatherings in two decades, with some members demonstrating even greater diligence.

LITERATURE

- Hoppe, Hans-Hermann. 1995. "Privateigentum: Die Grundlage der Gerechtigkeit und des Wohlstands." In: *Die Enkel des Perikles*, by Roland Baader. Gräfelting: Resch.
- Hoppe, Hans-Hermann. 1996. "Die Österreichische Schule und ihre Bedeutung für die moderne Wirtschaftswissenschaft." In: Ludwig von Mises' „Die Gemeinwirtschaft“, ed. Karl-Dieter Grueske. Düsseldorf: Wirtschaft und Finanzen.
- Hoppe, Hans-Hermann. 2016. *Ökonomik als Wissenschaft und die Methode der österreichischen Schule*. Wien: mises.at.
- Taghizadegan, Rahim, and Eugen Maria Schulak. 2015. *Die Alpenphilosophie: Eine Spurensuche nach vergessenen Weisheiten und Werten*. Elsbethen: Servus.
- Taghizadegan, Rahim, and Huw Rhys James. 2019. *Felix Kaufmann's Songs of the Mises-Kreis*. Wien: mises.at.

19

Hoppe and the Current Stage of Austro-libertarianism in Brazil

Fernando Fiori Chiocca

This is the second *festschrift* awarded to Hans-Hermann Hoppe. The first¹ featured 35 authors who gave testimonies about their friendship with Hans-Hermann Hoppe and/or took the opportunity to comment on or develop some of his theses. Among these authors were the world's greatest libertarians and economists, such as Lew Rockwell, Jesús Huerta de Soto, Joe Salerno and Guido Hülsmann. The book was published in 2009 and given to Hoppe in celebration of his 60th birthday. Today, 15 years later, with the publication of this second *festschrift*, I am grateful to have the opportunity to modestly insert myself among the constellation of great stars who are in some way associated with Hoppe and tell a little about his influence on libertarianism in Brazil.

I became interested in the ideas of liberty in the early 2000s, and at the time there was no work by Hoppe translated into Portuguese; thus Milton Friedman's books were my "gateway." A little later I came across Ayn Rand, and then Mises and other Austrian Economists who had their works translated by the *Instituto Liberal*. And I arrived at

¹ Jörg Guido Hülsmann & Stephan Kinsella, eds., *Property, Freedom, and Society: Essays in Honor of Hans-Hermann Hoppe* (Auburn, Ala.: Mises Institute, 2009).

the dead end of Classical Liberalism, since the libertarian content in Portuguese was practically non-existent. That's when I started reading the Mises Institute's English-language articles and books, which made me a libertarian in a short period of time.

The Austro-libertarian content had a very strong impact on the formation of my ideas, and I felt an urge to spread them to the Brazilian public. It was to supply the lack of Austro-libertarian material in Portuguese that my brothers and I founded the Instituto Mises Brasil, in 2007, which was renamed in 2015 as Instituto Rothbard, after disagreements with other founders who wanted to change this original mission. I will come back to that later. And in the midst of such rich content from a number of brilliant authors, it soon became clear to me that one of them managed to stand out, with deep erudition in many subjects, a clear and direct expression of ideas, and seminal contributions to the advancement of theories; clearly, Hoppe was the living successor to the tradition of Mises and Rothbard.

As a translator of many of Hoppe's works, something that caught my attention was his precision in the use of words and his refinement in the construction of sentences; Hoppe says exactly what needs to be said and in the way it needs to be said, not a comma too much or too little. Something like the precision of German engineering in the construction of machines. I believe he must think in German and write in English, and in that process, *voilà*, the magic happens. However, prior to this perfection in writing there is his intellectual rigor, which, without making concessions, does not let the slightest detail of an idea to escape, and builds his thought in solid blocks, one on top of the other, making sure there is no defect in the lower block before placing the upper one. In this way, with ideas consistent as a bunker and clear as crystal, Hoppe profusely developed Austro-libertarianism while demolishing many adversaries, gaining many admirers as well as many enemies along the way.

Being one of those admirers, I had the opportunity to meet my idol in person in 2011, when I organized the Second Seminar on Austrian Economics, in Porto Alegre, in which we were honoured to have Hans Hoppe as keynote speaker at the event. And I was able to confirm that all the testimonies I had read from the first *festschrift* about Hans's personal charisma are true. Nice, good-humoured, helpful and kind to everyone,

he is *almost always* willing to answer from the simplest to the most complex questions. “*Almost always*” because before the two speeches he gave at our seminar, he asked to remain isolated while getting ready, focusing on the presentation. And what presentations they were! One on the Austrian Theory of Business Cycles and another one on Private Law² left the public stunned. One story of the effect of Hans’s lectures on the public is worth telling here.

We had set up a shop in the lobby of the theatre to sell books during breaks, and minutes before the Q&A session—that would end Hoppe’s first lecture—was over, I headed to our little shop to prepare to serve the customers who would soon be arriving there. When I got there, I ran into one of the other speakers at the event, Professor Ubiratan Iorio—an Austrian Hayekian economist, but also heavily influenced by Mises. Iorio was there alone and had already made a pile with all the Hoppe books we had available and asked me, flustered, as I rummaged through the shelves, if there were any other books of his or if those piled up were all. He told me that this was the first time he had heard Hoppe, that he was not familiar with his work; and he was so impressed that he wanted to make up for the lost time as fast as possible.

Another example of such impact was when I started reading the book *Economic Science and the Austrian Method*,³ which comprises a series of lectures that Hoppe delivered at the Mises Institute and that later were compiled into this volume. After reading the first chapter I stopped reading and was impelled to promptly start translating the work; I had been dominated by a strong conviction that the Portuguese-speaking public could not go another minute without access to this precious gem. And it was also a way for me to spend more time on each paragraph, on each sentence, to try to better absorb all the knowledge compressed there. In these lectures Hoppe explained praxeology amazingly well and

² Hans-Hermann Hoppe, “Economic Crisis: How to Cause Them and How to Make Them Worse by ‘Curing’ Them.” and “State or Private Law Society?,” available on <https://rothbardbrasil.com/ii-seminario-de-escola-austriaca>. See also Hans-Hermann Hoppe, “State or Private-Law Society,” in *The Great Fiction: Property, Economy, Society, and the Politics of Decline*, Second Expanded Edition (Mises Institute, 2021; www.hanshoppe.com/tgf); and the related video at *idem*, “Hoppe in Brasil on the State versus the Private Law Society,” *HansHoppe.com* (May 5, 2011).

³ Hans-Hermann Hoppe, *Economic Science and the Austrian Method* (Auburn, Ala.: Mises Institute, 1995; www.hanshoppe.com/esam).

made important advances on Mises's *Human Action*. Since then, it has become a habit; I have been translating all the texts by Hoppe that I can.

Hoppe is not just the leading exponent of Misesian economics and Rothbardian Austro-libertarianism; he is also, like his masters Mises and Rothbard, the heir of an uncompromising spirit in the pursuit and dissemination of truth that never relativizes its principles to conform to the *Zeitgeist*. And like them, he also paid a price for it. By challenging the tenets of mainstream academic economics, all three lost many opportunities, with denied positions and reduced earnings. Even so, they never altered or watered down their views to please anyone. In the days of the Political Correctness Empire, Hoppe faced serious problems while he was a professor at the University of Nevada: a battle against the Thought Police⁴ cost him an enormous amount of time and energy. In the end Hoppe ended up winning and keeping his job, but losing the desire to continue in an academic environment without liberty.

But if this radical stance is the cause of the loss of prestige, influence, fame and money, it may ultimately be the cause of the victory of the Austro-libertarian ideal,⁵ and that was one of the things that Hoppe inspired in me. Basically, it was this attitude that caused the split in our Institute in 2015. Back in 2007, when my brothers and I were looking for some form of funding for our idea of translating and disseminating Austro-libertarian content, we found the magnate Helio Beltrão who liked the idea and agreed to be that funder, founding the Instituto Mises Brasil together with us. Everything was going well; as we made Austro-libertarian books and articles available in Portuguese, the institute gained many followers. But, increasingly, Beltrão interfered against this radical intransigence, making concessions and bowing to the mainstream. The breaking point was in 2015, shortly after former communist terrorist Dilma Rousseff was re-elected president of Brazil, winning in some states and in others being overwhelmingly defeated. The background was very propitious for us to further publicize the

⁴ Hans-Hermann Hoppe, “[My battle with the Thought Police](https://mises.org/mises-daily/my-battle-thought-police),” *Mises Daily* (April 12, 2005; <https://mises.org/mises-daily/my-battle-thought-police>). See also Stephan Kinsella & Jeffrey A. Tucker, “[The Ordeal of Hoppe](https://mises.org/free-market/ordeal-hoppe),” *The Free Market* 25 no. 4 (April 2005; <https://mises.org/free-market/ordeal-hoppe>).

⁵ See Philipp Bagus, “Uncompromising Radicalism as Promising Strategy,” in Hülsmann & Kinsella, eds., *Property, Freedom, and Society*.

Hoppean idea of secession, but Beltrão used his funding power to ban the subject, claiming that the idea of secession was not very well regarded and could generate associations of the institute with xenophobia, extremism etc. Of course, this association was made by the mainstream media and the academic mainstream, and Beltrão chose to bow to them instead of pursuing the defence of the truth. At that moment, we gave up the substantial funding and preferred to continue on our original path, without resources, but with uncompromising radicalism guiding us in the renamed Instituto Rothbard.

Today, nine years later, the other side has grown a lot in audience and we, after a restart with many difficulties, continue with a small reach. But as influence is not our parameter, we consider that we are being much more successful. In this regard, it is worth making a statement here of the current state of some people who were linked to the institute in its early years. In the early 2010s Joel Pinheiro da Fonseca was a Master's student in Philosophy at USP, a member of *Students For Liberty*, used to write articles for our institute and participated in libertarian meetings in São Paulo. In 2013, Joel interviewed Hoppe for his magazine *Dicta & Contradicta*⁶ and asked the following question:

Joel: Is academic life in its current state a healthy environment for an intellectual? Is it possible for him to survive in any other environment?

Hoppe: It depends on the intellectual. Academic life can be very comfortable for someone who spews left-wing politically correct platitudes for years on end.

Perhaps Joel is the person in the world who took Hoppe most seriously, as he followed his advice to the letter. Today Joel is a columnist for the *Folha de São Paulo* newspaper who daily “spews out politically correct leftist platitudes.” A comfortable academic life goal successfully achieved. Of course, only someone who reaches a high level of intellectual depravity can become a *Folha* columnist. Worse than Joel is Helio Beltrão, who, today, in addition of being a columnist at *Folha*, is a commentator at *CNN*, an absolute demerit. This fact alone shows how

⁶ “Culture and freedom—an interview with Hans-Hermann Hoppe,” available at <https://rothbardbrasil.com/cultura-e-liberdade-uma-entrevista-com-hans-hermann-hoppe>.

much he had nothing to do with the institute we founded. The case of Kim Katagiri is also noteworthy. A regular reader of our institute, as a teenager, he began to gain fame by making liberal/libertarian videos on YouTube. Kim was such a fan of the institute that during our 2014 Austrian School Conference he wittily asked to take a picture with my mother, as she was the one who gave birth to me and my siblings. However, his intellectual evolution passed far from uncompromising radicalism; today he is a Congressman defending the worst types of atrocities, such as lockdowns, mandatory masks and vaccination, and even a rigid Orwellian Ministry of Truth with prison time from 2 to 8 years for spreading “fake news.”

There are several other examples of figures who were close to the Institute who gained space in the media and in politics by abandoning their defense of libertarian ideas, which, over time, softened their discourse in order to be accepted in media or political circles, some of them have become what libertarians call “the lesser evil.” I am not one of those libertarians, and I consider this path innocuous. Henry David Thoreau said that “*for every thousand men dedicated to cutting the leaves of evil, there is only one attacking the roots,*” and although a pruned evil tree is preferable to a leafy one, only uncompromising radicalism can bring it down. Or, as Hoppe puts it,

Theoretical compromise or gradualism will only lead to the perpetuation of the falsehood, evils, and lies of statism, and only theoretical purism, radicalism, and intransigence can and will lead first to gradual practical reform and improvement and possibly final victory.⁷

These examples serve to show that uncompromising radicalism comes at a price, while malleable condescension can pay off, depending on the point of view of what success would be.⁸ Not that I, myself, would

⁷ Hans-Hermann Hoppe, “Rothbardian Ethics,” in *The Economics and Ethics of Private Property: Studies in Political Economy and Philosophy* (Auburn, Ala.: Mises Institute, 2006 [1993]; www.hanshoppe.com/epp).

⁸ An appropriate measure of success can be obtained by comparing the libertarian movement with the abolitionist movement. Slavery and the State are millenary institutions of aggression that have accompanied humanity since its beginnings. Abolitionist ideas emerged many centuries ago and abolitionism as an intellectual movement extinguished slavery globally by changing public opinion, which took over a hundred years. Modern libertarianism began with Murray Rothbard, and as a movement it is far from achieving its

be a TV commentator or newspaper columnist or politician today if I weren't an uncompromising radical. I don't think I have a vocation or talent for any of these things. But certainly, other intransigent radicals have such talents, and even then, that is not the reward they get. In Brazil today, the few uncompromising Austro-libertarians with this vocation are unable to reach a wider audience, not even on the internet, due to the constant censorship of Big Techs. The self-described libertarians who have the greatest online reach are a far cry from radical Hoppeans. Only those who mix a little Austro-libertarianism with progressive, democratic and multiculturalist agendas—and therefore immune to politically correct censorship, reach any audience, representing a major setback for Brazilian Austro-libertarianism. Even more serious is to see what our old institute has become after we left. Taken over by classical liberals, Randian Objectivists, Hayekians and statist conservatives, it has become a can of worms that accepts just about anything. Today we find there the books by Hoppe, Rothbard and Mises of our time mixed with new publications praising Ayn Rand,⁹ a book extolling none other than the genocidal, arsonist and occultist Churchill as a hero of liberty,¹⁰ and even a book by a congressman glorifying democracy.¹¹ The sad debacle of Instituto Mises Brasil could be noticed from the time of the

goal, but if public opinion ever turns against the institutionalized aggression of the state, this success will be credited to thinkers like Hoppe, while all intellectual statist, no matter how much recognition they have today, will be forgotten by history.

⁹ Dennys Garcia Xavier, *Ayn Rand and the Daydreams of Collectivism: Brief Lessons* (Editora LVM, January 2019), and *Ayn Rand's Pharmacy: Doses of Anti-Collectivism* (Editora LVM, February 2021).

¹⁰ Ricardo Sondermann, *Churchill and the Science Behind Speeches: How Words Become Weapons* (Editora LVM, January 2018).

¹¹ Marcel van Hattem, *It's Us with a Voice: From the Megaphone to the Tribune Defending Freedom, The Rule of Law and Democracy* (Editora LVM, April 2018). The publisher of Instituto Mises Brasil even released a book by the politician who created the Central Bank and BNDES, Roberto Campos, cited in note 6 above: *The Constitution Against Brazil: Essays by Roberto Campos on the Constituent and the Constitution of 1988* (Editora LVM, January 2018).

Faced with this editorial catastrophe of the Mises Brasil Institute, and with the Rothbard Institute without resources managing to publish new books only sporadically, it is initiatives of Austro-libertarian enthusiasts that are helping us in the mission of making Austro-libertarian works available in Portuguese. Editora Konkin and the Hoppe Institute have already translated important works such as Rothbard's *Man, Economy and State*, Mises's *Socialism and The Ultimate Foundation of Economic Science*, and *The Myth of National Defense*, edited by Hoppe, among others.

split by anyone who was paying attention, but a recent episode can sum up all these degrading years. It is enough to compare the performance of the Rothbard Institute and the Mises Brasil Institute during these two years of the terrible sanitary dictatorship that shattered freedom in a way never seen before. While we have published incessantly, since the 1st of scandemic, articles defending freedom against government assaults, they have been silent in the face of Covidian tyranny, capitulated with the mainstream narrative issuing a note supporting shelter-at-home and even became Covid “vaccine” propagandists¹² and personalized face mask sellers.¹³ Evidently—someone who refused to defend secession for fear of being considered xenophobic by the mainstream would never have the courage to face the scandemic tsunami and be considered a “granny killer” denialist by this same mainstream that tries to please.

Nevertheless, we understand that the primary factor that limits our scope is the very content of the authentic libertarian message, since it is a constant finger in the wound of the “statist quo”; it’s the boy telling everyone, all the time, that the king is naked.

Hoppe himself shows us what an uncompromising radical on a TV show is about. Hoppe is an academic intellectual who, in addition to preferring written communication, considers that his scarce time would not be well spent on the never-ceasing repetition of the same ideas that constant television appearances would require. But even though television is a totally inappropriate place for serious intellectual discussion, such the ones Hoppe is used to, in 2019 he agreed to participate in a program on the Austrian channel *Servus TV*, *Conversations in Hangar 7*,¹⁴ only because he knew the host and it would be a live show, that is, with no chance of being edited. Hoppe unloaded a truckload of truths that left the other guests on the show shocked and outraged, among them a judge and member of the European Parliament, who was not

¹² Helio Beltrão & Anthony Geller, “[Todas as vacinas importam—inclusive as importadas por empresas privadas](https://mises.org.br/article/3339/todas-as-vacinas-importam--inclusive-as-importadas-por-empresas-privadas),” *Mises Brasil* (Aug. 4, 2021; <https://mises.org.br/article/3339/todas-as-vacinas-importam--inclusive-as-importadas-por-empresas-privadas>).

¹³ To be fair, in April and May 2021, perhaps not to look too ugly and try to claim that they were always against the sanitary dictatorship, they published two books on the subject, one by our former friend Jeffrey Tucker, *Liberty or Lockdown*, and another by Jay W. Richards, William M. Briggs, and Douglas Axe, *The Price of Panic*.

¹⁴ Available at “[Hoppe on Austrian TV: On Brexit and the EU](http://www.hanshoppe.com/media),” *HansHoppe.com* (Jan. 24, 2019; www.hanshoppe.com/media).

happy with Hoppe mentioning the fact that she has lived parasitically off the state her entire professional life. He also released truths such as these: “The European Union is a continuation of the victorious forces of the Second World War to weaken the German currency,” “The state is a group of thieves that takes from the productive people and gives to the unproductive, including their unproductive friends,” “Despite the migration policies of the EU, Europeans do not want their borders open to all types of immigrants,” “Bavaria must be able to separate from Germany” and “The idea of a centralized Europe comes from conquerors like Charlemagne, then Napoleon, then Hitler; It’s a fantasy nobody wants.” It is easy to see why the mainstream media closes its doors to uncompromising Austro-libertarian radicalism.

Although in Brazil these doors are still completely closed, in other parts of the world the situation is a little different. In neighboring Argentina, Javier Milei has just been elected, a declared Rothbardian anarcho-capitalist who ran for office proclaiming libertarian principles and an uncompromising defense of private property, with ample space in the local and now international media. Although Milei is not a Hoppean libertarian and has some vexatious positions, such as his defense of the Palestinian genocide perpetrated by the State of Israel, the election of a president with an Austro-libertarian discourse represents a turning point in the history of world libertarianism. The closed doors are increasingly irrelevant as the relevance of mainstream media erodes. The circulation of newspapers and magazines and the audience of the large networks are plummeting every day, although they still have a lot of strength in Brazil and in the world: see of the mass formation psychosis that they managed to create and maintain through the population during the Covid-19 *scamdemic*. Other means of reaching the masses and shaping public opinion are increasingly available, and shaping public opinion is the path Hoppe points out in his strategy for achieving a free society.

Like La Boétie, Hume, Mises and Rothbard, Hoppe understands that the legitimacy and power of the state depend on public opinion. And as Ortega Y Gasset puts it, this public power exists even without a state:

the form of social pressure that is public power works in every society, including those primitive ones in which there is still no special body in charge of managing it. If this differentiated body to which the exercise of public power is entrusted is to be called the State, let it be said that in

certain societies there is no State, but do not say that there is no public power in them. Where there is public opinion, how can a public power be lacking if it is nothing more than the collective violence provoked by that opinion?¹⁵

The state is just the institutionalization of a public opinion that supports or tolerates the initiation of violence. A common but incorrect perception is that being libertarian is all about being against the state. In fact, to be libertarian is simply to be against initiated violence, whether collectively or individually initiated. The state is simply the incomparably greatest initiator of violence in society, so libertarians focus their efforts on fighting the state. Considering that public opinion is shaped by intellectuals, Hoppe called his strategy “anti-intellectual intellectualism.”¹⁶ It consists of bypassing the academic world and reaching the public directly, using moral arguments rather than utilitarian ones.¹⁷ Uncompromising Austro-libertarian radicalism, embedded in anti-intellectual intellectualism, is what inspires Instituto Rothbard to join the Mises Institute and the Property & Freedom Society in “developing an anti-statist intellectual counterculture.”¹⁸ This *festschrift*, besides being another addition to this development, is a way for us to participate in the tribute paid to Professor Hoppe on his 75th birthday, and to thank him for providing us not only with knowledge and strategy, but also with a model of intellectual posture for life. Thanks, Hans.

¹⁵ José Ortega Y Gasset, *The Revolt of the Masses*, foreword to the French edition.

¹⁶ See Hans-Hermann Hoppe, *What Must Be Done* (Auburn, Ala.: Mises Institute, 2009 [1997]; <https://mises.org/library/book/what-must-be-done>), p. 12; also *idem*, “[Libertarianism and the Alt-Right: In Search of a Libertarian Strategy for Social Change](#),” *VDare* (Oct. 20, 2017; <https://www.hanshoppe.com/2017/10/libertarianism-and-the-alt-right-pfs-2017>).

¹⁷ Hoppe, “Rothbardian Ethics.”

¹⁸ Hans-Hermann Hoppe, “[PFP046 | Hans-Hermann Hoppe, The Property And Freedom Society—Reflections After Five Years \(PFS 2010\)](#),” *Property and Freedom Podcast* (available at <https://propertyandfreedom.org/pfp>); see also published transcript in *idem*, “My Life on the Right,” in *The Great Fiction*.

20

From the Foundations to the Overlooked Problems of Today

Josef Šíma

I first met Hans-Hermann Hoppe in Auburn in the mid-1990s, when, after years of discovering authors of the Austrian School, I finally made it to the Mises Institute's summer university. There, I witnessed something I had never seen before. On one hand, there was the students' insatiable desire to learn, explore, discuss, and debate. On the other, there were teachers and lecturers who were deeply passionate about their subjects, eager to lecture, explain, answer questions, and engage in debates—not only during formal sessions but also informally, often late into the night. And among them Hans. He spoke on a wide range of topics including economics, political philosophy, ancient and modern history, the theory of law, the methodology of science, the history of thought, the modern Austrian school, and the recently deceased Murray Rothbard.

It was then that I resolved to bring him to Prague to introduce him to Czech students, journalists, and university colleagues. I wanted them to see how the sciences of man and society could be interconnected and how a radical, logically consistent argument for a free society could be presented. After the fall of communism in my country, the Czech

Josef Šíma teaches at Metropolitan University Prague. He earned his Ph.D. in Economics and his M.A. in Finance and International Politics at the University of Economics, Prague.

Republic, there was a period of strong reformist ethos, and Austrian economists like Mises and Hayek were part of the public debate. However, this ethos gradually waned. Local economic reformers, initially vocal about freedom and the importance of private property, began to resemble typical social-democratic political *routiniers*. Academics, confined to their unreformed and likely unreformable public universities, were mainly trying to disguise their former Marxist leanings, which were incompatible with the “new age.” They were unable to present a vision of a meaningful alternative to an unfree society and central planning. To do so would have required insight into a range of social sciences, often beyond the boundaries of conventional Western mainstream. And they were mostly unfamiliar with even the mainstream theories of their time. Exactly what local academics didn’t have, Hans had, and he was able to build from his vast and broad knowledge an intellectual corpus like no other. And on top of it his unique way of presentation, which always exemplified the practice of a priori deduction. No one could ever possibly claim that he did not know what the argument or the idea presented was and why.

And it did not take long for Hans-Hermann Hoppe to accept the invitation and come to the Czech Republic. Not only once. He kept coming repeatedly. He spent weeks with students at summer schools (later held in Slovakia as well), where, as in Auburn, the most engaging discussions occurred late at night over a beer. It became evident that Hans had a profound understanding of Central Europe and its history, which Czech and Slovak students appreciated perhaps even more than their American counterparts, allowing for new directions and deeper discussions. Additionally, these debates highlighted Hans’s willingness to set aside a formal professorial demeanor, engage with the curiosity of students, and tackle questions such as summarizing the Austrian business cycle theory in two sentences—a feat I now know is possible!

But Hoppe’s activities were not limited to summer events with students. He also lectured at major universities, such as the University of Economics, Prague, where in 2009 he delivered a series of lectures culminating in the annual “The Cuhel Memorial Lecture” to hundreds of students in the audience. He played a pivotal role in introducing the works of his mentors, such as Ludwig von Mises, Murray Rothbard, and Erik von Kuehnelt-Leddihn, to the Czech book market. As a professor

of economics, he supported the academic careers of local economists dedicated to the Austrian tradition; as a popularizer of Austrian School ideas, he gave interviews to Czech journalists; and as the founder of the Property and Freedom Society, he extended invitations to its annual conference to academics, students, and entrepreneurs eager to join this unique community. Most importantly, through Czech translations of his books, he spoke to the general public for decades. That is Hoppe's strength. He never spoke primarily to those for whom thinking about social relations is a way of making a living. Experts—who often live in their echo chambers and whose research and the questions they ask are often influenced by currently fashionable political views and affected by the ways in which research is funded—are not Hans's target audience. Prior profound knowledge of economics, political philosophy, or history is usually not necessary to understand his texts. All that is needed is curiosity, concentration, and a willingness to be led by the power of the logical analytical argument of Hoppe's ideas to radical conclusions that demolish myths and the prevailing status quo. Even for those who may diverge from his line of reasoning at some point, Hoppe's approach offers an exhilarating intellectual journey, compelling them to more robustly justify their differing viewpoints.

Over the decades, Hans-Hermann Hoppe's work has invigorated the academic and public debates in the Czech Republic and Slovakia regarding the nature of a free society. His rarely seen ability to often unite ideological adversaries and divide allies with his arguments underscores the impact of his views on major social issues—ranging from the nature of freedom and social development to democracy, discrimination, migration, and international politics. Through his penetrating insights, we are encouraged to revisit the foundations of classical liberalism and libertarianism from fresh perspectives, seeking more satisfying answers to the implications of asserting that the basis for harmonious human coexistence must necessarily be a society founded on private property rights.

21

On Argumentation Ethics, Human Nature, and Law

Oscar Grau

I am not sure if I will ever meet Hoppe in person, but I am certain that I have done my best in honoring him throughout these years—studying him, translating him, and writing inspired by him. Now, through his teachings, I have a wonderful opportunity to honor him in a very special way, making my own contribution in this book. I hope he finds this essay worthy of intellectual appreciation, and I thank him for his legacy and all the lessons he taught me in scarcely five enriching years.

In a 2016 conference, at the Annual Meeting of the Property and Freedom Society, Hoppe said that he considers the a priori of argumentation as the ultimate foundation of law, and this as his most important contribution.¹ Here, I will explore these ideas in connection to another fundamental idea: human nature.

¹ Hans-Hermann Hoppe, "[PFP163 | Hans-Hermann Hoppe, 'On The Ethics of Argumentation' \(PFS 2016\)](#)," *Property and Freedom Podcast* (June 30, 2022).

Oscar Grau is a musician and piano teacher, working in the family business. He is a popularizer of libertarian ideas and economic science and is editor of the Spanish section of Hans-Hermann Hoppe's official website.

HUMAN ACTION AND HUMAN LIFE

First, let's start here: humans act, and every actor attaches to life as he acts and wants to improve his well-being. In fact, we act beyond an instinctive inclination to preserve life already in place.² Though we are able to somehow go against our natural instincts, even then we would have presupposed life and its value for us before any subsequent manifestation in favor of death and the effective killing of ourselves. As Rothbard said, if someone were *really* opposed to life, "he would have no business continuing to be alive. Hence, the *supposed* opponent of life is really affirming it in the very process of his discussion, and hence the preservation and furtherance of one's life takes on the stature of an incontestable axiom."³

Of course, a human body without life can exist—it is dead body—but a human being (or simply a "human") *cannot* exist without life, because in order to be a *being* of the human species, the body must be alive, and not only alive, but functioning as rational humans have walked this world since the beginning of humankind. That is, human reason—human mind—is a natural feature of humans inseparable from human action.

As Mises said, humans are not only animals totally subject to the stimuli unavoidably determining the circumstances of their life, they are also *actors*.

In every action, an actor attempts to reach a goal by the use of some valued, scarce means chosen by him in regard to the goal itself. The valuing of the means depends on the valuing of the goals. And as he acts, a perceived environment influences him. Every action takes place in a particular point in time and space, and lasts a particular period of

² As Mises would explain, there are types of behavior that cannot be thoroughly interpreted with the methods of the natural sciences, but neither be considered as (purposeful) human action. We observe then: "first the inherent tendency of a living organism to respond to a stimulus according to a regular pattern, and second the favorable effects of this kind of behavior for the strengthening or preservation of the organism's vital forces." And as we found "no trace of a conscious mind behind this behavior, we suppose that an unknown factor—we call it *instinct*—was instrumental." Ludwig von Mises, *Human Action: A Treatise on Economics*, Scholar's ed. (Auburn, Ala: Mises Institute, 1998; <https://mises.org/library/book/human-action>), p. 27.

³ Murray N. Rothbard, *The Ethics of Liberty* (New York: New York University Press, 1998), pp. 32–33.

time known and felt subjectively only by the actor. At the same time, every action implies the possibility of a loss, i.e., the actor's conclusion, based on new knowledge, "that the result actually achieved—contrary to previous expectations—has a lower value than the relinquished alternative would have had."⁴

In all of this, *understanding*, the remarkable human characteristic of thought, "deals with the mental activities of men that determine their actions. It deals with the mental processes that result in a definite kind of behavior, with the reactions of the mind to the conditions of the individual's environment. It deals with something invisible and intangible that cannot be perceived by the methods of the natural sciences."⁵ And every actor attaches a definite meaning to the state of his environment, values this state and, motivated by these judgments of value, resorts "to definite means in order to preserve or to attain a definite state of affairs different from that which would prevail" if he abstained from any purposeful reaction. Understanding is also "practiced by infants as soon as they outgrow the merely vegetative stage of their first days and weeks. There is no conscious response of man to any stimuli that is not directed by understanding."⁶

Every new knowledge is always knowledge coming from acting, and sometimes suitable for the goals of more than one actor. Though we are not endowed with the particular knowledge that can be acquired of the constant logical structure of acting and learning, once learned, the knowledge conveyed by praxeology and the one conveyed by propositional logic "can be recognized as necessarily true—a priori valid—knowledge, such that no future learning from experience could possibly falsify it."⁷

As inseparable as human action is from human mind and life, acting is the human mode for the preservation and improvement of

⁴ Hoppe, *Economic Science and the Austrian Method* (Auburn, Ala: Mises Institute, 2007; www.hanshoppe.com/esam), p. 24.

⁵ Mises, *The Ultimate Foundation of Economic Science: An Essay on Method* (Princeton, N.J.: D. Van Nostrand Company, Inc., 1962; <https://mises.org/library/book/ultimate-foundation-economic-science>), p. 43.

⁶ *Ibid.*, p. 44.

⁷ Hoppe, "On Certainty and Uncertainty," in *The Great Fiction: Property, Economy, Society, and the Politics of Decline* (Second Expanded Edition, Mises Institute, 2021; www.hanshoppe.com/tgf).

life—the constant goal of diminishing uneasiness. Acting means, in this sense, living in the constant goal of life improvement. What a life improvement means can be something more complicated, but it is, praxeologically, a matter of personal choice and human nature (time preference, disutility of labor, etc.). In any case, the particular improvement can only be felt by the actor.

So far, so good. Every actor is a member of the human species who tries to change or maintain at least one aspect of his environment that he deems not possible without his action—for his own purposes and satisfaction. Because of this, the concept of causality is implied in the human mind. And since we are humans, we are in a position to grasp the meaning that the actor has attached to his action. This comprehension of meaning enables us “to formulate the general principles by means of which we explain the phenomena of action.”⁸

PROPERTY, PROPERTY RIGHTS, AND JUSTICE

But then, in order to be possible for actors to act beside his fellows actors and use physical, scarce means so that conflicts⁹ over the use of these means cannot possibly arise,¹⁰ the concepts of property and property rights, and the following of certain norms are inevitable. On the one hand, *property* is a normative concept designed “to make a conflict-free interaction possible by stipulating mutually binding rules of conduct (norms) regarding scarce resources.”¹¹ On the other hand, the legitimate ability to exclude others from using *our* goods and bodies,

⁸ Mises, *Epistemological Problems of Economics*, (Auburn, Ala: Mises Institute, 2003; <https://mises.org/library/book/epistemological-problems-economics>), pp. 137–38.

⁹ Insofar as goods are superabundant, “no conflict over the use of goods is possible and no action-coordination is needed.” Hoppe, *A Theory of Socialism and Capitalism: Economics, Politics, and Ethics* (Auburn, Ala.: Mises Institute, 2010; www.hanshoppe.com/tsc), p. 158, n. 120.

¹⁰ A conflict arises whenever two actors try to use one and the same physical means “for the attainment of different goals, i.e., when their interests regarding such means are not harmonious but incompatible or antagonistic. Two actors cannot at the same time use the same physical means for alternative purposes. If they try to do so, they must clash.” Hoppe, “PFP163.”

¹¹ Hoppe, *A Theory of Socialism and Capitalism*, p. 18.

and to use force or its threat for the observance of others of this ability is what we call *property rights*.¹²

Nonetheless, who owns what scarce resource as his property?

In the light of Hoppe's teachings: Each person owns his body that only he controls *directly*, as he also does it when discussing and arguing any question at hand (actually, no person can give up this control as long as he is alive). Otherwise, in any property dispute, it would be impossible for two contenders to ever argue and debate on whose claim should prevail, since arguing and debating presupposes that both have exclusive control over their respective bodies so to come to the correct judgment on their own in a conflict-free form of interaction.

And as for scarce resources that can only be controlled *indirectly*—or that must be appropriated:

Exclusive control (property) is acquired by and assigned to that person, who appropriated the resource in question *first* or who acquired it through voluntary (conflict-free) exchange from its *previous* owner. For only the first appropriator of a resource (and all later owners connected to him through a chain of voluntary exchanges) can possibly acquire and gain control over it without conflict, i.e., peacefully. Otherwise, if exclusive control is assigned instead to *latecomers*, conflict is not avoided but contrary to the very purpose of norms made unavoidable and permanent.¹³

In sum, these are the norms of property rights acquisition.

Any acquisition of property not made by following these norms must be recognized contrary to the purpose of norms, i.e., the evasion of conflicts. Obviously, men can tell the difference when property is acquired by following these norms or not. And as men have a natural need to survive, eat, shelter, and be at ease (the constant goal of diminishing uneasiness), when property is increasingly not acquired by these norms, not only the frequency of conflicts increases and society tends to disappear, but the people who *suffer* by the actions of the non-followers

¹² One can say that the concept of property rights (or “rights”) is simply assumed. But does the opponent of the concept have rights on anything at all to be able to oppose it in an argumentation? Or does anyone have the right to shut the mouth of the opponent with a blow at any time to not listen to his argument? Would the opponent then defend his right to exclude anyone from using his body in order to argue? He cannot have both.

¹³ Hoppe, *Getting Libertarianism Right* (Auburn, Ala.: Mises Institute, 2018; www.hanshoppe.com/glr), p. 25.

of these norms are increasingly presented with disincentives to follow them if the non-followers are increasingly presented with incentives not to. This suffering comes from *aggression*, the action of aggressing others by exercising unwanted control over their goods and bodies.¹⁴

Accordingly, *justice* is a concept designed to allow men the restoration and/or compensation vis-à-vis a conflicting change of a status of property control. It allows men to act against aggressors for trying to restore control and/or compensate a loss of control suffered, and thus diminishing the uneasiness provoked by aggression. Justice is actually a human need founded in the satisfaction of men in controlling the property aggressed. On this account, there is a *praxeological* justification for justice, i.e., a *natural* justification, because the need for justice comes necessarily from the demonstrated preference and the assignation of value to the things controlled and/or acquired in the first place by the aggressed. At the same time, justice is a necessary requirement for promoting the evasion of conflicts, for it disincentivizes potential aggressors by diminishing the potential benefits of aggressing.

The need for justice is caused by the contrary to it, i.e., *injustice*, and for that reason, the acts against the norms of property rights acquisition are *unjust*, and the acts in accordance with them are *just*. Therefore, as the concept of justice is necessarily dependent on these norms, justice is also a normative concept.¹⁵

¹⁴ Aggression is a human action that implies an *intention* to aggress. So not all invasions of property rights will or have to be always considered as aggressions without reckoning intentions. For a more detailed analysis related to this notion, see Hoppe, “Property, Causality, and Liability,” in *The Great Fiction*.

¹⁵ This theory about justice does not preclude the deontological discussion about justice. Instead, it proves the existence of a natural, praxeological foundation for justice that necessarily precedes the deontological discussion, regardless of the state of philosophical, moral, or legal knowledge at any time. In addition, and related to our analysis here, if criminal law is a set of *prohibitions* against the aggression on property rights, then, as Rothbard wrote, “the implication of the command, “Thou shall not interfere with A’s property right,” is that A’s property right is just and therefore should not be invaded. Legal prohibitions, therefore, far from being in some sense value-free, actually imply a set of theories about justice, in particular the just allocation of property rights and property titles. “Justice” is nothing if not a normative concept.” Rothbard, “Law, Property Rights, and Air Pollution,” in *Economic Controversies* (Auburn, Ala.: Mises Institute, 2011; <https://mises.org/library/book/economic-controversies>), p. 369.

ARGUMENTATION ETHICS AND SOCIAL LIFE

Beyond praxeology, things are similar with argumentation: we are not endowed with the particular knowledge that can be acquired of the constant praxeological structure of arguing and (dis)agreeing, but once learned, the knowledge conveyed by the *a priori* of argumentation and the one conveyed by propositional logic can also be recognized as necessarily true—a *a priori* valid—knowledge, such that no future learning from experience could possibly falsify it.

Argumentation presupposes the ability to speak and think in a common language known to others—and the fact of being able to argue due to the learning of communicative experiences. Indeed, the human capacity to organize knowledge and experience is intimately related to human language. For example, no matter how much someone contradicts reality by saying what he thinks, he cannot help but think in a language that connects him to reality, a language composed of words that refer to it and implies an understanding of it—however imperfect—in order to say what he says.

In argumentation—a purposeful human activity—we assume that others can understand us and that we might change some previous understanding in their minds about the validity of some truth-claim. However, argumentation also presupposes that we argue with ourselves: that we first convince ourselves of the truth-claims to be presented and of the reasons to argue in favor of them. And even when we know that we are making false claims, we pretend they are true, because we have some goal to be reached by lying and presenting a scene of a serious argumentation.

As any reader of Hoppe may know: All truth-claims are raised and justified in the course of an argumentation. To claim the previous proposition as false is only possible by falling into performative contradiction, because the claim itself has to come in the form of an argument, i.e., affirming the very truth of the proposition. Hence, the *a priori* of argumentation.

Argumentation is a conflict-free, and mutually agreed upon, form of interaction that can teach us that there are *praxeological* presuppositions of argumentation that cannot be argumentatively

disputed without falling into a performative contradiction. These presuppositions are:

First, each person must be entitled to exclusive control or ownership of his own physical body, the very means that he and only he can control directly at will, so as to be able to act independently of one another and come to a conclusion on his own (that is, *autonomously*).

And second, for the same reason of mutually independent standing and autonomy, both proponent and opponent must be entitled to their respective prior possessions, i.e., the exclusive control of all other external means of action appropriated indirectly by them prior to and independent of one another and prior to the onset of their argumentation.¹⁶

If a proponent of an argument claims that the truth cannot be arrived at, he actually accepts the possibility of truth on the spot, for he hopes that his opponent will be able to accept his argument as true—as he does it by presenting the argument. Yet the proponent has condemned his argument to falsehood, because by denying the possibility of truth, he cannot refute the idea that his denial is false, since it is not possible for his argument to be true in virtue of the fact that he has argued. Therefore, even if only implicitly, in argumentation, every person accepts that what is true and what is false exist. And he accepts that relativism regarding the norms for peace is an argumentatively unsustainable position, since in every argumentation, all his arguments will rest on the recognition of the real possibility of deliberating disputes without relying on anything more than peaceful methods.

But property rights are not derived from argumentation or from the fact that no immediate fight followed a disagreement. What is more crucial is that argumentation presupposes that humans understand what a peaceful (and a violent) interaction means even before ever arguing. By being able to know that, the “ought”-prescription (the normative for peace) is not derived from argumentation but is implicit in the “is”-description (the positive of peace) of it:¹⁷ The facts and

¹⁶ Hoppe, “PFP163.”

¹⁷ Rather than claiming to have derived an “ought” from an “is,” Hoppe would say that “classifying the rulings of the libertarian theory of property in this way is a purely cognitive matter. It no more follows from the classification of the libertarian ethic as “fair”

norms that make argumentation possible, and the fact that they can be understood and respected in advance and regardless of argumentation have to be recognized as irrefutable truths—because denying this is only possible by denying the fact of having understood and respected property rights even before actually arguing for the first time, which the denier necessarily did.

Happily, social life is possible and mostly peaceful in spite of conflicts occurring, because most people act accordingly to the norms to evade them, that being socially and sufficiently extended on moral grounds or on self-interest-driven deliberation in the benefits that social cooperation and division of labor can serve to every person for his own interests, or on how much of each way, is another question. The truth is that people are normally used to respecting the property of others by not considering as theirs innumerable things around them that are already linked to their actual owners. And if the contrary were true, too many conflicts would ensue, and no society could ever exist or subsist much longer.

We also know that the norms of property rights acquisition are not mere conventions but necessary institutions. As Hoppe reminds us, a convention serves a purpose, and an alternative to a convention exists. Yet there is no alternative to the purpose of conflict avoidance other than the norms of property rights acquisition. Because, without a pre-established harmony of interests among actors, conflicts can only be prevented if all things are always in the exclusive ownership of specific individuals and the answer to who owns what and who does not is always clear. As well, conflicts can only be avoided from the beginning

or “just” that one ought to act according to it, than it follows from the concept of validity or truth that one should always strive for it. To say that it is just also does not preclude the possibility of people proposing or even enforcing rules that are incompatible with this principle.” Hoppe, “From the Economics of Laissez Faire to the Ethics of Libertarianism,” in Walter Block & Llewellyn H. Rockwell, eds., *Man, Economy, and Liberty: Essays in Honor of Murray N. Rothbard* (Auburn, Ala.: Mises Institute, 1988; <https://mises.org/library/book/man-economy-and-liberty-essays-honor-murray-n-rothbard>).

By the way, to talk about a “purely cognitive matter” also implies a *human nature* matter. I discuss human nature in the next section.

of humankind if property is acquired “by acts of original appropriation (instead of by mere declarations or words of latecomers).”¹⁸

PROPERTY RIGHTS AND HUMAN NATURE

If rights exist in nature, which includes humans living there from the beginning of humankind, then, those natural rights can only be the ones of humans, who have the right to appropriate and use all the unowned nature around. In other words, as property rights are human rights only, and humans have a given nature, i.e., they have specific characteristics (like acting) that make them humans and different from any other animal or entity around; then, property rights are rights of human nature, that is, they are natural rights for humans. In short, property rights are natural rights.

Yet to recognize human nature means to recognize given facts of human nature,¹⁹ and this, with the knowledge of living in a world when scarcity and conflicts can and actually occur, must constraint the validity and practicability of any proposal for a theory of rights. If this were not the case: Why not include cats and dogs as humans? Why bother to save and labor for eating and surviving? Why bother to follow norms and cooperate with others? In addition, the theory of rights proposed must be one practicable *from the beginning of humankind*.

As Rothbard explained, the separation between theory and practice is artificial and fallacious. A correct theory works in practice, and an incorrect one does not. This is true in ethics as well as anything else:

If an ethical ideal is inherently “impractical,” that is, if it *cannot* work in practice, then it is a poor ideal and should be discarded forthwith. To put it more precisely, if an ethical goal violates the nature of man and/or the universe and, therefore, *cannot* work in practice, then it is a bad ideal and

¹⁸ Hoppe, “The Ethics and Economics of Private Property,” in *The Great Fiction*, p. 15, n. 4.

¹⁹ As the knowledge with regard to actions as such are facts about human nature as well.

should be dismissed as a goal. If the goal itself violates the nature of man, then it is also a poor idea to work in the direction of that goal.²⁰

Furthermore, human nature implies not only specific characteristics that differentiate humans from the rest of animals or entities around, but also differentiate each of the two human sexes from the other sex, while maintaining the humanity between the two.²¹ And since the most basic and recognizable facts of human nature are as unchangeable, obvious and known as any other truth naturally assumed by humans of all times—for instance, that we *own* our bodies, we *are* our bodies, and we are either males or females. Then, in social theory, this basic knowledge of human nature can and should be considered a priori true, as knowledge that comes from reasoning based on self-evident truths. And it is this kind of recognition of human nature that allows us to state that a proposed theory of rights can be the correct one for any society and for any time, by virtue of the fact that humans do not cease to be humans because they form different societies with different customs that come about in different times and places.

That being said, the facts of human nature can be dealt with by social theory in a correct or incorrect way, and as facts, by definition, they must and can only be deemed correctly as given. We can discuss to some extent which and how all these facts are, but we cannot coherently deny the existence of them and the fact that we live and understand the surrounding things through our human nature—not without presenting the explicit denial in the form of an argument, an *only-human* characteristic.

However, when do property rights start? If property rights cannot be disentangled from the fact of scarcity, the possibility of conflict, and human nature, and if human nature, as all-time human experience reaffirms, has always taught us that a new, *separated* human body has been prepared to be and live in the world outside the mother when birth happens; then, property rights must start at birth, when the truly

²⁰ Rothbard, *Egalitarianism as a Revolt Against Nature*, (Auburn, Ala: Mises Institute, 2000; <https://mises.org/library/book/egalitarianism-revolt-against-nature-and-other-essays>), p. 5.

²¹ Male and female are references to two complementary parts (the two sexes) that make possible the reproduction of the human species since the beginning of humankind. Each sex has certain characteristics not found in the other in order to form the natural complementarity.

human life of a new human *being* starts; here, a new *individual* is born and appears for the first time in a world where scarcity and conflicts occurs—where property rights have their actual meaning and function.

To reassure this, we can demonstrate some unsolvable problems with any alternative before birth, especially with the only non-arbitrary one. Of course, for a human to be born, there must exist before birth a specific point in time when something unique happened inside the woman, an *original moment* when the natural process of forming what will become a human being started. If property rights started before birth, it would have to be at this original moment, because any other point later is simply a matter of time and process until birth—an arbitrary point. Nevertheless, this original moment is an unknown specific point in time for human knowledge and intersubjectively impossible to be established. To explain further, since property rights “cannot be conceived of as being timeless and unspecific with respect to the number of persons concerned,”²² to admit property rights at that original moment is not a practicable way for humans to know when (time) and how (space) a human being starts and must, from that moment on, be recognized as a holder of rights. Besides that, before birth, what’s forming inside the woman is still naturally included in the woman’s right to self-ownership. As a matter of fact, the *potential* human being can only be considered, as long as it is a matter of rights, a *natural* property of the woman, as everything inside her is, *prima facie*, hers. Indeed, it would be a conceptual inconsistency to consider the woman and what’s inside her both as individuals (only she is an individual).²³

Moreover, only at birth, an objective, intersubjectively ascertainable link (unequaled) between the mother and the baby born is established and makes, *temporally*, due to natural circumstances, the relationship between them similar to one of an owner and a live property owned. Not because the baby is not already a self-owner human being (who can

²² Hoppe, “[Rothbardian Ethics](#),” *LewRockwell.com* (May 20, 2002; www.hanshoppe.com/publications).

²³ Humans are individuals. By definition, one individual cannot be constituted by *two* individuals, i.e., each individual has its extension and occupies its own space as an existence independently of any other individual. For that reason, only she is an individual. Obviously, there is something within her with the potential to become an individual at birth. Though she cannot contain another individual, she, eventually, will give birth to a new one.

only be controlled *indirectly*), but because this is the immediate way the mother can defend her unsurmountable claim to take care of the baby (naturally hers) from now on and exclude any other person from the ability of exercising any unwanted control over him. Either she has this right on him, or anyone (including the father) could *rightfully* snatch him forever because she does not have that right to him. But she does have it. Human nature, i.e., the natural structure of human reproduction, and the fact that her unsurmountable claim and link comes from an unparalleled previous condition of natural ownership implies that it *cannot* exist an equal right to the baby for anybody else, not even for the father. Whatever right the father has to the baby, it comes necessarily after the one of the mother and is dependent on her right.²⁴

Finally, property rights cannot start at any other point in time but at birth. It is not an arbitrary point but a necessary one.²⁵

LAW, ARGUMENTATION, AND HUMAN NATURE

Since the existence and prosperity of society cannot dispense of a sufficient following of the ethics of property rights, peace and justice are crucial for protecting the truly *natural* and *common* interests of all the members of society who cooperate day by day. Thus, whenever and wherever injustices occur, people do not need to be the strict victims of them to feel uneasy and worry about being the next, and give rise to the desire for a just society. Put briefly, the need for justice will never disappear in any society.²⁶

²⁴ A theory of rights that makes no difference in the analysis of reproductive rights is only possible by considering irrelevant the fact that only women can gestate and give birth to a new human being (even though this is not possible without the male contribution for the original moment). But doing this implies considering irrelevant what human nature says about human reproduction. How can that be reasonable for a theory of rights of humans? Here, reproductive rights are no more than property rights within the issue of reproduction.

²⁵ Like reality itself, human nature is not arbitrary, it simply is what it is, with its own natural course independent of man's recognition. It is man who can be arbitrary.

²⁶ Although the framework of property rights is inevitable in any society, there will always be risks. If a mother killed her child in her house, and nobody except her knows and can know about the crime; by ending his life, she aggressed and terminated her child's primary property right, which makes for his existence as a human being—his right to

As we know, men only have to follow the norms of property rights acquisition for maintaining peace. Yet not everyone does so. Accordingly, it becomes necessary to punish and deter their non-compliance, so as to bring justice, promote peace and prevent ever more injustices. As every human endeavor is supposed to satisfy human needs and desires, from structures for living and leisure up to security enterprises, also for peace and justice, men associate and make use of their characteristics as men—as social beings and generators of culture. Wherever there are men, they are different in almost every kind of matter. Several things can influence justice (restitution, retribution, penalty, etc.) and peacekeeping structures: families, talents, hierarchies, knowledge, moral integrity, wisdom, customs, wealth, free markets, division of labor, and more. With all this, a *social institution* for the application of justice and the promotion of peace emerges: *law*.

As a social institution, law can only come about peacefully, and as argumentation is a truth-seeking activity presupposing property rights among independent units of decision-making, the epistemological basis for law is the right of every person to his own body and properties. For if a person had no *jurisdiction* over his properties, and no legitimate way to demand respect or the punishing of others (restitution, retribution, penalty, etc.) for being aggressed, on what grounds would he claim that others do not have the right to use his properties against his will?

It is in this way that the a priori of argumentation can be correctly considered as the ultimate foundation of law, because there is no other *rational* way for the establishment of law: for any amount of rules to be discussed, settled and applied, and for any amount of specific ways of procedures to become suitable and traditional in law, a set of facts and basic norms for peaceful cooperation—as in argumentation—in order to allow as much as possible the well-being of all people involved

self-ownership. As nobody except her knows about it, this lack of external knowledge makes it impossible for justice to be made. While she took advantage of a previous property rights setup, any unwanted control that could have prevented the murder would have had to come by aggressing the mother's property right to her house, and no one is guilty of a crime until it is committed. Normally, people value privacy for various reasons, and to protect themselves against potential aggressors, privacy can hide knowledge that could be useful for potential aggressors. Unfortunately, be that as it may, there will always be people that will get away with their crimes now and then.

must already exist and be known and practiced. This set of facts and basic norms precedes: first, any case of organizing any other specific body of rules or procedures to be established; and second, any case of improving or changing the details for its upkeep.

And what about the upkeep of a social order based on the ethics of property rights. Ultimately, any social order relies on the ideology of the people, i.e., on the most accepted ideas in society. But ideas have no way of being transmitted and made popular and accepted enough in any society if not by means of convincing others about them, i.e., if not by argumentation. Owing to this, social orders also require a self-enforcement continued process. They are not maintained automatically: “they require conscious effort and purposeful action on the part of the members of society to prevent them from disintegrating.”²⁷

Coming back to legal matters, the inevitability of property rights is implied in any legal system, because any legal system attributes rights to physical things, binding to those things the social and general recognition of some actions (including force) as legitimate for the enforcement of those rights. And even when the system allows some systematic infringement of property rights in favor of some people, it cannot abandon completely the framework and function of property rights. At the end of the day, the norms of property rights must be followed at a sufficient level to prevent the injustices from reverting the relative peace and leading to the destruction of society.

And if law were *only* founded in consensus, not solely it would have no unequivocal ground to inspire and assure certainty as a universal and social institution for justice and the maintenance of peace in societies across time, but it would turn into a sort of empty box that could be filled with almost anything as a reason for the use of force as supposedly legitimate, as long as lawmakers agree on it and on the requisites for consensus they see fit for enacting laws. The truth is that one needs to assume the idea of a universal and unequivocal (natural) law for all times to even say that a crime is a particular crime with its particular characteristics that can be legitimately pursued and punished as soon as one day or as late as ten years after its occurrence,

²⁷ Hoppe, *Democracy: The God That Failed* (Transaction, 2001; www.hanshoppe.com/democracy), p. 213.

and that it would have been considered the same crime too in any time of the past. In fact, only by assuming human nature as a given and a priori true restrictive condition as we do here, it can be possible to correctly affirm that only one true theory of rights and one true (natural) law for all humans of all times exist regardless of the state of technology.

In top of all, if law were *only* founded in consensus, it would amount to: that laws are *created* out of people's wishes and agreements; that laws are *not* discovered or recognized at all as being laws *beyond* people's wishes and agreements; that nothing can be said to be true about law *now and forever* beyond people's wishes and agreements. And as law implies the use of legitimated force, if someone thinks that these ideas about law must prevail, he has accepted then the principle of power legislation as the only legal system for justice and peace—that might makes right. But this is the very foundation for legal corruption and the perversion of law.

Additionally, if this same person says that the principle of power legislation is just (or legitimate), he believes this claim about law to be true. Yet then, to be the legal relativist he is, he is really recognizing, without explicit admission, that there are (objective) truths about law beyond consensus. That being so, objective law cannot be a myth. If it were a myth, no government monopoly on law would ever have the need of convincing the people for obtaining acceptance and legitimacy. In the end, in order for any society to work, law is implicitly and correctly understood as objective, and because of that, it can be explicitly and correctly recognized as objective. It is the myth of the need of government monopoly on law that prevails and allows the perversion of law.

22

An Intellectual Provocateur

Carlos A. Gebauer

Meeting Hans-Hermann Hoppe was the result of an unplanned coincidence in the Summer of 2005. Actually, I had travelled to Gummersbach at that time to meet Roland Baader in person. The Friedrich Naumann Foundation—an organisation associated with the German Free Democratic Party—was holding a seminar on libertarianism at the Theodor Heuss Academy there. I didn't know most of the announced speakers at the time. In retrospect, I can say that a remarkably broad spectrum of liberal thinkers and publicists gathered in this place during those days. And as is to be expected when different currents of liberals, libertarians and anarchists come together for debate, it very quickly became extraordinarily lively.

Although I was initially disappointed not to meet Roland Baader, who had to apologise due to his already ailing health at the time, it quickly became clear to me what intellectual benefit I would be able to draw from the seminar. I remember Rahim Taghizadegan luring speakers such as Robert Nef and Jörg Guido Hülsmann out of their shells with questions. Stefan Blankertz spoke with a lot of commitment in his voice; Hardy Bouillon had a puppet speak on his desk to increase the audience's attention; and when a seminar participant read

Carlos A. Gebauer is a German lawyer and author.

out the speech text of the absent Roland Baader for him, it became very quiet in the hall. André Lichtschlag was active behind the scenes selling books and papers. At that venue I first met him in person, which subsequently had clear journalistic consequences as well.

However, Hans was also one of the speakers that day. After just a few sentences of his speech, I realised that he placed less emphasis on the beauty of his words than on the precision of the thoughts he was explaining. With the scientific clarity of a researcher, he placed his thoughts on various rhetorical petri dishes in order to isolate their modes from external influences from other considerations. “In paradise,” he explained, “everything is present in infinite abundance. So nobody has to overcome scarcity there. But there is certainly one good that is scarce there as well. And that is the place where I stand.”¹

How would it be possible to overcome such a situation of scarcity if—under the circumstances of paradise—things were done correctly? Certainly not by force! On the contrary, at best with the consent of the person who stands in their place (taken first in time) and who voluntarily vacates it for the other person.

Hans liked—and apparently still likes—to describe his own criticism of structures that he does not like as “radical.” With this argumentatively uncompromising approach, he definitely succeeds on the one hand in conquering certain intellectual grounds that others not yet have set their feet on. But on the other hand he not infrequently spreads fear among the many who still move their thoughts in more traditional ways. Even an outstanding thinker like Erich Weede, who was a speaker at the very conference as well, felt compelled to call for caution. Does Hans actually lack a sense of proportion from time to time?

As a lawyer who still has not given up his hope for the chances of a legally and sensibly balanced democracy, I do not follow Hans in all his theories and hypotheses. But I am thankful for his uncompromised efforts to describe and criticize given structures of our western administrations. In effect, the chance acquaintance of Gummersbach led me to his book about Democracy, the “God that failed.” And, like

¹ See also discussion of Hoppe’s paradigms of the Garden of Eden, or the Land of Cockaigne, the *Schlaraffenland*, etc., in the footnotes in Thomas Jacob’s contribution to this volume.

Detmar Doering put it in his review of the book for the *Schweizer Monat*, I felt his “visible delight in the role of the enfant terrible.”

Yes, Hans wants to provoke his readers and his political opponents as well as his scientific critics. And that for he has released from complacency. Accusations and false allegations of those who are not willing to rethink their own premises can no longer reach him. On the contrary, he gives the impression that at one point of his career he consciously and willfully drew all his attention solely to the very subject he is examining and therefore he can look past all angry insults. As an intellectual and as a scientist he knows that all empirical knowledge can change by virtue of greater and later knowledge. That for even the most intense critic at any time can turn out to be just temporary. So why should one get upset about it?

From a rhetoric standpoint that inner attitude of Hans’s working shows a conclusive overall picture. As a speaker he does not long for the approval or the cheers of his audience. Rather he offers the image of a thinker who reveals his thoughts standing at the lectern. In the long run this independence from his recipients might turn out to be exemplary for academic teachers as a genre. Because being free from any desire to please and not looking for applause provides a lot of additional time for intellectuals doing their core business of examining their subject.

One could psychologize long term about the roots of this kind of intellectual independence. I will refrain from doing so since this is not my area of expertise. But it is already noticeable that Hans once found the mental strength to take distance from the Marxist theories that had shaped his early life as a scholar so intensively. I draw a conclusion from that observation: Deep intellectual honesty includes a willingness to question the results of one’s own work at all time.

And since the history of science shows that nearly all major scientific or intellectual progresses were based on the detachment of convictions believed to be certain, the effort to trigger a fundamental crisis requires the willingness to stand offside the predominant assumptions.

Hans has even come beyond the point that Friedrich Nietzsche defined as a person’s worth that could be measured by how much loneliness he is able to endure. His intellectual seclusion has by no means turned him into a hermit. Acting from the proverbial edge of the western world on the banks of the Bosphorus his thoughts are hovering

into the intellectual discourses of Europe. And since the European democracies of these days are wavering out of their proven dogmatics into a historically unseen anonymous system led by unaccountable bureaucrats, political thinkers are well advised to focus their attention critically to the writings of Hans. Probability suggests that he has not yet found the answers to all questions that have to be dealt with now. But it is certain that he has formulated tasks that have to be completed in the near future. Maybe the lost key isn't under the lantern but rather off the side. Perhaps the intellectual search must continue into the unexpected.

Years had passed after Gummersbach. Subsequent seminars were held in Bodrum. Again unexpectedly, I met Hans and Gülçin at "Sprüngli" in Zürich. Whenever you think he's withdrawn, he suddenly is back in the middle of it all.

23

Transforming Toward Hoppean Security Production

Tim Haffner

INTRODUCTION

Every libertarian has a unique path of gradually releasing statist mental conditioning and ultimately accepting the implications of a property centric legal order. Once awakened, one's worldview changes so drastically that scarcely any aspect of the former self remains unaffected by the freedom philosophy. While Professor Hans-Hermann Hoppe's academic contributions span across economics, sociology, ethics, scientific method, and history, his work in the political-economy of security production was the most impactful upon my journey of transformation.

As a career military reservist and law enforcement officer serving variously at the city, country, federal, and international levels, I witnessed firsthand the dysfunction and ineptitude of government agencies personating security and justice services, yet for decades lacked the framework for diagnosing the cause. For a long time, I blamed having the "wrong" people occupying supervisory offices that clashed with my, albeit misguided, mission-focused orientation. I railed in anger against self-interested careerists who appeared to be just collecting a paycheck

Tim Haffner is a retired law enforcement and reserve military officer that was introduced to Austrian economics while serving in combat in the Middle East, and now consults on political risk and international security affairs.

while avoiding the action, or at least the enforcement activities I felt at the time were in the public interest.

You see, I was raised on a steady diet of propaganda and entered my military and law enforcement careers as a believer in the War on Drugs and had thoroughly bought into the sensationalized nexus of illicit trade and violent crime that led to a belief that “national defense” was threatened by a hybrid menace known as narco-terrorism. The feverish desire to “do something” about the alleged problem generated a thirty-year odyssey of comical yet tragic misadventures that are better shared in more confidential settings over a glass of wine or single malt whisky (two convivial beverages Professor Hoppe also enjoys).

After struggling in service to the orchestrators of “absurdistan” for so long, the gradual process of awakening was aided primarily by two great works in the Austrian tradition.¹ From Ludwig von Mises’s 1944 *Bureaucracy* I learned that even in so-called free societies, with relatively liberal economies, government agencies 1) are bastions of socialism, 2) absent the market incentives of profit and loss, bureaucrats lack the capacity for rational economic calculation, 3) it is impossible to be a professional inside of a bureaucracy, no matter one’s training or dedication to service everyone is, first and foremost, a bureaucrat, 4) even in the nearly impossible case that everyone was a selfless public servant, the very fact of political manipulation and bureaucratic management ensures the organization will ultimately fail at its ostensible purpose.² The socialist production of security does not work because it cannot work and no amount of reform can overcome the structural arrangements that ensure its dysfunction. This allowed me to abandon all hope of success or satisfaction at serving society in state-based justice and security institutions.

Then, from Hoppe’s 1998 *The Private Production of Defense*, I learned that a market based alternative was available and, not only is it superior to the incoherence I was accustomed to, the framework has an ethical

¹ Absurdistan is a term describing the insane asylum known as democracy run by megalomaniacs on display in contemporary culture and politics. It was used in his 2015 speech to the Property and Freedom Society in Bodrum, Turkey and capture in his 2018 book, *Getting Libertarianism Right*. <https://mises.org/library/getting-libertarianism-right>

² Mises, L. V. (1944). *Bureaucracy*. Mises Institute. <http://mises.org/document/875/Bureaucracy>

grounding that transcends the juridical, social, economic, cultural, and transnational domains.³ Building upon the work of Gustave De Molinari,⁴ Linda and Morris Tannehill,⁵ Murray Rothbard,⁶ Bruce Benson,⁷ and other contributors to the field of libertarian law and security, Hoppe fleshed out the functioning of a purely private property-centric legal order along with details of how market actors would operate in such an environment.

Further, and despite the invective of his various misguided detractors, Hoppe continually emphasizes a prime directive toward conflict free social interactions and property exchanges, leading to human flourishing, in all his work. Establishing realistic social norms to facilitate harmonious sociability is a recurring theme, particularly in recent years amid increased societal and global tensions. For instance, his 2023 speech to the Property and Freedom Society recounted how his mentor Murray Rothbard considered, among the myriad issues subject to libertarian analysis, matters of peace and war are of the utmost important because life and death are held in the balance. Echoing the Chinese military strategist Sun Tzu, Hoppe recognizes that war is the ground of survival or extinction and, therefore, one must consider it.⁸

³ Hoppe, H.-H. (2003). *The Myth of National Defense: Essays on the Theory and History of Security Production*. (ePub ed.). Mises Institute. <http://mises.org/library/myth-national-defense-essays-theory-and-history-security-production>

⁴ Molinari, G. D. (1849). *The Production of Security* (ePub (2011) ed. Vol. 2). Center For Libertarian Studies. <https://mises.org/library/book/production-security>

⁵ Tannehill, M., & Tannehill, L. (1970). *The Market for Liberty* (ePub, 2007 ed.). Mises Institute. <http://mises.org/document/6058/The-Market-for-Liberty>

⁶ Rothbard, M. N. (1970). *Man, Economy, and State: A Treatise on Economic Principles with Power and Market: Government and the Economy, Scholar's Edition* (ePub, 2nd Scholar's ed.). Mises.org. <https://mises.org/rothbard/mes.asp>, especially Ch.1 of Power and Market.

⁷ Benson, B. (2011). *The Enterprise of Law: Justice Without The State*. Independent Institute.

⁸ Hans-Hermann Hoppe, “PFP254 | Hans-Hermann Hoppe, “The War in the Ukraine in Libertarian Perspective” (PFS 2023),” Property and Freedom Podcast (Oct. 13, 2023); Tzu, S. (2009). *The Art of War: Translation, Essays, and Commentary by the Denma Translation Group* (ePub ed.). Shambhala.

WAR, PEACE, AND PROPERTY

Hoppe's use of a property standard to identify the line that divides war and peace succeeds the work of Lysander Spooner, who wrote in his 1882 *Natural Law, or The Science of Justice*, that abstaining from violating the person or property of another, and making reparations for any debts, injuries, violations, or takings, form the lawful conditions of peaceable human coexistence. It follows, then, that breaching the property boundaries of another, which includes the terms of any contracts to exchange property, initiates conditions of war and only restitution can restore the relationship to peace.

The property standard offers clearly identifiable boundaries from which to build a universally applicable legal order. For this reason, Ludwig von Mises considered property the foundation of the entire liberal, as in libertarian, program that coincided with both freedom and peace.⁹ The clear standards of legally acceptable human behavior provided by intersubjectively ascertainable property boundaries offers a social order in which disputes are readily adjudicated once the property owner and alleged violator are identified.

Establishing these material facts will always require investigative skill and specialization, such as crime scene processing, forensics, and interviewing techniques. However, there is no need, and therefore no legitimate space, for politically fabricated law. Violations of property, such as battery, robbery, murder, rape, burglary, arson, or theft are squarely criminal in nature while breaches of contracts are also, properly understood, a form of theft. Failing to perform an exchange as agreed, whether explicitly, as with a signed contract, or implied, like when ordering at a restaurant, deprives a genuine owner the value of the property that rightly belongs to them. Again, the need for jurists and courts that specialize in the various domains of dispute resolution will remain under a property-centric legal environment but the task is one of establishing facts rather than interpreting legislative decrees.

Restitution to make the injured party whole is the method for reconciliation for both violative instances because the property standard

⁹ Mises, L. V. (1927). *Liberalism: In the classical tradition*. <http://mises.org/document/1086/Liberalism-In-the-Classical-Tradition>; see also *idem*, *Liberty and Property* (Auburn, Ala.: Mises Institute, 2009; <https://mises.org/library/book/liberty-and-property>).

applies to both domains in a way that is far superior to the current politically manufactured divide between civil and criminal law. Erosion of the sanctity of property rights in public consciousness and political discourse not only allows for further governmental abuse but also leads to civil strife, antagonism, and paranoia.

As a criminal investigator with a small-town law enforcement agency in middle America, I witnessed firsthand the backstabbing, snitching, and gossiping all levels of the social strata would engage in in order to leverage the police power against their rivals. Taking out an opponent could be simply a matter of making an anonymous tip about what someone was holding in their pockets. The second order effect of this was a community filled with paranoia and resentment as well as wasted “justice system” resources.

This sad state of affairs stems from public toleration for a political caste that can dictate who gets to own what. Prohibiting possession of certain classes of property, such as arms, drugs, untaxed or loose cigarettes, as well as “unlicensed” services, imparts a wave of conflict through society that totally contradicts the “domestic tranquility” governments are supposedly constituted to provide.

As Hoppe points out, the problem is inherent to a political monopoly because those in the privileged position have an incentive to instigate conflict just to generate solutions that settle matters toward their own advantage.¹⁰ With this understanding, it becomes easy to comprehend why he would deem a compulsory monopoly justice and security provider, what is commonly accepted as modern state, the root of all evil.¹¹ The entity created to safeguard private property becomes the very obstacle to the fulfillment of its own *raison d'être*. The monopoly state is the vehicle through which, to echo Bastiat,¹² law gets perverted from a protector into an instrument of parasitism and plunder.

¹⁰ Hoppe, H.-H. (2012). *The Great Fiction: Property, Economy, Society and the Politics of Decline* (ePub ed.). Laissez Faire Books. Ch.11.

¹¹ Hoppe, H.-H. (1997). *What Must Be Done* (ePub ed.). Mises Institute. <https://mises.org/document/4365/What-Must-Be-Done>

¹² Bastiat, F. (1850). *The Law* (ePub ed.). Mises Institute. <http://www.mises.org/document/2731/The-Law>

HOPPEAN INSIGHTS

The chief vector for undermining the property integrity principle exists in the cognitive space. Recognizing the role of intellectuals in shaping public perceptions about the alleged need for a monopoly state, Hoppe discounts the likelihood of countering prevailing narratives via conventional modes of influence, such as academia, mainstream media, or officially sanctioned think tanks. Instead, Hoppe proposes a “bottom up” strategy, akin to an open source intellectual insurgency targeting dispersed institutions, centers, and local action networks rallying around an ideological core.

That core, of course, is the private property legal order. Yet, Hoppe does not rely on moral intuition or religious appeals to build his case for a private law society. Instead, he builds upon the sure foundation of the action axiom,¹³ the key insight of praxeology that forms the basis of causal-realist political-economy.¹⁴

First, human beings act. More specifically, humans act purposively, using means to satisfy ends in the physical realm of time, space, and form. Second, engaging in argumentation is an action intent upon making a truth claim that facilitates human understanding. Further, the act of argumentation is an acknowledgement that truth cannot be denied without presupposing its validity (for even disproving a claim distinguishes the existence of truth through its negation). Third, argumentation is cognitive activity aimed at establishing objective truth.¹⁵ The ethics of argumentation align with the Kantian Categorical Imperative, that is, to be justifiable, norms must be formulated so as to apply universally.¹⁶ In other words, one should act as though one’s own behavior were the accepted practice for everyone.

¹³ Hoppe, H.-H. (2007). *Economic Science and the Austrian Method* (ePub, 2nd ed.). Mises Institute. <http://mises.org/document/94/Economic-Science-and-the-Austrian-Method>

¹⁴ Salerno, J. T. (2010). Menger’s causal-realist analysis in modern economics. *The Review of Austrian Economics*, 23(1), 1-16. <https://doi.org/10.1007/s11138-009-0096-2>

¹⁵ Hoppe, H. H. (2010). *A Theory of Socialism and Capitalism* (ePub ed.). Mises Institute. <http://mises.org/document/431/Theory-of-Socialism-and-Capitalism-A>

¹⁶ Kant, I. (1804). *Fundamental Principles of the Metaphysics of Morals*. Public Domain. <https://books.apple.com/us/book/fundamental-principles-of-the-metaphysic-of-morals/id501616036>

Combining the action axiom with the ethics of argumentation leads to a recognition of property rights that begins with self-ownership or, stated differently, that one owns their physical body and all the justly acquired material properties that have supported that individual's life up to the moment of argumentative engagement. I am very thankful for a personal conversation with Professor Hoppe, as well as the additional commentary he gave in his 2016 speech to the Property and Freedom Society, in which he clarified this point.¹⁷ The very act of trying to influence someone on a particular topic, through dialogue rather than force, is to acknowledge their autonomous human agency.

Arguing against an individual's self-ownership or prior possessions, using one's own physical body and all that enabled that existence, is a performative contradiction that invokes the common and international law principle of estoppel, as Stephan Kinsella has effectively demonstrated.¹⁸ This understanding, that to argue inherently acknowledges an individual's autonomous human agency, also dispenses with the criticisms of an a priori argumentation ethics—leaving the property integrity principle standing on solid, if not unassailable, ground.

The challenge, as is usually the case once establishing what is “right” (correct, valid, and salutary), is in the implementation. Libertarians are often criticized for holding utopian ideals and engaging in too much theoretical navel gazing while Leviathan's noose tightens around their necks. Indeed, Professor Hoppe has at times stated that there is little to be done but to enjoy the implications of praxeological insights or, at other times, weep over the sorry state of world affairs.¹⁹

Yet his work has also contributed to practical conceptions of what security and justice provision would look like in a property-centric legal order. Having established the “what” of legitimate legal theory, he also explores the “how” of defense production. The greatest challenge in this

¹⁷ Hoppe, H.-H. (2016). *On The Ethics of Argumentation*. 2016 Meeting of the Property and Freedom Society. <https://www.lewrockwell.com/2016/10/hans-hermann-hoppe/ethics-argumentation/>

¹⁸ Kinsella, S. (2023). “A Libertarian Theory of Punishment and Rights” and Dialogical Arguments for Libertarian Rights,” in *Legal Foundations of a Free Society* (Houston, Texas: Papinian Press, 2023).

¹⁹ Hoppe, H.-H. (2022). Growing to Understand Contemporary Germany and Weep — Part II. <https://www.lewrockwell.com/2022/10/hans-hermann-hoppe/growing-to-understand-contemporary-germany-and-weep-part-ii/>

endeavor is overcoming the statist conditioning that limits the perception possibility frontier. In other words, security and justice institution building for a libertarian society begins with demolishing established orthodoxies in the cognitive domain.

AN INSURANCE VIGNETTE

Hoppe expands upon the idea of insurance companies as the likely primary provider of security and justice services in a society free from coercive monopoly governments. Effective protection is an insurer's own financial interest due to the lower likelihood of damage claims and the corresponding operating cost reductions. Further, insurance companies already interface through transnational networks of arbitration, reinsurance, and settlement contracts.²⁰

The unhampered competitive insurance market would render an interesting dynamic to the legal field. On one hand, a baseline legal code would develop to suit the widest cross section of social groups through consensus, a common law that most any morally reflective people can agree too. I prefer and advocate for Richard Maybury's simple formulation: Do all you have agreed to do (contract law) and do not encroach on others or their property (tort or criminal law).²¹ On the other hand, market competition will drive insurance providers to differentiate and specialize their product offerings, catering to diverse clientele, particularly for intra-group dispute resolution. Mosaic, maritime, merchant, ecclesiastical, and shariah law are just a few examples of legal code specialties various groups may subscribe to, and to which providers may tailor their offerings.

Yet, amid the variety of intra-group legal specialties and the unified inter-group common law code, the practical details of who and how security will be provisioned remains a conceptual challenge for many first exposed to the ideas of a private law society. The way insurance

²⁰ Hoppe, H.-H. (2003). Government and the private production of defense. In *The Myth of National Defense: Essays on the Theory and History of Security Production* (ePub ed.). Mises Institute. <http://mises.org/library/myth-national-defense-essays-theory-and-history-security-production>

²¹ Maybury, R. (2004). *Whatever Happened to Justice?* Bluestocking Press.

companies operate under the conditions of contemporary political entrapment tends to invoke either visions of a corporate-fascist dystopia or, at least, highly unfriendly customer experiences. The details on conflicting or overlapping coverage areas, whether security services will be vertically integrated with the insurance provider or subcontracted separately, and how premiums might be bundled with other services appear unfathomable.

One way of illustrating how the security and justice insurance industry could function came to me after arguing with a former law enforcement colleague over the merits of a libertarian legal order. We were both in agreement as to the general dysfunction and ineptitude in the politically captured and bureaucratically managed agencies with which we had experience, yet he could not encompass how the insurance model would work pragmatically. Later, it occurred to me that many of the issues he was trying to “figure out” were not all that consequential and, in fact, had largely been resolved in an existing market.

Since we were in South Florida and he would be driving home later that evening on the mostly long, flat, and straight country roads in the middle of the state, I posed the question of who he would call if he ran into a ditch and needed a tow truck. For the sake of simplicity, this scenario was a single vehicle accident without property damage and an otherwise fully functional car that simply needed to be pulled out of a rut yet, due to the desolation in a sparsely populated area, no neighbors or passersby were available to help.

If my former colleague had roadside assistance coverage from a provider like AAA (the American Automobile Association) and he was able to place a call to them on his cell phone, would it matter which wrecker service dispatched the tow truck? If the service arrived promptly and performed as required, would the name of the tow truck company or location of the corporate headquarters matter? The answer is, of course not.

What matters is that a client’s coverage and premium payments include roadside assistance. From there, one phone call to the insurance carrier activates the proprietary network of service providers, whether they be a corporate subsidiary, in-network, or fully outsourced. The optimal arrangement will be conditioned by the market discovery process.

Those concerned with the possibility of such a free market system breaking down, allowing for failure, or letting some unfortunate individuals “slipping through the cracks” are either blind, willfully ignorant, or insufficiently experienced with the pitiful “coverage” and service provision under statist control. The existence of alternative providers, both in roadside assistance coverage and tow truck wrecker services, subject to profit or loss, makes customer satisfaction the essential point of focus. Therefore, the incentive structure dictates that market disciplined coverage will always outperform politico-bureaucratic provision in terms of quality and reliability.

With this illustration in mind, one can dismiss the bulk of concerns about “where” security and justice services will come from under the insurance-based model described by market advocates. Still, questions of territorial jurisdiction cannot be altogether disregarded. After all, most people currently live in areas governed by overlapping political entities claiming control of geographic space. This leaves three problems to solve: First, what actions will facilitate the transition away from the current coercive occupation arrangement? Second, how can people in a free society secure a territory from external aggressors while administering justice internally? Third, what will stop a monopoly state from forming in the liberated domain?

GROUP SELECTION, DECENTRALIZATION, AND SECESSION

Disentangling illegitimate political bonds is always a delicate matter with the potential for severe destructive consequences if executed unskillfully. When Mises described in his 1927 book *Liberalism* that whenever a group of people express a desire for political self-determination “their wishes are to be respected and complied with”, the implication is an expectation of compliance with the libertarian norm by other, likely non-libertarian, political actors.²² However, resistance to letting go of control over the resources in a seceding territory by the decremented regime often leads

²² Mises, L. V. (1927). *Liberalism: In the classical tradition* (ePub ed.). Mises Institute. <http://mises.org/document/1086/Liberalism-In-the-Classical-Tradition>

to hostilities. Most heads of state will ignore Mises' "should" if they are not adequately deterred.

Sometimes a relatively amicable separation, such as when the Czech Republic and Slovakia reformed out of Czechoslovakia, is possible. However, secessionist movements must be prepared for the likelihood of obstruction, suppression, and retaliation by a former hegemon, regardless of how well structured the reasoned petition for peace is presented. The logical justification and procedures for the colonies to secede from Great Britain in 1776 did not prevent a brutal eight-year war with an uncertain outcome for most of its duration.

Within the American Declaration of Independence, however, was an appeal not only to the parent political organization but to rest of the world.²³ Holding favor with the "opinions of mankind" was a crucial element to show that secession was an action in pursuit of justice, in alignment with legal principles, and within the rights of people seeking control of their own political destiny. It is comparatively easier for a government to manufacture a justification for suppressing fringe groups or dissidents of ill-repute. Therefore, maintaining legitimacy in the quest for self-determination weighs heavily in Hoppe's treatment of the subject.

The strategic lines of effort for political decentralization begin with a policy of non-provocation, both toward fellow inhabitants of a liberated territory as well as that of the former regime. This is, in essence, a practical application of the axiomatically derived legal principle of non-encroachment upon person or property for which a private law society is striving toward. The right to be left alone and to leave others alone, up to and including ostracism, is a powerful weapon in the arsenal of liberty.²⁴ Non-compliance with officers of an illegitimate government was the strategy posited in *The Federalist Papers* to protect the equities of member states in a compound republic.²⁵

²³ Jefferson, T. (1820). *The United States Declaration of Independence* (ePub ed.). Public Domain.

²⁴ Benson, B. (2011). *The Enterprise of Law: Justice Without The State* (ePub ed.). Independent Institute, particularly chapter 14.

²⁵ Hamilton, A., Madison, J., & Jay, J. (1788). *The Federalist Papers* (ePub ed.). Public Domain.

That this tactic, along with reliance on a member-state distributed militia system for executing the laws, repelling invasions, and suppressing insurrections to prevent centralization of power in the general government, has failed is more a function of ideological and cultural degradation, an unwillingness to follow through, rather than a fault in the principles themselves. The importance of a widespread will to be free, to recognize what actions or abstentions are necessary to achieve freedom, and adhering to those principles over time amid countless human interactions is a crucial aspect of libertarian strategy.²⁶ Additionally, maintaining the forbearance to not provoke agents of the prior government and not indulge in property violations, such as taxation, commandeering, or other expropriations, upon the liberated territory's inhabitants, is indispensable to a free society's legitimacy and survival.

These cultural attributes require a certain discipline that further rely upon group selection, leadership, and tutelage. Malefactors, provocateurs, and those prone to erratic behavior must be weeded out from a free society so as to avoid provoking a retaliatory strike or justification for invasion from hostile neighbors. Enforcement of expected social norms inculcate the non-aggressive, civilized conduct expected with an indemnified insurance protection arrangement.²⁷

These qualities are readily cultivated through militia training, the key identifying feature of a free society. If the assertion that “political power grows from the barrel of a gun” holds any validity, it necessarily follows that an armed population is indispensable to political self-determination. Avoiding the centralization of political power requires an armed equilibrium that prevents concentration, particularly by those holding public office.

Limiting the group and territorial size of the liberty movement has strategic advantages. The modern goal of having a myriad competing polities, like Liechtenstein, Monaco, Hong Kong, Singapore, or the

²⁶ Hummel, J. R. (2003). The will to be free: The role of ideology in national defense. In H.-H. Hoppe (Ed.), *The Myth of National Defense: Essays on the Theory and History of Security Production* (pp. 347–374). <http://mises.org/document/1092/Myth-of-National-Defense-The-Essays-on-the-Theory-and-History-of-Security-Production>

²⁷ Hoppe, H.-H. (2001). *Democracy: The God That Failed: The Economics And Politics Of Monarchy, Democracy, And Natural Order* (ePub ed.). Transaction Publishers. Chapter 13.

Swiss cantons, follows the historical example of Medieval Europe where political leaders, in contrast to a “divine right” of kings, were in actuality simply the “first among equals” and subject to the same standards of a, universally applicable, natural law.²⁸ Small political communities are, of necessity, humble and frugal. They must treat their members well or face desertion. They are also inclined to pursue free trade policies and cordial relations with neighboring territories.

Hoppe is not completely averse to government per se and, in appreciation for the “ultra-reactionary” Karl Ludwig von Haller’s *Restoration of Political Science*, even acknowledges a place for “natural states”, both of the monarchical and republican varieties, where the right to defend person and property “in accordance with the principles of natural law” is not a characteristic exclusive to states, but is retained by everyone equally.²⁹ Hoppe also notes Haller’s preference for small principalities and republics that are independent, quasi-corporate entities whose exercise of rights remain categorically the same as any other citizen but differ by degree. The essential element is that individuals retain the option to sever or alter the bonds of service or dependency according to the conditions of one’s agreements and relationships.

While any early secession attempt is vulnerable to suppression, the chances of success are enhanced by a distributed organizational structure with no pivotal leader, node, or center of gravity to capture. A monopoly state will have a much harder time holding on to breakaway or non-compliant communities if multiple areas assert their independence simultaneously. Accordingly, a greater variety of affinity groups going their own way, so long as they abide by the legal core of property integrity and non-aggression, the better and more resilient the chances of success become. This holds equally true whether the movement be toward complete independence or a “soft secession” characterized

²⁸ Hoppe, H.-H. (2001). *Democracy: The god that failed: The economics and politics of monarchy, democracy, and natural order* (ePub ed.). Transaction Publishers. Chapter 11.

²⁹ Hoppe, H.-H. (2023). The Ultra-Reactionary as a Radical Libertarian: Carl Ludwig von Haller (1768–1854) on the Private Law Society. In D. Howden & P. Bagus (Eds.), *The Emergence of a Tradition: Essays in Honor of Jesús Huerta de Soto, Volume II* (pp. 111–130). Springer International Publishing. <https://doi.org/10.1007/978-3-031-17418-6>. Pg. 124.

by nullification and insistence on local autonomy within an existing political framework.³⁰

THE ROUGH COMBINATION

Hoppe's treatment of security and justice production in a private law society focuses largely on anticipating how the insurance model would function under stateless conditions. Included in that analysis is mention of self-defense, professional defense services, and mutual security associations, yet also a characterization of the American militia institutions as atavistic and impractical for addressing contemporary issues.³¹ This, of course, aligns with his exposition on the errors of classical liberalism that allowed for a supposedly limited government that enjoys a territorial monopoly of jurisdictional authority coupled with the power to tax. The U.S. Constitution failed to secure the blessings of liberty due to some structural errors, yet mostly from an unwillingness of the member polities to countermand the inclination toward centralization, despite their structural power to do so.

This returns us to the cognitive domain. For the marginalization of the militia system and the imposition of unbridled taxation and other property violations stems from the erroneous belief in “the government” or “the state” as an exogenous actor, separate from the people holding office and alienated from the citizenry. Undoubtedly, Rothbard's *Anatomy of the State* lays bare the divide between those wielding monopoly state power those that are victims it.³² However, as Hasnas rightly points out, there is no such thing as the administration of law without individuals, replete with personalities, desires, and biases, and believing in disembodied rule enforcement is fallacious.³³ Accordingly, the same problems

³⁰ Deist, J. (2023). *A Strange Liberty: Politics Drops Its Pretenses* (ePub ed.). Mises Institute. Chapter 29.

³¹ Hoppe, H.-H. (2001). *Democracy: The God That Failed: The Economics And Politics Of Monarchy, Democracy, And Natural Order* (ePub ed.). Transaction Publishers. Chapter 13, Section IV.

³² Rothbard, M. N. (1974). *Anatomy of the State* (ePub ed.). Mises Institute. <http://mises.org/library/anatomy-state>

³³ Hasnas, J. (2007). The myth of the rule of law. In E. Stringham (Ed.), *Anarchy And The Law: The Political Economy Of Choice* (4th Paperback ed., pp. 163–192). Independent Institute.

have the potential for arising amid the ambitions of aspiring tyrants who gain power and influence in either a minimal state or at the helm of a powerful insurance company.

It is the myth of the rule of law that first must be dispelled before real reconstruction toward a property-centered legal order can commence. Security and justice cannot be completely outsourced. Libertarian societies must have a mechanism for arresting any incitement toward monopoly state formation. It is in this spirit that Stromberg estimated free societies would require a “rough combination” of insurance companies and organic militia.³⁴ It is this somewhat neglected field that warrants further exploration to compliment Hoppe’s work on the subject.

Recall the key characteristics of militia, as adopted into the United States Constitution (Article 1, Section 8, Clause 16) is that they are organized, armed, and disciplined. Having weapons is insufficient without the requisite training and institutional frameworks to skillfully employ martial capacity toward lawful purposes. Further, an organized force will overwhelm isolated individuals or groups that lack communications and support networks. More importantly, the militia must be considered legitimate by the community at large.

To these ends, the militia as an institution of self-government is an indispensable vehicle for both social transformation and practical implementation. Even if the plan is to employ decentralized guerrilla tactics or partisan warfare in the event of foreign invasion, training and preparations for that type of contingency can, and should, begin well in advance of the incident along the lines of the Total Resistance that Major Hans Von Dach advocated for from Switzerland in the face of a Soviet threat.³⁵ Developing linkages, affinity groups, and defense networks provides an avenue to build resilient communities, involving much more than just actual combatants, that may even provide adequate deterrence to invasion.

³⁴ Stromberg, J. R. (2003). Mercenaries, guerrillas, militias, and the defense of minimal states and free societies. In H.-H. Hoppe (Ed.), *The Myth of National Defense: Essays on the Theory and History of Security Production* (ePub ed., pp. 215-238). Mises Institute.

³⁵ Dach, H. V. (1965). *Total Resistance: The Swiss Army Guide to Guerilla Warfare and Underground Operations* (ePub ed.).

While one of the maxims of war is to always prepare for the worst-case scenario, another is to avoid destructive conflict whenever possible. Order maintenance through law enforcement is also a function assigned to the militia. Article 1, Section 8, Clause 15 of the U.S. Constitution tasks the militia with executing the laws, repelling invasions, and suppressing insurrections. This mission set distinguishes the militia from the military. Further, Article 2, Section 2 lists the “militia of the several states”, and only the portion of those member state institutions that are temporarily “called forth” into service to the federation, as categorically distinct from the Army and Navy. Keep that in mind. The militia, by charter, are decentralized law enforcement.

Subject to statist indoctrination, socialist conditioning, and general political apathy, the American people have forgotten that the “free and independent” States that signed the Declaration of Independence, in effect, contracted the general government into existence and still retain the preponderance of the authorities within the federation. Moreover, the key source of ultimate political power, that which grows from the barrel of a gun, remains vested, in a distributed fashion through the member States, in the hands of each and every able-bodied citizen. The States maintain control of appointing officers and training militia, and, through this authority, could also choose largely how the “laws of the union” will be implemented at the local level. In this way, insisting that the local militia, composed of the citizenry themselves, execute the laws provides a significant check valve on what legislation gets carried into effect as well as the manner in which it is carried out.

This offers tremendous potential for halting centralizing impulses, as well as unlawful legislation and regulations, within a federation that is supposed to guarantee to “every state” in the union its own republican form of government.³⁶ I am very appreciative of Dr. Edwin Vieira’s historical and legal perspectives on how the “militia of the several states” could be revitalized toward solving present-day political dilemmas.³⁷ Recognizing that all police, sheriffs, special agents, or other tax-funded enforcement officers must be, since these terms do not exist in the

³⁶ Article 4, Section 4, United States Constitution:

³⁷ Vieira, E. (2012). *The Sword and Sovereignty: Constitutional “Homeland Security”, Volume Two* (PDF ed.).

contractual operating charter, legally subordinate to the only constitutional institutions designated to “execute the laws” breaks the monopoly on the use of force (Hoppe’s root of all evil) and restores popular sovereignty.³⁸ Moreover, the main task of the militia is not war fighting but law enforcement and, when done with due process through citizen-based grand jury indictments, consists mainly in arresting rogue officials that violate the limited terms of delegated authority.³⁹

The “rough combination” of contracted services and partisan self-defense organizations deserves further research to explore the details of operational practice. I maintain that any population in a free society must be “organized, armed, and disciplined” in order to prevent any entity, whether it be a minimal government, insurance firm, or other contracted security provider, from engaging in monopoly state making. In the field of security and justice, history shows that hired help often try to alter the arrangement and subjugate the populations they were hired to protect. While the phenomenon can be found in myriad globe-spanning case studies, Jason Morgan terms this the Pinkerton-samurai rule.⁴⁰

Therefore, a private law society must do more than just “do not provoke” and “be armed” as described in Hoppe’s 2023 speech to the Property and Freedom Society.⁴¹ Fortunately, inculcating the organized, armed, and disciplined culture “necessary to the security of a free state”, as opposed to a monopoly state, also supports many other aspects of a Hoppean social order.

³⁸ Kramer, L. D. (2004). *The People Themselves: Popular Constitutionalism and Judicial Review*. Oxford University Press.

³⁹ Younger, R. D. (1963). *The People’s Panel: The Grand Jury in the United States, 1634–1941*. Brown Publishing Company.

⁴⁰ Morgan, J. (2021). *Private Security Isn’t Enough: Why America Needs Militias*. <https://mises.org/mises-wire/private-security-isnt-enough-why-america-needs-militias>

⁴¹ Hoppe, H.-H. (2023). *On Centralization, Decentralization, and Self-Defense*. <https://www.lewrockwell.com/2023/10/hans-hermann-hoppe/on-centralization-decentralization-and-self-defense>

THIN LAW, THICK CULTURE

Despite naive calls for a “live and let live” libertarianism, Hoppe has pointed out that establishing, maintaining, and defending a private law society requires much more than adhering to a principle of non-aggression.⁴² The cultural attributes of a society capable of upholding a private property legal order will be, of necessity, conservative.

To illustrate, my time in law enforcement and experience with responding to numerous noise complaints and neighbor disputes, and issuing infraction tickets to “boom car” nuisances led me to tell lots of people that they have the right to listen to their music as loud as they want but cannot force anyone else to hear it. Statutory law allowed for issuing a fine to any vehicle whose sound emanated beyond twenty-five feet, or less if in the vicinity of schools, churches, hospitals, or residences. Strict liability against all forms of property invasions, to include every conceivable form of pollution, would lead to social expectations for people to not make their negligence anyone else’s burden.⁴³ Still, a conservative legal standard is not self-executing.

Ultimately, no amount of law enforcement can compensate for an uncivil society. Shared values and behavioral norms are the most important line of defense in pedestrian life as well as crises. In short, organic community is the key to a successful, defined as relatively peaceful, harmonious, and prosperous, legal and social order. Having the “whole people except the few public officials” organized, armed, and disciplined in order to execute the law, repel invasions, and suppress insurrections sets the foundation for building robust and resilient self-governing communities.⁴⁴ In this, bringing people together for purposes of training and preparing to meet these civil imperatives offers the greatest potential for social transformation.

Not everyone needs to become a weapons expert or devote their lives to perfecting close quarters battle to field a revitalized militia

⁴² Hoppe, H.-H. (2018). *Getting Libertarianism Right* (ePub ed.). Mises Institute, chapters 3 and 4.

⁴³ Rothbard, M. N. (1973). *For A New Liberty: The Libertarian Manifesto* (ePub ed.). Mises Institute, chapter 13.

⁴⁴ George Mason’s definition of the militia. Mason, G. (1788). *Debate in Virginia ratifying convention, 14 june 1788*. https://press-pubs.uchicago.edu/founders/documents/a4_4s9.html

capable of deterring political usurpations, abuses, or tyrannical designs. Since the only valid law worthy of enforcement involves protecting people and property, and upholding agreements for the exchange of property, the socially enervating effects of politically perverted law enforcement activities (e.g. the war on drugs) would disappear. Instead, local communities could better direct their time, attention, and resources toward addressing heterogenous security concerns germane to their particular circumstances.

Moreover, while I personally might have a preference for near universal participation, there is no need to mandate anyone into performing this civic duty. The shift from compulsory militia service to partially privatized and largely voluntary units following the War of 1812 saw increased popular involvement and campaign performance leading up to the, so-called, 1861–1865 Civil War.⁴⁵ Modern efforts in a private law society, where there would be no tax-funded state subsidies for ball-chasing sports, could encourage participation through corporate sponsorships and various competitions, a “militia Olympics” to expand on the idea presented by Mary Ruwart, fashioned after the present-day SWAT roundups involving individual skills, team problem solving, and leadership reaction challenges.⁴⁶ Building training institutions along these lines would provide a rallying point for community pride, an incubator of civic duty, and a proving ground for the “natural elites” that feature prominently in Hoppe’s framework.

CONCLUSION

Professor Hoppe’s elucidation of legal principles provides clear guidance on how security and justice production should be organized while also building market-based solutions to the problem of conflict over scarce resources. He admits to a, very reasonable, bias for peace, social harmony, and human flourishing while sharply diagnosing the institutional causes

⁴⁵ Hummel, J. R. (2001). The American militia and the origin of conscription: a reassessment. *Journal of Libertarian Studies*, 15(4), 29–77.

⁴⁶ Ruwart, M.J. (2015). *Healing Our World: The Compassion of Libertarianism* (ePub ed.), chapter 20.

of decivilization, perpetual crime, and societal strife. His insights can be life changing for those willing to follow the train of logic. I know they were for me. My view of military and law enforcement activities under political control and bureaucratic management irrevocably transformed. The task now is to follow through on Hoppe's advice: Withdraw consent from the monopoly state, promote its delegitimization, assert the right to self-defense, and turn to that rough combination of militia and market-based providers for all matters of protection and conflict resolution.⁴⁷

⁴⁷ Hoppe, H.-H. (2001). *Democracy: The God That Failed: The Economics and Politics of Monarchy, Democracy, and Natural Order* (ePub ed.). Transaction Publishers, chapter 12.

Part Three

Free Trade and Migrations

24

A Note on Hoppe’s “Open Borders” Critics

Jeff Deist

Hoppephobia, a disorder first identified by Murray Rothbard way back in 1990, is characterized by irrational and emotional outbursts directed against Hans-Hermann Hoppe and his work.¹ Left untreated, it can last decades and render its sufferers intellectually impotent.

Today, the most virulent form of Hoppephobia is found among advocates of completely unrestricted immigration—especially among self-styled classical liberals who insist on a “right to travel” or “freedom of movement” for all people, everywhere, all the time.

These immigration advocates elevate “open borders” to an animating principle of libertarianism. In their telling, national borders are imaginary lines. Nations themselves are outdated historical constructs. All immigration restrictions are per se illiberal; after all, why should the random circumstances of one’s birth have any effect on legal rights or geographical advantages? And there are no downsides, because immigrants generate unqualified benefits, economic and otherwise, for their

¹ See Murray N. Rothbard, “[Hoppephobia](https://www.lewrockwell.com/2014/10/murray-n-rothbard/hoppephobia/),” *Liberty* 3, no. 4 (March 1990; <https://www.lewrockwell.com/2014/10/murray-n-rothbard/hoppephobia/>): 11–12.

Jeff Deist is former President of the Mises Institute and currently general counsel for Monetary Metals.

new host nations. Just like free trade, free movement of people simply directs human capital toward its most productive uses.

Thus, we are compelled to contemplate a very strange liberalism: one where states exist but state borders do not; where citizenship flows from physical presence; where state services and state property (so called) are equally available to all comers; where humans are likened to corporeal goods; and where negative externalities are rendered inapplicable.

Anyone in the libertarian sphere who raises concerns about mass immigration—about bringing millions of poor people from global South to North, from Third World to First—is quickly labeled a nativist. Questions about tradeoffs, in terms of crime, employment, welfare, or housing, are dismissed as evidence of a fearful mindset unwilling to embrace new arrivals and adapt to change. Economic growth is paramount, rather than amorphous worries about immigrants’ cultural, political, economic, linguistic, religious, or ethnic compatibility.

Most of all, this narrative insists that immigration restrictionists are not well-intentioned people who simply hold a different opinion. On the contrary, they are provincial xenophobes, racists, nativists, and even fascists. They resent the demographic inevitability of white minority status in America and Europe, and the decline of Christian dominance across a rapidly secularizing West. They are, in effect, bad faith actors with bad motivations.

Just ask Dr. Hoppe, who has been on the receiving end of this abuse!

But why should this be? Why must libertarians accept open borders as a litmus test or default position? Should we not consider more deeply how immigration might work in an absolutely free society, which is to say a fully private society? Or how it should work under present conditions, however imperfect? Is this argument really about libertarian principle, and nothing more?

Dr. Hoppe has some thoughts. For starters, he is a well-known critic both of open borders and the resulting “forced integration.” His seminal 1998 article, “The Case for Free Trade and Restricted Immigration”² was a thoroughgoing refutation of the faulty analogy between

² Hans-Hermann Hoppe, “The Case for Free Trade and Restricted Immigration,” in *The Great Fiction: Property, Economy, Society, and the Politics of Decline*, Second Expanded Edition (Mises Institute, 2021; www.hanshoppe.com/tgff).

the free trade of goods between countries and the free movement of people across national borders. He elaborated at length on these topics in his landmark 2001 manifesto, *Democracy: The God that Failed*.³ With chapters entitled "On Free Immigration and Forced Integration" and "On Free Trade and Restricted Immigration," Dr. Hoppe cemented his reputation as an advocate for conditional, contractual immigration.

He also cemented his reputation as the *bête noire* of the open borders chorus.

To be clear, Hoppe is an avowed anarcho-capitalist who would prefer nothing less than to privatize all state property and fundamentally recast the immigration issue as a matter of private property rights. His now infamous vision for "covenant communities," which are truly private and exclusionary, is closer to the city-states or principalities of 19th century Europe than the modern social democracies favored by DC libertarians. And so Dr. Hoppe became an avatar for the populist libertarian Right that is deeply antistate but views mass immigration as a statist political project.

From the works cited above, along with various speeches he has presented over the years at conferences and his annual salon in Bodrum, Turkey, we can attempt to summarize Dr. Hoppe's views on immigration⁴ and borders as follows:

- Immigration involves tradeoffs, like any other political or economic policy. It is not somehow an unmitigated benefit for the receiving nation.
- No truly libertarian approach to immigration is possible when states at all levels own (i.e., control) vast amounts of "public" land, including coastlines and ports, highways, airports, roads, military installations, parks, and common spaces. Public property is an invalid concept under any libertarian worldview, but present-day reality is vastly different.

³ Hans-Hermann Hoppe, *Democracy: The God that Failed* (Transaction, 2001; www.hanshoppe.com/democracy).

⁴ See Jeff Deist, "Immigration Roundtable: Hans-Hermann Hoppe," *Mises.org* (Sep. 7, 2018; <https://mises.org/immigration-roundtable/immigration-roundtable-hans-hermann-hoppe>).

- We can reject the notion that public property should be viewed as “unowned.” Given the reality of public property, state agents should at least function as trustees or stewards of that property on behalf of the taxpayers who fund it. Immigrants do not have the same claim to use of such public property because they were not forcibly required to pay for it via the host country’s taxes, borrowing, or inflation.
- There are no facile answers under libertarian principles to the present question: how should government agents control access to public property? Real economic calculation is impossible when the state controls resources, and “non-economic” considerations are impossibly subjective.
- “Open borders,” where states take no steps to limit entry, is a form of state action. It is a conscious policy choice.
- “Welfare,” in all forms of taxpayer-provided goods and services, provides perverse incentives for immigrants. Democratic voting and proportional representation provide perverse incentives for politicians to import immigrants for political gain.
- The well-being of a nation or society is necessarily subjective. It is not measured by GDP or economic aggregates. But when considering economic wealth, what matters is average or per capita wealth in an area, not the total economic output.
- Goods are not people. Goods are inanimate. Imported goods are “invited” by whomever bears the cost or economic risk of demand for such goods. Individuals, by contrast, have will, volition, and necessarily take actions—good or bad—wherever they are. We should distinguish between and sever the free trade of goods from open immigration, both conceptually and in terms of policy.
- Immigration should be regulated under a “full cost principle,” which simply means contractual invitation and sponsorship by an individual or entity in the host nation. In Hoppe’s words, “All migration would be by invitation and invariably the full cost principle would apply. Either the inviting host or the invited guest or both jointly would

have to pay the full cost associated with the guest's presence. No cost could be shifted and externalized onto third parties, and the inviter and/or invitee would be held liable for any and all damage resulting from the invitation to the property of others." Sponsorship is particularly important to deter and compensate for criminality or welfarism among new immigrants.

- Conditional free immigration, applying the full-cost sponsorship principle, is far more liberal, more humane, and more just than the current systems employed across the West. It also would remove long waiting time for state-sanctioned entry or residency. Sponsors could include family, employers, religious groups, civic and social groups, and for-profit sponsorship bond issuers.

Ultimately, it is state ownership (read: control) of land and resources that renders "open borders" a political mess. This applies to all states, everywhere, all the time. We cannot pretend that privatization is just around the corner. We are not required to imagine states will give up their expansive public spaces, economic interventions, and baleful welfare machinations anytime soon—we may advocate for a better approach here and now. We can propose that state agents with de facto control over government property manage such property as private owners would—preserving capital rather than depleting it and affording its primary use to the taxpayers who funded it.

Open borders is a policy, not a principle. "Freedom of movement" is a slight of hand argument which mistakes politics for natural law and confuses the right to leave a place with an imagined right to enter a place. It fails to recognize the conflicting right of people to use collective arrangements to associate—or not associate—with others. The conscious and designed importation of desperately poor dependents into the US and Europe for naked political gain is not somehow *incidental* to deontological arguments for open immigration, but rather clearly demonstrate those arguments are not about principle at all. The consequences *are* the policy. Today's immigration into Western countries is in fact not a market phenomenon at all, but rather the direct result of government programs designed to radically change those countries.

Thankfully, Hoppephobia today remains isolated and largely harmless. It survives primarily among a small but noisy cadre of left libertarians, cosseted academics, and Hayekian think tankers who orbit hopefully at the edge of Beltway or Brussels respectability. Some of the latter are quite literally paid to reverse engineer empirical arguments for free immigration policies. But their efforts have done little to stem Dr. Hoppe's growing popularity, especially among dispirited young people in search of political and economic models beyond milquetoast neoliberalism. The *luftmensch* libertarians, as Rothbard called them, may insist on appending "open borders" to their program. but Hoppe's contractual immigration program remains rooted in private property. The cries of "Statist" and "Bordertarian" must fall on deaf ears.

As always, Professor Hoppe takes his critics in stride. Even as they loudly proclaim their undying enmity for his work, he continues his efforts to bring modern libertarianism kicking and screaming into alignment with fundamental reality and human nature. Immigration is at the fore of this Hoppean realignment. Not all cultures are equal, human beings are not fungible widgets, and the well-being of any nation or society is subjective. Importing millions of poor immigrants into western welfare states is not the path to liberty or prosperity. Everyone, in effect, wants to live in a good neighborhood—and we can expand that natural impulse outward, in concentric circles, from the most local village to the broader society. We all naturally want to live among good, hardworking, productive, decent people. Markets, in the form of true private capital and property, would reflect this. So should immigration policy.

Immigration sponsorship, applying a full-cost framework as elaborated by Dr. Hoppe, is the immediate, humane, and just way to deal with the inevitable conflicts and tradeoffs surrounding migration into wealthy countries. It comports with the political reality facing the West. Most of all, it presents the best approximation of private property stewardship we can hope for in a world of state depredations.

Hoppephobes need not fear it.

25

Immigration and the Subsistence Fund

David Howden

PERSONAL NOTE

Hans has been, for countless students and colleagues, a continual font of ideas. His lectures and written works lay out, in simple step-by-step fashion, the inevitable consequences of various actions. In this way a whole generation (or two!) of scholars have learned at his knee, so to speak.

Hans “the man” is rarely exposed for the uninitiated to experience. While his speech mannerisms, hand gestures, and accented intonation are well known, most come away with the impression of someone whose sense of humor is, well, Germanic. Fully revealed, Hans has a wonderful jovial aura. He is also interested in helping out those in his presence in unsuspecting yet ultimately important ways. I can remember one such experience I had while still a young graduate student. Doug and Deanna French invited me to a dinner which Hans also attended. Over dinner we dined on fine steaks and finer wine. (Much too good for the lowly grad student thankful to eat the cookie crumbs left over after a faculty meeting.) The dinner conversation revolved around anarcho-capitalism and “related” topics. Despite what Hans’s detractors might think, the art and science of bigotry came up barely at all!

David Howden is Professor of Economics, Saint Louis University—Madrid Campus

With dinner behind it was time for dessert. Deanna rolled out a liquor cart. I would have been over the moon with another beer. Instead the cart was laden with bottles my uncultured self had never seen before. In an act of dart throwing, I picked something brown and went for the pour. I'll never know what it was, but Hans was quick to help me out. "You don't want to drink zat," the Teutonic professor intoned. "Here," he said pushing some other unknown brown bottle into my hands. "You will be happier if you drink zis." He was right, of course, but where was he at other important junctures in my life? ("You don't want to date zat fraulein, you will be happier vis zis one." Or "Don't vurk at zat Universität, zis one will be better for you.")

IMMIGRATION ALLUSIONS

Like the choice of after dinner drink, Hans was always right. He devoted much of his professional life to developing libertarian theory, philosophy, and political economy. What interests me today are not the things that he wrote, but about the things he only alluded to. Often in the course of philosophizing Hans has made a tangential comment on an economic topic. The example of one such comment that this chapter builds on comes from his 1998 article "The Case for Free Trade and Restricted Immigration," published in the *Journal of Libertarian Studies*. Prevailing intuition amongst the libertarian community, broadly defined, follows the political consensus that began prevailing amongst both liberals and conservatives by the mid-1980s. This consensus continues to this day. The consensus that I refer to is that if free trade of goods across borders is economically efficient, so too must be the free "trade," or movement, of people across borders.

The passage in question deals with the immigration issue not in isolation of other production factors. Writes Hoppe (1998, 225–26, my emphasis):

According to proponents of unconditional free immigration, the U.S. *qua* high-wage area would invariably benefit from free immigration; hence, it should enact a policy of open borders, regardless of any existing conditions... Yet surely, such a proposal strikes a reasonable person as fantastic. Assume that the U.S., or better still Switzerland, declared that there would

no longer be any border controls, that anyone who could pay the fare might enter the country, and, as a resident then be entitled to every “normal” domestic welfare provision. Can there be any doubt how disastrous such an experiment would turn out in the present world? The U.S., and Switzerland even faster, would be overrun by millions of third-world immigrants, because life on and off American and Swiss public streets is comfortable compared to life in many areas of the third world. Welfare costs would skyrocket, and the strangled economy disintegrate and collapse, as *the subsistence fund—the stock of capital accumulated in and inherited from the past*—was plundered. Civilization in the U.S. and Switzerland would vanish, just as it once did from Rome and Greece.¹

In many ways, this passage is not so different from many written by those who caution against unfettered immigration. (An invasion of third worlders? Check. Abuse of the welfare system? Check. Civilization crumbling? Check. Allusion to the US suffering the same fate as Rome? Check.) But hidden within this passage is something unusual compared to all other commentators who dare wade into the immigration debate. These commentators include both those who are broadly in favor of unrestricted immigration on moral and economic grounds, as well as those who are broadly against it on the same margins.

I am referring to the link Hoppe makes to the “subsistence fund.” This unique concept is what differentiates the core of Austrian macroeconomics—including the branches of economic growth, development economics, and business cycle theory—from the various mainstream alternatives.

Introduced by Bohm-Bawerk in his *Positive Theory of Capital* (1889), the subsistence fund describes the resource constraint on more productive production methods. His refinement of the classical theory of the wages fund found immediate appeal to neoclassical economists. Mises (1912) refined the concept and integrated the subsistence fund into a broader theory of economic growth. Any production process, writes Mises (1912, 360), “must be of such a length that exactly the whole available subsistence fund is necessary on the one hand and sufficient on the other for paying the wages of the labourers throughout the duration of the productive process.”

¹ Hoppe is not the only anarcho-libertarian to advocate for restrictions to immigration, see also Rothbard (1994).

Although there is some disagreement on what goods constitute the subsistence fund and through what channel it constrains economic expansion, the concept forms the core of the Austrian theory of the business cycle (Braun and Howden 2017). It is the resource constraint that halts an economic expansion when it becomes binding.

The role of capital is central in Austrian discussions of the business cycle. Less discussed is the role of labor. Hayek (1936: 496, n16) was critical of viewing a lengthening of the productive structure as a change in labor. Some recent attempts have focused on the role of labor in the capital structure (e.g., Machaj 2015; 2017, esp. chap. 2). While the role of labor in altering the structure of production is a thorny issue, there are some salient facts that are important for the debate over the economic benefits of immigration. (I outline some of the particularly thorny issues with labor and capital structure in Howden (2016).)

Chief among these facts are: 1) what impact immigration has on the wage structure of the existing laborers, and 2) what impact immigration has on the return of capital existing in the economy. These two topics are highly debated but thoroughly covered elsewhere. As such they are of little interest to the present chapter.² What does concern this chapter is whether and to what degree new citizens remunerate existing citizens for their arrival. As we will see, Hoppe's use of the subsistence fund is an essential step in understanding whether and to what degree any number of immigrants can be integrated into an economy's productive structure. What will not concern me in this chapter is discussion of non-economic integration of immigrants into a country, e.g., cultural, social, religious, etc. Instead, I am concerned here strictly with the economic effects of immigration.

² Some research finds immigrants depressing wages for those groups they compete with (Borjas 2003). Other research reaches the opposite conclusion (Card and Peri 2016). That increases in immigration positively affect the return on capital is less controversial (Borjas 2021). Most empirical studies find the fiscal effects of immigration to be relatively small and clustered around zero.

IMMIGRATION AND THE POLITICAL CONSENSUS

In the late twentieth century a consensus emerged between the traditional socialist and conservative ends of the political spectrum over a series of previously contested topics. This consensus is broadly shared in most developed countries and gives voters little choice on the relevant issues. These issues include the ideas that 1) free markets coupled with a social safety net bring secure prosperity, and 2) being connected to the global economy in terms of *goods and labor* promotes robust economic growth. Those remaining differences across the political divide that arise are mostly constrained to social issues: family, religion, and community norms.

Libertarians of various stripes have much to quibble with on this political consensus. That fact notwithstanding, one issue that many libertarians do not commonly disagree with is the view that immigration is positive. This positive view extends to both economic and social factors. Take, for example, the collection of chapters contained in Powell (2015). Here the impression one gets is that unfettered immigration is unambiguously positive, or that the positives outweigh the negatives.

Most authors writing today on market-based immigration plans follow in the style of Becker (2011).³ Becker's contribution is in realizing that the existence of a welfare state introduces the incentive for overuse by nonpayers. (An invasion of third worlders? Check. Abuse of the welfare system? Check.) To combat this exploitation by outsiders, Becker proposes a market-based fee payable by the would-be immigrant to enter the country. Charging a fee for citizenship moves the economy towards a more rational, market-based system of immigration. As an added benefit, as in any shift from a black to a formal market, illegal activities (in this case, illegal immigration) is demotivated.

Yet Becker's solution is scant on the reasons "why" charging immigrants a fee is warranted. What is the fee compensating for? Who collects the proceeds of the fee, and are they the same individuals as those affected by the immigrant? After all, there are already various fees associated with immigrating to a new country. These fees, invariably

³ Becker's ideas originated as a mimeo dating to 1987. The Institute of Economic Affairs published an extended version in 2011.

end up in the general government purse. Government levied fees do not compensate the unskilled worker who lost his job to a lower-wage immigrant. Nor does the business owner who sees his profits increase by the productivity of the skilled immigrant contribute anything beyond the wage he would have paid to a different worker.

Such vagueness is not unique to Becker. Discussions of immigration commonly speak of the general benefits that immigrants bring, without a deeper analysis of the structure of the benefits. The chapters included in Powell (2015) are very much in this spirit.

Vedder (2015) is the only contributor from Powell (2015) that looks to market-based solutions to targeting the efficient quantity of immigrants. Although Vedder doesn't deal with the question of citizenship directly, he does follow the basic argument found in Becker (2011): that market forces are the best way to allocate cross-border labor flows. Vedder's proposal, although notable for steering the argument towards a market for immigration, suffers two non-market infidelities. The first is a reliance on a market price coupled with a quota on the number of immigrants entering a country. Quota systems create well-known deadweight losses. The second is a preoccupation with linking the price of immigrant visas to the unemployment rate. There is no reason why employment should motivate immigration. Doing so would relegate countries that are retirement hotspots to the second tier of immigrant destinations!

To read such unfettered support for immigration, one wonders of the equilibrium. The western world is experiencing "an unprecedentedly large wave of mass immigration" (The Economist 2023, 59). 1.2 million immigrants moved to Britain in the year ending June 2023. Nearly one million were non-EU nationals (Office for National Statistics 2023). Net migration to Canada is double the previous record. Germany has even more new arrivals than during the "migration crisis" of 2015. Over one-third more immigrants are expected to come to the United States this year than before the pandemic. In nearly every developed country one can find record surges of new arrivals. (Japan has long been an exception to this, though even that is changing with the creation of new visas to foster increased migration to the demographically beleaguered country.)

The usual response among those across all political divides, including libertarians, seems to be that immigration 1) is necessary to offset declining Western birth rates, and 2) will contribute to economic growth in the recipient countries. Benevolently, perhaps, one wonders what will happen to the countries these new arrivals leave behind? If new immigrants bring skills or labor to their destination, those skills and labor must leave the old country. Is the equilibrium one where the developed world keeps absorbing immigrants and prospering while the developing world hemorrhages workers and stagnates? (Hoppe (1998: 226) discusses this exact equilibrium, not commonly addressed by advocates of immigration from the developing to developed world.)

Of course, the common rebuttal is that wages will reach an equilibrium where such immigration waves will be neutralized, or even reversed. Yet one can't use a variant of David Hume's price-specie-flow mechanism to explain why the future is not a linear extrapolation of the past. Goods cross borders and changes to local supply-demand conditions, including those for foreign exchange, alter the array of prices. Goods that were once cheap in one country tend to become less cheap over time given this process.

Labor is different from capital. Recognizing these differences is the first step in realizing why intuition about labor flows is not consistent with that of capital flows. Hoppe (1998: 226) notes one such key difference: "People can move and migrate; goods and services, of themselves, cannot."⁴ This small difference has important repercussions when it comes to mutually beneficial trades. When goods are sold, both the buyer and seller (recipient and provider) must agree to the terms. Doing so assures that the exchange will result in a positive sum trade. When people move across borders, however, there need be no agreement between the two parties. The seller (recipient, or inhabitant of the destination country) can benefit without the buyer (provider, or immigrant) agreeing to the terms of trade, or to the trade at all.

One response could be that the political system aggregates the preferences of the population, and summarizes them in policy form.

⁴ In other words, labor exhibits independence and intent. These qualities are in addition to Lachmann's more common distinction between capital being available for purchase while labour is only available to rent (1956: 87fn1).

Thus even if some inhabitants do not desire a specific immigrant or an overall level of immigration, society will still benefit on average. Such a rebuttal does not last long under the economist's scrutiny. No other resource is allocated under such reasoning.⁵

The *core* problem of various immigration plans is not the threat—real or perceived—that immigrants will come and use public goods and the welfare system without adequately contributing to its upkeep. The core problem is one of ensuring that both sides of the transaction voluntarily submit to it, and are remunerated accordingly. Discussions about the costs and benefits of immigration, common in the literature, are subsidiary to this one central consideration.

THE MARKET FOR CITIZENSHIP

One way around the core problem of allowing for immigration only when each side benefits is similar to the solution to this problem in all goods: the existence of a market. All markets are defined in terms of their demanders and suppliers. All markets rely on clearly defined property rights to delineate what, exactly, is on offer to purchase and who the seller may be. Finally, markets function at their best when costs and benefits are clearly defined, *and* when those who reap the benefits of an exchange incur the costs.

The first of Hoppe's two great contributions in the immigration debate is in identifying that the core question is not whether the benefits of an immigrant outweigh the costs. Instead, the relevant question concerns who incurs the costs and earns the benefits.

Nearly all contributions to the debate on immigration overlook this point. It is not sensible to talk of costs and benefits without reference to who the relevant actors are. As an example of a similar tension, debates over reparations for past wrongs often center on this very question. Abstract debate about aggregate costs incurred by the descendants of

⁵ One may say that this is indeed exactly how public goods are allocated—not according to the demands of individuals but based on preferences aggregated through the voting process. This only pushes the problem back one step. Now the rebuttal must also treat the immigrant, an individual, as a public and not a private good. I doubt there are many economists that would be willing to venture down that path.

those aggressed against in the past may satisfy some general sense of justice. Yet there is no practical implication without reference to the specific individual who was harmed as a result of this past inequity.

Hoppe recently made this point clear in his “Open Letter to Walter E. Block” which set out, among other things, to clarify the libertarian view on reparations:

How about 2000 year old crimes? Is there any one living person to be found today, who can claim lawful ownership of some *specific* piece of property (land, jewelry) that is and has been for a couple of thousand years in the possession of others, by demonstrating his own prior claim to these possessions through proof of an uninterrupted chain of property title transfers going from him and today back all the way to some *specific* ancestor living at Biblical times and unlawfully victimized at that time? This is not inconceivable, of course, but I very much doubt that any such case can be found. I would want to see it, before I believe it. (Hoppe 2024, emphases added)

While this reasoning is applied narrowly to the topic of reparations, it has relevance for the current debate on immigration. Costs and benefits cannot be discussed in the abstract. Instead they must be linked clearly to the perpetrators and beneficiaries.

This insight is part of the long tradition of methodological individualism at the core of the Austrian school. Methodological individualism applied to immigration reveals the source of tension in the various viewpoints surrounding it. Studies which show a positive relationship between immigration and economic growth take an aggregated viewpoint which is of little concern to the individual. Positive aggregate effects do little to compensate the individual who loses employment or wages to his new competition. In a similar vein, studies that show negative aggregate effects to immigration (common when assessing short-run fiscal effects, e.g., Christl *et al.* 2022) does not mean much to the firm that gains profit share due to its new customers (or workers).

Methodological individualism means that each action must be reckoned in terms of costs created by one which are imposed on another. Voluntarily transactions allow for these costs to be compensated by a benefit accrued to another. Markets function best when the costs and benefits are linked tightly (i.e., when costs are not imposed on an innocent party, and rents are not captured by an undue beneficiary).

All systems of immigration presently in place do not link costs and benefits directly to the affected parties. In uncompensated immigration policies, such as the “Diversity Immigrant Visa” program in the United States (better known as the “green card lottery”), there is no compensation of the existing citizens by the new arrivals. In immigration systems that involve an entry fee, this cost is paid to the government of the destination country. Alternatively, citizenship through investment plans (such as exist in Spain, Portugal, and various Caribbean countries) allow for an immigrant to gain citizenship with financial compensation paid to the counterparty of the investment transaction. (Note that this counterparty need not even be a citizen of the country in question.) In none of these alternatives is there a clear buyer and seller, the parties necessary to secure compensation for a cost.

Various “market-based” plans for immigration do not solve this core problem. Vedder’s (2015) “modest proposal” and Becker’s (2011) “radical solution” for immigration reform both involve a market-based system that see the federal government offering citizenship through a fixed allotment auction. This allotment would amount to a quota system, proposed to vary with market conditions such as unemployment. The price of the visa would fluctuate according to this quota in light of changing market conditions. The proceeds of these visa sales would become income for the federal government. In this way, domestic citizens would be “paid” through lower taxes than under alternative proposals. Still, we cannot treat this as a regular market transaction. There is no voluntariness on the part of the suppliers (they are forced into the transaction by the government mandated quota). Nor does the demander (the immigrant) remunerate these suppliers directly. There is only an indirect payment in the form of a lower tax bill.

One of Hoppe’s two great contributions to the immigration debate is in demonstrating that the market-based solution requires the demander to remunerate the supplier directly for the good or service provided. As such, the immigrant must remunerate a specific citizen for the right to live in the country. Hoppe’s other great contribution was in linking the provision of public goods—an extra-market activity—to the subsistence fund. This point, or rather this way of phrasing the exploitation of public goods problem, has received no attention to date. It is with this topic in mind that I turn to next.

THE SUBSISTENCE FUND

Hoppe's (1998, 225–26) focus on the subsistence fund as a resource constraint that potentially binds under unfettered immigration is novel. The connection between the accumulated resources of a country and the addition of new citizens to the pool of those that rely on them is not often discussed.

In standard discussions of the subsistence fund the resources are contentious in terms of what they are (e.g., consumer or capital goods) but never in terms of who owns them. Ownership of the subsistence fund is always treated as a private good. For example, businesses are constrained in their investment plans by the pool of accumulated savings. These savings are grouped under the umbrella term of the “subsistence fund” in Austrian business cycle theory.

Discussions of immigration are not contentious in the abstract world of pure private ownership of all property. Under a purely private economy it is clear that all immigration would require agreement between both parties and that the demander to immigrate remunerate the supplier for the opportunity. Notably, and troublingly for the debate, we do not live in such an economy. Governments around the world control, to varying degrees, large swaths of their underlying economies. They also control the immigration targets. In setting such immigration targets, discussion typically centers on the economy-wide demand for labor, without reference to the economy's subsistence fund.

Immigrants that are “pulled” to a country are attracted to employment, social assistance, or investment opportunities. These opportunities—the general ability of a country to provide a green pasture for labor and capital—are the result of the resources accumulated over its history. Infrastructure, legal systems, judicial and political stability, for example, all contribute to the efficient functioning of the market economy. These factors are not natural endowments. Instead, they are the result of continual investment over an extended period of time. Nor are these factors owned by any one individual. They are—at least in the present-day political system—shared by all citizens of a country.

For better or worse, citizens throughout a country's history have paid part of their income into a common purse. This purse—controlled by the government—has funded (among other things) those institutions

(e.g., law and order, social programs, and various infrastructure services) which today facilitate the economy in its functioning. Of course, the other part of a citizen's income is used to fund his private life. On his death, he passes his savings to his descendants in the form of their inheritance. In addition to this private inheritance, a citizen also inherits the public goods that are accumulated over time. After all, it is the hope of each generation to leave a country in better shape for its descendants than it was born into.

To illustrate what relationship these accumulated public goods have for present-day immigration consider the case of John Washington. Born in England in 1633, the young man started a company transporting tobacco between the North American and European markets. When his ship, fully laden for the return journey, ran aground at a shoal in the Potomac River in 1657, the intrepid entrepreneur elected to remain in the colony of Virginia. While initially staying at the home of Colonel Nathaniel Pope, Washington married his daughter Anne and together they had a son, Lawrence. John Washington worked to make his new home a better place, most famously as a member of the House of Burgesses, the legislative assembly for the colony of Virginia. He earned money and was able to provide a life for his family. He also paid taxes to further those early public institutions that citizens of the United States now take for granted.

As a result of his payment of taxes over his working life, when John Washington died the inheritance left to his heirs was fractured. Part of it—the private part he controlled himself—was passed to his children, notably his son Lawrence. The other part—the public part—was controlled by the colonial legislature and was funded in part through John Washington's taxes. This public inheritance accrued to all people living in Virginia.

John Washington's son, Lawrence, made use of both of those inheritances, and when he died, he left his children, including his son Augustine, a private and public inheritance. The private one was the result of his personal savings and investments and was embodied in his accumulated assets. The public part was in the form of the institutions of the colony of Virginia which were expanded and improved over his life.

By the time Augustine died in 1743, his son George inherited some of his parent's assets. George Washington, between serving as General, President, and tobacco farmer, accumulated his own private wealth. When he died, he left this wealth to his wife Martha's children from her previous marriage. As certain as was his death, over the course of his sixty-seven-year life, Washington paid taxes that resulted in a country more conducive to business (and life) than when he was born.

The process continues but the main point I want to impress on the reader is that each citizen pays for his country by receiving a smaller private inheritance than would otherwise be the case. Taxes paid to the public purse reduce private savings and diminish the inheritance left to our descendants. But these same taxes develop those institutions that businesses and private individuals use to live their lives. I do not consider the question here of whether those institutions would be better developed by private hands. Rather I make a statement of fact that these institutions *have been paid* for by past taxes and *do represent* an asset to the citizens of a country in the present. Furthermore, private inheritances have been reduced to the extent that past taxes have funded these public investments.

Now consider the case of a newly arrived immigrant. He brings with him his own private inheritance from his old country. He also leaves behind his "public inheritance" and replaces it with a newly gained set of public assets in his new destination. In doing so, the existing citizens see their share of these assets dwindle. To see why, consider who "owns" the sum of public assets. Although conceptually difficult, it is clear that each citizen in a country owns a share of his country. This share is not saleable, but it does entitle the holder to the use of those assets, e.g., I was born in Canada, and although I cannot sell my share of Canada's public assets I can exercise my right to use those assets—legal institutions, rule of law, public infrastructure—if I so choose. I cannot exercise this same right to the public assets to a country that I am not a citizen of.

In effect, the value of the public assets is similar to the concept of the subsistence fund constraining investment. The current availability of public resources—social assistance programs, infrastructure, legal systems, etc.—is the result of past investment. These public resources cannot sustain any level of citizenship. Promoting citizenship can strain these public resources to the detriment of a country in a way similar to

how investment not consistent with the private subsistence fund stoke an Austrian business cycle.

CONCLUSION

Hans Hoppe made two significant contributions to the debate over the best way to manage cross-border flows of people. These two contributions are not widely recognized or elaborated on within the context of broader economic theory.

The first of these contributions is that, like all efficient economic transactions, immigration must involve definite parties with costs and benefits aligned with those impacted. Immigration between countries must have a definite supplier (someone in the destination country) and a definite demander (an immigrant). Remuneration for services must also be definite, with the demander paying the supplier for services rendered. Immigration programs that involve immigrants paying the “government” do nothing to remunerate the individuals directly impacted by the transaction.

Related to this point is that we cannot speak of general costs and benefits, as is ubiquitous in the literature. What is of concern is not a general gain or loss, but a specific impact placed upon the individuals involved. Realizing this point goes far in explaining why numerous studies demonstrate positive economic effects from immigration at the country level, while individuals feel much less positive about the occurrence.

The second contribution that Hoppe makes, and that has until now been completely absent in the literature, is assessing the impact of immigration on the subsistence fund. This chapter has elaborated on the specific ways in which this occurs.

Under current and past conditions, taxes have been paid (to varying degrees) by citizens of a country to their government. These taxes have been used (to varying degrees of effectiveness) to build and develop the country’s public resources. These include legal systems, social welfare programs, and public infrastructure. It is not necessary that these elements be publicly provided. Yet it is important to recognize that they are publicly provided *and* that they are necessary for the functioning of the

economy. These public resources can be thought of as a country's public subsistence fund—that stock of saved up resources that facilitate future investments.

Public resources are not unowned. Nor are they owned in the abstract by a trustee such as the “government.” These public resources are owned by the citizens of the country. They are not saleable, or at least, they are not saleable given current laws. This ownership claim to these public resources allows citizens of a country to benefit from this subsistence fund. The current citizenry has paid for these resources in two ways. Most obviously, they have paid explicitly through their current taxes. Less obvious is that they have implicitly paid by receiving smaller inheritances from their ancestors since past taxes have contributed to these public resources.

A well-functioning immigration system would recognize that new arrivals are able to capitalize on these public resources without having incurred the cost of procuring them. It would also recognize that allowing immigrants free entrance to a country puts them at an unfair advantage compared to those citizens who have paid for the creation of this public subsistence fund. Existing citizens are negatively impacted by new arrivals to the extent that their ownership share of these public resources is reduced as the pool of potential users expands. (This is analogous to how existing shareholders see their share price reduced by an additional stock issuance.) Finally, any functioning immigration system would see a new arrival remunerating a current citizen for these costs.

Such remuneration would require a functioning market in immigration. At present no such market exists. This one fact likely explains why the topic of what quantity of immigration is optimal is so contentious. Creating a market for immigration would contribute to a more functional economy by linking the beneficiaries of immigration with those providing the benefit. It would also remunerate those who have created its public resources—either directly through their taxes or indirectly through their forebears's taxes. As an added benefit, such a market would temper the demand by would be immigrants, forcing a link between the provision of public services and their use.

REFERENCES

- Becker, Gary S. 2011. *The Challenge of Immigration—a Radical Solution*. London: The Institute of Economic Affairs.
- Borjas, G. (2003) “The Labor Demand Curve Is Downward Sloping: Reexamining the Impact of Immigration on the Labor Market.” *Quarterly Journal of Economics* 118 (4):1335–74.
- Borjas, George J. 2021. “Immigration and Economic Growth,” in *Prospects for Economic Growth in the United States*, John W. Diamond and George R. Zodrow (eds.), pp. 78–113. Cambridge: Cambridge University Press.
- Böhm-Bawerk, E. v. [1889] 1930. *The Positive Theory of Capital*, translated with a preface and analysis by W. Smart, New York: G. E. Stechert & Co.
- Card, D., and Peri, G. (2016) “Immigration Economics by George J. Borjas: A Review Essay.” *Journal of Economic Literature* 54(4): 1333–49.
- Christl, Michael, Alain Bélanger, Alessandra Conte, Jacopo Mazza, and Edlira Narazani. 2022. Projecting the Fiscal Impact of Immigration on the European Union. *Fiscal Studies: The Journal of Applied Public Economics* 43(4): 365–85.
- Hayek, Friedrich A. 1936 [2008]. “The Mythology of Capital.” In *Prices and Production and Other Works: F. A. Hayek on Money, the Business Cycle, and the Gold Standard*, pp. 489–520. Auburn, Ala.: Ludwig von Mises Institute.
- Hoppe, Hans-Hermann. 1998. The Case for Free Trade and Restricted Immigration. *Journal of Libertarian Studies* 13(2): 221–33.
- Hoppe, Hans-Hermann. 2024. An Open Letter to Walter E. Block. February 1. Available at <https://mises.org/mises-wire/open-letter-walter-e-block>
- Howden, David. 2016. The Interest Rate and the Length of Production: A Comment. *The Quarterly Journal of Austrian Economics* 19(4): 345–58.
- Lachmann, Ludwig. 1956 [1978]. *Capital and Its Structure*. Kansas City: Sheed Andrews and McMeel, Inc.
- Machaj, Mateusz. 2015. The Interest Rate and the Length of Production: An Attempt at Reformulation. *The Quarterly Journal of Austrian Economics* 18(3): 272–93.
- Machaj, Mateusz. 2017. *Money, Interest, and the Structure of Production: Resolving Some Puzzles in the Theory of Capital*. London: Lexington Books.
- Mises, Ludwig von. [1912] 1953. *The Theory of Money and Credit*, New Haven: Yale University Press.
- Office for National Statistics. 2023. Long-term International Migration, Provisional: Year ending June 2023. Nov. 23. [Available] <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/internationalmigration/bulletins/longterminternationalmigrationprovisional/yearendingjune2023>
- Powell, Benjamin (ed.) 2015. *The Economics of Immigration: Market-Based Approaches, Social Science, and Public Policy*. Oxford: Oxford University Press.
- Rothbard, Murray N. 1994. Nations by Consent: Decomposing the Nation-State. *Journal of Libertarian Studies* 11(1): 1–10.
- The Economist. 2023. Exodus. June 3, pp. 59–61.
- Vedder, Richard K. (2015) “Immigration Reform: A Modest Proposal”, in *The Economics of Immigration: Market-Based Approaches, Social Science, and Public Policy*, Benjamin Powell (ed.), pp. 145–166. Oxford: Oxford University Press

Part Four

Contending with Democracy

26

Hoppe on Time Preference and Democracy

Doug French

No intelligent American that I know of actually believes in democracy—that is, as we suffer and endure it in the Republic—and yet no one ever makes a headlong attack upon it. It is dirty, it is dishonest, it is incompetent, it is at war with every clean and noble impulse of man—and yet the eunuchs who write our books, and profess in our colleges go on assuming that it is not only immortal, but also impeccable—that to propose mopping it up by force majeure, as smallpox and yellow fever have been mopped up, is a sin against the Holy Ghost.

—H.L. Mencken¹

I have had the pleasure of knowing Dr. Hoppe for many years, from my time as a supporter and then President of the Mises Institute, as a friend and intellectual comrade whom I now call Hans, and as a supporter and long-time attendee of his Property and Freedom Society,

¹ H.L. Mencken “The Anatomy of Ochlocracy,” *Smart Set* (Feb. 1921), p. 138, cited in H.L. Mencken, *The Gist of Mencken: Quotations from America’s Critic*, Mayo DuBasky, ed. (Scarecrow Pr., 1990), p. 358 (hereinafter “DuBasky”).

Doug French (douglas.e.french@gmail.com) received his Masters degree in economics from the University of Nevada Las Vegas under Murray Rothbard with Professor Hoppe serving on his thesis committee. He resides in Las Vegas with his wife, Deanna Forbush.

ever since its inaugural meeting in Bodrum, Turkey, in 2006.² My wife Deanna and I were even married under his and his wife Gülcin's gracious auspices in Bodrum in 2011. Knowing Hans and Gülcin as I do has been one of the highlights of my life.

As others in this *Liber Amicorum* will have no doubt spoken more floridly about the personal side of our Dr. Hoppe, and given my purportedly gruff and taciturn nature, I now turn to some reflections on one of his seminal works, on the important topic of democracy.³



The year 2024 may turn out to be the political system democracy's biggest year. Bryan Walsh wrote in *Vox*, "More than 60 countries representing half the world's population—4 billion people—will go to the polls in 2024, voting in presidential, legislative, and local elections."⁴

Walsh wrote that democracy is new in the grand scheme of history. For centuries populations have lived under autocratic oppression. According to Our World in Data, it was not until the 1990's that more countries were democracies instead of some kind of autocracies.

After 200 years the American political class figures democracy is the only game in town, spending trillions of dollars and thousands of lives ostensibly with the goal of spreading democracy around the world.

But 2024 could be peak democracy as younger people sour on it. The Bennett Institute for Public Policy Cambridge issued a report in 2020 stating "millennials (born between 1981–1996) across the world are more disillusioned with democracy than Generation X or baby boomers were at the same age."

² See, e.g., my various chronicles of PFS meetings compiled at <https://propertyandfreedom.org/press/>.

³ I also touched on this topic in my contribution to Professor Hoppe's previous *fest-schrift*, "The Trouble With Democracy: Maslow Meets Hoppe," in Jörg Guido Hülsmann & Stephan Kinsella, eds., *Property, Freedom, and Society: Essays in Honor of Hans-Hermann Hoppe* (Auburn, Ala.: Mises Institute, 2009; www.stephankinsella.com).

⁴ Bryan Walsh, "2024 is the biggest global election year in history," *Vox.com* (Jan. 3, 2024), <https://www.vox.com/future-perfect/2024/1/3/24022864/elections-democracy-2024-united-states-india-pakistan-indonesia-european-parliament-far-right-voting>.

The report's lead author, Dr. Roberto Foa, wrote "This is the first generation in living memory to have a global majority who are dissatisfied with the way democracy works while in their twenties and thirties."⁵

Among the key findings was that younger folks see themselves as stuck on the low end of the wealth inequality scale and blame democracy for it. Baby Boomers and the Interwar Generation were able to buy houses and financial assets plus obtain college diplomas on the cheap and have ridden the inflationary wave of central bank money creation to a happily ever after. Meanwhile, many millennials have been priced out of the housing market, and are loaded with student debt taken on to obtain worthless college degrees. As another study notes, "In the United States, for example, millennials make up close to a quarter of the population but hold just 3 percent of wealth—when baby boomers held 21 percent of wealth at the same age."⁶

The Bennett report found that even for young people in countries that recently became democracies the bloom had come off the rose. Millennials don't worship the ideal of democracy. It either delivers or it doesn't. Does it perform? The relevant question for them is whether democracy "address[es] problems of youth unemployment, corruption, inequality and crime. Increasingly, the legitimacy of democracy therefore hinges on its performance—or failure—to face these mounting social challenges."

It is believed that democracy will fix all of a society's ills. As H.L. Mencken wrote, Democracy "came into the world as a cure-all, and it remains a cure-all to this day."⁷

But democracy sows the seeds of its own demise. In his magisterial *Democracy: The God That Failed*, Hans-Hermann Hoppe explains that man prefers earlier goods over later goods, and also prefers more to less durable goods. This is the phenomenon of time preference. The rate of

⁵ R.S. Foa, A. Klassen, D. Wenger, A. Rand, A. & M. Slade, "Youth and Satisfaction with Democracy: Reversing the Democratic Disconnect?", Cambridge, United Kingdom: Centre for the Future of Democracy (2020) (hereinafter "Foa"). This study combined data from over 4.8 million respondents, 43 sources and 160 countries between 1973 and 2020.

⁶ W.R. Emmons, A.H. Kent & L.R. Ricketts, "A Lost Generation? Long-Lasting Wealth Impacts of the Great Recession on Young Families," *The Demographics of Wealth: 2018 Series*, Essay No. 2 (2018), cited in Foa.

⁷ H.L. Mencken, "The Future of Democracy," in *Notes on Democracy* (1926), pp. 195–96, cited in DuBasky, p. 352.

time preference is different for everyone and determines “the height of the premium which present goods command over future ones as well as the amount of savings and investment.”

The lower the time preference rate, the earlier the onset of the process of capital formation, and the faster the roundabout structure of production will be lengthened. Civilization is set in motion by individual saving, investment, and the accumulation of durable consumer goods and capital goods.

Children have very high time preferences, living “day to day and from one immediate gratification to the next,” Hoppe explained. As we become adults, our time preferences fall as we save for future obligations. Old folks have higher time preferences, because they have little time left. At the same time, they have an interest in preserving wealth to leave to their heirs.

Time preferences tend to fall except if property rights are violated, and, in the words of Hoppe, “the process of civilization is permanently derailed whenever property-rights violations take the form of governmental interference.”

This government interference reduces a person’s supply of present goods and raises his effective time-preference rate. Also, expected future goods are reduced by these systematic property rights violations, thus time-preference schedules are raised.

The *have-nots* in democracy vote to take from the *haves* via government force. Thus, democracy has retarded the natural tendency of humanity to build an expanding stock of capital and durable consumer goods. Man, instead of becoming increasingly more farsighted and providing for ever more distant goals, is tending toward decivilization. As Hoppe describes, “formerly provident providers will be turned into drunks or daydreamers, adults into children, civilized men into barbarians, and producers into criminals.”⁸

Ask any employer to describe the younger people working for them and most will say they all feel “entitled.” These are adults behaving like children. The Bennett study voiced the complaint millennials have

⁸ Hans-Hermann Hoppe, “On Time Preference, Government, and the Process of Decivilization,” in *Democracy The God That Failed* (Transaction Publishers, 2001; <https://hanshoppe.com/democracy>).

about democracy, that it's "a society in which the chances of success or failure in life depend less upon hard work and enterprise, and more upon inherited wealth and privilege."⁹

Hoppe makes the case that only in a democracy could the government issue, and the public accept, pure fiat currencies created out of thin air.¹⁰ It is perpetual inflation created by the central banks of democratic governments that creates the income inequality that millennials blame democracy for.

Even former U.S. Federal Reserve Chairman Ben Bernanke admitted in a post on his blog in 2015 that his former employer's actions were widening the wealth gap:

The claim that Fed policy has worsened inequality usually begins with the (correct) observation that monetary easing works in part by raising asset prices, like stock prices. As the rich own more assets than the poor and middle class, the reasoning goes, the Fed's policies are increasing the already large disparities of wealth in the United States.

Bernanke goes on to write "widening inequality is a very long-term trend," and "Even if it were true that the aggregate economic gains from effective monetary policies are unequally distributed, that would not be a reason to forego such policies."

While the ex-Fed Chair was trying to make the case that monetary policy via the U.S.'s pure fiat currency system did not exacerbate the wealth gap he continued to undercut his argument with statements like "The rich have more assets than the middle class (the poor have almost no assets, real or financial), but the middle class is not without assets whose values rise during a period of easy money."¹¹

"The fiat dollar is an 'elite' system," Jim Grant told the *Wall Street Journal*, "and Wall Street is its supporting 'interest group'—those nimble, market-savvy, plugged-in folks know how to shuffle assets and

⁹ Foa, p. 37.

¹⁰ Hoppe, *Democracy*, p. 57.

¹¹ Ben Bernanke, "Monetary Policy and Inequality," Brookings Institution (June 1, 2015), <https://www.brookings.edu/articles/monetary-policy-and-inequality/>.

exploit cheap funding from the Fed to leverage up their profits and soften the downside.”¹²

Not even three decades have passed since this volume’s honoree wrote “it is not inconceivable that the idea of democratic rule might someday be regarded as morally illegitimate and politically unthinkable. Such a delegitimation is a necessary precondition to avoiding ultimate social catastrophe.”¹³

What has stymied democracy’s fall from grace in the eyes of young people are recent victories by populist candidates. The Bennett report found “On average, individuals aged 18–34 see a 16 percentage-point increase in satisfaction with democracy during the first term in office of a populist leader.”¹⁴

One such candidate was Donald Trump, who inexplicably many American libertarians supported. However, in 2023, it was a self-described anarcho-capitalist, Javier Milei, who won the popular vote to become President of Argentina. Like Professor Hoppe, the ideas of Murray Rothbard had the greatest influence on Milei: principally, that the state is “organized banditry.” Ironically, Milei became head of the state.¹⁵

As Hoppe wrote, “Ultimately, the course of human history is determined by ideas.” Milei has the right ideas, but can he restore “human civilization and social peace” via democracy?

¹² Quoted in Holman W. Jenkins Jr., “The Scourge of the Faith-Based Paper Dollar,” *Wall Street Journal* (July 16, 2011).

¹³ Hoppe, *Democracy*, p. 43.

¹⁴ Foa, p. 2.

¹⁵ Jonathan Derbyshire, “Libertarianism is having a moment with Argentina’s Milei,” *Financial Times* (Aug. 31, 2023).

27

Democracy and Philanthropy

Hardy Bouillon

Hardly anyone has criticized the disadvantages of democracy as much as Hans-Hermann Hoppe. On the other hand, critics criticize libertarianism on the grounds that the advantages of democracy (social justice, universal provision of material happiness, etc.) do not or only partially occur in free societies. They believe that philanthropy, as the only instrument of redistribution in favor of weaker members of society, brings such benefits to light only insufficiently and unbalanced. To this end, they raise four objections in particular, which we analyze below—against the background of philanthropic conditions in Germany.

OBJECTIONS TO PHILANTHROPY

One of the four objections to philanthropy is that redistribution of material happiness should be demanded in the name of social justice because voluntary redistribution within society would be less than forced redistribution. Since the latter would not be sufficient to bring

Hardy Bouillon (hardy.bouillon@publicpartners.de) teaches philosophy at the University of Trier. His books include *Libertarians and Liberalism* (1997), *Ordered Anarchy* (2007), *Business Ethics and the Austrian Tradition in Economics* (2011), and *Criticist Philosophy of Science* (2024).

about the desired happiness anyway, the deficit would be even greater. This objection is accompanied by the insinuation that many people would approve of the philanthropy of their fellow citizens but would neglect their own; that many would prefer philanthropic free-riding. In short, it is suspected that self-interest would lead to an undersupply of philanthropically generated happiness and produce undesirable side effects.

One of these feared side effects is discrimination among the recipients of philanthropic donations: If it is left to the donors themselves to determine the goal, means and recipients of their philanthropic actions, then it is possible that those who are underserved in terms of material happiness may be unequally provided for (or differently provided for than under the aegis of the state). Under this assumption, the fear of discrimination is by no means unfounded and represents a conjecture that lends additional weight to the underprovision thesis.

Both the *underprovision objection* as well as the *discrimination objection* therefore have a certain initial plausibility. The same applies to two other objections (functional objection and the moral objection). Let's start with the underprovision objection!

The Underprovision Objection

The underprovision objection is based on the assumption that only fiscal redistribution can guarantee the avoidance of underprovision and that any redistribution based solely on voluntarism leads to the underprovision of material happiness for large sections of the population. In this form, the underprovision objection is based on a number of considerations, two of which we would like to examine in detail. One has an organizational background, and the other has a motivational background. Let us turn to the first consideration first! It begins with the question of which organizational forms would remain if the end of fiscal redistribution were also accompanied by the end of public companies as providers of material happiness. The answer is easy: either profit-oriented companies or non-profit organizations (NPOs, such as associations, foundations, etc.). If only or almost exclusively non-profit-oriented companies were to take on the tasks of public welfare providers, then organizational reasons could prove to be a stumbling block. Blankart and Gehrman describe

the organizational situation in Germany very aptly when writing about non-profit organizations:

Comparative advantages such as tax breaks, subsidies and access to voluntary labor on the one hand are offset by... comparative disadvantages such as low credit and lack of access to the capital market as well as the incentive problems resulting from the ban on distributions on the other.¹

NPOs operating in the third sector are denied access to the capital market in Germany and (due to a lack of collateral) access to the credit market is made more difficult. If the fiscal redistribution to the social sector were to suddenly cease, then NPOs would have to grow on a large scale in order to meet the increasing demand for materially generated happiness. The lack of access to the capital market and more difficult access to the credit market would deprive them of important growth options. The incentive problem resulting from the existing ban on distributions is likely to further increase the inhibition of growth.

However, such restrictions are easy to circumvent and are the subject of so-called “creative philanthropy“, which is expressed through funds controlled by donors or crowd-funding, for example.²

The second consideration is based on a motivational assumption. This refers to the thesis that factors such as the free-rider mentality and self-interest of potential philanthropists would lead to an undersupply of philanthropically generated goods and services. In simple terms: If the state, relying on the philanthropy of potent and potential donors, were to reduce redistribution for philanthropic purposes, then there would be a reduction in the material happiness of previous redistribution recipients due to donor motives. This thesis is supported by the fact that the feared situation can initially be seen as a typical prisoners’ dilemma that leads to a Pareto-inferior outcome: The best solution for all potential donors would be if everyone donated according to their means. However, all potential benefactors fear at the same time that the other potential donors would leave their possibilities (in part or in full) unexploited, while they themselves would donate to the full

¹ Blankart/Gebmann (2006), S. 39.

² Cf. on this *Anheier*/Part of the debate about creative philanthropy—at least in relation to foundations—is the question of what consequences such innovations have for the will of the founder; cf. on this *Borgolte* (2017).

extent and thus be the “stupid ones.” To avoid this consequence for themselves, everyone prefers to fall short of their potential. As a result of this preference, the amount of donations falls short of what the state redistribution generates.

This objection, or rather the assumption behind it, is countered by several arguments. One of these arguments is mainly historical, another is largely economic and the last is mainly philosophical. Although they are closely intertwined, they are ultimately independent.

Let’s start with the *historical argument!* It says that the under-supply objection must be seen in relation to the historical situation; and that a distinction must be made as to whether it is raised when economic crises or sudden increases in the population have upset the prevailing structure of external supply with material happiness out of balance, or when this is not the case. In the context of this argument, it can be argued, for example, that rapid population growth at the time of the industrial revolution gave rise to fears that philanthropic resources might be too small to provide modest happiness for the low-income or income-less classes, but that this cause lost its basis in later periods. To put it bluntly, this means that the objection of underprovision is based on the poor past and cannot be applied to the rich present.

Let us now look at the *economic argument!* The economic argument refers to two circumstances; firstly, the fact that the prisoners’s dilemma does not exist in tax societies, and secondly, that the high tax burden on potent donors is an important reason for a lack of philanthropy—and consequently a lack of material happiness. The granting of tax deductibility for philanthropic donations would be a simple way of testing the hypothesis of underprovision.³ If (potential) philanthropists were offered the opportunity to make their donations (more) tax-deductible (than before) and if, despite the offer, there was no increase in private charity despite the offer, then this would speak in favor of the under-

³ If tax deductibility already exists, increased tax deductibility should be introduced in order to verify the underprovision hypothesis. In Germany, there are a number of political conditions that have an unfavorable effect on the donation of money. These include the high taxes on income, the church tax and the low level of tax deductibility of donations; see *Anbeier/Salamon/Archam-bault* (1997), p. 198.

provision thesis. If, on the other hand, philanthropy were to increase, this would argue against the underprovision thesis.⁴

Countries with different tax treatment of donations could also be compared. If it turns out that countries with more generous opportunities to deduct donations for tax purposes do not record a noticeably higher volume of philanthropic donations, this would speak in favor of the underprovision hypothesis. However, if the opposite were the case, this would be an indication against the underprovision thesis.

These two tests of the thesis show us that the prisoners's dilemma described above does not reflect the situation in modern fiscal societies. The choice of potential philanthropists is not to donate or not to donate. Rather, the candidates have to decide whether they either pay taxes in the specified amount or donate and pay taxes in the amount reduced by the deduction. If they choose the second option, their financial burden will in any case be higher than it would be under the first option, unless the philanthropic donations would be 100% deductible. This is precisely not the case in most fiscal entities.⁵

To illustrate the common decision-making situation in European fiscal societies, let us choose a simple example: Mr. Smith has an annual income of €200,000 and faces a marginal tax rate of 40% on income above €100,000. We further assume that his annual income tax is €65,000 (€25,000 for income up to €100,000 and €40,000 for income from €100,001 to €200,000) and he is considering donating €10,000 to a philanthropic cause. In the case of a donation, he would only have to pay tax on € 190,000. His income tax would therefore only amount to € 61,000 (€ 25,000 plus € 36,000). He can therefore decide whether to either pay € 65,000 to the tax office or pay € 61,000 in taxes and spend € 10,000 on philanthropic purposes. In the first case, his total burden is € 65,000, in the second case € 71,000.

⁴ When Franklin Delano Roosevelt revealed his new taxation plans in 1933, many of the country's universities feared that many alumni and other supporters would henceforth donate less money to academic causes. But the feared consequences did not materialize. On the contrary! The number of donors and the percentage of income donated increased. Cf. on this *Marts* (1953), p. 125ff.

⁵ According to *Paqué* (1986), p. 293, there was a brief phase in the recent history of the USA in which full deductibility was given.

From the above, the price of the donation can also be specified, in this case €6,000. In other words, “ $p=1-m$, with p defined as the price of a donation and m as the marginal tax rate.”⁶ A donation of €10,000 therefore does not cost Mr. Smith €10,000, but €6,000. The same applies to all other potential donors with the same marginal tax rate. He is therefore still in a situation that can be described as a prisoners’s dilemma, but the tax deductibility of the donations “defuses” the dilemma. In principle, it is conceivable that the dilemma could be alleviated completely, namely if the donation were 100% tax-deductible.

Now let’s look at the *philosophical argument!* It begins with the observation that the social benefit ratio of German taxpayers—i.e. the proportion of individual taxes that flows into the social budget—is around 30% and the donor rate—i.e. the percentage of donors among all citizens—is around 40%.⁷ From this we can conclude that despite a 30% tax rate for charitable causes, 40% of citizens are not deterred from donating to charity. Those who can be assumed to be in agreement with the use of 30% of their taxes for philanthropic purposes it must also be assumed that they consider their individual social benefit rate to be too low. Otherwise, they would hardly make any additional donations. Those who cannot be assumed to agree with the individual donation rate it is likely to be assumed that they have objections to the selection or scope of the charitable purposes that benefit from their taxes; perhaps also that they would use their social benefit quota, if they were allowed to retain it, (at least in part) for purposes other than philanthropic purposes; but hardly that they would stop or reduce their philanthropic donation behavior if they were allowed to freely dispose of their own social benefit quota. It is more likely that a citizen willing to donate would say to himself: “Now I can withhold 30% of my taxes. I’ll use some of the money withheld to top up my donations to charity.”

Admittedly, the aforementioned insinuations are not free of speculation. It is impossible to know how donations would change in the

⁶ Paqué (1986), S. 287.

⁷ *Deutscher Spendenmonitor* (2017). Around 4,000 citizens aged 14 and over were surveyed. They were asked about annual donations of between €25 and €250. On the social benefit rate see *Statistisches Bundesamt* (2018), p. 8. According to the volunteer survey, the proportion of donors is as high as 63%; see *Simonson/Vogel/Tesch-Römer* (2017).

event of the abolition of the social benefits quota. It is also difficult to know how high the proportion of citizens who agree with their social benefit quota is and how high the proportion of those who do not. We can only cite the reasons that lead us to believe that the chosen assumptions are plausible.

The most plausible reason for the insinuations put forward here lies in the conflation of two views, held by David Hume and Carl Menger. If one follows David Hume, then the human affection for oneself and others can be described as a three-stage system of affection categories self-love, love of loved ones and love of others.⁸ Hume claimed: “each person loves himself better than any other single person, and in his love to others bears the greatest affection to his relations and acquaintance.”⁹

If one follows Hume’s view, then one comes to the assumption that man satisfies his own needs and then those of his loved ones before he tackles the satisfaction of other people’s needs. As far as the material needs to be satisfied are concerned, the needs to be satisfied of a person and those of his nearest and dearest compete for the means of satisfaction (money, etc.) that the person has at his disposal. How this competition is likely to end as a rule is a question to which an obvious answer can be devised with the help of Carl Menger’s theory of *marginal utility*.

In his marginal utility theory, Menger combines three components: the value of goods (understood as a function of the satisfaction of human needs), the ordinal relationship between human needs and the degree of satisfaction of needs. With the help of these components, he illustrates that the determination of the value of goods does not depend on which need the good is fundamentally able to satisfy, but rather on which *specific* need the good can satisfy.¹⁰ In this context, Menger refers to the universal experience that the value of a good decreases for us as the degree of satisfaction provided by the good increases. Menger also shows that the greater the satisfaction of priority needs, i.e. more important needs, the greater the desire to satisfy lower-ranking needs. Menger illustrates this connection with his well-known chart, in which

⁸ Cf. also chap. 3.2.

⁹ *Hume*, Treatise, (Of the origin of justice and property).

¹⁰ *Menger*, Principles, p. 93.

the satisfaction of needs is listed from left to right according to their general importance, while the decreasing benefit of satisfying needs through further units of goods is shown vertically from top to bottom.

With the help of this chart, Menger can show that, from a certain degree of satisfaction, ordinally prioritized needs can be overtaken and overtaken in their current importance by the current importance of ordinally subordinate, unsatisfied needs. In relation to our topic, this phenomenon tells us that people are first concerned with their own material happiness then that of his neighbors and finally that of those furthest away.

Put simply: We donate to philanthropic causes after we have sufficiently satisfied our own happiness and that of our dear ones. This also means that the tendency to donate increases with the increase in the material means of procuring happiness. If this assumption is correct, then one should find manifold empirical confirmations for the rule according to which donation increases with the size of the income surplus. For example, one should expect that in regions with a higher surplus income the donation rate higher; that advanced age cohorts, who have already paid for most of the material happiness they can achieve in their lifetime, will donate more than younger cohorts who have not yet done so; that the amount and volume of donations will increase as wealth increases.

Confirmation of precisely these expectations can be gleaned from the relevant studies on philanthropy. As an example, we choose the data from the German Donation Monitor.¹¹ It reflects the results of a survey of 4,000 citizens who are 14 or more years old. They were asked whether and how much they donated each year, with donations of between €25 and €250 being recorded. According to the survey results, the donation rate is higher in the (richer) west of Germany than in the (poorer) east (44% vs. 28%), pensioners over 65 donate more frequently than young adults aged between 30 and 50 (54% vs. 36%), the amount donated rose from € 78 to € 143 between 1995 and 2007 and the volume of donations rose from 2.08% to 3.71%.

The underprovision thesis obviously stands on a very shaky foundation. If you improve the tax incentives for philanthropic donations,

¹¹ *Deutscher Spendenmonitor* (2017).

philanthropic donations increase enormously, even though the donation price has to be paid “on top,” so to speak.

In addition, the relevant tax regulations set maximum donation amounts. Donations may not currently exceed 20% of income or 4 per thousand of company turnover.¹² This circumstance curbs the willingness to support philanthropic causes with donations that exceed these limits. However, it is reasonable to assume that the aforementioned choke effect of maximum donation amounts is unlikely to be very large. In 2018, one in four over 10-year-olds in Germany donated an average of € 270.¹³ This means that only those average donors with an annual income of less than €1,350 would have been affected by the cap on maximum donation amounts. This figure is unlikely to be too high. But even for those with a good average income (let’s say €50,000 annual income), the maximum donation amount is unlikely to have any significant deterrent effect. The number of people on an annual salary of €50,000 who would want to donate more than €10,000 is unlikely to be large.

An increase in the maximum donation amount is therefore likely to have little impact on donor behavior, but an increase in tax incentives would. However, the extent to which such an increase would affect philanthropic donations is difficult to measure. What can be measured—albeit with limitations—is the extent to which philanthropic donations are actually made in Germany, with cautious estimates putting the figure at around 8.5 billion, while bolder estimates suggest almost double that amount.¹⁴ However, this does not include donations of time, the voluntary hours worked in the approximately 600,000 charitable organizations in Germany, 95% of which are associations and in which around 40% of all Germans are involved.¹⁵

¹² Einkommensteuergesetz, EStG (Income Tax Act), § 10b.

¹³ Cf. *Deutscher Spendenrat* (2018), p. 22.

¹⁴ Cf. *Jacobi* (2009), p. 26. *Labigne et al.* (2018), p. 3, assume that corporate donations for charitable purposes alone amounted to € 9.5 billion in 2018.

¹⁵ Cf. <https://www.bertelsmann-stiftung.de/de/unsere-projekte/zivilgesellschaft-in-zahlen/projektnachrichten/ziviz-survey-2017/>

The Discrimination Objection

Similar to the underprovision objection the discrimination objection also has a certain initial plausibility. It begins with a reference to the principle of equal rights to which public companies are subject as part of the provision of public services. If public services of general interest were to cease to exist and their tasks were to be performed by non-public companies to which the principle of equal rights does not apply, then these companies could discriminate against those who previously enjoyed equal rights. The reason is obvious: If one reduces redistribution for philanthropic purposes in reliance on the philanthropy of potent and potential donors, then one also leaves it up to them to choose the goals, means and recipients of their philanthropic actions. As a result, decision-makers can discriminate according to criteria of their own choosing.

However, the fact that they are able to do so does not mean that they want to. And the principle of equal rights to which the public sector is subject does not mean that the public sector is free from the discrimination that it is capable of. In fact, both private and state redistributions engage in discrimination, with the possibility that these may differ. Also, proponents of the discrimination objection generally only view with suspicion the discrimination possibilities of private redistribution, not those of state redistribution. Their suspicion is based on the thesis that state redistribution represents the best possible endowment of material happiness for the recipients and that it therefore surpasses private philanthropy with regard to the endowment of happiness because the latter applies inferior discrimination criteria.

This conjecture is problematic for at least two reasons. Firstly, whether or not state redistribution represents the best possible endowment of material happiness for the recipients cannot be answered as long as its only rival is prevented from competing with it. Secondly, the spontaneous sum of private discrimination may be different from the sum of state-imposed discrimination, but it does not have to be. Only empirical studies can shed light on this. It is neither clear from the outset which type of redistribution is the superior one, nor is it a foregone conclusion that the sum total of private discrimination results in a different distribution of material happiness than the discrimination of state redistribution, or that it differs significantly from the latter at all.

What is true and what is not true in the previous case is—as already mentioned—of an empirical nature and cannot be decided here. What can be discussed here, however, is another question: what would be objected to private discrimination if it were different from state discrimination? The discrimination objection overlooks the fact that private discrimination is the flip side of pluralism or simply the implication of any action which, in the case of philanthropy, results in a market of charitable giving which enables better utilization of the scarce resource of “surplus” income. For this market—as for other markets—it would be reasonable to assume that it would be superior to state redistribution for reasons of efficiency.

The Functional Objection

The functional objection is directed against any form of external aid; those based on philanthropy and those based on state redistribution. In this respect, it is—unlike the previous objections—not an objection that relates exclusively to philanthropy. (The same applies to the moral objection which we will deal with in conclusion). But the functional objection also has something in common with the aforementioned objections, namely a high degree of initial plausibility. This is based on the realization that the probability of breach of contract increases with the costs associated with monitoring compliance with the contract. (The greater the effort my contractual partner has to make to monitor my compliance with the contract, the more likely it is that he will not maintain (full) control, and the greater my incentive to break the contract in part or in full). The functional objection is thus—simply put—based on the thesis that the increase in control costs is accompanied by an increase in the rate of abuse. In this sense, it denies that the intended effect occurs at all or in part, and also assumes that the aid provided achieves contrary or unintended effects. Above all in relation to philanthropy that is intended to promote material wellbeing in foreign countries, this objection is raised.

In other words, it is assumed that donations made to international aid organizations do not reach their intended recipients, or only reach them in part, and/or are diverted and misused (e.g. for oppression and warfare) by corrupt government officials or aid organization employees

on the ground.¹⁶ However, the accusation of misuse of donations not only concerns donations that flow into foreign countries, but also those that are intended for national purposes. The increase in control costs is not justified here by the uncertainty and length of the route by which the donation is to reach the recipient, but by a lack of insight into the decision-making processes and the final use of the donation on the part of the charitable organizations.¹⁷

Many proposals are now being discussed in the philanthropy literature that point to possible ways out of the control problem. These include ideas to ensure better and more transparent management, but also instruments that are expected to make it easier for potential donors to choose suitable philanthropy projects. These include donor-advised funds and e-philanthropy, i.e. internet platforms that facilitate needs-based donations.¹⁸

The Moral Objection

There may be many moral objections to philanthropy. For our purposes, two in particular are important. The first concerns the morality of the benefactor and the second the morality of the recipient. The first moral objection criticizes the donors for not acting out of philanthropic motives or not acting sufficiently out of philanthropic motives and/or practicing charity that serves their own interests. The second moral objection argues that philanthropy leads to morally questionable behavior on the part of the recipient because it paralyzes their impetus for self-help instead of driving it.

The first moral objection arises from a number of issues that may or may not accompany philanthropic giving. One of these issues arises from the fact that charitable action can be perceived as a need. If this feeling is present, then the donor cannot avoid satisfying his own

¹⁶ *Polman* (2010), p. 9, citing a report by the UN Monitoring Group, estimates that half of the food aid that the UN World Food Program (WFP) has provided to Somalia year after year has “disappeared into the pockets of the *warlords*, their business partners and equally corrupt local WFP staff themselves.” The WFP considers the estimates to be unsubstantiated; see <https://web.archive.org/web/20170302082643/https://www.wfp.org/Food-Aid-Somalia-Needy-UN-Report-response>

¹⁷ Cf. e.g. *Loipfinger* (2011) or *Jacobi* (2009).

¹⁸ Cf. also *Anheier* (2006), S. 252.

needs as well as those of others with his donation. According to the moral objection, satisfying one's own interests is contrary to the claim of acting morally, which in this case means acting exclusively in the interests of others.

The second moral objection obviously has something in common with the functional objection. Unlike the objections of underprovision and discrimination, it too does not apply exclusively to philanthropy, but to any form of external aid. The criticism is that, in the course of external aid, the recipient of aid does not develop his own moral powers sufficiently and therefore does not do justice to his own claim to be a moral person. This view can be traced back primarily to Wilhelm von Humboldt in particular. Another tradition of criticism is based on concepts of human dignity and the associated view that it is contrary to human dignity to make use of external help in a way that makes one dependent.

Functional objection and moral objection not only have one thing in common, namely that they are directed against any form of external aid (state redistribution and philanthropy) or against certain effects of such aid. At a certain point, the two even merge, namely where they claim that external aid leads to moral and social dysfunctionality in the long term, both for the donor and the recipient. The donor is accused of feigning philanthropy and only donating out of self-interest. The recipient, on the other hand, is accused of practicing dishonest behavior and criminally gaining access to benefits that are the result of philanthropy or state redistribution.¹⁹

The dysfunctionality of the donor—if it exists at all—is ultimately a consequence that primarily affects the donor himself and consists mainly of moral self-deception. Since the recipient primarily benefits from the proven philanthropy and this is independent of the actual motives of the benefactor, the recipient is unlikely to suffer from the effects of any gap between the donor's true and pretended intentions.

The dysfunctionality of the recipient has greater consequences than the dysfunctionality of the donor. It also has an impact on other, competing recipients. The material happiness intended for them is diminished by those who have improperly gained access to material

¹⁹ Cf. *Bruns* (1993).

happiness. Since the deception of welfare measures affects both charitable donations and welfare state measures and research focuses primarily on the deception of welfare state benefits (keyword: social crime),²⁰ the consequences of the abuse of philanthropic measures on the recipient side are little documented. Consequently, it can be said *that* such misuse of philanthropy has damaged material happiness intended for others, but not the extent to which it does so.

BIBLIOGRAPHY

- Anheier, Helmut: Der Dritte Sektor in Zeiten des gesellschaftlichen Umbruchs. In: *Association Management*, 29.1, 2003, pp. 38–47.
- Anheier, Helmut/Leat, Diana: *Creative Philanthropy. Toward a New Philanthropy for the Twenty-First Century*, London 2006.
- Anheier, Helmut/Salamon, Lester/Archambault, Edith: Ehrenamtlichkeit und Spendenverhalten in Deutschland, Frankreich und den USA. In: Helmut Anheier, Eckhard Priller, Wolfgang Seibel, Annette Zimmer (Eds.), *Der Dritte Sektor in Deutschland*, Berlin 1997, pp. 197–210.
- Blankart, Charles B./Gehrmann, Björn: Der Dritte Sektor in der Europäischen Union: Die Daseinsvorsorge aus ökonomischer Sicht. In: Hans-Jörg Schmidt-Trenz, Rolf Stober (Eds.), *Jahrbuch Recht und Ökonomik des Dritten Sektors 2005/2006*, Baden-Baden 2006, pp. 36–71.
- Borgolte, Michael: Die Guten und die Toten, https://www.law-school.de/fileadmin/content/law-school.de/de/units/inst_stiftungsrecht/Hamburger_Tage/Borgolte_Die_Guten_und_die_Toten_final.pdf, 2017
- Bruns, Werner: *Sozialkriminalität in Deutschland*, Frankfurt 1993.
- Bruns, Werner: Abbau des Sozialstaates und Bekämpfung der Sozialkriminalität. In: Heiner Kappel, Alexander von Stahl (Eds.), *Für die Freiheit*, Frankfurt 1996, pp. 156–65.
- Deutscher Spendenrat: *Trends und Prognose*, Berlin, 2018, https://www.spendenrat.de/wp-content/uploads/2018/11/Spendenjahr_2018_Trends_und_Prognosen.pdf
- Hume, David: *A Treatise of Human Nature*, Clarendon Press, 1739, <https://oll.libertyfund.org/title/bigge-a-treatise-of-human-nature>.
- Jacobi, Robert: *The Goodwill Society*, Hamburg 2009.
- Labigne, Anaël/Gilroy, Patrick/Kononykhina, Olga/Hollmann, Detlef/Riess Birgit: *Die Sozialen Investitionen der Deutschen Wirtschaft*, Essen 2018, <http://www.ziviz.info/cc-survey-2018-die-sozialen-investitionen-der-wirtschaft>
- Loipfinger, Stefan: *Die Spendenmafia*, Munich 2011.
- Marts, Arnaud: *Philanthropy's Role in Civilization*, New York 1953.
- Menger, Carl: *Principles of Economics*, Auburn: Ludwig von Mises Institute, electronic online edition, 2004.
- Paqué, Karl-Heinz: *Philanthropie und Steuerpolitik*, Tübingen 1986.

²⁰ Cf. *Bruns* (1996).

Polman, Linda: Die Mitleidsindustrie, Freiburg 2010.

Simonson, Julia/Vogel, Claudia/Tesch-Römer, Clemens: Freiwilliges Engagement in Deutschland, Berlin 2017, <https://www.bmfsfj.de/blob/113702/53d7fdc57ed97e4124ffec0ef5562a1/vierter-freiwilligensurvey-monitor-data.pdf>

Statistisches Bundesamt: Statistisches Jahrbuch 2018, <https://www.destatis.de/DE/Publikationen/StatistischesJahrbuch/Soziales.pdf?blob=publicationFile>

28

Should Political Parties be Abolished?

Antony P. Mueller

The ruling model of the liberal democracy is in crisis. In the United States and many European countries, confidence in the political system is in decline. There have been many attempts to explain this disenchantment with politics and the state. Few, however, consider the role of political parties. For the public in general but also for most political theorists, a social order without politics and thus without political parties seems inconceivable. In this article, we investigate the proposition, eloquently put forth in the early 1940s by Simone Weil, that political parties should be banned.

DEMOCRACY: NOT BY THE PEOPLE BUT BY POLITICAL PARTIES

When Hans-Hermann Hoppe published his *Democracy: The God That Failed*¹ in 2001, some readers may have felt that his claims were

¹ Hans-Hermann Hoppe, *Democracy. The God That Failed*. The Ludwig von Mises Institute 2016 [2001]; www.hanshoppe.com/democracy.

Antony P. Mueller holds a doctorate in economics from the Friedrich-Alexander-University of Erlangen and Nürnberg (FAU) and teaches currently at the Mises Academy in São Paulo, Brazil.

exaggerated. Since then, however, the evidence has become overwhelming that democracy is in a deep crisis. Democracies continue to fail. The political system of the West is in crisis.²

What nowadays is called “democracy” is not a democracy in the original sense of the concept. There is no rule (*kratos*) of the people (*demos*) but dominance of political parties. In his classification of the forms of government,³ Aristotle would have called the present system an “oligarchy”. Some political theorists speak of a cartelization⁴ of the political party system in which parties collude to employ the resources of the state in order to ensure their collective survival.

An amazing fact that comes along with the system of rule by political parties consists in the tendency that bad governing does not lead to the demise of the rulers but to their re-election. Bad governments gain voters because as the economic conditions of the people deteriorate, they tend to call for more government. In urban development, this spiral of impoverishment has been analyzed in detail. The so-called Curley effect,⁵ which was studied in the USA to explain why some cities become impoverished but the politicians who cause this get re-elected, applies also to countries. Here, a policy of subsidies maintains unprofitable companies while the productive enterprises face extra tax burdens and tend to leave.

Politicians win elections by utopian promises for their clientele and take measures that lead to economic decline. As a result, those parties spread their voter base and are re-elected that implement bad policies and set another round of impoverishment in motion that de facto fosters their re-election. Even more so: the competing political parties become similar in the pursuit of bad policies. While they

² The problem of “non-governability” has been the object of studies since the 1970s. See Michael Crozier and Samuel P. Huntington: *The Crisis of Democracy: Report on the governability of Democracies to the Trilateral Commission*. Triangle Papers. 1975. <https://www.amazon.com/Crisis-Democracy-Governability-Democracies-Trilateral/dp/0814713645>

³ W. L. Newman: Aristotle’s Classification of Forms of Government. *The Classical Review* Vol. 6, no. 7 (July 1892), pp. 289–93. <https://www.jstor.org/stable/693449>

⁴ Richard S. Katz and Peter Mair: Changing Models of Party Organization and Party Democracy: The Emergence of the Cartel Party. *Party Politics*. Vol. 1, no. 1. <https://journals.sagepub.com/doi/10.1177/1354068895001001001>

⁵ Edward L. Glaeser and Andrei Shleifer The Curley Effect: The Economics of Shaping the Electorate. *The Journal of Law, Economics, & Organization*, Vol. 21, no. 1. https://scholar.harvard.edu/files/shleifer/files/curley_effect.pdf

promise the best for society, they factually compete for who does it worse for the people.

By combining redistribution and anti-capitalist rhetoric, the top performers in the private sector are induced to migrate—either to foreign countries or at least between the States of the US. As a result, the voter base of the politicians who have caused the impoverishment is growing. In some States or countries, the worst politicians and their respective parties get re-elected again and again. The same politicians who are causing the problems offer themselves as saviors. From the energy to the migration, from the precarious situation in the health system to retirement provision and foreign wars, who caused these problems, if not the same rulers who still hold the scepter in their hands today?

At the same time, the unease with the state and with politics is growing. Disenchantment with state and politics is a topic that has been discussed for a long time but has become increasingly acute in recent years. Not only in the United States do opinion surveys⁶ reflect this attitude, showing that trust in public institutions is dramatically declining. This discontent with politics, however, stands in stark contrast to the ongoing politicization of every aspect of life.

The main reason for this dissatisfaction with the political system is primarily the lack of a tie between the rulers and the governed. This system ruled by political parties has moved away from society. Those in power are increasingly perceived as those at the top who ignore the real concerns of the citizens. The party oligarchs are incapable of empathy and are perceived as narrow-minded careerists.

The feeling of general powerlessness paralyzes many citizens. So far, the lack of political participation has only led to a general lack of interest in political affairs, a kind of moroseness. The reaction of many citizens has been to withdraw from politics altogether and no longer participate in the elections.

⁶ Jeffrey M. Jones: Confidence in U.S. Institutions Down; Average at New Low. Gallup July 6, 2022. <https://news.gallup.com/poll/394283/confidence-institutions-down-average-new-low.aspx>

In Germany, for example, voter turnout in the federal elections for the Bundestag⁷ has been declining since the mid-1970s and voter participation is even lower in the elections of the parliaments for the States (*Bundesländer*).⁸ With a share of non-voters of around forty percent, the assemblies resulting from such elections can hardly be called representative of the people.⁹ Moreover, if coalitions must be formed for a government to have a parliamentary majority, parties with a low share of the vote set the tone.¹⁰ The party of the Greens has turned out to be the ideologically dominant political factor in the coalition government that was formed in the Federal Republic of Germany in December 2021. Although it does not provide the Chancellor, the Green Party, with a share of less than fifteen percent of the votes at the latest election and before that of mostly a share below ten percent,¹¹ holds the office of the Vice-Chancellor as well

⁷ Statista: Wahlbeteiligung bei den Bundestagswahlen in Deutschland von 1949 bis 2021. <https://de.statista.com/statistik/daten/studie/2274/umfrage/entwicklung-der-wahlbeteiligung-bei-bundestagswahlen-seit-1949/>

⁸ Statista: Wahlbeteiligung bei den jeweils letzten Landtagswahlen in Deutschland nach Bundesländern (Stand: Oktober 2023) <https://de.statista.com/statistik/daten/studie/255400/umfrage/wahlbeteiligung-bei-landtagswahlen-in-deutschland-nach-bundeslaendern/>

⁹ Turnout in U.S. has soared in recent elections but by some measures still trails that of many other countries. Pew Research Center: <https://www.pewresearch.org/short-reads/2022/11/01/turnout-in-u-s-has-soared-in-recent-elections-but-by-some-measures-still-trails-that-of-many-other-countries/> https://healthequitytracker.org/exploredata?m=1.voter_participation-3.00&mlp=disparity&gad_source=1&gclid=CjwKCAiArLyuBhA7EiwA-qo80OWVmjko2wqa8HLYNkPPwe9IV3AyxI-ikhJu3oIaPWsPG1XkkCLdxoCofvQAvD_BwE

¹⁰ In the Federal election of September 2021, out of a population of 83.2 million inhabitants and 61.1 million eligible voters, 12.2 million people voted for the Social Democratic Party (SPD), 6.4 million for the Green Party and 4.0 million for the Free Democratic Party (FDP). Thus, the coalition that was established by these parties to form the government, represents 36.9% of the electorate and only 18.6% of the population. 81.4 percent of Germany's population did not vote for any of these parties, and almost two-thirds (63.1 percent) of eligible voters did not vote for them. In this federal election of 2021, 88% of the population did not vote for the Social Democrats and 92% did not vote for the Greens. In total, there were 6,469,081 electoral votes for this grouping. In terms of the population as a whole, this is 7.77 percent. Nevertheless, the Green Party, as the essential coalition partner of the government, largely determines governmental politics and imposes its anti-industrial policy on the whole country. For the data, see: <https://www.bundeswahlleiterin.de/bundestagswahlen/2021/ergebnisse/bund-99.html>

¹¹ Statista: Stimmenanteile der Grünen bei den Bundestagswahlen von 1980 bis 2021. <https://de.statista.com/statistik/daten/studie/368835/umfrage/stimmenanteile-der-gruenen-bei-den-bundestagswahlen/>

as the Ministry of Foreign Affairs, Economy and Climate Protection, Food and Agriculture, the Ministry of the Environment, the Ministry of Family Affairs and the Office of the Minister for Culture and the Media. The red-green worldview is dominantly present in the public media. The Federal Republic of Germany is thus dominated by a parliamentary group that was democratically elected by less than eight percent of the population. This evolution is frightening because the political parties have become the predominant power group.¹²

In fact, the political parties not only participate in the formation of political will, but because of their concentrated power, they have become a “state within the state.” They serve as vehicles to gain power and benefits for their leading members. In this process, they become more and more authoritarian. To become a candidate, one must first and foremost prove oneself in the political party. It is not the interest in the well-being of the people that counts, but the assertiveness and ingratiation within one’s own party. It is therefore more than natural that a special type of party politician would emerge. That type of person gets chosen whose power instinct is particularly rampant and who is particularly capable of buttering up his comrades with the aim of dominating them. A paradise for cheaters, decent and intelligent people shrink from participating in this game. Those who become party members get seduced and caught up in the maelstrom of the party machinery. Even if they come to the top, they will remain victims.

In modern democratic politics, political parties are the essential part of politics. Anyone who does not belong to a party is practically excluded from the political process. The so-called “political decision-making” has become extremely one-sided. As can be observed, the main issues raised in the party struggle are those that are very far removed from the needs of the people. Decisions will no longer be made in the interest of the country, not even in the interest of their own voters.

¹² For this to happen was not provided for in the Constitution (Grundgesetz) of the Federal Republic of Germany, which succinctly states only the “participation” of the political parties in the formation of the political will in Article 21: “*The parties participate in the formation of the political will of the people. Its incorporation is free. Their internal order must comply with democratic principles. They must give a public account of the origin and use of their funds, as well as of their assets.*”

If this is so as described, what would it mean to abolish political parties? Would the abolishment of political parties lead to the end of democracy or rather its completion? Who should govern in the absence of political parties? One of the most emphatic statements in favor of the abolishment of political parties comes from a pamphlet by Simone Weil, written in 1943 and published posthumously in 1950. While she does not suggest a solution to the problem of the evils of political parties, her text provides a pungent exposition of the nature of the rule of political parties.

SIMONE WEIL ON THE ABOLITION OF POLITICAL PARTIES

When Simone Weil¹³ wrote her “Notes on the General Abolition of Political Parties,”¹⁴ she was a contemporary witness of the single-party rule in Nazi Germany and Soviet Russia. Nevertheless, the immediate impetus for writing her essay came from her work in the French exile group in London. She was horrified to learn that even in a situation when France was partly under foreign occupation, the partisan strife would not end and the efforts of the members of the “France Libre”¹⁵ group were more focused on the acquisition of power for their specific political party than on the liberation of the French fatherland.

What motivated Weil to write her pamphlet against political parties were not only the horrors of the rule of the National Socialist and Soviet party regime but even more so her shocking insight that totalitarianism arises from political party competition itself. She learned that the tendency towards tyranny is inherent to the struggle of the

¹³ Born in 1909, Simone Weil graduated in philosophy from the Normale Supérieure in 1931. She chose to become temporarily a worker a factory worker and engaged in the International Brigades in 1936. She left France for New York with her family in 1942 but then came to London to work for the French Liberation Movement. She died on August 24, 1943. Despite her short life, her work that covers philosophy, politics, and theology, is considered one of the most significant of the 20th century.

¹⁴ “Notes sur la suppression générale des parties politiques.” In English available as “[On the Abolition of All Political Parties](#)” NYRB Classics; Reissue edition, 2014.

¹⁵ Fondation Charles de Gaulle: Une formation embryonnaire à l’été 1940. <https://www.charles-de-gaulle.org/lhomme/dossiers-thematiques/debuts-de-france-libre>

parties. What happened in the Soviet Union and Nazi Germany is not the exception but lies in the nature of the political party system based on majority voting. All political parties tend to move toward totalitarianism.

Political Parties and Democracy

Parties are at odds with the rule of the people. According to Simone Weil, democracy, understood in its original meaning, does not derive its legitimacy from majority decisions, but that it corresponds to truth and justice. Simone Weil does not reduce democracy to the definition that was later given by Joseph Schumpeter in his *Capitalism, Socialism, and Democracy* of 1950¹⁶ as an “*institutional arrangement for arriving at political decisions in which individuals acquire the power to decide by means of a competitive struggle for the people’s vote.*” (p. 269) but the classical definition of democracy as pronounced by Rousseau.

Jean-Jacques Rousseau (1712–1778) elaborated his fundamental idea of democratic theory in his work on the Social Contract (1762). He justifies popular rule as the expression of the “general will” (*volonté générale*), which for him is the offspring of reason. Rousseau’s fundamental concept of democracy is derived from the claim that reason can find truth and justice only in so far as it does not allow itself to be corrupted by passions. While there is an infinite variety of errors and injustices, there is only one truth and one justice. Simone Weil interprets Rousseau that because all men unite in what is just and true, while mendacity and crime divide them among themselves without end, reason must be the foundation for democracy to function. For Simone Weil, the central aspect of Rousseau’s theory of democracy is that reason leads to consensus, while passion instigates divergence. In as much, as political parties are driven by and instigate passion, they are detrimental to the true understanding of what democracy is about.¹⁷

¹⁶ Joseph A. Schumpeter: *Capitalism, Socialism, and Democracy*. Harper Perennial Modern Classics 1950.

¹⁷ “La vérité est une. La justice est une. Les erreurs, les injustices sont indéfiniment variables. Ainsi les hommes convergent dans le juste et le vrai, au lieu que le mensonge et le crime les font indéfiniment diverger. L’union étant une force matérielle, on peut espérer trouver là une ressource pour rendre ici-bas la vérité et la justice matériellement plus fortes

To become a legitimate institution, democracy must meet two conditions. First, the people must be free from any form of collective passions when they express their political will. Second, people need to express their will on the problems of public matters only and must not do it by electing individual persons or groups of individuals, i.e. political parties. Passions distort the general will and turn democracy into a caricature. Political parties gain more power the more uninhibited the collective emotions rage. Thus, with the aim to gain more and more power, political parties fuel passions. Instead of reason, irrationality rules the political process. Simone Weil concludes that these circumstances show that we have never known anything that resembles, even if only faintly, a democracy.

Political parties make their important decisions behind closed doors. If you want to be part of the leadership, you let as little of it as possible get out. Even the press is involved in secrecy. Citizens do not know what is going on behind the scenes. What little he learns, he thinks is a lie, and he's probably right. The collective emotional outbursts are widespread because they are systematically and officially ignited by the workings of the parties. Political parties and democracy do not fit together because the absence of passion is fundamental to the formation of the common will in a democracy. Political parties are detrimental to reason as their very existence is based on passion. Therefore, they are alien to democracy.¹⁸

que le crime et l'erreur." p. 9. Page numbers refer to the E-book edition of the Notes: Simone Weil: *Note sur la suppression générale des partis politiques*. Nouvelle Edition. CLIMATS Flamarion 2017.

¹⁸ "Quand il y a passion collective dans un pays, il y a probabilité pour que n'importe quelle volonté particulière soit plus proche de la justice et de la raison que la volonté générale, ou plutôt ce qui en constitue la caricature. La seconde condition est que le peuple ait à exprimer son vouloir à l'égard des problèmes de la vie publique, et non pas à faire seulement un choix de personnes. Encore moins un choix de collectivités irresponsables. Car la volonté générale est sans aucune relation avec un tel choix." p 11

Evils of Political Parties

According to Weil, the perennial characteristics of political parties are:

1. A political party is a machine to generate collective passions.
2. A political party is an organization designed to exert collective pressure upon the minds of all its individual members.
3. The first objective, and also the ultimate goal, of any political party is its own growth, without limit.

Because of these three characteristics, every party is totalitarian—potentially, and by aspiration.¹⁹

Political parties are the antithesis of democracy because they operate as a machine for generating collective passions. They are organizations that exert collective pressure on the minds of all their members. The goal of political parties is not to work towards solving public problems but for them, the first goal as well as the final goal of any political party is their own expansion of power.²⁰

As Simone Weil explains, the tyrannical nature of political parties emerged in Continental Europe during the French Revolution of 1789. The first party to act in this sense was the Club des Jacobins.²¹ Originally a debating club, the Jacobins came to power as a political party in the

¹⁹ “Pour apprécier les partis politiques selon le critère de la vérité, de la justice, du bien public, il convient de commencer par en discerner les caractères essentiels. On peut en énumérer trois: Un parti politique est une machine à fabriquer de la passion collective. Un parti politique est une organisation construite de manière à exercer une pression collective sur la pensée de chacun des êtres humains qui en sont membres. La première fin, et, en dernière analyse, l’unique fin de tout parti politique est sa propre croissance, et cela sans aucune limite. Par ce triple caractère, tout parti est totalitaire en germe et en aspiration. S’il ne l’est pas en fait, c’est seulement parce que ceux qui l’entourent ne le sont pas moins que lui. Ces trois caractères sont des vérités de fait évidentes à quiconque s’est approché de la vie des partis.” p. 12

²⁰ Ainsi la tendance essentielle des partis est totalitaire, non seulement relativement à une nation, mais relativement au globe terrestre. C’est précisément parce que la conception du bien public propre à tel ou tel parti est une fiction, une chose vide, sans réalité, qu’elle impose la recherche de la puissance totale. Toute réalité implique par elle-même une limite. Ce qui n’existe pas du tout n’est jamais limitable. C’est pour cela qu’il y a affinité, alliance entre le totalitarisme et le mensonge.” p. 13

²¹ Crane Brinton. *The Jacobins. An Essay in the New History*. Routledge 2011. <https://www.routledge.com/The-Jacobins-An-Essay-in-the-New-History/Brinton/p/book/9781412818339>

struggle for power during the Revolution and by this became the first totalitarian party. The Jacobins were the first to practice the principle: “*one party in power and all others in prison.*” In the course of the party struggles during the revolutionary period, the Jacobins became the bearers of the terror that was soon to engulf the revolution and would finally devour its own children. It is no coincidence at all that totalitarianism and the reign of terror appear at the very beginning of the modern political party system that falsely claims to represent a “democracy.”

Political parties, as a rule, have only vague and unreal ideas about solving public problems. Yet the reality of the practical circumstances of their proper existence makes it inevitable that they themselves become their own purpose. The acquisition of power becomes the prime goal, and from this follows the insatiable hunger of political parties for dominance. With no intellectual content of its own, political parties relentlessly strive for power as an end in itself. If they have gained full power in the interior of a country and can no longer find enough opponents there, they will attack or create presumed external enemies.

The tendency towards totalitarianism is the essential characteristic of a political party. Since the notion of public interest is a fiction, the pursuit of total power becomes an absolute need. The natural affinity between totalitarianism and mendacity finds its home in the political party.

With the rise of political parties in the power struggle of the French Revolution also came the division between “left” and “right.” This distinction has produced havoc in the minds of the people as it limits the political discourse to a difference that is minor than that of both, right and left, to libertarianism. In the United States, this distortion has gone so far that the term “liberalism” was stripped of its original meaning and serves to denote leftism. While both—the left and the right—compete in the struggle for power, both groupings are inherently totalitarian and as such equally opposed to liberty.

Political Propaganda

As organizations that strive for absolute power, political party organizations exert permanent collective pressure on the minds of the people through permeant propaganda. Political parties seek to enslave the mind, a process that begins with their own members and spreads from

there to the whole of society. Party members practice three types of lies: they deceive the public; they lie to their own party, and they lie to themselves. Because belonging to a political party “*always and in every case compels one to lie, the very existence of political parties is an absolute and unconditional evil.*”²²

Once a party system is established, it becomes virtually impossible to intervene effectively in public affairs without becoming an active member of a party. Yet while one can enter the party competition as an honest person, one cannot remain that way. To make a political career, one has to play the game and submit to the treadmill. Soon the original interests and intentions will disappear from the mind of the newcomer, and party interest and the acquisition of power will prevail. “*If the devil were entrusted with the organization of public life, he could not invent a more cunning means.*”²³

Most people join a political party because they have perceived in the activities and propaganda of that party some aspects that seem just and good. But no one who is not already more deeply involved in the political party knows about the party’s true positions on matters of public life. When he joins the party, the novice knows only some of the positions that have been outwardly presented but does not know that most of them are hidden from the newcomer and the public. Thus, everyone who joins a party sooner or later submits his thinking to the authority of the party. In the course of time, when the party member becomes more closely connected with the inner workings of his party, the novice gradually learns what the party really stands for, and the further he rises, he will accept it without further examination, because this is the way he wants to rise to the top.

Why a Ban on Political Parties?

Simone Weil calls not only for the banning of individual parties but for their general ban. She is convinced that the abolition of the political

²² “De ces trois formes de mensonge—au parti, au public, à soi-même—la première est de loin la moins mauvaise. Mais si l’appartenance à un parti contraint toujours, en tout cas, au mensonge, l’existence des partis est absolument, inconditionnellement un mal.” p. 16

²³ “Si on confiait au diable l’organisation de la vie publique, il ne pourrait rien imaginer de plus ingénieux.” p. 18

parties would have a purifying effect even beyond public affairs, where the party spirit has infected everything. Due to the prestige that power generally has in the eyes of the population, thinking in terms of parties has become habitual. The party spirit has been implemented in all matters. Science, too, has submitted to the party spirit.

The negative influence of political parties on public life and the dissemination of their propaganda has shaped the entire mentality of our time. Almost everywhere—often even in the case of purely technical problems—people take sides instead of thinking: for or against. Such a choice replaces the activity of the mind. *“This is intellectual leprosy; it originated in the political world and then spread throughout the country, polluting all ways of thinking. This leprosy is killing us if we do not abolish the political parties.”*²⁴

Weil concludes that the institution of political parties seems to be an almost unalloyed evil. They are inherently bad, and in practice, their effect is harmful to human beings. Just as criminal law prevents the formation of criminal gangs, law should prohibit political parties. For Weil, political parties are criminal in the truest sense of the word. Political parties are the antithesis of democracy. They have their own growth in mind as their first goal and are totalitarian in nature. Thus, not only the quarrel or the discussion is the essence of the political and not what the liberal democratic theorists imagined or what Rousseau meant by his idea of the “common will,” but the party-political division of society into friend and foe is the principle, and in this sense, the respective party doctrine is considered right, good and just in contrast to the enemy whose ideas are wrong, bad, and unjust.

Political parties do not enlighten but kill the sense of truth and justice. *“Parties are publicly, officially constituted organizations in such a way as to kill in souls the sense of truth and justice. Collective pressure is exerted on the general public through propaganda. The stated aim of propaganda is to persuade and not to communicate light.”*²⁵

²⁴ “C’est là une lèpre qui a pris origine dans les milieux politiques, et s’est étendue, à travers tout le pays, presque à la totalité de la pensée. Il est douteux qu’on puisse remédier à cette lèpre, qui nous tue, sans commencer par la suppression des partis politiques.” p. 23

²⁵ “Les partis sont des organismes publiquement, officiellement constitués de manière à tuer dans les âmes le sens de la vérité et de la justice. La pression collective est exercée sur le

Party politics leads to politicization, to social division. Sooner or later, it will drift towards civil war. In party democracy there is a willingness to compromise, but only insofar as it serves the interests of the parties and the career of the nomenklatura. Accordingly, these are not permanent or well-negotiated agreements. They are terminated if the interests shift.

The typical career politician is not concerned with the individual but with his own gain of power. Yet in as much as the politician wants to dominate and govern, he is subordinate to his own political party. Being a politician means not to be free. As a member of a political party, the politician must adopt the party's creed, must follow the party's rules, and must adhere to the party's principles. A politician must always be a man of the party. Outside of his political party, he has no power. To the extent that the politician wants to rule and rule, he is himself under the authority of his own political party. Being a politician therefore means not being free. As a member of a political party, the politician must adopt the party's credo. He must follow the rules of the party and adhere to its principles. The truth is that his political party owns the politician. People know that the politician is a fraud because while he pretends to make the rules and be the master, he himself is the unfortunate victim.

The prime protagonists of this modern world are the politicians and the political parties. The prime aim of a political party is to gain power. Dominance is the aim of a political party, and the state apparatus serves as its instrument. The larger and more effective the state, the better the state serves as a means of oppression and control and thus for the extension of power of the political party. Political parties strive for power and thus they want a powerful state. "We, the people," are the victims of this game.

grand public par la propagande. Le but avoué de la propagande est de persuader et non pas de communiquer de la lumière." p. 14

CONCLUSION

The turn of the 18th to the 19th centuries marks the beginning of the political era. The rapture came with the French Revolution. Yet the death of the old state and the abolition and limitation of the monarchy did not liberate the individual. Rather, the democratic revolutions provoked the birth of politics and the worship of the state. The central factor of this evolution is the emergence of political parties.

Party politics lies at the heart of modern democracy. As such, the political system resembles more an oligarchy than a democracy in the sense of “rule of the people.” In the system called “democracy” nowadays, political parties compete for the votes of the people and the winners of this competition form the law-making body as elected representatives. The same mechanism holds also for presidential elections. Candidates with no support from a political party are practically excluded from participating in the electoral process. That the worst get to the top lies in the mechanics of the system.

REFERENCES

- Brinton, Crane: *The Jacobins. An Essay in the New History*. Routledge 2011 <https://www.routledge.com/The-Jacobins-An-Essay-in-the-New-History/Brinton/p/book/9781412818339>
- Bundeswahlleiter: Bundestagswahl 2021. <https://www.bundeswahlleiter.de/bundestagswahlen/2021/ergebnisse/bund-99.html>
- Crozier, Michael and Samuel P. Huntington: *The Crisis of Democracy: Report on the Governability of Democracies to the Trilateral Commission*. Triangle Papers. 1975. <https://www.amazon.com/Crisis-Democracy-Governability-Democracies-Trilateral/dp/0814713645>
- Fondation Charles de Gaulle: Une formation embryonnaire à l'été 1940. <https://www.charles-de-gaulle.org/lhomme/dossiers-thematiques/debuts-de-france-libre/>
- Glaeser, Edward L. and Andrei Shleifer: The Curley Effect: The Economics of Shaping the Electorate. *The Journal of Law, Economics, & Organization*, Vol. 21, no. 1 https://scholar.harvard.edu/files/shleifer/files/curley_effect.pdf
- Hoppe, Hans-Hermann: *Democracy: The God That Failed*. The Ludwig von Mises Institute 2016 [2001] www.hanshoppe.com/democracy
- Jones, Jeffrey M. Confidence in U.S. Institutions Down; Average at New Low. *Gallup*. July 6, 2022 <https://news.gallup.com/poll/394283/confidence-institutions-down-average-new-low.aspx>

- Katz, Richard S. and Peter Mair: Changing Models of Party Organization and Party Democracy: The Emergence of the Cartel Party. *Party Politics*. Vol. 1, no. 1. <https://doi.org/10.1177/1354068895001001001>
- Newman, W. L.: Aristotle's Classification of Forms of Government. *The Classical Review*, Vol. 6, no. 7 (July, 1892), pp. 289–93 <https://www.jstor.org/stable/693449>
- Pew Research Center: Turnout in U.S. has soared in recent elections but by some measures still trails that of many other countries. <https://www.pewresearch.org/short-reads/2022/11/01/turnout-in-u-s-has-soared-in-recent-elections-but-by-some-measures-still-trails-that-of-many-other-countries/>
- Schumpeter, Joseph A.: *Capitalism, Socialism, and Democracy*. Harper Perennial Modern Classics 2050.
- Statista: Stimmenanteile der Grünen bei den Bundestagswahlen von 1980 bis 2021. <https://de.statista.com/statistik/daten/studie/368835/umfrage/stimmenanteile-der-gruenen-bei-den-bundestagswahlen/>
- Statista: Wahlbeteiligung bei den Bundestagswahlen in Deutschland von 1949 bis 2021. <https://de.statista.com/statistik/daten/studie/2274/umfrage/entwicklung-der-wahlbeteiligung-bei-bundestagswahlen-seit-1949/>
- Statista. Wahlbeteiligung bei den jeweils letzten Landtagswahlen in Deutschland nach Bundesländern (Stand: Oktober 2023) <https://de.statista.com/statistik/daten/studie/255400/umfrage/wahlbeteiligung-bei-landtagswahlen-in-deutschland-nach-bundeslaendern/>
- Weil, Simone: “Notes sur la suppression générale des parties politiques.” Flammarion, 2017
———: “On the Abolition of All Political Parties”. NYRB Classics Reissue Edition, 2014

29

Hoppe on Democracy and Prosperity

Peter Wong

In the past few years, global geopolitical crisis and policy mistakes during the “pandemic” have led to many business closures, also extreme volatility in both the stock and real estate markets, resulting in numerous individuals and firms facing bankruptcy. I, however, was relatively fortunate, successfully navigating the challenges by reallocating my investment to the relatively vibrant markets. Reflecting on this experience, I have to take this opportunity (his upcoming 75th birthday) to thank Prof. Hans-Hermann Hoppe, from whom I learnt that economic prosperity can only be found upon freedom and private property rights. Undoubtedly, there is not a single government on earth that completely respects private property rights to the degree Prof. Hoppe would approve. However, investing in countries where governments relatively respect private property rights remains a key to success.

I have been on radio in Hong Kong, commenting the financial market on a regular basis, during which the host asks me, “given that the US market keeps making record high and seems bubbly, while the Chinese market exhibits a deep discount, which should be due for

Peter Wong is a perpetual traveller and financial columnist. His former roles include chairman of a free-market think tank and chief economist at a boutique hedge fund in Hong Kong

a big reversal to mean, where should I put my money in?” The answer is clearly evident—a nation’s prosperity depends on people’s willingness to invest in that nation. If both locals and foreigners are eager to invest their capital in that particular nation, the asset prices in that nation will naturally rise. Conversely, if the economic policies of a country not only deter foreign investors but also make the locals hesitant to invest, or even worse, contemplate selling assets and moving abroad, then the asset prices in that country will eventually collapse and become worthless. The best example was the stock market in Russia after the Bolshevik Revolution.

We should all be enlightened by Prof. Hoppe’s teaching when it comes to evaluating how a country has performed economically with regards to its institutions in safeguarding freedom and private property rights. He challenges the mainstream notion that equates freedom with democracy. In Hoppe’s work, *Democracy: The God That Failed*,¹ Prof. Hoppe not only proposes democracy has nothing to do with freedom and prosperity, but also asserts that democracy manifested in its extreme form via universal suffrage, forcing the minority to obey the majority, conflicts fundamentally with individual freedom. He argues that economic prosperity stems from individual freedom, but because contemporary Western democratic systems infringe upon individual freedom, it leads the Western economy to lose its robust growth momentum from the past.

This theory naturally sparks discontent among many Western scholars who blindly champion democratic systems, but it also answers a longstanding misery in my mind. During the colonial era, Hong Kong lacked one-person-one-vote type democracy, yet its economic growth was exceptionally strong, even surpassing the democratic United Kingdom—its colonial ruler. This led notable figures like the late Prof. Milton Friedman of the Chicago School to frequently highlight Hong Kong as a poster boy of free-market policies. However, it is only Hoppe’s theory which cuts the tie between freedom and democracy, and restating that freedom, not democracy, is the foundation of prosperity. It is also only Hoppe’s theory which pinpoints most explicitly and directly why

¹ Hans-Hermann Hoppe, *Democracy: The God that Failed* (Transaction, 2001; <https://www.hanshoppe.com/democracy>).

the undemocratic Hong Kong could economically outpace the democratic United Kingdom.

Besides *Democracy: The God That Failed*, Professor Hoppe has various other works. I recommend Hoppe's lectures on YouTube,² especially the series with another renowned Austrian economist Prof. Guido Hülsmann that was presented in Denmark back in the mid-2000s. These videos cover fundamental economic theories such as the history of money, fractional reserve banking, business cycles, capital and interest, and praxeology. I can testify that by watching the videos, approximately 10 hours in total, surpasses the knowledge I gained from the economic master's degree program at my *alma mater*. For readers who are interested in delving deeper into the study of economic theory, Hoppe's teachings are truly refreshing and enlightening.

² The playlist may be found at <https://www.youtube.com/playlist?list=PLDFA82051066933E9>.

Part Five

Freedom and the Law

30

Law, Argumentation Ethics, Hoppe and Me

Frank van Dun

A long time ago, during a coffee break at one of those then frequent Liberty Fund conferences in Europe, I was approached by a somewhat younger attendee, Hartmut Kliemt. He told me that I reminded him very much of Hans-Hermann Hoppe. “I mean,” he added, “the way you think, not your looks or personality.” I had heard of HHH, but I had not read any of his writings and had not met him in person. Before I became a regularly invited guest or speaker at meetings of his Property & Freedom Society in Bodrum, I had met Hans only once, when he was in Belgium to advise on the foundation, in 2001, of the Brussels-based Mises Institute, Europe.

I could only guess what had caused Hartmut Kliemt to make that remark. When I eventually found the time to read some of Hans’s writings, my best guess was the striking resemblance between his “argumentation ethics” and my “ethics of the dialogue.”¹ If it was not that, then it might have been our preference for the axiomatic-deductive method in

¹ For more on the former, see Kinsella, “[Argumentation Ethics and Liberty: A Concise Guide](http://www.stephankinsella.com/publications),” StephanKinsella.com (May 27, 2011; www.stephankinsella.com/publications); on

Frank van Dun taught philosophy of law at the Universities of Ghent and Maastricht. He is the author of numerous works on the philosophy of law from a natural law and libertarian perspective.

presenting theories and the fact that our axiomatic statements were strikingly similar. In what follows, I shall take the similarities for granted and focus on some of the differences in our approaches.

Hoppe's principal concern in those early days was the concept of self-ownership, which Rothbard had discussed in his *The Ethics of Liberty* (1982) and raised to the status of the axiom of libertarian legal thought. Hans noted that its status was similar to the status of the "action axiom" in Mises's *Human Action*.² Hoppe's use of argumentation ethics³ served the purpose of interpreting and justifying "self-ownership" as an argumentatively incontrovertible "natural right." Consequently, one should be able to understand all the theorems Rothbard derived from "self-ownership" as justifiable statements concerning natural rights—for such is the nature of a deductive theory: if its axioms are justifiable then so are all its theorems, provided there are no logical errors in their deduction. Note that Rothbard's—and by implication, Hoppe's—primary interest was "comparative systems theory."⁴ Their argumentative context was the then ubiquitous claim, made on behalf of socialism, communism and other forms of collectivism, that free-market capitalism is an immoral, unethical economic system.

As for me, I had stated my axiom of legal thought in the opening sentences of my aggregation-thesis⁵ *Het fundamenteel rechtsbeginsel*

the latter, see Frank van Dun, "Argumentation Ethics and the Philosophy of Freedom," *Libertarian Papers* 1, art. no. 19 (2009; www.libertarianpapers.org).

² See "Ludwig von Mises, [Human Action: A Treatise on Economics](https://mises.org/library/human-action-0), Scholar's ed. (Auburn, Ala: Mises Institute, 1998; <https://mises.org/library/human-action-0>); Hoppe's 1998 Introduction, "[Murray N. Rothbard and the Ethics of Liberty](#)," in Murray N. Rothbard, *The Ethics of Liberty* (New York: New York University Press, [1982] 1998).

³ Hans-Hermann Hoppe, *A Theory of Socialism and Capitalism: Economics, Politics, and Ethics* (Auburn, Ala.: Mises Institute, 2010 [1989]; www.hanshoppe.com/tsc), especially chapter 7.

⁴ In "Murray N. Rothbard and the Ethics of Liberty," Hoppe called Rothbard "a grand system builder."

⁵ Cf. the French, *thèse d'agrégation de l'enseignement supérieur*, similar to the German *Habilitationsschrift*, it is part of an exam, the purpose of which is to check whether a candidate has something of value to contribute to the teaching of a particular subject at the university level. The system was about to be abolished—mine was the last aggregation acknowledged by the Faculty of Law in Ghent. The main formal difference with the PhD system was that the candidate did not need being promoted by an already established "promoter."

(submitted to the examination board in 1981, published in 1983)⁶: “The fundamental principle of law, the principle of substantive justice, is that every man⁷ is a sovereign subject of law. Every man has the right to do whatever he wants with his own, with all his own resources; no man has the right to do anything with the resources of another, without the other’s consent. To each his own; each man master of himself and of no one else—that is the principle of law.” In short, in thinking about law or lawful relations, each person is to be presumed master of himself and no one else. I did not mention self-ownership, but many thought that that was simply a terminological matter, not a conceptual one.

My starting point for validating this fundamental principle or axiom was the observation that most people most of the time have a certain amount of control over a few parts of their body, which allows them to do things at will. They can perform certain “basic actions” (controlled movements, e.g., of limbs, cheeks, eyes, eyelids, tongue, fingers) without first having to do something else and without being made to do them by some external force. That people have “by nature” a measure of immediate control over their bodies seemed to me as solid a factual basis for a discourse on law as I could imagine. For lack of a better term, I referred to it as “the power of self-determination.” It was certainly an argumentatively validated proposition: No participant in an argumentation can credibly argue that he is not arguing, asking and answering questions in response to an opponent’s statements and questions. The problem, of course, was to get from that incontrovertible fact to principles of law, which everybody understands to mean principles that state that something ought to be or ought to be done. In other words, how do we get from the *power* to the *right* of self-determination and, from there, to a right to things outside one’s body? How do we get from “a right as *rectum*” (a thing one can effectively control, direct, steer or govern, a thing

⁶ Obviously, I had not read *The Ethics of Liberty*.

⁷ “Man” is a translation of the Dutch “mens” (German “*mensch*”), which means “human being.” The German “Man” (Dutch “men”) means “people,” but does not identify any particular persons. “Man sagt” (G.) and “Men zegt” (D.) translate as “People say” or “It is said.”

within one's power)⁸ to "a right as *ius*" (a justified claim)⁹—from a power that, no matter how natural, can be overpowered in many ways to a *ius*-right that ought to be respected in any case?

Hoppe's argumentative validation of Rothbard's axiom of self-ownership seemed to imply that demonstrating the undeniability of a natural power of persons over their bodies is sufficient to establish an undeniable personal natural *ius*-right, viz. self-ownership. At least, he did little to convince his critics that that was not his argument.

Although I referred frequently to dialogue ethics, most often in the third and sixth chapters of my thesis, I did not use it to validate my axiomatic statement of the fundamental principle of law. Instead, I asked readers to consider the logical alternatives to that axiom. Would you accept that some are to be presumed masters of some or all others; that all are to be presumed masters of some or all others; or that no one is to be presumed a master of anything, even his own body?¹⁰ However, that was merely a way to establish the plausibility of the principle. It was also a way of drawing attention to the distinction between the concept of legal system (or theory) and the concept of law.¹¹

My aggregation thesis might be—and was—taken for the presentation of a Rothbardian type of legal system. However, its purpose was to present private law as something to think about, not as something to memorize in the way one has to memorize the rules of the road, or the rules of games such as chess or soccer. Of course, as a teacher in a faculty of law, I could not avoid discussing legal systems. On the modern understanding, the legal system of a society determines where the chips of anybody's actions may or should fall, and an effective government makes sure that they end up falling in, or being moved to, the prescribed

⁸ "Rectum" is the supine noun form of the verb "regere" (rego, rexi, rectum), *to make straight, lead, steer, direct, govern*. Thus, "rectum" means "that which is made straight, governed." English "right," German "Recht," Dutch "recht," French "droit," Swedish "rätt"—all derive from "regere." They determine the positivistic interpretation of "a right." With respect to that interpretation, I use the term "rex-rights"—rights established by effective power. As such they have no normative connotation.

⁹ "Ius" derives from "iurare" ("iuro, iuravi, iuratum," *to swear, vow, speak solemnly* (as if under oath)).

¹⁰ Rothbard used the same line of argument in his *Ethics of Liberty*, p.45 (1998 edition)

¹¹ My "The Lawful and the Legal," *Journal des économistes et des études humaines*, VI, 4, 1996, 555–79.

places. However, I care more about people than about systems or their governments. What do people do with systems; what do systems do to people? Which kind of people does it take to make a system work as it is advertised to work? Count me among those who hold the view that a theoretically excellent political, legal or economic system means little, if it falls into the hands of barbarians, buffoons or opportunists, no matter how well-schooled and academically certified they may be. In the hands of wise judges (rulers, not governors), even theoretically flawed systems will do reasonably well. Reflecting on the Constitution of the United States of America (1789), John Adams (1735–1826), one of the founding fathers of the American republic, wrote that it was “made only for a moral and religious people. It is wholly inadequate to the government of any other.” Edmund Burke (1729–1797) voiced the same opinion: “Men are qualified for civil liberty in exact proportion to their disposition to put moral chains upon their appetites.” Assuredly, no people is entirely moral and religious or disposed to put moral chains on their appetites. However, if it is so lacking in morality or religiosity, so much inclined to licentiousness that it cannot distinguish sages from rascals then no legal system will deliver it from slavery. Regrettably, the modern understanding of a legal system does not pay much attention to moral or ethical considerations. The “separation of law and morals” was one of its much-touted accomplishments, although modern legal systems criminalize far more vices than Aquinas allowed the “human law” to do in his answer the question “Whether it belongs to the human law to repress all vices?”¹²

My thesis was not an exercise in “comparative systems.” It was addressed primarily to university professors of law—it was after all an aggregation thesis. It was intended as a critique of how private law was taught, not of what was taught under the heading “private law.” The basic motivating idea was that, certainly at the university level, teaching law from principles was far superior to teaching it in the usual dogmatic form, i.e. by reciting or paraphrasing the contents of various officially approved codifications of what once had been customary law, opportunistically produced legislated texts, and occasionally one or other court verdict. For one thing, teaching from principles fosters a more critical

¹² *Summa Theologiae*, I-IIae, Q.96, art 2.

attitude among students than the dogmatic method can ever achieve—and is fostering critical attitudes not the *raison d'être* of the university, that which distinguishes it from a trade school? When I submitted my thesis, many members of the law faculty still shared that conviction. However, in their teaching, almost all stuck to the positivist canon: “Like it or not, the law is what the officially approved texts tell us it is”—meaning, “It is what our currently authorized approvers (political masters) permit us to say it is.” Few would go further than saying “Yes, that decision is or was controversial, but it is part of the law. That’s all you need to know”—the equivalent of the quantum physicist’s “There is nothing to understand¹³; so shut up and do your calculations.” In fact, no longer institutions dedicated to philosophy (the pursuit of wisdom), the universities had become caterers to the demands of the labour market, of all kinds of corporate interests.

My thesis dealt with the “what” and “why” of the private law as it was taught in the universities. Accordingly, it focused on the philosophical presuppositions of *modern* private law in the West. These presuppositions were essentially Lockean¹⁴ and overwhelmingly materialistic, although not quite to the point of implying that only material things can be “property” or “property holders.” The thesis was to be followed by a second volume on the “how” of law—how law can manifest itself in the daily business of life, in particular in the context of the proceedings in courts of law. Rothbard’s answer to the “how”-question was his purely economic theory of anarchocapitalism: there is a market for justice and on that market the best providers of justice will come out on top. Unfortunately, there is also a market for injustice. Consequently, the anarchocapitalist argument rested on the unsubstantiated assumption that satisfying the demand for justice is more profitable than satisfying the demand for injustice. That assumption is hard to reconcile with the facts of history.

My answer to the “how”-question was different. The projected second volume would elaborate the notion of argumentation ethics as the logical basis for assessing the fairness and justice of judicial trials in particular

¹³ Freeman Dyson, “Innovation in physics,” in *Scientific American*, 199, n°3 (1958), p.78

¹⁴ This too was noted in *The Ethics of Liberty*, chapter 4

and interpersonal interactions in general.¹⁵ The basic idea—which Hoppe referred to as the “a priori of argumentation”—was that argumentation is the life of the law, not for lawyers only but for all speech-enabled persons; that argumentation is the proper method for validating principles of law, including principles of Natural Moral Law.¹⁶ Thus, the second volume would venture into territory that, from the point of view of all varieties of legal positivism, was of no interest to students of legal systems.

However, that second volume was never written. The first volume had ruffled too many feathers, not so much in the Faculty of Law of what was then the State University of Ghent as in the Department of Philosophy, where Marxists of various sorts had come to dominate the sections of moral and political philosophy. The result of their maneuverings was that, late in 1983, I was “cancelled” (as it would now be called) and had to move my workplace from Belgium to The Netherlands. My teaching duties there required me to develop from scratch and then to co-ordinate and update several “meta-judicial” courses in an increasingly bureaucratic context. Beside lecturing and tutoring, it meant writing and coordinating the writing of course books, exercise books and instructions for tutors, many of whom had no interest in or knowledge of most or any of the subjects covered in a course: e.g., philosophy, institutional history, economics, history of ideas. That, and the burdens of twenty years of weekend marriage and ditto parenthood, prevented me from writing the planned second volume of my thesis.

I had intended to submit my thesis in 1978. However, just as I was about to start writing a presentable version, I happened to acquire a number of Austro-libertarian books, among them Rothbard’s *For a New Liberty*. Although I had previously read some books and papers by Hayek, I was unaware of the existence of an American school of libertarian legal thought that appeared to rely heavily on the “Austrian” school of economics. I therefore decided to postpone submitting my thesis until I had worked my way through the literature of the

¹⁵ A short presentation is included in my “Argumentation Ethics and the Philosophy of Freedom.”

¹⁶ For a first sketchy attempt at elucidating the theme of the second volume, see my “The Philosophy of argument and the logic of common morality” in E.M. Barth & J.L. Martens, eds., *Argumentation: Approaches to Theory Formation* (1982), 281–293

American Austro-libertarian school¹⁷ and its European predecessors and like-minded theoreticians (e.g., the German school of *Ordo-Liberalismus*¹⁸). However, although some of that reading ended up in the notes, I found no reason to revise or expand the main arguments of my thesis. In the text of the thesis—leaving aside the notes—the word ‘libertarianism’ occurs only once, in opposition to ‘egalitarianism’, each of them denoting an aberration from the even then not quite forgotten understanding of private law as an order of freedom and equality among persons. Nevertheless, the thesis got some notoriety as “a libertarian theory of law” (in the Rothbardian sense of the word ‘libertarian’). This resulted in my receiving many invitations¹⁹ to speak to audiences with an interest in the politics and economics of freedom, in particular the theories of Hayek, Mises and Rothbard. By the end of the nineteen-eighties, that interest began to wane, primarily because by then most law faculties were adopting the “Universal Declaration of Human Rights” (1948) as their favourite Ersatz for critical thinking about law without relinquishing their positivistic attitudes.

I had picked up the idea of an ethics of dialogues in an earlier existence as a researcher in the field of foundations of logic.²⁰ It was the idea that objective validity is, and can be, established only argumentatively, in a dialogue, where each speaker tries to think along with—i.e. to understand—the other, while asking and answering questions to the best of his ability. For a dialogue to be possible the speakers must be able and be allowed to speak freely and as equals. That idea, rebranded “argumentation ethics” rather than “dialogue ethics,” got wings in certain Austro-libertarian circles, when, as noted above, Hoppe introduced it into the discussion on self-ownership as the axiomatic base of Rothbard’s theory

¹⁷ In October 1978, I went to the USA, to New York and then on to the sixth Libertarian Scholars Conference, held at Princeton University.

¹⁸ E.g., Walter Eucken, Alexander Rüstow, Wilhelm Röpke. Hayek’s turn from economist to political thinker (e.g., *The Constitution of Liberty*, 1960) was in many ways influenced by Ordo-liberal thought.

¹⁹ Vince Miller, Bruce Evoy (International Society for Individual Liberty), Chris Tame, Sean Gabb (Libertarian Alliance), Ralph Harris, Arthur Seldon (Institute of Economic Affairs), later also The Institute of Humane Studies and The Liberty Fund gave me international platforms in those pre-Internet days.

²⁰ Mainly from Paul Lorenzen: *Logische Propädeutik* (with W. Kamlah, 1967), *Normative Logic and Ethics* (1969); see my “The Modes of Opposition in the Formal Dialogues of Paul Lorenzen,” *Logique et Analyse*, 57/58, 1972, 103–136 (special issue edited by Leo Apostel).

of natural rights. Rothbard appeared to appreciate Hoppe's move, even though he may have had some misgivings, because the requirement to justify through argumentation (rather than deduction from supposedly evident axioms) endangered the neatness of his Misesian economics and his Libertarianism as axiomatic and deductive formal systems. It is one thing to take a proposition and declare it an axiom of a system or theory; it is another and much more hazardous thing to assume that the system or theory is semantically complete—e.g., that it is possible to deduce all truths about law from the axioms of a legal system. There is no need to read Gödel to get the point. Theories and systems deal with “formal,” not with “material” objects. They articulate a particular perspective on aspects of reality—reality itself is not within their reach.

While sympathetic to Hoppe's demarche, because it gave argumentation a central place in truth finding, I thought it overstated his case. For argumentation to be possible, it is indeed necessary that the participants have the natural power and the opportunity to speak their minds. However, establishing the participants' power and opportunity does not prove that their use of that power is a justifiable right, a right that *ought* to be respected. The proof of an “ought” can be delivered only in and through argumentation. An “ought” cannot be empirically observed; it is *sola mente perceptibile*. For perceiving argumentations as different from other forms interactions among several persons, it is also necessary to *presume* that the participating speakers speak freely, in their own name; that they speak seriously, honestly, have no hidden agenda, do not aim to deceive or to intimidate with threats or promises—in short, they must be presumed innocent, *bona fide* speakers. Even more importantly, for argumentation to be possible, the speakers must presume each other's *bona fide*. Precisely these presumptions make it possible to speak of argumentation *ethics*. The essential point, however, is that they are *presumptions*, not certified facts.

Presumptions are defeasible. It may turn out in the course of an argumentation that a speaker is not in control of himself, not honest; that he is a liar, mercenary hack, manipulator, conman or flimflammer. In such cases, the presumption that he is rightfully exercising his self-control must be abandoned. Then, the presumed respectability of his positions and arguments proves groundless, as do the rights that were accorded to him when he seemed willing to participate

in a genuine argumentation. Dialogue rights, in the sense of *iura*, attach to the undefeated presumption that one is a bona fide speaker. Consequently, the rights that are established in an actual dialogue or argumentation are presumptive, defeasible rights. That goes no less for the right of self-ownership than for any other *ius*-right.

None of this would matter, if one considers argumentation nothing more than a game that some people might, and others might not, want to play. However, life is not an optional game for a living creature—and argumentation is not an optional game for an intelligent human creature, i.e. for man as a reason-able animal, an *animal rationis capax*. Intelligent creatures can define any number of different games that can be played using a square chessboard with 8 columns and 8 rows and 32 chess pieces, or using a rectangular soccer field (90 to 120 metres long, 45 to 90 metres wide, divided in 11 sections) and a spherical ball. Using their intelligence, they can design any number of games that require the players to be more or less intelligent. They can design any number of games for testing intelligence but not any number of ways of being (as distinct from giving the appearance of being) intelligent. Quoting Cicero, we may say that intelligence is the faculty, “which alone gives us so many advantages over beasts,” “by means of which we conjecture, argue, refute, discourse, and accomplish and conclude our designs”²¹, regardless of the subject matter of our conjectures and refutations, our arguments, discourses and designs. It is worth noting that most translations use ‘reason’ (not ‘intelligence’) to render Cicero’s term “ratio.” To modern ears, ‘reason’ and ‘rationality’ refer primarily to the ability to calculate or deduce correctly, following scientifically explicated and validated rules and methods, not to the ability to judge wisely. Paradoxically, it is now quite acceptable to speak of animal intelligence but not of animal rationality, even though the evidence that animals can calculate correctly (e.g., the force needed to jump from one branch of a tree to another) is quite strong, while there is no evidence that they conjecture, argue, refute, discourse in search of wisdom. Because they calculate intuitively but not methodically, they are denied rationality.

²¹ Cicero, *De Legibus*, I§10 (My translation, based on Adolf de Mesnil’s 1879 edition).

Debunking intelligence and idolizing calculating or deductive reasoning is a characteristic of “modern thought.”²²

Notwithstanding my reservations about Hoppe’s restrictive use of “argumentation ethics,” I did not question his insistence on the “a priori of argumentation”—but others did. His intervention was not welcomed by all “Austrians,” including most Misesians,²³ especially those who subscribed to Mises’s conception of rationality as *Zweckrationalität* and persisted in attempts to reduce ethics and politics to “technical decisions based on factual propositions” about the usefulness of “the means to attain ultimate ends.”²⁴ This conception had led Mises to embrace a technocratic view of societal government: “There prevails among the members of society disagreement with regard to the best method for its organization. But this is a dissent concerning means, not ultimate ends. The problems involved can be discussed without any reference to judgments of value”²⁵—i.e. without any reference to choices concerning “ultimate ends” or “absolute values.” For Mises, ultimate ends and absolute values are irrational things, beyond reason, especially beyond the possibility of rational, utilitarian calculation, which he considered the scientific perfection of *Zweckrationalität*. Of course, what Mises meant was that there is no choice between ultimate ends, because there is only one ultimate end that needs to be considered, viz. “happiness”—a subjective notion, which he later reformulated and objectified as “social cooperation” without specifying the end or form of social or other types of cooperation.²⁶

Despite his reputation as a radical, uncompromising classical-liberal free-market economist, Mises had explicitly qualified his liberalism as applying only to a state of affairs in which the optimum population size

²² E.g., J. Ralston Saul, *Voltaire’s Bastards—The dictatorship of Reason in the West* (1992)

²³ An important opponent of Hoppe’s argumentation ethics was Leland B. Yeager, *Ethics as a Social Science: The Moral Philosophy of Social Cooperation* (2001), which was inspired by another utilitarian libertarian economist, Henry Hazlitt (*The Foundations of Morality*, 1964). For obvious reasons, Hoppe’s argumentation ethics was ignored by prominent but non-Austrian utilitarian and libertarian economists (e.g., David Friedman, *The Machinery of Freedom*, 1973, 1989, and *Hidden Order*, 1996).

²⁴ Ludwig von Mises, *Theory and History* (1957), p. 12

²⁵ *Ibid.*, p. 52

²⁶ *Ibid.*, p.12, and the section ‘The Utilitarian Doctrine Restated’, p.55sqq.

is not yet reached.²⁷ Arguably, problems of overcrowding are as old as the first appearance of cities, and cities have always been laboratories for experimenting with illiberal forms of government, not paragons of respect for private property, let alone self-ownership. Today, global overcrowding and its effects are almost daily in the news. Moreover, egged on by the recommendations of today's corporate, technocratic elite, the hot money is in constructing "smart cities"—read "central planning," "total surveillance," "block-chained digital currencies," "Happiness is owning nothing," and other shibboleths of Establishment ideology.²⁸ It is too late to ask Mises what he thought about the multitude of arguments about local, regional or global overpopulation that are doing the rounds. All we know is that he accepted that societal decision-making was a technical matter and should be based on facts—i.e. on facts ascertained by scientifically qualified experts. However, he gave no indication of where one should draw the line between such "facts" and "expert opinions." Nor did he provide an answer to questions about ways to prevent, let alone remedy, the problems of overcrowding. Unsurprisingly, Rothbard felt a growing need to return to the idea of a Natural Moral Law—which implies recognition of absolute, objective values—even if it meant dissociating his Austro-libertarianism from its Misesian presuppositions and their utilitarian and technocratic implications.

More to the point of the main theme of this essay, I do not see how it would be logically possible to subsume argumentation ethics under Mises's concept of human action. Merely stating, "To argue is to act," while true, is not enough. Argumentation does not fit into the subjectivist, relativistic paradigm that the anti-Hoppean Misesians hold dear above all: "All values are relative and subjective."²⁹ How can argumentation do what it is supposed to do, if argumentation does not imply

²⁷ Ibid., p.40: "So long as there is social cooperation and population has not increased beyond the optimum size, biological competition is suspended."

²⁸ Patrick Wood, *Technocracy—The Hard Road to World Order* (2018)

²⁹ Many assume that "absolute values" connote medieval obscurantisms such as "the human conscience," from which Luther's doctrine of "private conscience" supposedly had liberated modern man. (Never mind that "private conscience" is a *contradictio in terminis*, unless one equates the "con" in "conscience" with the "con" in "conman.") Luther's doctrine eventually came down to the Humean and Hayekian "Go with the flow of your neighbours," then Kant's "Criticize freely, but obey" and Mises's "Think what you will, but be a social co-operator."

its own inarguable, absolute and objective norms and values? How can it do so, when, according to Misesian methodological preconceptions, argumentation can be nothing more than a subspecies of negotiation, of seeking to reach a compromise? Argumentation, negotiation and debate are unique to humans—they involve speech and logic. No other animal or natural object exhibits anything that resembles human argumentation, negotiation or debate. However, while making threats and promises is the common fare of negotiations, it has no place in argumentations. Argumentation also differs from debate. In a debate one seeks the applause of a majority of the audience, often with rhetorical tricks or demagogical chicanery. The uniqueness of argumentation is that it alone presupposes common sense or common knowledge in the specific sense of *conscientia*, conscience. Conscience is the *conditio sine qua non* of argumentation. To argue is to appeal to another speaker's conscience. From a logical point of view, argumentation is different from making a sales pitch, which appeals to another's personal interests or preferences, to his prejudices, fears and hopes.

Argumentation does not seek to play on another's particular interests, preferences or prejudices. Rather, it plays on what people agree they ought to agree on, on what they know in their hearts they cannot deny, even if, as a matter of fact, they are not inclined to pay much attention to it. Argumentation starts from the common knowledge of human fallibility—*Errare humanum est*. It appeals to one's sense of values such as Truth, Logic, Justice, Goodness and the like, i.e. values which are not person- or situation-relative and not subjective but absolute and objective—values which no mature (intelligent, conscientious) person can deny without contradicting his claims to intelligence or conscientiousness. The maxim of argumentation is "Take one another seriously as conscientious persons." Superficially, argumentation may seem a mere exchange of words between two persons, between an "I" and a "You," but in reality it is a dedicated, conscientious attempt to uncover the "We" that must be there, if taking one another seriously is to be at all possible. Unfortunately, in the prevailing intellectual climate, conscience is nearly always considered at best an atavistic sentimental illusion, and at worst partisan hypocrisy.

31

Crime, Governments, and Psychopathology from a Praxeological Perspective

Alessandro Fusillo

INTRODUCTION

A few years ago, my wife asked me what I felt knowing Hans Hoppe personally. I answered that it is like knowing Plato or Aristoteles personally and having the occasion to pick their brains over a glass of wine. Except, Hoppe is a sharper and more interesting thinker.

My encounter with Hans-Hermann Hoppe happened by chance. I had been invited to the 2016 edition of Anarchapulco through an American friend. Shortly before the start of the conference, Jeff Berwick interviewed me on his YouTube channel¹ and I talked about the only way to make one's job as an attorney at law compatible with a statist system where, willing or not, you always end up being another cog in the machinery of the Leviathan, namely undermining the system, never accepting contracts from public entities, and fighting to defend liberty and to circumvent the absurd laws of the existing legal regime. If the law is perverted, as Bastiat said,² our mission as lawyers is to oppose the

¹ <https://www.youtube.com/watch?v=tq2UhC6w7go>

² Frederic Bastiat, *The Law* (Irvington-on-Hudson, N.Y.: Foundation for Economic Education, Dean Russell trans. 1950 [1850]; <https://fee.org/resources/the-law/>), p. 5.

Alessandro Fusillo is an attorney in Italy and president of the Italian Libertarian Movement.

perversion. The interview caught Stephan Kinsella's attention, and this is how I became one of the regulars at the annual Property and Freedom Society conference in Bodrum, the finest libertarian conference.

That said, honoring Hans-Hermann Hoppe and trying to write something original in his fields of interest is a daunting task but his books, articles, and speeches are an inexhaustible source of inspiration. My starting point is the opening remark from Hoppe's book "Der Wettbewerb der Gauner" (The Competition of the Rogues): "*Many people who have come to know and appreciate the benefits of competition in the market system believe that competition can cure all things. However, this is not the case. Just as competition in the production of good things makes things even better, competition in the production of bad things makes things even worse.*"³ The scope of this article is the attempt to analyze the incentives to engage in crime from a praxeological point of view and the consequences of the incentive structure. Why is crime so popular and why are we immersed in a social environment where most relationships take the form of a criminal zero-sum-game? Economy is the science of human action, but normally criminal actions are either neglected, because economists prefer to analyze how markets and prices work, or they are overlooked because government intervention in the economy is not perceived as a form of criminality. The result is that "criminal economy" is not a field of great interest. Neoclassical economists who decided to investigate it end up describing, in terms of graphs and equations, platitudes like the fact that criminals balance costs and benefits of their criminal activity, that the higher the possibility of being caught the lower the crime rate, that an aggressor cannot employ all his resources to attack.⁴ Mathematical analysis of human action is a useless heuristic instrument.

³ Hans-Hermann Hoppe, *Der Wettbewerb der Gauner* (Berlin 2012), p. 23.

⁴ Gary S. Becker, "Crime and Punishment: An Economic Approach," *J. Political Econ.* 76, no. 2 (Mar-Apr., 1968): 169–217; Isaac Ehrlich, "The Deterrent Effect of Capital Punishment: A Question of Life and Death," *The American Economic Review* 65, no. 3 (Jun., 1975): 397–417; *idem*, "[Crime, Punishment, and the Market for Offenses](https://www.acaweb.org/articles?id=10.1257/jep.10.1.43)," *J. Economic Perspectives* Vol. 10, no. 1 (1996; <https://www.acaweb.org/articles?id=10.1257/jep.10.1.43>): 43–67; M. R. Garfinkel, S. Skaperdas editors, *The Political Economy of Conflict and Appropriation* (Cambridge University Press 2009).

POLITICAL MEANS AND ECONOMIC MEANS

Human condition is characterized by scarcity. In the final analysis time is the ultimate resource and, although this disproves the Malthusian fears about overpopulation and depletion of natural resources,⁵ comprehension of the human condition entails the consciousness that time is limited for everyone. Even in an imaginary situation where there is abundance of all resources, still it would be necessary at least to choose how to employ time to extract the different resources that make life better.⁶

In his study about the nature of the state Franz Oppenheimer made a distinction between the economic means which is the employment of one's labor for the labor of others and the political means which is the unrequited appropriation of the labor of others.⁷ Labor is of course another way to refer to time. What Oppenheimer defines as political means should be called crime, which is the fraudulent or violent appropriation of another person's time. It may range from the extreme case of murder where the remaining time is cut short forever by the assassin to the lesser hypotheses of the thief or the fraudster who take away private property that had been established previously by mixing not so much one's labor, following the famous Lockean definition,⁸ but time to external factors. The natural law definition of crime, hence, is that of an action that constitutes a negation of the fundamental right of self-ownership, which is the exclusive right of control over time. That criminal law went astray from this basic definition of crime was clear since the very beginning of legal theory⁹ as the lawyers and experts in jurisprudence distinguished between *mala in se* and *mala prohibita*, the former being the actions which are forbidden according to natural law and the latter the ones that are simply prohibited by a certain law and that would be otherwise legitimate because they do not infringe on anyone's time and self-ownership.

⁵ Julian Simon, *The Ultimate Resource* (Princeton 1981).

⁶ Saifadean Ammous, *Principles of Economics* (2023), chapter 3.

⁷ Franz Oppenheimer, *The State*, New York 1926, p. 25; Albert Jay Nock, *Our Enemy, The State*.

⁸ John Locke, *Second Treatise on Government* (1690).

⁹ Aulus Gellius, *Noctes atticae*, VI, IV, 45; A. D. Greenfield, *Malum Prohibitum*, *American Bar Association Journal* 7, no. 9 (Sep. 1921): 493–95

But aren't all crimes simply the expression of certain transient social conditions, beliefs, and values that could change in time and allow for a different consideration of individual actions? Although such a consideration of criminal law is frequent it is nonetheless logically impermissible. A society devoid of objective rules of behavior could not ascertain the truth which, in social matters, can only be researched and found dialectically under the precondition of the equal recognition of the disputants as self-owners.¹⁰ Equality and respect for self-ownership and the exclusive individual right of control over time are the logical preconditions for the discovery of truth employing human logic. This makes a libertarian ethic objectively necessary and avoids the establishment of arbitrary and transient social rules. In fact, this is what happened time and again during history and still happens today. If any conviction is permissible to establish the rules that are needed to solve conflicts over scarce resources, then nothing can be objectively opposed against the rule of the gods or their anointed kings, against the will of the majority, the dictatorship of the proletarians, the supremacy of the Arian race, and the recent religious convictions of woke culture and climate change. And, beyond the ideological superstructures of the moment, any social system could be reduced to "might is right".

INCENTIVES FOR CRIMINAL ACTIVITY

The logical and ethical impermissibility of criminal behavior notwithstanding, there are strong incentives to engage in such activities. Compared to the universal necessity of labor and exchange, crime appears as a comfortable shortcut. The would-be criminal sees the violent or fraudulent appropriation of other people's resources as a simpler and easier way if compared to the inevitability of having to serve his fellow human beings with a product or service that they consider

¹⁰ Hans-Hermann Hoppe, "On the Ultimate Justification of the Ethics of Private Property," in *The Economics and Ethics of Private Property* (Auburn, Ala.: Mises Institute, 1993; www.hanshoppe.com/eppp); see also Murray N. Rothbard, "Beyond Is and Ought," *Liberty* 2, no. 2 (Nov. 1988; <https://perma.cc/8LZR-DN6Y>; also <https://mises.org/library/beyond-and-ought>): 44–45, p. 44.

valuable and that they are willing to pay for.¹¹ Cooperation means the willing exchange of time where both parties to any transaction project their final condition as more desirable if compared with the starting position. This evaluation is subjective and is to be found in any human activity, even in those which are characterized by gratuity. The donor derives a satisfaction from transferring his property title to someone else; solidarity is as much an incentive as profit. Voluntary transactions benefit all participants.

In contrast to this, criminal activity is always a zero-sum game. The advantage of the criminal corresponds to a loss by the victim of the crime. Even worse, the easier the violent or fraudulent appropriation of other people's property for the criminal, the lesser the value that he attaches to the product of his crime. Thus, crime not only entails an involuntary transfer of property but also an asymmetric destruction hereof where the loss of the victim is even bigger than the advantage of the perpetrator.

CRIME AND PSYCHOPATHOLOGICAL PERSONALITY

The criminal's outstanding features are the lack of empathy and the fixation on individual profit. For the attributes that are normally considered typical of the entrepreneur, rugged individualism, and exclusive profit motive, are what describes the personality of a criminal. Of course, there are criminals also in the business world¹² but this represents an exception. Further, what is usually considered a form of business criminality, tax evasion, is simply a form of self-defense against a violent aggressor. The ordinary and prevalent mode of social interactions is that of cooperation and solidarity. The market is often depicted as the place where egoism runs roughshod on the relationships that are to be found in the small groups that constitute the starting point of human history.¹³ Quite

¹¹ Frank Chodorov, *The Rise and Fall of Society* (1959; <https://mises.org/library/book/rise-and-fall-society>), p. 94.

¹² P. Babiak-R.D. Hare, *Snakes in Suits: When Psychopaths Go to Work* (2009).

¹³ Hans-Hermann Hoppe, *A Short History of Man: Progress and Decline* (Auburn, Ala.: Mises Institute, 2015; www.hanshoppe.com/shm); D. Graeber, D. Wengrow, *The Dawn of Everything: A New History of Humanity* (2021).

on the contrary, it is a social mechanism that allows perfect strangers to interact peacefully realizing reciprocal gains.

Further, whereas the “normal” personality all too often falls prey to abstract reasoning and hypostatization¹⁴ the criminal has the capacity to see through the so-called institutions and take stock of the relations of wealth and exploitation which are often hidden for most persons by a veil of ignorance and illusion. The psychopathological criminal sees only his profit or gain; the incentives that move his actions are extremely simplified. The normal person seeks to realize goals which go beyond the accumulation of wealth and power. Values as cooperation and even self-sacrifice, e.g. for the wellbeing of the offspring, are distinctive features not only of the human beings but also of other primates.¹⁵ The psychopath, on the contrary, doesn’t share these common values because his quest is only the search for wealth and power. Paradoxically, this makes the criminal a sharper thinker and enables him to pursue his scopes ruthlessly, at the cost of cheating, lying, and murdering. Obviously, there are degrees of psychopathological personalities: in criminology there is an overall distinction between violent criminals and criminals that aren’t willing to go beyond stealing and robbing, maybe using but never making true the threat of violence. The most successful criminal, however, is the most ruthless, the one that shows less scruples. In the competition of the rogues¹⁶ the winner is always the worst.

INCREASING MARGINAL RETURNS FOR CRIMINAL ACTIVITY

No matter how easy the act of appropriation, a distinctive feature of criminal activity are the ever-increasing marginal returns for any additional unit of appropriated goods or services. This helps to explain the existence of a ranking of the criminals according to the increasing success in their undertakings.

¹⁴ Ludwig von Mises, *The Ultimate Foundations of Economic Science* (1962), p. 78; Giampiero De Bellis, *Magic Words and the Fallacy of Hypostatization* (2013; <https://polyarchy.org/basta/sussurri/hypostatization.html>).

¹⁵ F. De Waal, *The Bonobo and the Atheist* (2013).

¹⁶ Hans-Hermann Hoppe, *Der Wettbewerb der Gauner* (Berlin, 2012).

The petty criminal is equivalent to the hunter and gatherer who lives from hand to mouth and has no possibility to plan for the future. The little thief or fraudster just sees the immediate result of his crime and his interest is entirely absorbed and satisfied by the object hereof: the robber goes away with the money that he stole from his victim and is contented with it. In the realm of the economic means increasing production, efficiency, and technology makes the accumulation of capital possible and determines the slow process of civilization that goes hand in hand with the lowering of time preference. The lower the time preference the more ambitious the projects that can be performed. Criminal activity denotes an evolution that can be compared to the lowering of time preference and that explains the growth of the criminal organizations and the accumulation of power as compared to the accumulation of capital.

One of the certainties that the criminal must face is the reaction of his victims. The more successful the criminal the fiercer the resistance that he will face. Typically, the resistance to crime takes the form of organized resistance through the setting up not only of physical structures as walls, barbed wires, and fences but also of protection agencies. Self-defense can and often is organized collectively and is the cause for the development of protection services.

The reaction to the existence of these protection agencies is akin to the lowering of time preference in the field of normal economic activity. The wise criminals will set aside at least a part of his loot to defend themselves against law enforcement by hiring lawyers, building safe and effective means of escape, and hiding the proceeds of their crimes where they cannot be found. It is a common experience of any criminal defense attorney that successful robber bands always save a part of the spoils to avoid being caught, to pay for the trial's expenses, to make life in prison more bearable for the ones who have been arrested, and to provide for their families. Occasional cooperation for one or more crimes soon becomes institutional with the building of permanent criminal organizations. The individual thief, robber, or murderer, who, if he worked alone, would reap all the benefits of his crimes for himself, willingly surrenders part of his autonomy and booty because he expects a competitive advantage from being part of a bigger organization not only in his competition with other criminals who exploit the same basin of victims but also in overcoming their reaction.

The same incentive structure that makes for the passage from the petty criminal to the member of a criminal gang is also responsible for the formation of criminal cartels. The gangsters vying for the same group of victims can choose to fight each other or they can agree about their spheres of influence. Both solutions, which are the lesser versions of war and diplomacy, have been tried and are commonly observed and the clever way out of a continuous warfare between gangs is the creation of cartels. For these not only can make sure that the exploitation of the victims takes place in an orderly fashion, but they are also able to oppose an effective resistance to the law enforcement organizations.

Exactly as it is reasonable to implement the passage from petty criminal to gangster, the way of dealing with law enforcement and resistance by the victims can take different forms. First, there will be a technological competition between criminals and victims; the more effective the defense systems the more powerful the means to overcome them. Second, the efficient dealing with the legal system is another fundamental strategy. Third and foremost, exactly as the gangs have an incentive to come to terms among themselves, they can conceive the idea to buy their way into the legal system of resistance against crime and become its owners.

FROM CRIME TO LEGITIMACY

The biggest problem for any criminal organization is the criminality itself, the illegality of their activity and the strong motive for the victims to resist the systematic exploitation of their property and time. The other human beings know instinctively that criminal activity goes against the nature of man as a self-owner that is part of a structure of spontaneous social cooperation based on individual freedom and private property. Hence, the biggest problem for any criminal is his classification within a range of antisocial behavior that makes resistance, self-defense, and social disapproval a likely outcome of the criminal activity. The passage from criminality to legitimacy is the crucial paradigm shift that leads to the implementation of criminal organizations whose power and influence increase exponentially. The key to realize this paradigm shift is the exploitation of the errors of hypostatization and abstract reasoning.

If the criminal organization manages to establish itself as an institution that is necessary or works for the common good, the tendency will be to overlook the individual criminal and consider the abstract institution as a person.¹⁷ Human beings need shared stories and traditions to keep societies together. The successful criminal is a talented storyteller who lacks empathy and hence can lie without remorse and constructs a narrative that makes him the representative of an abstract institution that must be obeyed “for the greater good”. If this trick succeeds, the criminal organizations exit the shady area of crime and assume the denomination of states or governments.

The way how this is achieved can vary over time and space, but the common pattern is that criminal organizations at a certain point in time achieve their passage into the legal system that becomes their property, making resistance by the victims not only futile but even prohibited by the same law whose original scope was to protect self-ownership and equality. One of the commonest developments is the passage from nomadic predators to military elites of nobles or conquerors. Among the earliest forms of criminal activity there was the formation of nomadic robber nations who roamed the countries and sometimes the continents in search of lands, riches, and people to enslave: examples hereof are as different as the Roman Empire, The Mongol Empire, and the Vikings. At a certain point of their historic development these highly efficient and militarily skilled gangs of robbers understood that there is a competitive advantage in remaining in the conquered lands as lords. Refraining from stealing everything and murdering or enslaving everyone in the conquered nations allows for a constant revenue and not an occasional and destructive exploitation. The nomadic or foreign robbers install themselves permanently in the vanquished areas as a military elite that affirms the right to exploit the inferior subdued populations owing to their superior military might and success in battle. Soon the residential robbers also morph into protection agencies that have a strong motivation to protect the victims of their own systematic criminal activity from competing robber gangs that are interested in conquering the same lands. So,

¹⁷ E. Kantorowicz, *The King's Two Bodies: A Study in Medieval Political Theology* (1957), explores the slow personification of the office of the king (crown) until it became an abstract entity separated from the individual office-holder.

the Romans defended the territories of the empire from the incoming barbarians who represented a more primitive stage of the same robbing criminal activity that was the main business of the Romans centuries before the barbaric invasions.

A more modern and yet partly unrecognized transformation from gangsters to government officials is the taking over of existing legal structures—often those that resulted historically from the development from nomadic predators to residential military elites—by very powerful criminal organizations. The examples are highly controversial and should be taken with a good dose of openness to critical evaluation but they are hard to deny. Successful drug cartels managed to hijack entire governments and to buy presidents, judges, and legislators to make them compliant to their interests. The famous drug cartel leader Pablo Escobar allegedly offered the Colombian government to pay off more than 10 billion US\$ of his country's public debt in exchange for a modification in Colombia's extradition laws.¹⁸ The landing in Sicily was twice made possible (in 1860 and in 1943¹⁹) by the cooperation of the mafia whose connection both with the CIA and the Italian government still must be investigated but is a proven fact. Powerful figures that are in a grey area between crime and legitimate business like the robber barons, the Russian oligarchs, bankers, and big pharmaceutical firms can be described as owners of governments and international organizations.

One of the most striking examples of the transformation of crime into legitimacy is the development of fractional reserve banking.²⁰ The act of the banker (depository) who took the monies of his clients (depositors) to loan them for an interest to other clients slowly passed from being a crime to general acceptance to an official sanction by law that makes the bankers debtors of the restitution of a loan and full owners of the depositors' monies. The term bankruptcy is related to the Italian "bancarotta" which means broken bank. In the Middle Ages bankers

¹⁸ <https://thefactbase.com/pablo-escobar-offered-colombia-nearly-10-billion-usd-to-pay-off-the-country-s-debt-if-they-would-change-the-country-s-laws-of-extradition/>

¹⁹ <https://www.wearthemighty.com/mighty-history/how-mafioso-lucky-luciano-helped-the-allies-invade-sicily-in-1943/>

²⁰ J. Huerta de Soto, *Dinero, crédito bancario y ciclos económicos*, Madrid 2009, 7^{ma} ed. 2020, p. 35 ff.

who could not redeem the deposits were subject to harsh criminal and symbolic punishments like the breaking of the bank where they counted the money. It was crystal clear that the appropriation of the depositors' funds was a form of theft.²¹ The final development of the fractional reserve banking is our modern financial system where money is conjured out of thin air without even the effort, as Milton Friedman allegedly put it,²² to take perfectly good paper, cover it with perfectly good ink, and make the combination worthless. Further, criminal counterfeiter as the central bankers are celebrated as saviors of the economy that they supposedly boost with the money they print. The systematic theft through inflation is praised and considered as legitimate and beneficial.

Another effective way to achieve the passage from criminal to legitimate sovereign and ruler is the establishment of protection rackets and the alliance with classes that can reap benefits from using—or sometimes owning—the governmental protection racket.²³ In the development of the governments as institutionalized criminal organizations that operate under the protection of legitimacy it is unsubstantial or simply a matter of point of view who owns the state. You could look at the beneficiaries of the protection racket as clients or as owners of the government²⁴ using their officials as puppets or employees. A modern example comes to hand: the clear impression is that Western governments are owned by big corporations (pharmaceutical industry, weapons industry, financial sector in the hands of a few banking families) and that the empty rite of elections and appointment of prime ministers and presidents is performed only to convey the impression that everything is in good order and that the states as the people of the different nations know them from propagandistic history books actually exist. It is a common phenomenon. When the Roman Republic collapsed, emperor Augustus, who wielded the real military power, left the structure of the republic in place. The senate continued to be convened for hundreds of years, every

²¹ C. Cipolla, *Il Fiorino e il quattrino*, Bologna 2013; G. Villani, *Cronica*, Torino 1991. It may be a coincidence, but the plague that visited Europe and Florence in 1348 came shortly after one of the biggest banking crises in human history.

²² <https://www.anquotes.com/milton-friedman-quotes/>

²³ C. Tilly, *War Making and State Making as Organized Crime*, Part II, Chapter 5, in: P. Evans-D. Rueschemeyer-T. Stockpol editors, *Bringing the State Back In*, Cambridge University Press 1985.

²⁴ Smedley Butler, *War Is a Racket*, 1935.

year new consuls were elected,²⁵ every new emperor pretended to derive his powers from a fictive *lex de imperio*, official propaganda passed over the message that the new ruler had brought back the old order. Soon real relations of power became evident and a kleptocracy of military officials not only owned the government and changed emperors when they refused to please their demands, but was able to ruin the empire extracting huge amounts of money and impoverishing the productive classes until the Roman state collapsed under its own weight.²⁶

The passage from robber to king, from gang of criminals to oligarchy, nobility, or democracy solves the biggest problem that any criminal faces, resistance from the victims. Abstract thinking and hypostatizing the government as if it were a personal entity together with an efficient narrative, fear of a common enemy, and the idea that government is the sole protector against any risk that may appear convenient to secure power extinguishes the tendency by the victims of the crimes to defend themselves. It is a sort of gigantic Stockholm syndrome, at least for the great majority of the simpletons.

INTERNATIONAL LAW, WARFARE, INTERNATIONAL ORGANIZATIONS

Other than the community of the governments' victims, the states live in a condition of anarchy, i.e. there is no superior authority which enjoys a monopoly of violence²⁷ and decision making²⁸ in case of conflicts between themselves. A similar pattern evolves as in the relationship between criminal gangs. The most primitive, costly, and ineffective way to solve conflicts is war. Exactly as a successful mafia family has a keen interest on expanding its territory and base of exploitation, states have an incentive to acquire bigger territories and to have access to a bigger number of

²⁵ J. Dale Davidson, W. Rees-Mogg, *The Sovereign Individual*, 1999, p. 57.

²⁶ Ludwig von Mises, *Human Action* (Auburn, Ala.: Mises Institute 2009), p. 768; Rostovtzeff, *The Social and Economic History of the Roman Empire*, 2nd ed. (1957), p. 468.

²⁷ M. Weber, *Politik als Beruf* (München und Leipzig 1919).

²⁸ Hans-Hermann Hoppe, *Economy, Society, and History* (Auburn, Ala.: Mises Institute, Auburn 2004; <https://www.hanshoppe.com/esh>); Lecture 7, Parasitism and the Origin of the State.

subjects²⁹ whose wealth and resources can be accessed.³⁰ However, wars of conquest and expansion will encounter the resistance of competing governments which defend their basin of extraction. This is one of the reasons why governments time and again manage to present themselves as protectors from external enemies.

Now, whereas it is true that war, as Randolph Bourne famously said,³¹ is the health of the state, yet it puts the very existence of the state at risk because it could entail the destruction of a state and its substitution with another. This is why incentives to go to war are low whenever there is a ruling elite interested in maintaining its property on a certain territory and population.³² On the contrary, a democratic caretaker of a government who reaps only the benefits of the usufruct hereof will be highly interested in going to war, even if this could lead to the destruction of the government that he temporarily owns. The vanquished king loses his kingdom forever, the president, even if he ruins his own country, is sure to accrue personal benefits that outweigh the risks which, anyway, are run by other people.

On the other hand, since victory in war depends on bigger resources, liberal countries are likelier to win and to adopt a warlike attitude because they can count on a stock of wealth that is not accessible to dictatorships and tyrannies that hamper their subjects' economic freedom and capacity to produce goods and services. This is why in the business of war liberal democracies where economic freedoms are more protected tend to be more aggressive and successful in wielding international violence.

These obvious facts notwithstanding, war is a dangerous undertaking and the government gangs have also a strong incentive to find an agreement. As the drug cartels can strike deals on their respective zones

²⁹ Hans-Hermann Hoppe, *A Short History of Man: Progress and Decline* (Auburn, Ala.: Mises Institute, 2015; <https://www.hanshoppe.com/shm/>), Chapter 3; *idem*, "The Origin and Nature of International Conflict," <https://mises.org/podcasts/imperialism-enemy-freedom/origin-and-nature-international-conflict>.

³⁰ Persons are wealth, this is why in czarist Russia the estate of the nobles was calculated in souls, the number of serfs that could be exploited by the feudal overlord; Tolstoy, *War and Peace*, Part I, Chapter 7.

³¹ Randolph Bourne, *War Is the Health of the State* (1918, republished by Anecdota Press 2015).

³² Hans-Hermann Hoppe, *Democracy, the God That Failed* (New Brunswick, 2001): p. 34.

of influence, international law is the solution for conflicts between states. Clausewitz' famous phrase that war is the continuation of diplomacy with other means still holds true. Violent confrontation tends to be an extreme measure.

The other tendency is that of cartelization. Weak governments and states have an incentive to enter international organizations that can afford them protection from possible aggressions from other states and more efficient means to oppress and exploit their subjects. International organizations like the European Union or unions of states like the USA, for example, protect governments from the possibility that their citizens vote with their feet leaving a country that is perceived to be too oppressive or exploitative. Seeing how government officials from different countries voluntarily surrender their nation's sovereignty to foreign interests usually stirs indignation and amazement but it is perfectly understandable from the point of view of a psychopath. The Italian or German people may be attached to the idea of their nation, but this is not the case with the criminals who manage to climb the ranks up to the highest possible echelons of power. They have a clear view of the scope of their political action and follow the pattern of the wise gangster who has an advantage in entering a cartel of gangs. The final development is one world government.

This development, however, contains the seeds of its own collapse. The owner of a criminal gang that encompasses the whole world is bound to have a complete knowledge of everything and, most important, to use this knowledge efficiently.³³ This is impossible, even allowing for the most refined artificial intelligence system, because if it were possible to know everything, still the future would be unknown. The emperor of the world must necessarily fail because he must face the praxeological truth that universal knowledge is precluded, and human choices are unpredictable. This is a glimmer of hope in a world where crime is the commonest and most successful activity.

³³ F. A. Hayek, "The Use of Knowledge in Society," *The American Economic Review* 35, no. 4. (Sep. 1945): 519–30.

32

The Ethics of Physics

David Dürr

Around the mid-1980s,

- when Hans-Hermann Hoppe was delving deep into questions on the ultimate foundation of law, in Frankfurt am Main—while in Basel am Rhein, I was doing roughly the same,
- when Hans became a promising academic at Jürgen Habermas’ chair—while in my office chair, I was dealing with the worries of my clients,
- when Hans was thinking broad in philosophical spheres—while I was trying hard to understand what was going on in a lawsuit,
- and when Hans had completed his habilitation thesis—while I was still working on mine,

around that time Hans already knew that an organization like the state was contradictory in itself—while I wasn’t aware yet to be working on an approach that would ultimately lead to hard-core anarchism.

What came out some years later as my own habilitation thesis was quite close to Hans’s positions, even though we didn’t know each other

David Dürr is Professor of Law emeritus, University of Zürich/Switzerland, and Attorney-at-Law and Notary Public, SwissLegal-Group.

yet and probably had not read each other's writings (which was not difficult for Hans because at that time there were no notable publications from me). When some ten years or so later I realized that state and law exclude each other in a fundamental way I was more and more surprised that nobody else shared this opinion—nobody? Not so a German Professor in the United States. I came across his name in an article by Murray Rothbard. So, I sent an e-mail to that Professor Hoppe and asked whether he is still fluent in German which I later realized on the phone was the case.

And what I also realized, to my great pleasure, was that Professor Hoppe was an uncompromising anarchist: No, not a minimal state, no indispensable core functions of the state—just no state at all! And in addition, Hans told me that he knew some more people of this kind; the ones I later met in Bodrum and at other anarcho-capitalist occasions.

ARGUMENTATION AND DISCURSIVE LAW

Hans Hoppe approaches matters from the top down while my approach is rather bottom up. Hans's "top down" approach of course doesn't mean that he advocates some higher authority to implement what is right or wrong; what is meant is that he derives legitimacy out of a logical *a priori* which will be then applied *on* the physical reality of some conflict.¹ My "*a priori*," however are the facts themselves; it is out of them that legitimacy is derived. Argumentation is crucial, as well, but rather as a consequence than a starting point.

The title of my habilitation thesis (translated from German) was "Discursive Law—Theoretical Foundation of Legal Interference on Social Conflicts."² By "Discursive Law" I meant law emerging out of

¹ See "Hans-Hermann Hoppe, "The Ultimate Justification of the Private Property Ethic," *Liberty* 2, no. 1, September 1988), p. 20, republished as "On the Ultimate Justification of the Ethics of Private Property," in Hans-Hermann Hoppe, *The Economics and Ethics of Private Property: Studies in Political Economy and Philosophy* (Auburn, Ala.: Mises Institute, 2006 [1993]; www.hanshoppe.com/epp). See also Stephan Kinsella, "Argumentation Ethics and Liberty: A Concise Guide," StephanKinsella.com (May 27, 2011; www.StephanKinsella.com/lffs).

² *Diskursives Recht—zur theoretischen Grundlegung rechtlicher Einflussnahme auf überindividuelle Konflikte*, Zürich 1993.

the discourse of the conflict itself, i.e. out of the physical collision of bodies and other things, and not out of theoretical discussions about how the world should be.

By “Social Conflicts” I meant conflicts not between individuals or other typical private law parties such as companies, families etc., but between broader and less clearly defined entities such as neighborhoods, broad interest groups or other subparts of society. My focus was on constellations that are often dealt with as “political” or “social” conflicts that go beyond individual parties. I thought of normative articulations such as protecting the environment, distributing real estate in a just way, strengthening the consumers, helping weak members of society or granting law and order.

Such articulations typically collide with contrary positions, which are no less abstract and open, such as advocacy of economic freedom, of stable property rights, of autonomy of the family or of the right to be left in peace.³ Nevertheless, these *are* conflicts though not between *A* and *B* or between group *X* and organization *Y*. It seemed to me that here there are not parties engaging in such conflicts but instead conflicts *creating* their parties; not preexisting holders of rights and obligations but collisions out of which something like normative subjectivity *emerges*.

Why was and is this interesting? For three reasons:

First, because it makes it plausible that mutual interdependence between conflict and subjectivity is a pattern applicable not only to those broad “political” conflicts but also to any conflict including the typical private law dispute between *A* and *B*. There is a functional connection between physical incompatibility and its subjective articulation, between conflict and argumentation, or—as Hans-Hermann Hoppe insists on a fundamental level—between reality and rationality.⁴

The second reason for this being interesting is this: Those broad “political” positions are so open and so general in scope, that it seems impossible to subsume them under an even more general rule. One usually says that neither side is right nor wrong but that there is no

³ According to Roland Baader, the only true Human Right is the right to be left in peace—by everyone not invited or welcomed (translation from German), cited from Rahim Taghizadegan, at a Roland Baader-Conference in 2016.

⁴ Hoppe, *The Economics and Ethics of Private Property*, p. 347 *et seq.*

higher rule at hand—such as Kelsen’s flopped “Grundnorm”⁵—to be applied on such a broad conflict; all we have is the conflict *as such*. In political practice this means that a decision is made by democratic majority vote, authoritative order or other totalitarian means.

However, we know from the first reason just presented that the conflict itself provides answers about how to solve the conflict: it allows the emergence of mutual subjectivities that become the articulators of argumentation accompanying the conflict into the direction of its solution.⁶

The third reason for this being interesting is that once the solution emerges out of the conflict itself, we do not need the help of an arrogant ruler such as the state.

In a short foreword of my book, I wrote that my Theory of Discursive Law seems to be quite close to the Discursive Theory of Law advocated by the Frankfurt School of Jürgen Habermas, but that still it was not the same. While Frankfurt and in its tradition Hans-Hermann Hoppe emphasize the “Diskurs” in the sense of a scheme or argumentative interaction that enables us to get answers concerning the solution of the conflict at stake, my emphasis was and is more on the incompatibilities of the colliding interests themselves, which too can give answers about how to solve the conflict. Hans solves the conflict by arguing *about* it, while I do it by interpreting the conflict’s own discourse. He is closer to metaphysics with an intrinsic relation to reality, while I am closer to physics with an intrinsic relation to rationality. His ethics lie in argumentation, mine in the laws of the physical conflict.

LAW WITHOUT THE STATE

Now back to rulers. They are not necessary anymore once the conflict creates its solution itself. Rulers are not necessarily arrogant. Rulers

⁵ Hans Kelsen, *Pure Theory of Law*, 1960 and 1967, Originally in German: *Reine Rechtslehre*, 1st ed. 1934, later relativized by himself in *General Theories of Law and State*, 1st edition 1945.

⁶ See also the related discussion in Stephan Kinsella, *Legal Foundations of a Free Society* (Houston, Texas: Papinian Press, 2023; www.stephankinsella.com/lffs), p. 25 n.34, p. 373 n.42 & p. 636, text accompanying n.39.

might earnestly endeavor to do a professional and useful job. For instance, they could understand their function not in the sense of creating and enforcing rules but of searching with scholarly care for regularities of social behavior and then work with these like engineers investigating the laws of reactivity, gravity, friction or inertia and using these for the construction of useful devices and machines. In case a machine gets too hot while running, the wise engineer will react by adjusting the design to better comply with those laws of nature.

If he did not react this way and his machines kept exploding or melting, he would soon be out of business. If he reacted by forbidding the machine to behave this way, he would be laughed at as a lunatic. And if, in addition, he even forbade other engineers to be wiser than him, to delve deeper into the laws of nature and to develop more sophisticated machines, then he would behave in just the way the state does with the laws of social behavior.

The history of European law reaching back to ancient Roman law, as well as to tribal Germanic law and other traditions, resembles the earnest engineering work just described: In general, they dealt with law as something not to create but to understand, not to order but to describe, not to prescribe but to write down in restatements.⁷ Even such a prominent code like the *Corpus Juris Civilis* of the byzantine emperor Justinian was mainly⁸ a compilation of court decisions—decorated with the imperial seal—which experts of the classical era had searched for and collected. As long as the content of such a collection corresponds to the reality of legal practice, the imperial seal, though being dispensable, is at least not harmful.

⁷ The well-known Restatements of the Law edited by the American Law Institute since 1923 are thus in the line of a long tradition that goes back to Roman law compilations, then to European medieval collections sometimes called “Spiegel” and finally to broad scientific restatements of the 18th and 19th centuries. See also the discussion of such codification efforts in Stephan Kinsella, “Legislation and the Discovery of Law in a Free Society,” in *Legal Foundations of a Free Society*; see also Hoppe’s comments on European legal codification efforts and the relative merits of the English common law versus the Romanesque European civil law, in *ibid.*, pp. 346–47.

⁸ Except the *Codex iustiniani*, which was a part of the *Corpus* that contained a collection of imperial statutes mainly in the administrative and military matters; the *Corpus* was collected by order of Emperor Iustinianus between 528 and 534 A.D.

This pattern of searching instead of ordering fundamentally changed in 19th century Europe when the rising nation-states decided to create their own national codes such as the French Code Civil, the Prussian or the Austrian Allgemeines Bürgerliches Gesetzbuch, later the German Bürgerliches Gesetzbuch or the Swiss Zivilgesetzbuch. The raw material of these voluminous and encompassing codes consisted mainly of field research by scholars of law and legal history and so the first editions of these codes were something like a snapshot of the reality of law at that very moment.

But then a dramatic change took place: The codes as such once issued by the state became *the source of law*.⁹ Their force was not based any longer on material criteria such as justice, God, reason, nature, naturalness, tradition etc. but on the mere fact that they were decided by the official state legislator.

This was the original sin in the evolution of law.¹⁰ Not because justice, God, reason, nature, naturalness, tradition etc. would grant an uncontested foundation of law, but because *nobody* else does either. Therefore, *nobody* should have the competence to ultimately *decide* what the law is. And even less so should somebody pretend *to be the foundation of law himself*—as the state does. No wonder that it used its function less and less for its original task of legal engineering in the sense described before but abused it more and more for the purpose of its own power with all those terrible excesses of statist totalitarianism emerging in the 19th and 20th centuries.¹¹

⁹ See, on this, Kinsella, “Legislation and the Discovery of Law in a Free Society,” the section “Appendix: Legislative Supremacy in the Civil Code.”

¹⁰ The famous essay by Friedrich Carl von Savigny of 1814 (1st edition), Of the vocation of our age for legislation and jurisprudence (original in German), vividly but unsuccessfully warned against this tendency.

¹¹ Such as e.g. the 1935 Nürnberg Race Legislations, that were not just ordered by the NSDAP, but carefully formulated in statutes that in turn were passed by the official legislator, i.e. the Reichstag, and then officially published in the Reichsgesetzblatt (the official gazette of laws).

CHANTECLER AND THE RULE OF LAW

Nevertheless, it is not easy to imagine *what* law to apply if not the one produced by the state legislator.¹² Who shall make the law if not the state?!

At this question the animal fable of “Chantecler” by the French author Edmond Rostand¹³ always comes to my mind: Every morning Chantecler the proud cockerel of the hen house, loudly and solemnly shouts out his cry, and thanks to his strong will and voice the sun rises. That is why Chantecler’s authority is uncontested. All hens are convinced: Who makes the sun rise if not Chantecler?!

We as enlightened human beings know of course that the sun rises anyway with or without Chantecler, the hens do not need the cockerel to care for light instead of dark. But astonishingly, many of us think that we need the state to care for right instead of wrong, that we need state legislation to forbid murder. But: Is it forbidden to kill somebody because the state’s penal code says so? Or do all the states’ penal codes contain such paragraphs because it is forbidden anyhow? Of course, the latter is true, and not in less an obvious way as it is true that Chantecler’s cry is not the cause but the consequence of (or maybe another correlation to) the sunrise.

This corresponds to a principle we experience in everyday life and scholars articulate as one of the strongest phenomena of the world: The Rule of Law. It says that this world—

- does not function by independent willfulness of Gods or cockerels or others,
- and neither by causeless coincidence,
- but by rules such as e.g. the laws of gravity or of ‘action equals reaction’ or by many other regularities of nature, evolution, behavior, thinking etc.

This Rule of Law is not in force because somebody orders its enforcement but because it’s there. To take the classical Newtonian example,

¹² This problem might be smaller for Common Law traditions, where private law issues are traditionally decided on the basis of precedents, but here too public regulatory matters are dominated by state produced legislation.

¹³ Edmond Rostand, 1868 to 1918, a French poet and dramatist, who wrote “Chantecler” in 1910.

it's no coincidence that an apple falls to the ground once it breaks from the branch of a tree. The next apple breaking from the branch will fall down the very same way; and again, not because somebody orders it *should* do so but because it *does* so.

Interestingly the term “Rule of Law” is used not only by natural scientists such as astro- and quantum physicists¹⁴ but also by those who try to attribute legitimacy to the state. These too, advocate the “Rule of Law” which allegedly means according to the same trilogy, that the state—

- does not function by independent and thus arbitrary will of the government,
- and neither by causeless coincidence,
- but by the legal laws that apply to everybody, to the small and the big, the poor and the rich, the citizen and even the state itself.¹⁵

It is namely the first and the third of these elements which played and still play a prominent role when subordinates argue against arbitrariness of their leaders and when the latter try to put themselves in a good light. It would reach beyond this short essay to show how the state, though solemnly advocating these principles violates them in a systematic way, by definition, so to speak.¹⁶

So let us return to the Rule of Law in that broader and rather “natural” sense in order to derive from it the foundation of the law, and then to show the unlawfulness of state behavior.

¹⁴ Cf. Stephen Hawking & Leonard Mlodinow, *The Grand Design* (New York: Bantam Books, 2010).

¹⁵ An early example of Scottish Enlightenment is Samuel Rutherford, *LEX, REX, or the Law and the Prince; a Dispute for the Just Prerogative of King and People* (1644).

¹⁶ Beside many others cf. David Dürr, “[The Inescapability of Law, and of Mises, Rothbard, and Hoppe](https://mises.org/library/inescapability-law-and-mises-rothbard-and-hoppe-0),” *J. Libertarian Stud.* 23 (2019; <https://mises.org/library/inescapability-law-and-mises-rothbard-and-hoppe-0>): 160–70, p. 164 *et seq.*

CONFLICT AND ITS RULES

If a body physically collides with another body the force applied to the latter will, in a way, strike back against the former. Everybody has learned this law of Action Equals Reaction (AER) in school and has probably experienced it in his first golf lesson when smashing the club into the ground, and after his second attempt he knows for sure that AER is a reliably foreseeable regularity, i.e. a law.

This law works irrespective of whether it is subjectively perceived. It does not only apply to golf beginners but also to stones colliding with each other. Even though this does not “hurt” the stones in the sense we attribute to this notion, the law of AER produces its full effects: Both stones ricochet away in different directions, one or both break apart etc. And they do it irrespective of whether spectators like us take note of it or whether we can predict what precisely will happen, in what direction stone *A* will fly and in how many parts stone *B* will break, or what precisely will be the consequence of hard stone *A* falling on soft tree *T*, or of tree *T* falling on the head of *Homo Sapiens X*.

Even us as *Homines Sapientes* will not be able to precisely predict what *Homo Sapiens X* will do as a reaction to tree *T* falling on his head. It will be even more difficult than to predict what the stone’s or the tree’s reactions are; for *Homo Sapiens X* will show a much more sophisticated reaction: Apart from the simple and direct application of AER much more complex additional reactions will be triggered such as experiencing pain, then activating moves developed over millennia of phylogenetic evolution e.g. to protect by specific gestures sensitive organs like eyes,¹⁷ then activities probably acquired mainly in the individual ontogenetic evolution such as stemming oneself against the tree and trying to push it away etc. And it becomes even more complex if we assume that *X* keeps his cool and reasonably analyzes his unpleasant situation, then deliberately decides e.g. not to push away the heavy tree to the one side but instead to sneak out himself by the other side.

¹⁷ Such as described by Michael Graziano as a very old element of human behavior influencing many of today’s signs of social communications, cf. Michael Graziano, “The First Smile,” *Aeon* (Aug. 13, 2014; <https://aeon.co/essays/the-original-meaning-of-laughter-smiles-and-tears>).

If in fact there is a Rule of Law, all these hardly predictable reactions are but applications of it. Then, even those “analyzing” decisions e.g. to sneak here instead of pushing there are neither arbitrary nor accidental but follow natural regularities. There are good reasons to follow this approach even though it increases the complexity in comparison to simply rationalistic or to simply naturalistic theories.¹⁸ Why not combine both these aspects, i.e. taking rationality as a reality without ignoring its biology and exploring nature without omitting its subjective elements.

In any event the collision between tree *T* and homo sapiens *X* and the pains it produces to the latter provoke subjective reactions with a tendency to fight against *T*. While pushing it away *X* would probably shout “Away, you bloody tree!,” and once escaped out of his unpleasant position he would perhaps “punish” the tree by angrily kicking it. You are probably familiar with such reactions from your own experience: You inadvertently push against a table which hurts you and makes you blame and even beat the wicked table (which hurts you again, *Actio = Reactio*). In other words, the collision creates pain which in turn gives rise to subjective perception and thus articulation of blame, which again urges one to react against the colliding body, and finally allows the emergence of rational classifications of “wrong” or “unjust” or “illegitimate” etc.

RULES AND THEIR ARGUMENTATION

And of course, the same will happen, in reciprocal duality, when *Homo Sapiens X* does not collide with a tree but with *Homo Sapiens Y*. Then, both *Homines Sapientes* will suffer pain, both shout at the opponent, both blame each other and be convinced that the opponent is wrong and illegitimate. In a more cultivated context, they will develop the mutual shouting into a discussion, the pains suffered into the argument of “my property” and the blame of wrongness into the more sophisticated and abstract theory of “violation of a right.”

¹⁸ Cf. high interdisciplinary complexities e.g. in approaches by Edward O. Wilson, *Sociobiology*, 2nd ed. (1980); Margret Gruter, *Law and the Mind: Biological Origins of Human Behavior* (1991); Richard D. Alexander, *The Biology of Moral Systems* 2nd ed. (2009).

It seems though that corrective reactions to physical interferences as well as the accompanying debates and also the theories invoked during such a corrective process are but functions of the physical incompatibility of the collision—and not the other way round: There are no “rights” at the outset that must be implemented into this “wrong” world, but there are collisions in the world that lead to mutual reactions, to verbal debates and to subjective rationalizations accompanying the whole process.—To put it blasphemously: In the beginning was the *World*—the *Word* came much later.¹⁹

Reality is of course much more complex. This is particularly true of rationality and its articulation in the context of argumentation. Rationality and argumentation are far from being mere byproducts decorating physical processes. They are powerful elements which not only accompany but also strongly influence the course of things. Therefore, many effects of argumentation, such as embarrassing or convincing the opponent and thus causing him to behave in a less incompatible way or alerting bystanders to support the arguer’s position etc., may show patterns of influence from an outside rationality taking influence on reality.

This in turn means that argumentation is a *normative* kind of articulation, not a *describing* one. By *arguing* one takes up a position against an opposing allegation which in turn is typically formulated in a respective counterargument. This normative aspect is particularly strong when the cause of argumentation is a physical conflict such as the one between *X* and *Y* just mentioned. Both sides not only shout in pain and anger and probably rebuff each other, but each of them *argues* that he is right, and the other is wrong. In a first instance this means nothing more than that the other’s body collides with his and that from his body’s position this is a negative impact. But “argument” means more than this. Etymologically the notion stems from *Argentum* = silver, the brightly shining metal, and insofar alludes to putting light on the object of argumentation. Arguments therefore specifically have to do with the object of conflict, they are insofar derived from the illuminated facts of the conflict at stake.

¹⁹ As bluntly opposed to John 1:1, In the beginning, the Word existed... (according to “International Standard Version”).

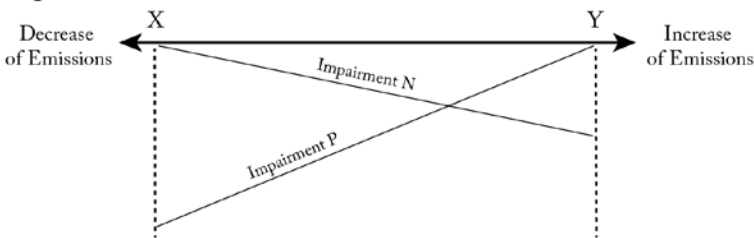
And when the parties then succeed in pursuing this specific path of argumentative illumination, and not in influencing the opponent by intimidation, fraud or coercion, then *ethics of argumentation* take place.²⁰ Not however ethics in the sense of some substantive moral principles created in heaven to be applied on earth, so to speak, but ethics in a procedural sense; no ethics of *what* but of *how*; no ethics of *good* but of *correct*; no ethics implemented by some creator of morals but emerging out of the conflict.

ARGUMENTS AND THEIR FORCE

But again: *How* can the pure facts of some conflict induce substantive answers about its solution? For incompatibility as the core of the conflict is mutual and identical for both sides (*Actio = Reactio*). At first glance, therefore, it seems that the conflict as such does not contribute very much to a solution; why should *X* and not *Y* be the one to prevail or to retreat respectively?²¹

As an approach to find argumentative solutions out of the conflict, one might consider the mutually caused impairments suffered by the parties and then decide in a utilitarian way, i.e. to give preference to the party whose impairment in case of retreat is smaller than it would be for the opponent:

Figure 1



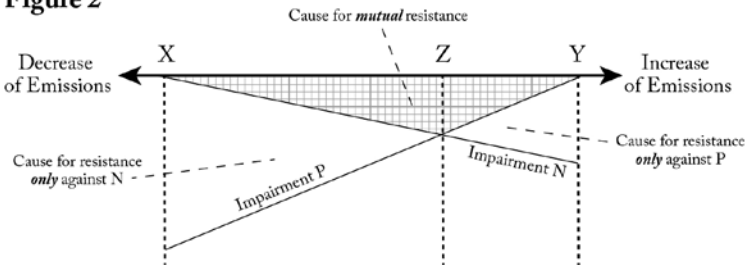
²⁰ See Hoppe's work cited in note 1, above, *passim*.

²¹ We will see that the main feature of state made law is that it makes such an illegitimate distinction between *X* and *Y*, i.e. that for the state itself there are fundamental privileges in relation to normal citizens, *infra* the section "Arguing with the Mugger State."

Shall e.g. (Fig. 1) producer *P* go ahead producing up to point *Y* even though this creates unhealthy consequences for neighbor *N*? Or the other way around, shall *N* have the right to push back *P* up to the point *X* which causes high costs or losses for *P*? What is higher rated, health or wealth? What is worse, impairment of *N*'s health or reduction of *P*'s profit? It is obvious that such a confrontation will hardly bring forth any criteria acceptable to both sides: *P* will hardly be convinced by the Pro Health Argument, *N* hardly by the Pro Wealth Argument. And, above all, usefulness is not part of the incompatibility.²²

Another approach however opens opportunities for answers: Since argumentation—as shown before—stands in a close functional relationship to the collision at stake, the extent of the mutually caused impairments proves to be a consistent criterion. And so, the more one position is pushed back the more intensive is its subjective perception and the “stronger”—in *this* very sense of the word—are its arguments. Applied to the conflict between Producer *P* and Neighbor *N* this means that the answer cannot be *either* for *P* or for *N*, but *more* for the one and *less* for the other. The more the constellation tends toward point *X* the higher the subjective perception of a negative effect by *P* or by its entourage or by broader parts of society, and the other way around in the opposite direction.

Figure 2



In any event there will be a tendency towards leveling off at the crossing point *Z*. Not because this is the objectively true or the morally just

²² This dilemma is well known in connection with the prominent “Coase Theorem” according to which the socially most effective positions will prevail in any event, R.H. Coase, *The Problem of Social Cost*, J L&E 1960 III, p. 1 seq.; on the other hand it leaves undecided which of the parties is better or worse off.

solution but because at point *Z* the arguments against *P* and those against *N* will be balanced. This in turn does not mean that the positions stabilized at point *Z* are valued to be equal as such, but that the mutually graded arguments reach the same intensity; at this point each of them needs more force to improve his position than his opponent to avoid an impairment of his.

There remains however still the question of how such an outcome will be enforced if one side refuses to comply.—This this question has already been answered: The described force of the arguments mirrors the force of the respective reactions against the collision. The strength or the weakness of mutual arguments corresponds to the strength and weakness of the mutual reactions. The stronger a reaction the stronger its arguments and consequentially the stronger the tendency toward *physical* influences into the “right” direction and thus towards “enforcement” of the outcome of argumentation.

Probably the strongest effect of the strength of an argument is the involvement of others by catching their attention, by provoking perception of their own pain with bystanders in view of the facts of the conflict etc. In other words, the stronger an argument for one side of the conflict, the greater the probability for additional subjective perception und hence for “collecting” additional parties supporting this side of the conflict.

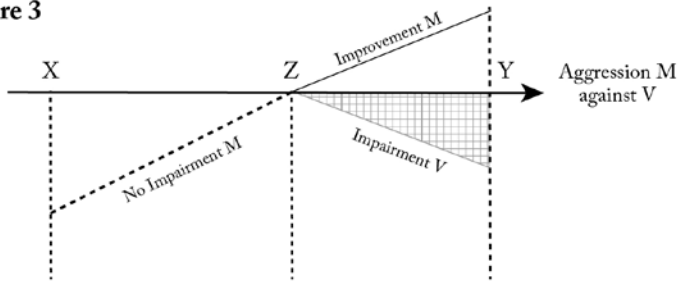
ARGUING WITH THE MUGGER STATE

There are constellations that do not fit into the mutual reciprocity just described. Imagine a mugger taking away 100 dollars from his victim and being now confronted with the claim to pay back the money; shall he now argue that for him to give the 100 back is the same impairment as for the victim to be deprived of 100? And that therefore they should find a mutually balanced solution, e.g. by giving back 50 so that in the end either side has 50 and loses 50?—Certainly not, but why not?

The mistake in this mugger’s reasoning is to ignore the time element. Of relevance is not a specific situation but a change of facts, not a moment but a process, not a snapshot but a movie. And this movie shows at the beginning of the plot a situation at point *Z* without any

incompatibility, then an interference takes place by the mugger for reasons he values to be in his interest, such as to be enriched or to dominate another person. This in turn means that unlike in Fig. 2, the curve of the mugger M towards point Y runs upwards into the positive area while the victim suffers a corresponding impairment, so his curve V runs downwards into the negative area:

Figure 3



As shown in Fig. 2, the more the victim's position is pushed back by the mugger, the more negative is his subjective perception, the more intensive his reaction and the "stronger"—again in this very sense of the word—its arguments. The effect of this will be to slow down the mugger's move or rather to stop him and ultimately wind back the movie altogether until the outset of the plot. In short: The mugger must pay back the full amount of 100.

Unlike in Fig. 2, where *both* producer P and Neighbor N *mutually* react against each other and thus *reciprocally* initiate slow down effects, there is no mutuality in the mugger-victim constellation. Here is no stopping effect on the mugger's side *against the victim*. The mugger will not be supported by reactive energies against the victim. In other words: Aggression does not produce strong arguments on its behalf while defense does.

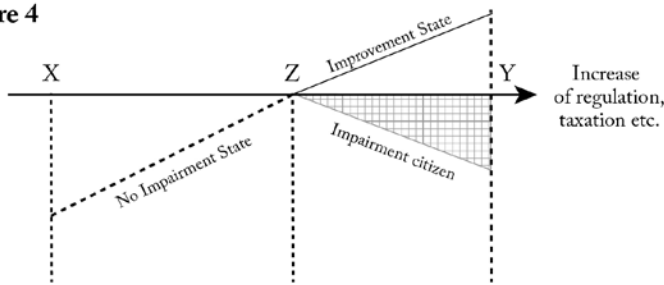
Assuming these quite trivial thoughts make sense for the mugger-victim case, the same must be true for the state-citizen case:

- The state, like the mugger, interferes against his victims, uses, or threatens to use force and so induces them to do things against their own will, e.g. to pay money or to refrain from certain activities or to do certain activities.

- The state's behavior, like the mugger's, is not due to any previous activity of the victims legitimizing the state's position. They did not cause any harm to the state which would explain the latter's action as a reaction in turn; neither did they sign any contract with the state allowing him to enforce a contractual obligation.²³
- The state, like the mugger, may try to argue that to refrain from taking away the money from the victim is equally harmful for him as it is for the victims to be deprived of it. Yet we have seen, of relevance is not a specific situation but a change of facts, not a moment but a process, not a snapshot but a movie. And this movie shows the state, like the mugger, approaching his victims, ordering them to hand over their wallet or to file their tax return respectively and then collects the loot, if need be, by force.

This leads to the very same state's curve S which starts at point Z and then runs upward toward point Y while the victim citizens' curve runs downward and therefore creates resistance along with strong arguments against the mugging state:

Figure 4



²³ Nevertheless, the state usually invokes a “contrat social” allegedly approved by the citizens. However a contract can only be binding for those having voluntarily approved it, which is seldom the case. Jean-Jacques Rousseau, *Du contrat social*, book I chapter 5, emphasizes unanimity for the first contract, while in this first contract majority votes can be agreed upon for future decisions.

And here again the natural reactive tendency “rewinds the movie back” to point Z where the curves are crossing at value zero. I.e. the mugging state must pay back all the money und refrain from mugging people in the future. And the same applies to all other interferences he commits against the citizens.

In sum we have a clear and simple case, a sort of exemplary constellation to show how the natural Rule of Law gives access to solutions derived out of the conflict itself, and namely the one between the state and its citizen victims.

ARGUING WITH HANS

Back to Hans Hoppe’s ethics of argumentation and my ethics of physics: The example of the arrogant mugger state makes clear that the two ethics essentially belong together. It is the State’s unbalanced encroachment on the citizens’ positions which provoke reactions from the victims’ side to resist. These reactions include outraged exclamations, verbal articulation, and in the case of *Homo Sapiens* also rational argumentation.

Rational argumentation in turn enables the holders of colliding positions to accompany their (physical, economic, social) conflict on a more abstract meta level. This level, however, is not in another world, it is not its function to get justice from an outer sphere, but to mirror the real conflict as accurate as ever possible. The more this succeeds the higher the chance to find out who is the mugger and who the victim.

As to this, Hans and I came to the very same conclusion, he from top down, I from bottom up. It is a pleasure to celebrate this at his 75th birthday!

33

Defamation as a Type of Intellectual Property

Stephan Kinsella*

PERSONAL NOTE

I first encountered the thought of Hans Hoppe in the pages of a 1988 *Liberty* magazine article where he put forth a provocative new defense of libertarian rights: his “argumentation ethics.” I was fascinated by this and by his subsequent books.¹

A few years later, as a young lawyer, I also began to publish articles on various aspects of libertarian theory, first, on my own “estoppel” based theory of rights, which was heavily inspired by Hans’s own work, and

¹ See Kinsella, “How I Became a Libertarian” and “On the Logic of Libertarianism and Why Intellectual Property Doesn’t Exist,” both in *LFFS*, and *idem*, “[Argumentation Ethics and Liberty: A Concise Guide](#),” *Mises Daily* (May 27, 2011).

*Thanks to Jule Herbert and Jared @RadicalLiberty (Twitter) for helping me find the original, 1973 edition of Rothbard’s *For a New Liberty*, so that I could verify that his arguments about defamation law in later editions of the book were also present in the very first edition (before Block wrote on it also in 1976).

Most of my own publications cited in this book may be found at www.stephankinsella.com or www.c4sif.org/aip. I hereby grant a CC0, no rights reserved, license in this chapter.

Stephan Kinsella is a libertarian writer and patent/IP attorney in Houston. His publications include *Legal Foundations of a Free Society* (Houston, Texas: Papinian Press, 2023) (hereinafter *LFFS*); *idem*, *Against Intellectual Property* (Auburn, Ala.: Mises Institute, 2008) (hereinafter *AIP*); *Trademark Practice and Forms* (editor; Thomson Reuters, 2001–2013); and *International Investment, Political Risk, and Dispute Resolution: A Practitioner’s Guide*, 2nd ed. (co-author; Oxford University Press, 2020).

then a lengthy review essay on his second English language book, *The Economics and Ethics of Private Property*.² After timidly sending these sparse writings to him, he wrote back warmly, and I was determined to meet him. I attended the John Randolph Club meeting in Crystal City, Virginia, in October 1994, to meet Hans, as well as other Mises Institute luminaries who were attending, including Murray Rothbard.³

The first thing I remember about meeting Hans is how affable and approachable he was. In response to my deferential “Dr. Hoppe,” he immediately said, “call me Hans.” We became fast friends. When Rothbard died just a couple months later Hans became editor of the *Journal of Libertarian Studies*. After publishing many of my articles, he eventually asked me to serve as book review editor, and he continued to encourage and nurture my publishing and intellectual development. And so our friendship and relationship has continued, to these past thirty years, including deep involvement with his Property and Freedom Society, inaugurated in 2006. When the *JLS* was in disrepair, he supported my creation of *Libertarian Papers* in 2009, which I published for ten years until the *JLS* was ready for a re-launch. Hans’s work and friendship have profoundly affected my life. It has helped make me who I am, my work what it is, and it has infinitely enriched me. It has also been gratifying to see his work illuminate and inspire so many others—those interested in truth, in liberty, and sound economics. We are all his grateful and humble students.

In honor of his 75th year, I’d like to say: Happy birthday and cheers to Hans, the king of liberty, my dear friend, and a treasure to the world.

INTRODUCTION

“Intellectual property” (IP) law includes a variety of legal rights, including patent (which protects rights to inventions), copyright (original, creative artistic works), trademark (brand and product names),

² Hans-Hermann Hoppe, *The Economics and Ethics of Private Property: Studies in Political Economy and Philosophy* (Auburn, Ala.: Mises Institute, 2006; www.hanshoppe.com/epp); my review is “The Undeniable Morality of Capitalism,” in *LFFS*.

³ See references in note 1, above, and Kinsella, “Meeting Rothbard and Hoppe: John Randolph Club, 1994,” *StephanKinsella.com* (Oct. 16, 2023).

trade secret (proprietary, secret knowledge), and others. I argue in this paper that IP is an artificial and loaded category of law that was created to defend patent and copyright when these laws were (rightly) under attack in the 19th century, and that if trademark is to be included in this category, defamation law should be also. The arguments in favor of trademark and defamation law are similar, and the criticisms of them are also similar. Those who appreciate why defamation law is unjust should also understand why trademark law is also unjust. By seeing the common connections between accepted types of IP and defamation, it becomes clearer that every type of IP, and defamation law, are all unjust laws.⁴

THE EMERGENCE OF “INTELLECTUAL PROPERTY” AS A LEGAL CATEGORY

In today’s world we are used to the concept of IP law or IP rights, often referred to just as IP. IP includes the “paradigmatic quartet” of patent, copyright, trademark and trade secret.⁵ The first two are creatures of statute and the latter two, while now also protected and supplemented by various statutes, initially arose on the common law. There are also newer forms of IP, mostly based in statute, such as moral rights, database rights, semiconductor maskwork protection, boat hull designs, “gathered information” or other informational rights, some privacy rights, aspects of the right to publicity, and others.⁶ And who knows

⁴ To be clear, it is not defamation *itself* that is a type of IP. Rather, the reputation rights protected by defamation law should be classified as IP rights.

⁵ See Bryan Cwik, “Property Rights in Non-rival Goods,” *J. Pol. Phil.* 24, no. 4 (2016): 470–486, 471, describing these four rights as the “paradigmatic quartet” of IP law. See also Justin Hughes, “The Philosophy of Intellectual Property,” *Georgetown L. J.* 77, no. 2 (Dec. 1988; <https://perma.cc/U4XX-5DZV>): 287–366, p. 292. See also Kinsella, “Types of Intellectual Property,” *CASIF Blog* (March 4, 2011), and *AIP*.

⁶ See also Pamela Samuelson, “[Privacy as Intellectual Property](#),” *Stan. L. Rev.* 52, no. 5 (May 2000; <https://lawcat.berkeley.edu/record/1116878/files/fulltext.pdf>): 1125–75, pp. 1147–48; Charles R. Beitz, “The moral rights of creators of literary and artistic works,” *J. Pol. Phil.* 13 (2005): 330–58 (on “moral rights” of creators of artistic and literary works); and the discussion of *O’Bannon v. NCAA* in Taylor Branch, “The shame of college sports,” *The Atlantic* 398 (2011): 80–110 (on the possibility of property rights in one’s image and public likeness).

what other IP rights are coming down the pike. The IP maximalists keep advocating for ever more IP rights, from the EU’s “right to be forgotten” to fashion designs to website linking and newspaper headline rights.

But until fairly recently the initial quartet of rights were not unified under any umbrella category. “Intellectual property” was not a term. How did it come about?

In the 1800s the Industrial Revolution was underway both in Europe and the United States. Accompanying this was the new US system of state-granted patent and copyright, itself based on earlier English and continental practices. Patent law emerged from the practice of the crown granting monopolies to court cronies in exchange for favors. The English parliament limited this power with the Statute of Monopolies of 1623 but retained the government’s right to grant patents for inventions. Copyright resulted from the attempt by the state to maintain its control over published ideas after the printing press threatened its previous guild-like control, culminating in the Statute of Anne of 1710.⁷ When the US gained independence the authors of the Constitution—some of the country’s most prominent *writers* and *inventors*, of course—included a clause that authorized Congress to enact patent and copyright law, to protect ... *writers* and *inventors*. Congress enacted patent and copyright statutes the following year, in 1790. Europe started to do the same. Patent and copyright law started to become institutionalized and bureaucratized.

Patent and copyright were not opposed at first, although Jefferson tried (and failed) to put a hard limit on their terms during the drafting of the Constitution.⁸ The Constitution provided for patent and copyright, and these state-granted interventions were seen as somehow bound up with the success of the New World and industrialization. Creative and new ideas are good; inventions and innovation are good; books and knowledge are good; it’s right and proper that people be rewarded for the “fruits of their labor.” So arose the myth of IP: the idea

⁷ This history is discussed in Kinsella, ed., *The Anti-IP Reader: Free Market Critiques of Intellectual Property* (Houston, Texas: Papinian Press, 2023), Part I. See also Kinsella, “Rothbard on Mercantilism and State ‘Patents of Monopoly,’” *C4SIF Blog* (Aug. 29, 2011).

⁸ See Kinsella, “Thomas Jefferson’s Proposal to Limit the Length of Patent and Copyright in the Bill of Rights,” *C4SIF Blog* (Dec. 1, 2011).

that state support of ideas can make the world a better place. Without state intervention as a salve for the problem of market failures caused by “holdouts” and “free-riders,” there would be an *underproduction* of creative and innovative works.⁹

But soon opposition arose. The free market economists of the mid-19th century rightly began to see IP rights as contrary to the free market, as artificial monopoly privileges, and primarily as interfering with free trade, sparking a huge debate in the 19th century about IP law. In response to these criticisms, patent laws started being dismantled in various ways. During the second quarter of the 19th century, many statesmen started calling for abolition or more limited patent rights. Patent law was widely opposed in Germany and Prussia; Chancellor Bismarck in 1868 stated opposition to patents; Switzerland’s legislature rejected patent law

⁹ The idea is that normally it’s hard to compete with someone who has a new venture. Thus, they can make enough “monopoly” profits in the early years when exploiting the new idea, to “recoup their” costs of investment, developing the new business model, and so on. But unfortunately, so the reasoning goes, for goods and services where the major part of the value is the pattern or design, such as with a book or invention, then it’s “too easy” for others to compete so you can never “recoup your costs” and thus you won’t bother innovating. So we have an “underproduction” of innovation and creative works, due to free rider and holdout effects, which the state can fix by granting temporarily monopoly privilege grants so that monopoly prices can be charged to enable costs to be recouped. This type of language and reasoning is rife in defenses of pharmaceutical patents. This is how these people think. Cato’s Tim Lee, who otherwise seems skeptical of IP, says that “if properly calibrated” patent and copyright can “promote the progress of science and the useful arts.” See Kinsella, “[Reason’s Tim Lee on Two Decades of Attempts to Enforce Copyright](#),” *CASIF Blog* (Feb. 15, 2012). See also comments about Tom Palmer’s apparently revised views on patents mentioned in note 25, below.

As for the more general issue, see “Richard A. Epstein, *Takings: Private Property and the Power of Eminent Domain* (Cambridge, Mass.: Harvard University Press, 1985), arguing for state interventions when they solve pervasive market failures such as free rider and holdout problems. Unsurprisingly, Epstein also supports IP law. See Kinsella, “[Richard Epstein’s Takings Political Theory versus Epstein’s Intellectual Property Views](#),” *StephanKinsella.com* (Nov. 4, 2011); *idem*, “[KOL364 | Soho Forum Debate vs. Richard Epstein: Patent and Copyright Law Should Be Abolished](#),” *Kinsella on Liberty Podcast* (Nov. 24, 2021); *idem*, “[Richard Epstein on ‘The Structural Unity of Real and Intellectual Property](#),” *Mises Economics Blog* (Oct. 4, 2006); Richard A. Epstein, *The Structural Unity of Real and Intellectual Property* (The Progress and Freedom Foundation, 2006; <https://perma.cc/B8JP-4MWQ>); *idem*, “[The Disintegration of Intellectual Property? A Classical Liberal Response to a Premature Obituary](#),” *Stanford L. Rev.* 62, no. 2 (2010; <https://perma.cc/79X2-9CS8>): 455–523. See also Kinsella, “*Against Intellectual Property After Twenty Years*,” in *LFFS*, Part IV.I, “The Structural Unity of Real and Intellectual Property,” esp. n.75 and accompanying text, *et pass.*

proposals numerous times from 1849 to 1863, and in the Netherlands the patent law was repealed in 1869.¹⁰ The tide was with us.

In response to this threat to their state-granted monopoly privileges, those special interests now dependent on IP—publishers, firms amassing patents to quash competition, and so on¹¹—claimed that IP rights are not monopoly privileges, and that they are actually simply property rights, and *natural* property rights at that. So when the response was, “how can a natural property right expire in 14 or 28 years?” the answer was, well, they are *special* types of property—*intellectual* property, the type of property rights that apply to the products of the intellect. And they often rooted their argument in Lockean ideas about labor, that one ought to own the “fruits” of his labor: just as you own a farm because you mixed your owned labor with it and produced or created it a valuable resource, so you also own a useful idea like an invention or a novel that you create with your mental effort.¹²

¹⁰ See Fritz Machlup, *An Economic Review of the Patent System* (U.S. Senate Subcommittee On Patents, Trademarks & Copyrights, 85th Cong., 2d Session, 1958, Study No. 15), Part II.C; also included in Kinsella, ed., *The Anti-IP Reader*. See also Roger E. Meiners & Robert J. Staaf, “Patents, Copyrights, and Trademarks: Property Or Monopoly,” *Harv. J. L. & Pub. Pol’y* 13, no. 3 (Summer 1990): 911–48, pp. 911–12:

In the Nineteenth Century, the patent debate was characterized in terms of free trade versus protectionism, with “protectionists” favoring monopoly grants to inventors, and the “free traders” against grants. The free traders lost, but not without some battles. A bill to weaken patents passed the House of Lords in England in 1872. Holland abolished patents in 1869, but reinstated them in 1910. Switzerland, which held out against patents longer than any other European country, adopted patents in 1882. Although several portions of Germany did not adopt patents and Chancellor Bismarck announced his opposition to patents in 1868, uniform patents were adopted for the entire Reich in 1877.

For more on this history, see also Robert Andrew Macfie, ed., *Recent Discussions on the Abolition of Patents for Inventions in the United Kingdom, France, Germany, and the Netherlands: Evidence, Speeches, and Papers in Its Favour: With Suggestions as to International Arrangements Regarding Inventions and Copyright* (London: Longmans, Green, Reader and Dyer, 1869); Kinsella, “Nineteenth Century Criticism of the Patent System,” *C4SIF Blog* (June 6, 2023); *idem*, “Against Intellectual Property After Twenty Years,” n.79 and accompanying text.

¹¹ Today the primary special interests pushing for international IP rights enforcement are the American industries of film and music (copyright) and the pharmaceutical industry and some high tech industries (patent).

¹² Thus arose a type of “creationism”—the confused notion, mired in some of Locke’s own stumbles, that property rights come from labor, or effort, or creation (this confused Lockean “labor theory of property” led to the Marxian labor theory of value and also underlies many arguments for IP). See Kinsella, “Law and Intellectual Property in a Stateless Society,” Part III.B, and *idem*, “Against Intellectual Property After Twenty Years,” Part IV.C,

In other words, referring to patent and copyright as “property rights” was pure propaganda to obscure the nature of patent and copyright as artificial state-granted monopoly privileges. This was observed by Fritz Machlup and Edith Penrose in a seminal study in 1950:

There are many writers who habitually call all sorts of rights by the name of property. This may be a harmless waste of words, or it may have a purpose. It happens that *those who started using the word property in connection with inventions had a very definite purpose in mind: they wanted to substitute a word with a respectable connotation, “property,” for a word that had an unpleasant ring, “privilege.”*¹³

As part of this process of establishing the new concept of IP, which was to include the newest, statute-based and most harmful types of IP—patent and copyright¹⁴—to give them intellectual cover, older,

both in *LFFS*; also *idem*, “[KOL037 | Locke’s Big Mistake: How the Labor Theory of Property Ruined Political Theory](#),” *Kinsella on Liberty Podcast* (March 28, 2013). As one IP advocate puts it:

The first usage of “IP” in the extant US legal record is in an 1845 court opinion by Circuit Justice Levi Woodbury, who wrote that “we protect intellectual property, the labors of the mind, . . . as much a man’s own, and as much the fruit of his honest industry, as the wheat he cultivates, or the flocks he rears.”

Adam Mossoff, “Intellectual Property,” in Matt Zwolinski & Benjamin Ferguson, eds., *Routledge Companion to Libertarianism* (London and New York: Routledge, 2022), p. 472 (quoting *Davoll v. Brown*, 7 F. Cas. 197, 199 [C.C.D. Mass. 1845]).

¹³ Fritz Machlup & Edith Penrose, “The Patent Controversy in the Nineteenth Century,” *J. Econ. History* 10, no. 1 (May 1950): 1–29, p. 16 (footnotes omitted; emphasis added). See also Machlup, in his important Congressional study *An Economic Review of the Patent System*, p. 26, quoted in Kinsella, “*Against Intellectual Property After Twenty Years*,” text at n.79:

While some economists before 1873 were anxious to deny that patents conferred “monopolies”—and, indeed, had talked of “property in inventions” chiefly in order to avoid using the unpopular word “monopoly”—most of this squeamishness has disappeared. But most writers want to make it understood that these are not “odious” monopolies but rather “social monopolies”, “general welfare monopolies”, or “socially earned” monopolies. Most writers also point out with great emphasis that the monopoly grant is limited and conditional.

See also Kinsella, “[Intellectual Properganda](#),” *Mises Economics Blog* (Dec. 6, 2010); *idem*, “*Against Intellectual Property After Twenty Years*” (ch. 15), Part IV.I.

Some modern libertarian defenders of IP now argue that IP rights are natural property rights and that the US Founders, Thomas Jefferson, John Locke, etc., also viewed IP rights this way. As I explain elsewhere, this latter view is untenable, although it would be irrelevant even if true. See Kinsella, “*Against Intellectual Property After Twenty Years*,” Part IV.J.

¹⁴ See Kinsella, “[Patent vs. Copyright: Which is Worse?](#),” *C4SIF Blog* (Nov. 5, 2011); *idem*, “[Where does IP Rank Among the Worst State Laws?](#),” *C4SIF Blog* (Jan. 20, 2012).

more established rights, namely trademark and trade secret, needed to be swept into this new artificial category to give it a sense of intellectual coherence and legitimacy. In this way, the more artificial and legislation-based upstarts, patent and copyright, could be protected by the presumed legitimacy surrounding older forms which had some connection to more evolved and organic common law.

Initially there was squabbling among the jurists about what was to be included in this new category of IP. Everyone now agrees that IP includes the *quarto* mentioned above, although the European continental analog of IP, “industrial property,” does not include copyright, as “copyright was for art and not trade.”¹⁵ And some have argued that IP should not include trademark since trademark has to do with marks that identify the source of goods and services rather than “creations of the mind” such as inventions (patent law), original works (copyright), and useful, proprietary, secret knowledge (trade secret).¹⁶ Others argue

¹⁵ See Brad Sherman & Lionel Bently, *The Making of Modern Intellectual Property Law: The British Experience, 1760–1911* (Cambridge University Press, 1999), ch. 8; Wikipedia entry on Industrial Property, https://en.wikipedia.org/wiki/Industrial_property.

¹⁶ See Sherman & Bently, *The Making of Modern Intellectual Property Law*, ch. 8, relating arguments for why trademark should not be considered a type of IP, and the quotation therefrom in note 29, below. See also Rochelle Dreyfuss & Justine Pila, “Intellectual Property Law: An Anatomical Overview,” in Rochelle Dreyfuss & Justine Pila, eds., *The Oxford Handbook of Intellectual Property Law* (Oxford University Press, 2018), § 2, pp. 4–5 & 6, explaining some reasons for not including trademark in the IP classification and also that that trademarks protect the *goodwill* attached to the mark holder’s goods and services. For another criticism of the term IP and this classification scheme and noting arguments against including trademark as a type of IP, see David Llewelyn & Tanya Aplin, *Intellectual Property: Patents, Copyright, Trade Marks and Allied Rights*, 9th ed. (Sweet & Maxwell/Thomson Reuters, 2019), § 1–001 (“There is no single generic term that satisfactorily covers them all. ... ‘Intellectual property’ is the expression used in this book for the whole field, even though it has to be accepted that it is less than a universal definition.”). Others have also criticized the coherence of the label or category “intellectual property.” See Wendy J. Gordon, “Intellectual Property,” in *Oxford Handbook of Legal Studies* (Peter Cane & Mark Tushnet ed., 2003; <https://perma.cc/59GP-HRD8>), §1.1.2.

On opposition to counting trademark as a form of IP, see also note 51, below. Also, in a book critical of IP, primarily copyright and, to some extent patent, the author declines to deal with trademark rights since they are not “rights that primarily grant exclusive exploitation of creative works, but rather as rights which make sure a product or an organisation is clearly identifiable. This said, it should be possible to categorise trademark rights under competition law rather than under intellectual rights.” Andreas Von Gunten, *Intellectual Property is Common Property: Arguments for the Abolition of Private Intellectual Property Rights* (Zurich: buch & netz, 2015), p. 3.

that “traditional” IP includes patent, copyright, trademark, but that trade secret and others are “non-traditional.”¹⁷

In any case, the advocates of patent and copyright won their propaganda battle. The “Long Depression” starting in 1873 turned public opinion against free trade (which was at that time the main argument against IP), leading the anti-patent movement to collapse and modern patent systems to eventually become dominant world-wide, and the term intellectual property to become solidified.¹⁸ And now we have a world where basically every country is a member of various major copyright and patent treaties.¹⁹ The IP advocates won. If today you oppose IP, which is itself socialistic since it is an institutionalized form of aggression against private property rights,²⁰ you are perversely called a communist or socialist.²¹ *Father, forgive them, for they know not what they do.*

THE CASE AGAINST TRADEMARK LAW

Let me now turn briefly to the libertarian case against IP and especially against trademark, before turning to defamation.

¹⁷ See Jeffrey D. Dunn & Paul F. Seiler, “[Trade Secrets and Non-Traditional Categories of Intellectual Property as Collateral](#),” UNCITRAL, Second International Colloquium on Secured Transactions: Security Interests in Intellectual Property Rights, Vienna, Austria (Jan. 18–19, 2007; <https://perma.cc/93AA-WALM>), p. 1.

¹⁸ See note 10, above; also various posts on IP imperialism at <https://c4sif.org/tag/ip-imperialism>. See also Kinsella, “*Against Intellectual Property After Twenty Years*,” Part IV.I, and text at note 19, in particular.

¹⁹ See Kinsella, “[The Mountain of IP Legislation](#),” *C4SIF Blog* (Nov. 24, 2010).

²⁰ Here, following Hoppe, I am conceiving of socialism in general terms as the institutionalized interference against private property rights. See, e.g., Hans-Hermann Hoppe, *A Theory of Socialism and Capitalism: Economics, Politics, and Ethics* (Auburn, Ala.: Mises Institute, 2010 [1989]; www.hanshoppe.com/tsc), pp. 2, 10; *LFFS*, pp. 13 n.6, 360 n.12, 362 n.18, 377–78, 597 n.26.

²¹ Of course communist and socialist countries also have IP law. See Kinsella, “Hello! You’ve Been Referred Here Because You’re Wrong About Intellectual Property,” *C4SIF* (July 13, 2021), subsection “[IP can’t be socialistic, since the Soviet Union didn’t recognize IP law.](#)”

Many libertarians today oppose patent and copyright.²² The case against patent and copyright is fairly simple. In short, patent and copyright are *nonconsensual negative easements* (servitudes) that violate the property rights of those who wish to use their own resources to manufacture devices or to print books.²³ They are legal rights that allow the

²² See, e.g., *AIP*; Part IV of *LFFS*; and Kinsella, *You Can't Own Ideas: Essays on Intellectual Property* (Houston, Texas: Papinian Press, 2023). See also in particular, in the last volume cited, the chapters “The Origins of Libertarian IP Abolitionism,” “The Four Historical Phases of IP Abolitionism,” and “The Death Throes of Pro-IP Libertarianism.” Of course, many earlier libertarians supported IP law, such as Lysander Spooner, Gustave de Molinari, Frederic Bastiat, Ayn Rand, Andrew Galambos, J. Neil Schulman, and so on. See e.g. Kinsella, “[Classical Liberals, Libertarians, Anarchists and Others on Intellectual Property](#),” *C4SIF Blog* (Oct. 6, 2015). Indeed many of them insanely support perpetual or infinite IP terms, such as Spooner, Galambos, some Randians (though not Rand herself; but including her attorney and follower Murray Franck), Robert Wenzel, Victor Yarros, Schulman, and others. See, e.g., Lysander Spooner, “A Letter to Scientists and Inventors, on the Science of Justice, and their Rights of Perpetual Property in their Discoveries and Inventions” and “The Law of Intellectual Property or an Essay on the Right of Authors and Inventors to a Perpetual Property in Their Ideas,” in Charles Shively, ed., *The Collected Works of Lysander Spooner*, vol. 3, reprint ed. (Weston, Mass.: M&S Press, 1971 [1855], www.lysanderspooner.org/works); discussion of Galambos in *AIP*; *idem*, “[Transcript: Debate with Robert Wenzel on Intellectual Property](#),” *C4SIF Blog* (April 11, 2022); and Robert Wenzel, “[Hans-Hermann Hoppe Slams Walter Block Theory](#),” *Economic Policy J.* (Oct. 4, 2014; <https://perma.cc/8CUQ-CGTZ>). Re Yarros, see Kinsella, “[Benjamin Tucker and the Great Nineteenth Century IP Debates in Liberty Magazine](#),” *C4SIF Blog* (July 11, 2022) and *idem*, “[James L. Walker \(Tak Kak\), ‘The Question of Copyright’ \(1891\)](#),” *C4SIF Blog* (July 28, 2022); Kinsella, “Conversation with Schulman about Logorights and Media-Carried Property,” in *LFFS*. See also Jeffrey A. Tucker, “Eternal Copyright,” *C4SIF Blog* (Feb. 21, 2012); and Wendy McElroy, “[Intellectual Property](#),” in *The Debates of Liberty: An Overview of Individualist Anarchism, 1881-1908* (Lexington Books, 2002; <https://perma.cc/ZQM2-82B9>); re Murray Franck, see Kinsella, “[Inventors are Like Unto.... GODS....](#),” *Mises Economics Blog* (Aug. 7, 2008).

²³ See Kinsella, “[Against Intellectual Property After Twenty Years](#),” Part IV.B and *idem*, “[Intellectual Property Rights as Negative Servitudes](#),” *C4SIF Blog* (June 23, 2011). The nonconsensual negative easement is somewhat similar to the triangular invention in Rothbard’s typology of aggressive intervention, which includes *autistic intervention*, *binary intervention*, and *triangular intervention*. See Kinsella, “The Undeniable Morality of Capitalism,” at n. 14. To be even *more* precise, IP rights may be classified as *nonapparent, non-consensual negative servitudes*—and also as *incorporeal movables*. See *idem*, “Intellectual Property Rights as Negative Servitudes”; and *idem*, “[Are Ideas Movable or Immovable?](#),” *C4SIF Blog* (April 8, 2013).

See also Emory Washburn, *A Treatise on the American Law of Easements and Servitudes*, 2nd ed. (Washington: BeardBooks, 2000 [1867]) [4th ed., Revised and Enlarged by Simon Greenleaf Crosswell (Boston: Little, Brown and Company, 1885; www.google.com/books/edition/A_Treatise_on_the_American_Law_of_Easements/6szAQAAAMAAJ); 3rd ed <https://books.google.com/vc/books?id=0M9AAAAIAAJ>], p. 18, discussing *Pitkin v. Long Island*

owner of the negative easement to prohibit the owner of the “burdened estate” from using his property in certain ways. This is the essence of restrictive covenants and homeowners associations where homeowners can block other neighbors’ uses of their own property, except that those negative easements are *consensually granted* by the owners of the burdened property. In the case of patent and copyright, however, these negative easements are *nonconsensual* and simply granted by the state to the copyright and patent holders. The issue of consent is what distinguishes consensual sexual relations from rape; it is why attacking an innocent person is battery but tackling a football player or punching a boxer is not; likewise, it is what makes the nonconsensual negative servitudes of patent and copyright a violation of property rights, a type of state-sanctioned theft or trespass.

Both of these nonconsensual negative easements are harmful, but in varying ways. Copyright law censors speech and the press, distorts culture, and threatens freedom on the Internet; while patent law distorts and impedes innovation and thus human wealth and prosperity.²⁴

The problems with other types of IP, like trademark and trade secret law, can be more difficult to explain and unfortunately even many of those who oppose patent and copyright see no problem with other forms of IP. Libertarian writer Tom Palmer, who penned an early and influential case against patent and copyright, writes that patent and copyright

are creatures of the state, and not the product of an evolutionary process of interaction among interested parties that is later ratified through legal sanctions. (Trademark and trade secrecy laws, however, do emerge from the actions taken in the common law. While they are often lumped together

R.R. Co., 2 Barb. Ch. 221, 231, which held a negative easement or servitude “to be an incorporeal hereditament....” And on classifying IP itself as incorporeal hereditaments, see Frederick Pollock & Robert Samuel Wright, *An Essay on Possession in the Common Law* (Oxford: Clarendon Press, 1888; www.google.com/books/edition/An_Essay_on_Possession_in_the_Common_Law/gAoaAAAAAYAAJ?hl=en), p. 37.

²⁴ See Kinsella, “Patent vs. Copyright: Which is Worse?”, *idem*, “Where does IP Rank Among the Worst State Laws?”, *idem*, “[Costs of the Patent System Revisited](#),” *Mises Economics Blog* (Sep. 29, 2010); *idem*, “[The Overwhelming Empirical Case Against Patent and Copyright](#)” (Oct. 23, 2012); *idem*, “Libertarianism After Fifty Years: What Have We Learned?”, in *LFFS*, n.17 and accompanying text; *idem*, “Law and Intellectual Property in a Stateless Society,” Part III.A; *idem*, “[Milton Friedman \(and Rothbard\) on the Distorting and Skewing Effect of Patents](#),” *CASIF Blog* (July 3, 2011).

with patents and copyrights, my approach would separate them and recognize their legitimacy in a market order.)²⁵

But though much if not most legislation is unjust (except for legislatively adopted codifications of private law, like the continental civil codes, large parts of criminal codes, evidence codes, and so on),²⁶ this does not mean that all evolved law is just. It seems fair to say that a great bulk of the private law that originated on the decentralized Roman law or English common law systems is compatible with basic libertarian precepts, but some law is unjust even if it evolved on the common law.²⁷ Examples would include blackmail law, defamation law, trademark law, trade secret law, and the common-law doctrine of consideration for contracts.²⁸

²⁵ Tom G. Palmer, “[Intellectual Property: A Non-Posnerian Law and Economics Approach](https://perma.cc/DH7K-ZCRV),” *Hamline L. Rev.* 12, no. 2 (Spring 1989); <https://perma.cc/DH7K-ZCRV>: 261–304, p. 280. His second article, published around the same time, is *idem*, “[Are Patents and Copyrights Morally Justified? The Philosophy of Property Rights and Ideal Objects](https://perma.cc/J8LY-L4MQ),” *Harv. J. L. & Pub. Pol’y* 13, no. 3 (Summer 1990); <https://perma.cc/J8LY-L4MQ>: 817–65, and has similar comments, e.g. “Trademarks and trade secrets have roots in the common law and enjoy a contractual or quasi-contractual moral grounding.” *Ibid.*, p. 821 n.8. For these reasons, Palmer uses the term intellectual property to refer only to patent and copyright. Palmer, “[Intellectual Property: A Non-Posnerian Law and Economics Approach](https://perma.cc/DH7K-ZCRV),” p. 264. See also note 43, below, re Jeff Deist’s comments on defamation law if it emerges from the common law.

Interestingly, despite advancing a case against IP rooted in property rights and libertarian principles, Palmer seemed to backtrack on pharmaceutical patents later on, on utilitarian grounds. See Kinsella, “[Cato vs. Public Citizen on IP and the TPP](https://perma.cc/8Q8K-8Q8K),” *CASIF Blog* (Jan 20, 2014); *idem*, “[Cato on IP](https://perma.cc/8Q8K-8Q8K),” *CASIF Blog* (Jan. 30, 2023); *idem*, “[Palmer on Patents](https://perma.cc/8Q8K-8Q8K),” *StephanKinsella.com* (Oct. 27, 2004).

²⁶ For Hoppe’s views on the European civil codes, see Kinsella, “Legislation and the Discovery of Law in a Free Society,” Part V.C and note 152 and accompanying text. This piece also discusses why the bulk of much of (even legislated) continental civil codes, as well as much of the evolved private law developed under the Roman law and English common law, are largely compatible with libertarian principles.

²⁷ See Kinsella “Legislation and the Discovery of Law in a Free Society,” in *LFFS*, n. 61 and accompanying text, *et pass.*, discussing differences between legislation and decentralized systems of private law.

²⁸ On blackmail, see Walter Block, “[Toward a Libertarian Theory of Blackmail](https://mises.org/library/toward-libertarian-theory-blackmail),” *J. Libertarian Stud.* 15, no. 2 (Spring 2001); <https://mises.org/library/toward-libertarian-theory-blackmail>: 55–88; Walter Block, Stephan Kinsella & Hans-Hermann Hoppe, “[The Second Paradox of Blackmail](https://mises.org/library/the-second-paradox-of-blackmail),” *Bus. Ethics Q.* 10, no. 3 (July 2000): 593–622; on trade secret law, see *AIP*; on consideration, see Kinsella, “A Libertarian Theory of Contract: Title Transfer, Binding Promises, and Inalienability,” in *LFFS*, Part I.D. I discuss defamation and trademark below.

Trademark law is unjust because it violates the rights of both competitors of trademark holders, as well as those of the competitors' customers. Let me explain why. One common argument advanced in favor of trademark rights is that trademark protects consumers from fraud.²⁹ There are several problems with this argument. First, trademark law does not require that fraud be proved, but only "consumer confusion"—and, second, not *actual* consumer confusion, but merely the *likelihood* of consumer confusion.³⁰ In many cases, such as consumers paying very low prices for knockoff Chanel purses or fake Rolex watches, the consumers are not defrauded or even confused at all; they obviously know the goods they are purchasing are knockoffs. And yet the products are still seized and destroyed. Even though the seller, and the customers, have not violated the rights of the trademark holder.

Third, the right to sue and collect damages is given *not* to the allegedly defrauded/confused consumer, but to the *holder* of the trademark, who is most certainly *not* confused or defrauded, i.e., not a victim.³¹ And finally, the legal system *already* recognizes fraud and contract

²⁹ See Sherman & Bently, *The Making of Modern Intellectual Property Law*, ch. 8, explaining one reason some scholars opposed treating trademark law as a type of IP or property, is that "trade marks were more concerned with forgery or *fraud*" (emphasis added). As one legal scholar writes:

Trademarks are frequently justified, in the words of one commentator, by the "consumer's right to be told the truth." The Supreme Court itself has endorsed trademark propriety as furthering the "consumer's [right] ... to purchase a given article because it was made by a particular manufacturer." However, this justification based upon consumers' rights is weak. A real consumer's right to the facts would be protected by truth-in-advertising or misrepresentation laws, not by trademark. Trademark is a right of expression for the manufacturer, not a right of the consumer to receive information.

Hughes, "The Philosophy of Intellectual Property," p. 354 (citations omitted). Or as Professor Wendy Gordon writes, "instead of seeing trademark law as allocating rights in a 'thing' called a 'trade-mark', one can rather see trademark doctrines as an elaboration of rights *against fraud*." Gordon, "Intellectual Property," §1.1.2 (emphasis added).

For my own view as to the correct way to view fraud, see Kinsella, "A Libertarian Theory of Contract," Part III.E.

³⁰ [15 U.S.C. § 1125\(a\)\(1\)\(A\)](http://www.law.cornell.edu/uscode/text/15/1125) (www.law.cornell.edu/uscode/text/15/1125).

³¹ As one law professor writes:

[Trademark] rights are closely but ambiguously related to the idea of preventing deception of the consumer. The ambiguity arises from the fact that neither deception nor consequent damages suffered by consumers need be shown in a trademark infringement action. ... Moreover, insofar as premised upon protection of the consumer from fraudulent misrepresentation, such actions present the rather *anomalous*

breach claims.³² So trademark law is either redundant with existing law, and thus pointless, or adds *something else* that requires its *own* justification.

Another argument given for trademark is that it protects the *reputation rights* of firms who build up their “good name.” This is implicit in arguments about goodwill (that trademark protects)³³ which is reflected in the *antidilution* rights of modern trademark law. These antidilution rights prohibit uses by competitors that impair or “tarnish” the original mark’s value *even if* no one is defrauded or even confused.³⁴ The libertarian counter is that there can be no property right in value,³⁵ nor in the

situation of one private person or corporation recovering from another for the latter’s wrongdoing against a third.

Dale A. Nance, “Foreword: Owning Ideas,” *Harv. J. L. & Pub. Pol’y* 13, no. 3 (Summer 1990) 757–74, p. 758 n.7 (emphasis added).

³² “Trademark is a right of expression for the manufacturer, not a right of the consumer to receive information.” Hughes, “The Philosophy of Intellectual Property,” p. 354. See also the quote from Hughes in [note 29](#), above.

³³ See [note 16](#), above; also Nance, “Foreword: Owning Ideas,” p. 758 n.7: “... in practice trademarks are as much a protection of its holder’s *goodwill* as a protection of consumers from deception.” See also the reference to Dreyfuss and Pila in [note 16](#), above. Pamela Samuelson also notes that moral rights, which are considered to be a type of IP, help protect authors’ works from alterations that would be harmful to the author’s *reputation*. See Samuelson, “Privacy as Intellectual Property,” pp. 1147–48. Goodwill is viewed as an intangible asset related to the firm’s *reputation* and ability to acquire and retain customer business. See Wikipedia entry for “Goodwill” (https://en.wikipedia.org/wiki/Goodwill_accounting).

³⁴ See 15 U.S.C. §1125(c); [Federal Trademark Dilution Act of 1995](#) (Wikipedia; https://en.wikipedia.org/wiki/Federal_Trademark_Dilution_Act); [Trademark Dilution Revision Act of 2006](#) (Wikipedia; https://en.wikipedia.org/wiki/Trademark_Dilution_Revision_Act).

³⁵ See Kinsella, “[Hoppe on Property Rights in Physical Integrity vs Value](#),” *StephanKinsella.com* (June 12, 2011) and various discussions in *LFFS* (search for “physical integrity”); *idem*, “[‘Aggression’ versus ‘Harm’ in Libertarianism](#),” *Mises Economics Blog* (Dec. 16, 2009); *idem*, “A Libertarian Theory of Punishment and Rights,” in *LFFS*, n.16; *idem*, “On Libertarian Legal Theory, Self-Ownership and Drug Laws,” in *LFFS*, n.27; *idem*, “Libertarianism After Fifty Years,”; Hans-Hermann & Walter Block, “[Property and Exploitation](#),” *Int’l J. Value-Based Mgt* 15, no. 3 (2002; <https://perma.cc/UQ8U-UM35>): 225–36; Hans-Hermann Hoppe, *A Theory of Socialism and Capitalism*, p. 23 n.11 & 165–68; *idem*, “The Justice of Economic Efficiency,” in *The Economics and Ethics of Private Property*, at 337–38; Murray N. Rothbard, *Man, Economy, and State, with Power and Market*, Scholar’s ed., 2nd ed. (Auburn, Ala: Mises Institute, 2009; <https://mises.org/library/man-economy-and-state-power-and-market>), chap. 2, § 12, p. 183 (“what the enforcing agency combats in a free society is invasion of the *physical* person and property, *not* injury to the *values* of property.”); *idem*, “Law, Property Rights, and Air Pollution,” in *Economic Controversies* (Auburn, Ala.: Mises Institute, 2011; <https://mises.org/library/economic-controversies>), p. 374.

content of others' brains, nor in reputations.³⁶ Potential customers are entitled to believe what they want about anybody and to buy or not buy from any seller. The libertarian argument against trademark law is similar to the case against defamation law, which I discuss below.³⁷

In brief, patent, copyright, trademark, and other forms of IP all violate property rights and are unjust and should be abolished. The mystery is why they are nowadays grouped together under the term "intellectual property" even though they are all so different—and why defamation has been left out.

THE CASE AGAINST DEFAMATION LAW AND REPUTATION RIGHTS

Defamation law also protects reputation rights. The arguments in favor of defamation law are thus similar to those in favor of trademark rights, as are the arguments against. In fact, just as some libertarians unfortunately

Complementing the insight that property rights are not to value but only to the physical integrity of one's resource, is the insight that the non-aggression principle prohibits only actual *aggression* against another, meaning an *invasion of the borders of their property* or *uninvited use* thereof, but does not prohibit "harm" per se. See, on this, references in Kinsella, "A Libertarian Theory of Punishment and Rights," in *LFFS*, n.16, *et pass*.

³⁶ See [note 41](#), below, and accompanying text, *et pass*. The rights protected by defamation law are routinely referred to as "reputation rights." See, e.g., George E. Stevens, "The Reputation Rights of Students," *J. Law & Educ.* 4, no. 4 (October 1975): 623–32. On the legal treatment of reputation rights flowing from defamation as a type of property right, see Robert C. Post, "[The Social Foundations of Defamation Law: Reputation and the Constitution](#)," *Cal. L. Rev.* 74, no. 3 (May 1986; www.jstor.org/stable/3480391): 691–742; also David Rolph, *Reputation, Celebrity and Defamation Law* (Ashgate, 2008), ch. 4; and Paul Mitchell, *The Making of the Modern Law of Defamation* (Oxford and Portland, Oregon: Hart Publishing, 2005), ch. 4 §1 (discussing the classification of the reputation rights protected by defamation law as a property right, in order to justify the issuance of injunctions).

³⁷ One could thus view trademark law as a form of nonconsensual negative easement as well, though a more complicated form: trademark law prevents a competitor from using his property in certain ways, even though he has not violated any property rights of the trademark holder. For further criticism of trademark law, see Kinsella, "[The Patent, Copyright, Trademark, and Trade Secret Horror Files](#)," *StephanKinsella.com* (Feb. 3, 2010); *idem*, "[Trademark versus Copyright and Patent, or: Is All IP Evil?](#)," *Mises Economics Blog* (Feb. 11, 2009); *idem*, "[Trademark Ain't So Hot Either...; Trademark and Fraud; Discussion with George Reisman](#)," *CASIF Blog* (Jan. 13, 2013); *idem*, "[The Velvet Elvis and Other Trademark Absurdities](#)," *Mises Economics Blog* (Mar. 20, 2011).

support IP law—mainly Objectivists and utilitarian-minarchists—many of them also support defamation law. For example Objectivist David Kelley, who is also a pro-state minarchist and even pro-taxation (unlike Rand)³⁸ and of course pro-IP³⁹ once debated civil libertarian Nat Hentoff on defamation and took the pro-defamation law side.⁴⁰ Hentoff, to his credit, opposed defamation law. Hentoff’s argument was rooted mostly in “pro-free speech” concepts. It’s not a horrible argument, but it doesn’t get to the root of the issue.

The classic libertarian case against defamation law was made by Murray Rothbard beginning in 1962 and then expanded in subsequent publications.⁴¹ Defamation law protects *reputation rights*;⁴² it holds that if you publicize (say, repeat, communicate to others) a false statement to someone else which impugns the other’s reputation, you have *defamed* them and can be liable for damages, which can be truly staggering.⁴³

³⁸ See Kinsella, “[David Kelley on the Necessity of Government](#),” *StephanKinsella.com* (May 22, 2016)

³⁹ See *idem*, “Letter on Intellectual Property Rights.”

⁴⁰ See “[Nat Hentoff and David Kelley on Libel Laws: Pro and Con](#)” [Free Press Association Event, 1986], *The Atlas Society* (Aug. 15, 2010; <https://perma.cc/LP48-CD45>; YouTube: <https://youtu.be/ge57bIoTXoY>). Jacob “Bumper” Hornberger also disappointingly supports defamation law. See Kinsella, “[Jacob Hornberger on Defamation and Alex Jones](#),” *Freedom and Law* (Substack) (Oct. 22, 2022; <https://perma.cc/3CKE-TEGY>), responding to Jacob G. Hornberger, “[Alex Jones Got What He Deserved, Part 1](#),” *Future of Freedom Foundation* (Oct. 17, 2022; <https://perma.cc/K9U9-ZJW2>).

⁴¹ Rothbard, *Man, Economy, and State, with Power and Market*, chap. 2, § 12, pp. 182–83 (p. 157 of the Institute for Humane Studies 1962/1970 version). See also *idem*, *For a New Liberty*, 2nd ed. (Auburn, Ala.: Mises Institute, 2006 [1973]; <https://mises.org/library/new-liberty-libertarian-manifesto>); *idem*, “[Knowledge, True and False](#),” in *The Ethics of Liberty* (New York: New York University Press, [1982] 1998; <https://mises.org/library/knowledge-true-and-false>). Many libertarians are ambivalent about defamation law and of course some are in favor (see [note 43](#), below), but many others oppose defamation law. See e.g. Walter E. Block, “The Slanderer and Libeler,” in *Defending the Undefendable* (2018 [1976]; <https://mises.org/library/defending-undefendable>); and Walter E. Block & Jacob Pillard, “[Libel, Slander and Reputation According to Libertarian Law](#),” *J. Libertarian Stud.* 24 (2020; <https://perma.cc/9CMD-45UC>); Gary Chartier, *Anarchy and Legal Order: Law and Politics for a Stateless Society* (Cambridge University Press, 2013), chap. 5, § II.C.2.vi (pp. 278–79), subsection entitled “*Compensation should not ordinarily be available for the non-fraudulent dissemination of false information*”; and Ryan McMaken, “[The Dangers of Defamation Laws](#),” *Mises Wire* (Aug. 14, 2019; <https://mises.org/wire/dangers-defamation-laws>).

⁴² See [note 36](#), above.

⁴³ On the tort of defamation, see, e.g., *Restatement (Second) of Torts* (1977), §558; on damages, see, e.g., Avid Bauder, Randall Chase & Geoff Mulvihill, “[Fox, Dominion reach](#)

If the communication is oral, the defamation is called slander; if it's in writing, it's called libel. The reason truth is a defense to a defamation accusation is that a statement must be false to be defamatory. Also, in the US, because of the First Amendment and Supreme Court cases like *Sullivan*, the burden to prove defamation is higher than in other countries, like the UK, which is why sometimes plaintiffs file there when they can.⁴⁴

And yet the free speech issue is not the best argument against defamation law, in part because free speech is not itself a fundamental or independent right. US Supreme Court Justice Holmes famously argued that free speech rights are not absolute because you can't shout fire in a crowded theater. Therefore, some government restrictions on speech are permissible and do not violate the First Amendment. In response, Rothbard rightly noted that all human rights are property rights.⁴⁵ This means that there is no independent right to free speech. You have the right to speak on your own property, but not on someone else's property unless you have their permission. The reason you may speak on your own property is not because you have a "right to free speech," but because you own your property and because by using it to mouth words, you are not invading others' property.⁴⁶

Rothbard points out that reputation is *what others think of you*, so owning a reputation would mean owning others' brains or minds or

[§787M settlement over election claims](https://perma.cc/XK3K-YL5A)," AP News (April 18, 2023; <https://perma.cc/XK3K-YL5A>); Joanna Slater, "Alex Jones ordered to pay nearly \$1 billion to Sandy Hook families," *Washington Post* (Oct. 12, 2022; www.washingtonpost.com/nation/2022/10/12/alex-jones-sandy-hook-verdict/). This result was supported by some libertarians, unfortunately, such as Jacob Hornberger; see note 40, above. My friend Jeff Deist also seems to think in some cases defamation law can be justified, if it's the result of evolutionary common law decisions. See Jeff Deist, "What Clarence Thomas Gets Wrong about Big Tech," *Power & Market* (April 8, 2021; <https://perma.cc/XH5J-LCRU>).

⁴⁴ *New York Times Co. v. Sullivan*, 376 U.S. 254 (1964). The burden is higher in the US because the courts recognize a tension between defamation law, which restricts speech and the press, and the First Amendment. Just as courts recognize other "tensions" in statutory law—between copyright law and the First Amendment, between patent and copyright law (which grant monopolies) and antitrust law (which pretends to outlaw monopolization). See Kinsella, "Copyright is Unconstitutional," *C4SIF Blog* (Nov. 27, 2011); *idem*, "The Schizo Feds: Patent Monopolies and the FTC," *Mises Economics Blog* (Aug. 27, 2006).

⁴⁵ See Rothbard, "Knowledge, True and False," responding to Justice Oliver Wendell Holmes Jr.'s opinion in *Schenck v. United States*, 249 U.S. 47 (1919).

⁴⁶ Although in some contexts speech can play a causal role in aggression. See "Causation and Aggression," in *LFFS*.

opinions, and you don't own that—they do. You don't have a property right in immaterial things or in other's brains, minds, values, or opinions. And additionally, as noted above, property rights are *never in the value of a thing*, but only in its *physical integrity*.⁴⁷ Thus the more fundamental argument against reputation rights simply recognizes that property rights are only in scarce, material resources, and those rights only protect the owner's right to the physical integrity of that resource, not to its subjective evaluation by others. Protecting a property right in reputation amounts to weakening property rights in material, scarce resources including our bodies, just as printing money dilutes the value of money held and just as granting positive welfare rights comes at the expense of negative rights.

WHY NOT DEFAMATION?

It should be clear by now that the arguments for, and against, trademark and defamation law are similar. The arguments for each are based on the notion that there should be legal protection for *reputations*. The libertarian criticism is that one cannot own a reputation. To try to enforce such rights by law necessarily invades natural or justified property rights. Defamation law subjects someone to liability for lying and causing the defamed subject to be “harmed” or lose business from third parties who choose to believe the lie. Trademark law prevents a trademark owner's competitors from using a similar mark based on the notion that he will lose customers who choose to buy from the competitor instead. In both cases, the force of law is wielded against people who have not actually violated the property rights of the plaintiff. Both defamation law and trademark law are justified on grounds of reputation rights, and libertarians ought to oppose both on similar grounds.⁴⁸

⁴⁷ See [note 35](#), above, and accompanying text.

⁴⁸ Rothbard never made this connection. He might have become even more anti-IP if he had realized his arguments against defamation law apply also to some types of IP such as trademark. He had already argued against patents, and defamation law. He never argued against trademark law, and in fact seemed to endorse it. See Rothbard, *Man, Economy, and State, with Power and Market*, pp. 670–71. And he thought some form of common-law or contractual copyright could be justified using contract, even though this also contradicted

And yet legal scholars generally do not include defamation law in as a type of IP. Defamation rights are not included in the discussion and list of IP rights in major textbooks and treatises, for example.⁴⁹

Why then do the defenders of IP not include defamation law as a type of IP? If they include trademark, which also exists to protect reputation rights of sellers, why not defamation? It is a puzzle. As noted above, some have opposed the inclusion of trademark as a type of IP; but they lost. So why not defamation?⁵⁰

his own revolutionary contract theory. See Kinsella, “A Libertarian Theory of Contract.” And his opposition to patent law was also undermined by the fact that his common-law copyright idea also covered inventions, and thus was really a type of patent law.

⁴⁹ It is not easy to prove a negative, but I can find no clear recognition of or argument for defamation as a type of IP in various texts such as: James Boyle & Jennifer Jenkins, *Intellectual Property: Law & The Information Society: Cases & Materials*, 5th ed. (Center for the Study of the Public Domain, 2021; <https://web.law.duke.edu/cspd/openip>); Craig Allen Nard, Michael J. Madison, Mark P. McKenna, *The Law of Intellectual Property*, 5th ed. (Aspen Publishing, 2017); Gordon, “Intellectual Property”; Roger E. Schechter & John R. Thomas, *Intellectual Property: The Law of Copyrights, Patents and Trademarks* (Thomson West, 2003); Dreyfuss & Pila, eds., *The Oxford Handbook of Intellectual Property Law*; Llewelyn & Aplin, *Intellectual Property: Patents, Copyright, Trade Marks and Allied Rights*; Deborah E. Bouchoux, *Intellectual Property: The Law of Trademarks, Copyrights, Patents, and Trade Secrets*, 6th ed. (Cengage Learning, 2023); Peter S. Menell, Mark A. Lemley, Robert P. Merges & Shyamkrishna Balganesh, *Intellectual Property in the New Technological Age: Volume I: Perspectives, Trade Secrets & Patents* (Clause 8 Publishing, 2022). The *WIPO Intellectual Property Handbook: Policy, Law and Use*, 2nd ed. [WIPO Publication No. 489 (E)] (Geneva: WIPO, 2004), ¶2.638, for example, simply observes that defamation law merely “supplements” traditional IP rights, even when they are viewed in their “broadest sense” to include most of the variety of IP rights mentioned in this paper.

The closest I’ve found is occasional offhand comments noticing some similarity. E.g. Objectivist Steve Simpson, supporting defamation law, writes, of the reputation protected from “damage” by defamation law, “*you can think of it almost as an intellectual property right.*” Steve Simpson, “[Libel Laws Protect the Value of Your Reputation or Brand](https://perma.cc/L6HE-K2C2),” *Impact Today* [Ayn Rand Institute] (Nov. 3, 2017; <https://perma.cc/L6HE-K2C2>) (emphasis added); accompanying [Youtube](https://youtu.be/KLX45wGakRk): <https://youtu.be/KLX45wGakRk>. And regarding the antidilution or “tarnishment” aspect of modern trademark law, IP law professor Dev Gangjee observes: “If blurring was well named—courts struggle to bring the very concept into focus—tarnishment appears more straightforward. *It has the feel of a defamation claim.*” Dev Gangjee, “Trade Marks and Allied Rights,” in Dreyfuss & Pila, eds., *The Oxford Handbook of Intellectual Property Law*, §1.4.2.3.2, pp. 539–40 (references omitted; emphasis added). Simpson thinks the reputation rights of defamation law look like trademark (IP) rights; Gangjee thinks trademark/IP rights look like defamation/reputation rights. There is a reason they sense this. They both protect reputation rights.

⁵⁰ As another indication that defamation is just another form of IP: consider that copyright is beginning to be a threat to an emerging new technology, AI, or “artificial

One could argue that defamation is viewed as a *tort*, so should not be treated as a type of property right; but then trademark law is also said to be grounded in fraud, which is also a tort, yet trademark is considered to be a type of IP.⁵¹ And as noted above, the reputation rights that flow from defamation law are regularly classified as property rights.⁵²

So why did the defenders of patent and copyright, and the modern supporters of IP, not see a need to include defamation in this category? Again, the concept was cobbled together for propaganda purposes. As noted above, there was some resistance to including trademark in the grouping. And in Europe, the analogous concept of “industrial property” includes trademark, but not copyright. So some wanted to include patent, copyright, and trade secret in the IP heading, but not trademark; and industrial property in Europe does not always include copyright. Clearly these are not really objective legal classifications. It is true that all forms of IP share in common that they are unjust, but there are many other state laws and policies that are unjust that are not considered types

intelligence.” See, e.g., Emilia David, “[Sarah Silverman’s lawsuit against OpenAI partially dismissed](https://perma.cc/S36J-U8X8),” *The Verge* (Feb. 13, 2024; <https://perma.cc/S36J-U8X8>). And yet now defamation law is also posing a threat to AI. See Charley F. Brown & Jonathan P. Hummel, “[Judge Denies Motion to Dismiss AI Defamation Suit](https://perma.cc/76GP-4MQT),” *Ballard Spahr Legal Alert* (Jan. 24, 2024; <https://perma.cc/76GP-4MQT>).

⁵¹ As Sherman & Bently note:

The second reason why trade marks were considered to fall outside the intellectual property rubric was that whereas copyright, patents and designs were primarily concerned with the creation and protection of property, trade marks were more concerned with forgery or fraud. . . . Combined together, the facts that trade marks dealt with pre-existing subject matter rather than the creation of new material and that they were more concerned with regulating fraud than property, meant that trade marks were said to fall outside the scope of intellectual property law.

Sherman & Bently, *The Making of Modern Intellectual Property Law*, ch. 8.

⁵² See references in [note 36](#), above. On the argument that defamation is a tort *instead of* a property right, see, e.g., Raphael Winick, “[Intellectual Property, Defamation and the Digital Alteration of Visual Images](https://cyber.harvard.edu/metaschool/fisher/integrity/Links/Articles/winick.html),” *Colum. VLA J.L. & Arts* 21, no. 2 (1997; <https://cyber.harvard.edu/metaschool/fisher/integrity/Links/Articles/winick.html>): 143–96, p. 185 (“Rights of publicity . . . are a property right (rather than a tort such as defamation) and do not require any form of malicious intent on behalf of the media.”). Note the very title of the article contrasts IP with defamation, as if defamation is not part of IP but something different. See also Juliet Dee, “‘Mere Conduits’ or Editors? ISPs, Web Masters, Immunity and Safe Harbor in Online Defamation versus Online Intellectual Property Cases,” *Free Speech Y.B.* 41 (2004): 80–96.

of IP, such as the drug war, conscription, central banking, government roads, state schools, or taxation.

In the end, trademark and trade secret law are lumped in with patent and copyright law to shore up the latter two. Those defending patent and copyright simply did not *need* to add defamation law to the list; their job was done, once they defeated the anti-IP movement in the late 19th century. Their goal was not coherent legal classification; it was *defense of patent and copyright*. Sure, for newer, more innovative and mostly statutory rights, like database rights, boat hull designs, semiconductor maskwork protection, and so on, they'll throw them under their new umbrella term. But including defamation has no upside for them. They didn't need to include it, so they didn't. Even though it would make sense. This shows you their real priorities. It was always to whitewash patent and copyright, not to coherently classify the law.

If legal scholars were consistent, they would classify defamation law as yet another type of IP, sitting on the bench next to trademark law. I agree that trademark law, as well as reputation rights and defamation law, ought to be considered a type of IP right. But I say this not to praise defamation and IP rights, but to bury them.

Part Six

Miscellaneous Essays

34

Medieval Christendom and Libertarianism

Matteo Salonia

Notwithstanding the unforgiving rain and wind, I have very fond memories of the years that I spent in Liverpool, working on my doctoral dissertation. That blessed period of my life was devoted to studying in the library, writing in my office, and warming up in woody pubs as the English understandably and wisely do. A few brilliant officemates brightened up my days with discussions about the medieval world, and I recall listening for hours to my good friend Teng LI, ever-cloaked in cigarette smoke, as he effortlessly moved from pneumatology and other mysterious aspects of 11th-century Christian theology to the horrors of Communism and the Cultural Revolution in his home country. I absorbed much from books and conversations, from prayer and encounters, from visiting archives and mastering the art of teaching. Crucially, during those intense years I understood the malaise of modernity, the crisis in the Catholic Church, and the unjust nature of the modern state. After reading, among others, Edmund Burke, Warren H. Carroll, Reynald Secher, Aleksandr Solzhenitsyn, and Massimo Viglione, I also formed the conviction that something

Matteo Salonia is a historian currently teaching at the University of Nottingham Ningbo (China), and a Visiting Scholar at Benedictine College (Kansas). His academic publications include the 2017 book *Genoa's Freedom: Entrepreneurship, Republicanism, and the Spanish Atlantic*.

had gone badly wrong at least since 1789. Obviously, after my two years at Roosevelt University in Chicago, I knew very well that higher education has been hijacked by the Left, and that it was very dangerous for a young academic to hold any view to the right of Hillary Clinton. Still: I did not care. Teng and I were surrounded by many “normal” PhD students and senior faculty members who embraced Socialism, cheered for Obamacare, and posed as rebels by falling in line with every single slogan that *The Guardian* and the BBC dictated on a given week. Yet, I was amused by the feeling of being a maverick, constantly outnumbered.

What started to bother me during those merry and vibrant years in Liverpool was something else: the problem of a fracture within the Right. The realization that an alliance between libertarians and social conservatives is absolutely necessary was accompanied by the discovery of a great misunderstanding between these groups. Tragically, most conservatives and traditionally-minded intellectuals of our age accept the modern state and are skeptical towards free markets, while most libertarians have no understanding of the medieval period and underestimate the role played by the Church, the natural family, and localist traditions to check the power of political authorities. I was saddened and frustrated by this situation. And it must have been at this point, probably just after submitting my thesis in early 2015, that, following my reading of Tom Woods and my discovery of the Mises Institute, I eventually came across the work of Hans-Hermann Hoppe. Unapologetic, uncompromising, and very much aware that households, local institutions, and traditional culture are our only true shield when facing the Leviathan, Hoppe was the exact opposite of the annoying, self-indulgent and modernist lefty libertarians whose greatest ambition is to legalize pot. Hoppe’s criticism of democracy struck me, and his defense of property rights shined because always brought to its logical conclusions—even to the point of frankly attacking the bogusness of classical liberalism. Exemplifying the liveliness and depth of theoretical debates within Anarcho-capitalism, his stance against mass immigration (a stance that now appears prophetic) finally suggested to me that tensions between conservatives and libertarians could be resolved. On top of all this, the fact that he had been one of the first to

suffer from the rise of the neo-Maoist tactics of ‘cancel culture’ at the University of Nevada (Las Vegas) gave him credibility.

I am sure that other authors in this volume are more qualified than me to comment on Hoppe’s contribution to political and social theory, economics, epistemology, and other issues. Here I prefer to briefly pursue this different, and seldomly recalled aspect of his thought: which is the position assigned to the medieval period in European history. Perhaps inspired by intellectual giants like Erik von Kuehnelt-Leddihn, Hoppe had the enormous merit to introduce libertarian audiences to a traditionalist view of history, which rehabilitates medieval civilization. This is evident if one reads *From Aristocracy to Monarchy to Democracy*, a short yet invaluable book that followed (but works as a perfect introduction to) his more famous *Democracy: the God that failed*. The statist narrative that we have all been fed by state-approved textbooks and curricula portrays the rise of modern nation-states as a march towards progress and liberty. This narrative must necessarily rest upon a negative view of the historical period preceding the birth of the modern state. Therefore, generations of obedient citizens have been taught that the Earth started to spin during the Enlightenment, that constitutionalism is an invention of the revolutionaries, and that the world before the appearance of centralized governments was a Hobbesian nightmare.

Yet, as any scholar of the Middle Ages would readily concede (yet not so readily affirm to publicly contradict and shame those who still parrot the black legend against medieval Europe), the millennium between the fall of Rome and the conquest of Tenochtitlan produced an extraordinary amount of social, artistic and intellectual (not to mention spiritual) achievements. During this period, Europe experienced the commercial revolution, invented the university system, built the great cathedrals that still attract tourists from all over the world, planted the seeds of modern science, and gave birth to an array of sophisticated political arrangements. In fact, I would go further and say that the Middle Ages were the formative period of Western civilization. This was a time of constitutional experiments, a time when taxation was still viewed with suspicion and hostility, and when communities developed a jealous sense of law and traditions of rights claims. I always remember the words of Brian Tierney: medieval society was “saturated with a concern for rights.... Medieval people first struggled for survival; then

they struggled for rights.”¹ And all this, I shall add, was achieved while Islamic armies and fleets relentlessly put Christendom under siege.

The truth is that Latin Christendom was a civilization characterized, firstly, by a dichotomy between empire and Church. The jurisdictional autonomy of the Church created a separate sphere, a distinguishable entity without the reach of government control. Especially after the Gregorian Reforms, the Catholic Church avoided the caesaropapism of the East, where the emperor managed ecclesiastical matters as part of his bureaucracy. In the West, in Latin Christendom, the Papacy and its transnational authority constituted an immediate and effective obstacle to the absolutist and centralist projects of emperors and kings. In addition, within each of the two spheres (empire and Church), medieval order was the result of a further dispersion of power through the proliferation of associations, corporate bodies, and jurisdictions: nobles and city-states, merchant law and private courts, guilds and charters of rights, parliaments and universities, as well as bishops and religious orders, monasteries and lay confraternities, cathedral schools, parishes, and military orders. Freedom of association (and disassociation!) underpinned for centuries this genius plurality of jurisdictions and diffused a tradition of local self-government and liberties throughout Europe. One only needs to recall the Magna Carta, or spend some time learning the basic functioning of fascinating composite monarchies like the Crown of Aragon, to easily dismiss the nonsensical lie that we had to wait for the modern state before having thriving communities, rights discourses and political liberty. In fact, I believe that modern state-building can be defined as the imposition through systematic violence of a territorial monopoly of legislation, jurisdiction, policing, banking, defense and education; hence, the rise of the state brought the progressive dissolution of Latin Christendom, of its traditional multiplicity of jurisdictions, and of its rich tapestry of experiments in local governance.

Hoppe has proposed a working framework that sees the early Middle Ages as a time that more closely approximated a natural social order. In particular, the absence of any legal monopoly of judgeship

¹ Brian Tierney, *The Idea of natural Rights: Studies on Natural Rights, Natural Law, and Church Law 1150–1625* (Grand Rapids, Michigan: William B. Eerdmans Publishing Company, 1997), pp. 54–55.

prevented the formation a centralized and militarized state. Besides his more theoretical hypothesis in *From Aristocracy to Monarchy to Democracy*,² I would suggest readers to brush up a thought-provoking interview published by the Mises Institute in 2020, in which Hoppe explained the following:

Whether you are a believer or not, there is no way of denying that religion has played a hugely important role in human history and that it is the West, i.e., the part of the world shaped by Latin Christendom in particular, that has surpassed all other world regions both in terms of its material as well as its cultural achievements, and that among its superior cultural achievements in particular is also the idea of natural human rights and human freedom. The Christian notion that each person is created in the image of God contributed to the uniquely Western tradition of individualism and was instrumental in abolishing, at long last, the institution of slavery within the Christian orbit (all the while it lingered on outside the West, even until today). And the institutional separation and jealous competition for social recognition and authority in the West between the Christian church and its hierarchy of popes, cardinals, bishops, and priests, on the one hand, and all worldly power with its hierarchy of emperors, kings, nobles, and heads of households on the other contributed greatly to the uniquely Western tradition of limited (as opposed to absolutist) government.

This happy, power-limiting arrangement began to crumble already in the sixteenth and seventeenth centuries...³

Such accurate interpretation of medieval Christendom is one of the many ways in which Hoppe bridged the gap between conservatives and libertarians. It is not by chance that Hoppe has always included in his conferences speakers like my incredibly knowledgeable friend Keir Martland, who would comment on the Middle Ages and guide the audience towards the modes of social cooperation and coexistence, the languages and institutions of liberty of pre-modern Europe. I was myself invited to Bodrum in 2019 to reflect on Genoa's medieval tradition

² Hans-Hermann Hoppe, *From Aristocracy to Monarchy to Democracy: A Tale of Moral and Economic Folly and Decay* (Auburn, Ala.: Mises Institute, 2014; <https://mises.org/library/book/aristocracy-monarchy-democracy>).

³ Jeff Deist & Hans-Hermann Hoppe, "Hoppe: The In-Depth Interview," *The Austrian* (March–April 2020; <https://mises.org/austrian/hoppe-depth-interview>).

of private governance and private defense.⁴ When, on this occasion, I had the opportunity to talk at length with Professor Hoppe, the impression that I had had at our first, brief in-person meeting in London one year earlier was confirmed. I perceived that his unyielding dedication to freedom and his many scholarly accomplishments are joined by a gentle, generous, friendly personality. This is surely one of the reasons why Hoppe is able to bring together voices from a truly diverse array of backgrounds and philosophical positions (including a Catholic Thomist like myself who finds libertarianism reasonable but surely not rising to the level of a complete account of human ontology and ethics). These voices are not in agreement on every single issue, but they are nevertheless united in the quest for truth and in the resistance against the ever-growing power of modern states (and super-states) over our lives, speech, thoughts, and property.

⁴ For Keir's and my PFS talks, see episodes PFP150, PFP169, PFP188, PFP210, and PFP211 of the Property and Freedom Podcast at <https://propertyandfreedom.org/pfp/>.

35

The Use of Private Property in a State Culture

Philipp Bagus

I encountered the Austrian School through books published by the German Akademia Verlag. These books included Rothbard's *Ethics of Liberty* as well as Mises's *Liberalismus* and *Bürokratie. Liberalismus* has an outstanding preface on Mises's life and work written by Hans-Hermann Hoppe.

Mises's life inspired me, and I decided that his path was worth following. I found Hoppe's e-mail address on the internet and wrote to him. I asked him where I could best study the Austrian School. He promptly replied that I should come to the one-week Mises University in Auburn Ala. It was a decisive moment in my life. I had just recently graduated from high school and was looking for what to do. I was accepted to Mises University 2001 and since then I have followed the path of liberty and the Austrian School. And I have always been supported by Hans. So, I am eternally grateful to him.

Hans, however, is not only a great and generous supporter of the cause of liberty and a brilliant scholar. Perhaps the quality I admire most is his uncompromising and fearless defense of the truth. Against

Philipp Bagus is professor at Universidad Rey Juan Carlos a Fellow of the Mises Institute, an IREF scholar, and the author of numerous books including *In Defense of Deflation* and *The Tragedy of the Euro*.

everyone and everything. He doesn't care that he is defamed, or that he is attacked. Liberty and truth are above all else for him.

The fact that this uncompromising radicalism is particularly attractive to young people and is the right path towards a free society is something I have discussed in my contribution to the 2009 *festschrift*. My current contribution deals with the problem of state culture and is, thereby, related to the topic of the culture a libertarian should defend, a topic that has earned Hans many enemies and defamation.

NATURAL EVOLUTION OR STATE CULTURE

Public opinion and culture have dramatically shifted to the left in recent decades. Some people believe that this shift is not the result of a cultural war waged consciously and successfully by the left, but the result of natural development. In this line Pina (2023) argues that the decline in the importance of the traditional family and churches, the rise of same-sex marriages, and sex changes are the result of a normal social and cultural evolution and have to be accepted to the degree that they are freely chosen by companies and individuals.

However, this cultural development is anything but natural. As Rothbard (2000, p. 290) puts it: "Culture separate from government? Don't make me laugh." For we do not live in a free society, but in a society in which all areas of life are massively influenced by the state, through taxes, regulations, subsidies, state education, and the media. We live in a hybrid society. Private property exists, but the way in which this private property is used is directly and indirectly influenced by the state. Therefore, the cultural development is not natural, but artificial. We live in a state culture.

The very existence of the state has a massive influence on culture, i.e. on the customs, traditions, ideas, values, beliefs, norms, and language of a society. The state influences culture through public educational institutions and their structural promotion of the ideas of statism. Time preference rates and work ethic are influenced by state redistribution programs and the fiat money system. The welfare state subsidizes a hedonistic lifestyle since the costs of such a lifestyle are partially externalized. The state has increasingly taken over the tasks of the

traditional family, churches, and civil society influencing the societal values. Companies and individuals are replicating and reinforcing the values of the state culture.

The state cannot remain on the margins of culture even if it wanted to. Just take the example of the language employed by state institutions. Do they use inclusive language? Shall inclusive language be forbidden? Whatever the decision is, it is never neutral to culture.¹

While the direct influence by the state on culture, such as imposing inclusive language, gender education or other woke measures is usually recognized, the indirect influence of the state, the problem of state culture is often neglected. For example, Pina (2023, p. 89) writes that a conservative artist should not complain if private companies don't want to fund him. He (2023, p. 61) argues that: "the new right mixes *wokeism*, imposed by state decision, with that freely adopted by social movements, commercial enterprises or individuals, which we must respect (just as we must respect the opposite)."

But is that really the case? Can there be free adoption in a society permeated by state culture? The problem becomes apparent when we replace the word "right" with "left" and "*wokeism*" with "*antisemitism*," transporting us to the era of the Third Reich: "the new left mixes *antisemitism*, imposed by state decision, with that freely adopted by social movements, commercial enterprises or individuals, which we must respect (just as we must respect the opposite)."

Alternatively, we can turn the conservative artist into a Jewish artist. Can a Jewish artist complain if private companies during the Third Reich don't want to fund him? Quite rightly so, the Jewish artist can complain, and the libertarian must denounce such practice, if the decision to defund the artist is the result of a state culture.

¹ It is true that both politicians from the left and the right are trying to influence culture through state intervention. Left politicians impose inclusive language, right politicians prohibit inclusive language. But there are differences. The first is that culture and the state are dominated by the left. Moreover, the left has been involved in the cultural war for much longer than the right, which has neglected it (Kaiser 2014). The second is that the right is usually trying to promote institutions that are broadly conducive to a free society and that would carry more weight in a free society than they have today, while the left is doing the opposite.

HOW THE STATE INFLUENCES CULTURE

The fundamental problem for libertarianism is this: corporations and individuals are influenced in their decisions by public opinion and the dominant culture. And this public opinion and this culture is influenced and shaped by the state. This influence doesn't have to be direct or visible. The state does not have to nationalize all newspapers. It can do so indirectly, by nationalizing all printing presses while newspapers remain private enterprises. State control of culture is even more indirect when the state influences people's minds, their thoughts, their values, their convictions, through propaganda.

Nor is there a need for direct state censorship. It can be elegantly delegated to the private sector. There may be no true freedom of expression when private companies enforce the censorship for the state. Facebook and YouTube are censoring their users. These companies are private, but they are adapting to a culture that has been heavily influenced by the state for decades.

The state does not necessarily dominate culture completely. Its influence depends largely on the size of the state and the time it has been influencing culture. There is a certain threshold and tipping points. Once these tipping points have been overcome, we are in a situation that may be called a "state culture," where the culture is dominated by the state. There may be a "state culture" although or precisely because most companies are nominally private.

But how do we know we live in a state culture? Where are these tipping points that turn a society in a state culture? These are questions to be answered by the historian. The historian must analyze each case to see if a society lives in a state culture. Today, we may have reached this stage in many parts of the Western world.

There are historical examples of state culture. Take National Socialist Germany. In the Third Reich, social currents and movements were adopted "freely" by private companies and individuals. Imagine a restaurant owner in Berlin in 1938 who hangs a "Jews unwanted" sign in his establishment. This exclusion seems to be justified by the

property right of the restaurant owner.² Can a libertarian criticize the exclusion? Of course, he can. In 1938 the decision of the restaurant owner is not the decision of a free individual living in a free society, but of an individual who is influenced by the state in his values and must consider the values of his customers. Businesses and individuals are influenced in their actions by a state-dominated culture.

Moreover, to what extent can we speak of genuinely private companies? If the state directly or indirectly determines business strategy, production methods or prices, we are dealing with a hybrid company.³ A business who is heavily dependent on the state can no longer be called genuinely private. Today, many entrepreneurs are intimately connected to the state.

The influence of the state on culture and, indirectly, on companies is manifold. State media disseminate information and propaganda. Private media are also influenced in their practice by licenses, regulations, state advertisements, access to state information, access to press conferences, and exclusive state interviews. A lot of media outlets don't want to mess with the state.

There is a sort of "anticipatory obedience" on the part of companies and individuals without the need for direct state intervention. This anticipatory obedience causes companies to follow certain lines, for example, of censorship of information, because they anticipate that, if they do not do so, they could be regulated or punished in some way in the future.

Regulations, taxes, and government spending also influence work ethic, philanthropy, social interaction, and time preference rates. Also very important is the influence of the state monetary system on values,

² In my opinion, Rothbard makes a mistake when he writes, "anti-discrimination laws of any sort are evil." (2000, p. 27). Rothbard is wrong, because discrimination against opponents of the government is perverse in a society dominated by state culture. Discrimination against opponents of the state is a form of enforcing totalitarianism through the private sector. Rothbard, of course, did not foresee the full extent of the development of woke culture and cancel culture.

³ Today, the State influences business management through ESG (environmental, social and governance) criteria. The state-favored financial industry, including sovereign wealth funds and state pension funds, pressure companies to adopt these criteria by threatening not to buy their stocks or bonds. Banks are also looking at whether companies are ESG compliant and central banks are starting to consider environmental risks in their monetary policy. Added to this are the revolving doors between the state and the financial industry.

fostering a more materialistic, selfish and short-term oriented behavior (Hülsmann 2014; Marquart and Bagus 2014).

Moreover, the influence of state-controlled and funded formal education is very profound. In addition, the welfare state lowers the cost of certain lifestyles, such as hedonism and selfishness, and indirectly influences society's values. The public pay-as-you-go pension system subsidizes the costs of lifestyles that do not provide for the creation of a traditional family, because families with children are forced to take care of those who do not have children in old age. By taking over the tasks of the family and the churches, the state reduces their importance in society and, therefore, also the values transmitted by these institutions. Thus, over the course of decades, a secular and de-Christianized state culture has emerged.

Human beings are social beings. We don't want to be socially isolated. Most human beings don't want to lose friends or customers for expressing a politically incorrect opinion.⁴ Therefore, most human beings adapt to state culture and public opinion. In the Third Reich, not only restaurant owners forbade Jews from entering. Jewish businesses were also boycotted "voluntarily." And today, private companies such as YouTube or Facebook block user accounts that post content against mass immigration or Covid vaccines.⁵

PRIVATE PROPERTY IN A HYBRID SOCIETY

The problem of the use of property in today's societies is somewhat like that of immigration. We do not live in a free society. There are public welfare systems and public infrastructure funded by taxpayers. Shall unrestricted immigration be allowed in this context? Some libertarians say so. For instance, Walter Block (1998) argues for unrestricted

⁴ Elisabeth Noelle-Neumann (1991) argues that the fear of social isolation sets of a "spiral of silence." As some people fear to pronounce an opinion in public because they might be isolated consequently, this opinion is pronounced less often. Consequently, even less people dare to pronounce it, which leads to even less representation in the public and so on.

⁵ It has also happened that PayPal and some US banks canceled accounts of ideologically undesirable users (Dreher 2020, p. 80).

immigration today. Against this position, Hans Hoppe (1998) points out that short-off a complete privatization of public property and the establishment of a free society immigration must be restricted by the state. Only persons with a valid invitation should be allowed to enter a country. Without invitations, unrestricted immigration leads to forced integration.

Now, let's have a look on the problem of the use of private property in a society influenced by state culture and manipulated public opinion. In the first place, it must never be forgotten that the consistent libertarian must work for the complete abolition of the state. In this way, the problem of state culture would be solved. However, if this goal has not yet been achieved, a libertarian must address and criticize the consequences of state culture. For instance, the de-Christianization and the decline the traditional family, are worthy of criticism. The libertarian can advocate for a different Christian culture that upholds traditional values and norms.

A (paleo)libertarian⁶ defends—counterfactually—the culture that would have existed without the influence of the state. He champions the culture of private property and detests the culture of the state. The culture the libertarian favors, glorifies, and protects is the one that would exist in a free society if all institutions were private. And he also assesses the state's measures with this criterion. In other words, the point of reference for the evaluation of state policies must be the culture of a free society. If, for example, the state reduces taxes on large families, the paleolibertarian welcomes the measure as a step in the direction of the culture of a free society.

Rothbard tackles a similar problem when he asks how other state measures should be evaluated, namely, the prices at which goods and services produced by state-owned enterprises are sold. What prices should state-owned enterprises charge? Or more specifically, what tuition should state universities charge? Should there be no tuition because public universities are paid for by taxpayers?

Rothbard answer is that prices should not be zero, because at zero price for these services, there would be excess demand and extreme shortages. If enterprises are not yet privatized, the state should charge

⁶ Or a “realistic libertarian.” See Hoppe (2015).

prices that correspond as closely as possible to those that would have been established on the free market. In other words, state-owned enterprises should charge prices that empty the market (Rothbard 1995, p. 99, p. 146).⁷ In this way, excess supply or excess demand is limited. Of course, the prices, which would have existed in a free market, cannot be known. However, understanding the situation leads to the realization that these services are not offered for free in a free market.

The same goes for culture. We cannot know how culture would have developed without the state.⁸ But the *Verstehen* of today's culture

⁷ Rothbard has commented on the handling of state operations: "...how to run government operations, within the goals for cutting the budget and ultimate privatization? Simply, to run it for the designed purpose (as a school, a thoroughfare, a library, etc.) as efficiently and in as business-like manner as possible." (Rothbard 1995, p. 147). See also Rothbard (2000, p. 29).

Government operations should be run as a corporation would. In this context, Rothbard also touches on a cultural issue. Rothbard argues the following about the admission of homosexuals into the military: "The military should be considered like any other business, organization or service; its decisions should be based on what's best for the military, and 'rights' have nothing to do with such decisions." (2000, p. 27) He then gives reasons why the admission of homosexuals into the military weakens combat morale. In a free society, in Rothbard's view, homosexuals would not be allowed to join an army, and therefore they should neither today.

Rothbard similarly at another place points out: "We must try, short of ultimate privatization, to operate government facilities in a manner most conducive to a business, or to neighborhood control." (2000, p. 41). What Rothbard overlooks in this statement is the problem of state culture. The neighborhood and businesses may have adopted the state culture and internalized, for instance, a woke ideology (or antisemitism). Therefore, Rothbard's argument would be more accurate and convincing if we added "within the culture of a free society" after "neighborhood control." Again, Rothbard doesn't see the problem of a comprehensive state culture because it wasn't so comprehensive in his day.

⁸ In *The Ethics of Liberty* Rothbard (1982) refers to the problem of the use of state property:

But what of governmental assemblies? Who owns them? No one really knows, and therefore there is no satisfactory and non-arbitrary way to resolve who shall speak and who shall not, what shall be decided and what shall not... There is no satisfactory way to resolve this question because there is no clear locus of property right involved... The man who demands to be heard at a town meeting claims to be a part owner, and yet he has not established any sort of property right through purchase, inheritance, or discovery, as have property owners in all other areas. (p. 118)

Similarly, in a hybrid society with a state culture, even if it is clear who owns the property, there are unsatisfactory answers. Which uses of private property are to be welcomed? We only know that the use of property should be as close as possible to the use that would be given without state culture.

leads to the recognition that it is very different from the culture of a free society. There are several indications that culture would be different in a free society and that can guide us to understand what culture would be like in the absence of the state.

First, we have knowledge about the old culture. We can simply look back in history. We know what culture was like before the state influenced the media and education, before the welfare state grew, and before the left's "long march through the institutions." We know the culture of the time when the size of the state was much smaller.

Second, we can analyze the culture of societies in which the state culture has not yet become so widespread and dominant.

Third, we can analyze the direction in which the state influences and distorts culture. For example, without the culture of inflation that systematically favors debtors, the social time preference rate would be lower. Statism, "social justice," and state "solidarity" restrict and reduce personal responsibility and private initiative increasing time preference. It follows that, the culture in a free society would be characterized by greater responsibility, greater voluntary solidarity, and longer-term thinking.

Fourth, we can look at the interest of the state and deduce how culture has been influenced in that regard. Culturally, the state fights everything that limits its power. If the state succeeds, and presumably it succeeds at least partially, since it systematically uses violence, then it follows that in a free society, the institutions that limit the power of the state would have greater influence and shape culture accordingly. These institutions include private property, the family, traditions, and the Church.

CANCEL CULTURE IN A HYBRID SOCIETY

A prominent example of how state culture becomes problematic is the issue of cancel culture and freedom of speech in a hybrid society.⁹ Imagine that in 1938 a German newspaper had cancelled or fired a Jewish journalist. Perhaps the editor-in-chief did it to improve relations with the

⁹ For a libertarian analysis of cancel culture, see also Bagus et al. (2023)

government, or not to lose favorable treatment, in a kind of anticipatory obedience. Or he did it to get exclusive access to government information or get exclusive interviews. It is likely that the editor-in-chief in charge himself was influenced in his worldview by propaganda from state media or state schools. He had been brainwashed.

Mutatis mutandis, today private Big Tech companies block conservatives or supporters of the “far right.” They cancel politically incorrect opinions. To evaluate the cancellation, the libertarian must ask whether such opinions would be canceled in a free society without state influence. The most likely interpretation is that most of these opinions would not be canceled. This is so, because the culture necessary to maintain a free society often rests on the opinions that are being cancelled.

Thus, when a private company in today’s hybrid and state-dominated society, encourages politically correct opinions or censors conservative opinions, a libertarian must denounce this practice as evil. The libertarian cannot invoke the right to property to defend such an evil practice. Should the libertarian, however, try to use state power to ban censorship of such opinions? That should be only the last option. Rather, the libertarian should wage the cultural war promoting the ideas, values and institutions that sponsor a prosperous society and fight those ideas that destroy the foundations of a free society. As soon as culture changes, a state-imposed ban of private censorship becomes unnecessary.

What is important to realize is that it does matter what kind of opinion is cancelled by private companies. It is particularly problematic when opinions are cancelled that oppose the government, statism, or the excesses of state culture. On the other hand, the cancellation of opinions that are in favor of the government, statism, and state culture must be evaluated differently by the libertarian. In other words, the cancellation of opinions that are directed against the state-sponsored mainstream must be evaluated differently than the cancellation of opinions that support the state-sponsored mainstream.

Cancellation of opinions that support statism are justified and so they would be in a free society. In a free society, opinions that speak out against private property can be banned or sanctioned, and notorious statisticians must be boycotted to preserve liberty in the long run. A free society must defend itself against notorious statisticians who conspire against the property of their neighbors. Just as notorious thieves are boycotted,

so too are those who call for systematic theft. In the case of an imminent threat to private property, boycott, ostracism, and cancellation is appropriate.

In already famous lines Hans-Hermann Hoppe discusses which views would be permissible in a free society and which culture would be defended:

[Proprietors in a libertarian society] must also be willing to defend themselves, by means of ostracism, exclusion and ultimately expulsion, against those community members who advocate, advertise or propagandize actions incompatible with the very purpose of the covenant: to protect property and family. In this regard a community always faces the double and related threat of egalitarianism and cultural relativism. Egalitarianism, in every form and shape, is incompatible with the idea of private property... And cultural relativism is incompatible with the fundamental—indeed foundational—fact of families and intergenerational kinship relations... A small dose of ridicule and contempt may be all that is needed to contain the relativistic and egalitarian threat... In a covenant concluded among proprietor and community tenants for the purpose of protecting their private property, no such thing as a right to free (unlimited) speech exists, not even to unlimited speech on one's own tenant-property... There can be no tolerance toward democrats and communists in a libertarian social order. They will have to be physically separated and expelled from society. Likewise, in a covenant founded for the purpose of protecting family and kin, there can be no tolerance toward those habitually promoting lifestyles incompatible with this goal. They—the advocates of alternative, non-family and kin-centered lifestyles such as, for instance, individual hedonism, parasitism, nature-environment worship, homosexuality, or communism—will have to be physically removed from society, too, if one is to maintain a libertarian order. (2002, pp. 216–218)

CONCLUSION

We live in a society dominated by state culture. This state culture is the result of a cultural war that has been successfully waged by the left undermining the values and institutions that sustain capitalism and a free society. As consequence, companies and individuals are affected by this state or woke culture. Realistic or paleolibertarians must oppose

the actions that undermine the culture of capitalism even though these actions are based on a voluntary use of private property. The benchmark for the evaluation of these actions is the culture and values that would prevail in a free society.

Rothbard argues that short of privatization public companies should charge prices for their products and services that are as close as possible to those prices that would prevail in a free market. In the same way, libertarians must back government policies that lend support to the culture that would prevail in a free society and make it sustainable.

REFERENCES

- Bagus, Philipp. 2009. "Uncompromising Radicalism as a Promising Strategy". En *Property, Freedom and Society. Essays in Honor of Hans-Hermann Hoppe*, 73–80. Auburn, Ala.: Ludwig von Mises Institute.
- Bagus, Philipp, Frank Daumann, and Florian Follert. 2023. "Microaggressions, Cancel Culture, Safe Spaces, and Academic Freedom: A Private Property Rights Argumentation". *Business Ethics, the Environment & Responsibility*.
- Block, Walter E. 1998. "A Libertarian Case for Free Immigration". *Journal of Libertarian Studies* 13 (2): 167–86.
- Dreher, Rod. 2020. *Live not by lies: a manual for Christian dissidents*. New York City: Sentinel.
- Hoppe, Hans-Hermann. 1998. "The Case for Free Trade and Restricted Immigration". *Journal of Libertarian Studies* 12 (3): 221–33.
- . 2015. "A Realistic Libertarianism". *REVISTA PROCESOS DE MERCADO* 12 (1): 203–29. <https://doi.org/10.52195/pm.v12i1.155>.
- Hülsmann, Jörg Guido. 2014. *Krise der Inflationkultur: Geld, Finanzen und Staat in Zeiten der kollektiven Korruption*. 2. ed. Edition Lichtschlag. Munich: FBV.
- Kaiser, Axel. 2014. *La fatal ignorancia: la anorexia cultural de la derecha frente al avance ideológico progresista*. Madrid, Santiago de Chile: Unión Editorial; Fundación para el Progreso.
- Marquart, Andreas, and Philipp Bagus. 2014. *Warum andere auf Ihre Kosten immer reicher werden... und welche Rolle der Staat und unser Papiergeld dabei spielen*. 1. Aufl. München: FBV.
- Noelle-Neumann, Elisabeth. 1991. *Öffentliche Meinung: die Entdeckung der Schweigespirale*. Frankfurt/M.: Ullstein.
- Pina, Juan. 2023. *La décima cruzada. Cómo el nacional-populismo y su "batalla cultural" amenazan la democracia y pretenden cancelar nuestras libertades*. Madrid: Union Editorial.
- Rothbard, Murray N. 1982. *The ethics of liberty*. Atlantic Highlands, NJ: Humanities Press.
- . 1995. *Making Economic Sense*. Auburn, Ala: Ludwig Von Mises Inst.
- . 2000. *The Irrepressible Rothbard: The Rothbard-Rockwell Report Essays of Murray N. Rothbard*. Burlingame, Calif.: Center for Libertarian Studies, Inc.

36

One Thousand Liechtensteins

Andreas Tögel

Before I go into my friendship with Prof. Hoppe, I would like to say a few things in advance. Vienna, my hometown, was ruled by socialists from 1918 onwards, with a short interruption from 1938–1945, during the “Anschluss” of Austria to the “Third Reich” (in case anyone should think that the National Socialists were not just ordinary socialists in the end). Moreover, from 1970 onwards, the whole country was largely led by socialist-dominated governments.

Born into a conservative petty-bourgeois family, the first political lesson from my father’s mouth was that there are only two kinds of socialists: idiots and bandits. To this day, I have not come across even a single proof to the contrary.

I saw my father (he was a watchmaker) working every day from dawn to dusk. “*Nothing comes from nothing*” and “*never make you dependent on the political clique*” were the principles I learned from him. He would never have abandoned his principles and ingratiated himself with the ruling socialists for the sake of any kind of advantage. This has greatly influenced my own thinking. From the age of 13 on, just as I became interested in politics, I experienced a long era of socialist sole-governments under Chancellor Bruno Kreisky, who was considered

Andreas Tögel lives and works in Austria.

by many to be a charismatist. Under his rule, based on Keynesian Voodoo-economics, the state expanded to gigantic proportions at the same time as the public debt ratio did. It was intuitively clear to me that this is an extremely unhealthy development that cannot last for long or lead to anything good. Kreisky's credo "*I'd rather have a few billion in deficit than thousands unemployed*" led to stagflation and high unemployment, as liberal critics predicted from the beginning.

It was at this time, I can't remember the exact circumstances, that Hayek's 1944 published book *The Road to Serfdom* fell into my hands and I devoured it with the greatest interest. All economic and political developments, which I had emotionally evaluated as negative until then, I saw systematically analyzed and criticized in this volume. So, *The Road to Serfdom* became my first impulse to libertarian thinking. To cut a long story short, Hayek's reading soon led me to the works of Mises, Rothbard, and finally to Hans-Hermann Hoppe, the only leading libertarian thinker I have the privilege of having met personally.

Shortly after the German version of *Democracy: The God that Failed* was published, Prof. Hoppe visited Vienna at the invitation of my friend Rahim Taghizadegan to discuss his eye opening theses with a handful of mostly young libertarians. It was on this occasion that I met Prof. Hoppe for the first time. Soon after that, I had two more interesting meetings with him: one on the occasion of a panel discussion that took place at the invitation of the Austrian People's Party, a former bourgeois-conservative political party which, unfortunately, now stands for social democratic positions, and in which the audience present—many of them civil servants, chamber and party functionaries—was shocked by his theses, and the second in the context of a tribute to F. A. Hayek and Ludwig von Mises which took place at the Chamber of Commerce in Vienna. A series of visits to conferences of the Property and Freedom Society in Bodrum, where I was invited of giving a lecture myself twice, deepened my acquaintance with Prof. Hoppe. Hans, whom I am fortunate to count among my friends in the meantime, did me the honour of writing the foreword to my 2015 book *No More Democracy and Mob Rule*, which builds on the insights presented in his book on democracy.

What impresses me the most about Hans-Hermann Hoppe is his ability for sharp analysis and his absolutely uncompromising way of

arguing. I know he doesn't particularly appreciate Ayn Rand's "Objectivism" very much, but I see certain similarities in terms of his and her adherence to principle.

Hans is sometimes accused by his critics of dogmatic stubbornness. However, I have not come across a single case in which his argument was not built on pure logic, completely conclusive and absolutely "water-tight." Nor is it the case that he makes his arguments exclusively in the ivory tower of libertarian theory. Rather, he incorporates conservative considerations that he recognizes as correct into his thinking. He is fully aware of the importance and value of traditions and takes them into account in all his deliberations. He leaves no doubt that libertarian thinking must not be limited to economic questions and the axiom of non-aggression, but must also integrate other rules that make peaceful coexistence possible in the first place, as he impressively explained in several of his speeches in Bodrum.

It is somewhat depressing to see that the path taken by the European Union is leading more and more to the over-regulated central state, which suppresses all individualism and entrepreneurial initiative, which manifests itself in a loss of innovation and declining growth, instead of the small scale structures of "1,000 *Liechtensteins*" preferred by Hans.¹

All the more important is the existence of a thinker like Hans, whose voice acts as a corrective. More and more—especially young, well-educated people—are recognizing the corruption and lust for power of the political elites of the European Union. My hope as an old white man on his way to retirement is that the ideas developed by Hans will provide a basis for young critical minds to develop an effective opposition to the status quo of the centralized, increasingly belligerent European welfare state.

¹ See Hans-Hermann Hoppe, "[My Dream Is of a Europe Which Consists of 1,000 Liechtensteins](#)," *Mises Wire* (April 16, 2022).

37

Was Milton Friedman a Causal Realist?

Karl-Friedrich Israel

When I discovered the Austrian school of economics back in 2008 as an undergraduate student at Humboldt University in Berlin, my journey started with Hayek. For obvious reasons I was interested in the theory of business cycles. There was a lecture series—a *Ringvorlesung*—on the various explanations of the financial crisis held at our department. One of our professors was very fond of Hayek. Another one, more a Keynesian, would at least refer to Hayek from time to time. With a thoughtful look, he once said in one of his lectures: “Maybe he was right after all.” From Hayek’s early work of the 1920s and 30s on economic crises, I quickly made my way to Mises and Rothbard. I was deeply impressed by their masterpieces *Human Action* and *Man, Economy, and State*.¹ They were entirely different from the economics I have learned in the lecture halls and the assigned university textbooks.

There was no doubt in my mind that the defining characteristic of the Austrian approach is one of method. But is it the right one? Not

¹ “Ludwig von Mises, *Human Action: A Treatise on Economics*, Scholar’s ed. (Auburn, Ala: Mises Institute, 1998; <https://mises.org/library/human-action-0>); “Murray N. Rothbard, *Man, Economy, and State, with Power and Market*, Scholars ed., 2d ed. (Auburn, Ala.: Mises Institute, 2009; <https://mises.org/library/man-economy-and-state-power-and-market>).

all modern “Austrians” agree. Some would not even ask the question of what the right method is. They would say it is a mistake to stick too firmly to one specific methodology. There should be a “methodological pluralism.” Others criticize or even ridicule the praxeological approach of Mises and Rothbard as too dogmatic and unscientific. I was not convinced by the critics’ arguments. But was I convinced of praxeology? What, if not praxeology, makes Austrian economics stand out?

Mises himself wrote on methodology, most notably in *Theory and History* and *The Ultimate Foundation of Economic Science*.² I found these books fascinating, but it was only through reading a particular book by Professor Hoppe that I became ultimately convinced that the Austrian approach is the way to go. It was his *Kritik der kausalwissenschaftlichen Sozialforschung*.³ I discovered the book towards the end of my master studies. I was reading Applied Statistics at the University of Oxford. There I was, having made my way from the most revered to the most reviled representative of the Austrian school: from Hayek to Hoppe.

I decided then to pursue doctoral studies in economics and Professor Hoppe’s work on the methodology of the social sciences has guided me. As a young wannabe scholar entering the field, it did not take long for me to understand that you are allowed to make and build upon Professor Hoppe’s arguments. You are just not supposed to quote him favorably in certain circles. Just pretend you base your analysis on the Lucas Critique, and you are good to go. If people were to assess Robert Lucas’s paper from 1976 and Professor Hoppe’s book from 1983 with an open mind, they would realize that Professor Hoppe made a much deeper argument with stronger implications. In my view, he made the more important argument. One is worth a Nobel Prize; the other is not supposed to be quoted. Academia can be terribly petty.

Very few contemporary writers on the methodology of the social sciences have made contributions comparable in significance to those

² Ludwig von Mises, *Theory and History: An Interpretation of Social and Economic Evolution* (Auburn, Ala.: Mises Institute, 2007 [1957]; <https://mises.org/library/theory-and-history-interpretation-social-and-economic-evolution>); *idem*, *The Ultimate Foundation of Economic Science: An Essay on Method* (Princeton, N.J.: D. Van Nostrand Company, Inc., 1962; <https://mises.org/library/ultimate-foundation-economic-science>).

³ Hans-Hermann Hoppe, *Kritik der kausalwissenschaftlichen Sozialforschung: Untersuchungen zu Grundlegung der Soziologie und Ökonomie* (Opladen: Westdeutscher Verlag, 1983; www.hanshoppe.com/german).

of Professor Hoppe. And even fewer share his sharp and clear analytical style. In what follows, I will dissect a prime example of what could be considered a “muddleheaded” argument by two of the leading authors in economic methodology.

I. INTRODUCTION

Positivism and instrumentalism as epistemological and methodological positions have had a transformative impact on economics in the 20th century, and they are closely intertwined. Positivism has been one of the driving forces of the instrumentalist take on economic theory.⁴ According to the latter, economic theories and models are first and foremost tools for generating empirical-quantitative predictions about the future state of the economy, often to guide economic policies and regulations. The accuracy of predictions, albeit never perfect over extended periods of time, becomes the ultimate test of a model or a theory. Roughly speaking, this view was sparked by the core postulates of modern econometrics as first espoused by Ragnar Frisch and reinforced to become one of the dominant positions by Friedman’s *Methodology of Positive economics*.⁵ This text, for short F53, has remained the object of many critical and occasionally controversial discussions in economic methodology to this day.

Despite the existence of a dominant strand, modern economics has never been a field of widespread agreement, or even consensus, on fundamental questions of methodology. Unexplained and unforeseen real-world economic calamities have often induced intellectual efforts to question and discuss the relative merits of dominant over neglected

⁴ See Daniel M. Hausman, “Problems with Realism in Economics,” *Economics and Philosophy* 14 (2) (1998): 185–213. He lists empiricist epistemology or positivism as one of three sources of instrumentalism. The other two sources are American pragmatism and pessimism “about making literal sense of particular successful scientific theories” (p. 187).

⁵ Ragnar Frisch, “Sur un problème d’économie pure,” *Norsk Matematisk Forenings Skrifter* Series 1 (16) (1926): 1–40; Milton Friedman, “The Methodology of Positive Economics,” in *Essays in Positive Economics* (Chicago and London: The University of Chicago Press, 1953), pp. 3–43.

approaches. Such discussions also take place today. Various recent publications that provide introductions to heterodox approaches can be seen as evidence.⁶

The growing interest in alternative views over the past years has also triggered some discussions on the foundations of economics. Within the methodological literature we can observe a shift away from scientific instrumentalism and practical questions concerning the *what*, *where*, and *when* of economic phenomena, towards scientific realism and questions concerning the *why* and *how*. It has been pointed out that “many different faces of ‘realism’ are now emerging within the methodological literature.”⁷ A closer look certainly confirms this claim. Given this development, it is indispensable to maintain terminological clarity and to highlight important substantive differences between diverging positions. The aim of this article is primarily to serve this purpose.

Since the 1990s it has been argued that Friedman’s methodology contains realist elements.⁸ These arguments are mostly related to Friedman’s methodology in practice as opposed to his stated methodology, or they build on his declared methodological affinity to Alfred Marshall.⁹ More recently, however, Kevin Hoover and Uskali Mäki have argued that one can interpret Friedman’s famous essay (F53) itself as a representation of realism, or even causal realism.¹⁰ This reinterpretation is a grave misrepresentation and in what follows we will argue against it.

⁶ Fischer, Liliann et al., eds. *Rethinking Economics: An Introduction to Pluralist Economics* (London and New York: Routledge, 2018); Edward Fullbrook, ed., *Pluralist Economics* (London and New York: Zed Books, 2013).

⁷ D. Wade Hands, “Economic Methodology Is Dead—Long Live Economic Methodology: Thirteen Theses on the New Economic Methodology,” *Journal of Economic Methodology* 8 (1) (2001): 49–63.

⁸ J. Daniel Hammond, “Realism in Friedman’s Essays in Positive Economics,” in D.E. Moggridge, ed., *Perspectives on the History of Economic Thought*, Vol. 4 (Aldershot: Edward Elgar; 1990); *idem*, *Theory and Measurement: Causality Issues in Milton Friedman’s Monetary Economics* (Cambridge, MA: Cambridge University Press, 1996); Abraham Hirsch and Neil De Marchi, *Milton Friedman: Economics in Theory and Practice* (Hertfordshire: Harvester Wheatsheaf, 1990); Tony Lawson, “Realism, Closed Systems and Friedman,” *Research in the History of Economic Thought and Methodology* 10 (1992): 149–69.

⁹ Edward Mariyani-Squire, “Milton Friedman’s Causal Realist Stance?,” *Oxford Economic Papers* 17 (3) (2018): 719–40.

¹⁰ Uskali Mäki, “The Methodology of Positive Economics’ (1953) Does Not Give Us the Methodology of Positive Economics,” *Journal of Economic Methodology* 10 (4) (2003):

For this purpose, it is important to first explain as accurately as necessary what lies behind the terms *realism* and *causal realism*. Without aiming at a comprehensive treatment, we will then show that Friedman's stated methodological views cannot be put under these labels without causing serious terminological confusion. Friedman's stated methodological stance is better seen as an example of scientific instrumentalism as forcefully argued in various earlier contributions.¹¹ Moreover, we show that Uskali Mäki's earlier work on scientific realism in connection to Austrian economics cannot easily be reconciled with his more recent writings on the alleged realism of F53.

II. CAUSAL REALISM IN ECONOMICS

There are evidently many different philosophical doctrines that are called realist, and not only are there differences in degree, but also in kind.¹² We cannot flesh out the various forms of realism in much detail. The following discussion will focus only on the important elements for the question at hand and must thus necessarily remain fragmentary.

Two of the unifying elements in realist positions are claims to *existence* and *independence*. This means that the objects of a subject matter are considered to exist, being in some sense real, having certain properties,

495–505; *idem*, “Unrealistic Assumptions and Unnecessary Confusions: Rereading and Rewriting F53 as a Realist Statement,” in *The Methodology of Positive Economics: Reflections on the Milton Friedman Legacy*, Uskali Mäki, ed. (Cambridge: Cambridge University Press, 2009), pp. 90–116; and in the same volume, see Kevin D. Hoover, “Milton Friedman's Stance: The Methodology of Causal Realism,” 303–20.

¹¹ Stanley Wong, “The ‘F-Twist’ and the Methodology of Paul Samuelson,” *American Economic Review* 63 (3) (1973): 312–25; Lawrence A. Boland, “A Critique of Friedman's Critics,” *Journal of Economic Literature* 17 (2) (1979): 503–22.

¹² Alexander Miller, “Realism,” in Edward N. Zalta, ed., *The Stanford Encyclopedia of Philosophy* (2016). Miller writes in his introduction: “Although it would be possible to accept (or reject) realism across the board, it is more common for philosophers to be selectively realist or non-realist about various topics: thus it would be perfectly possible to be a realist about the everyday world of macroscopic objects and their properties, but a non-realist about aesthetic and moral value. In addition, it is misleading to think that there is a straightforward and clear-cut choice between being a realist and a non-realist about a particular subject matter. It is rather the case that one can be more-or-less realist about a particular subject matter. Also, there are many different forms that realism and non-realism can take.”

and that they do so independently of how we talk and think about them, or how we conceptualize them.

Realist positions on aspects and objects of the external physical world may seem very common. These, however, are not the defining parts of the subject matter of economics. Economics is concerned with elements of what might be called the internal or mental world, namely, with the common-sense notions of human choice and action. The aim of the instrumentalist approach to economics is to predict the consequences of choices and actions, at least on an aggregated level, based on observable variables. It tries to reduce choice and action to configurations of external factors. It is reductionist in this sense. One could argue that it does not, within the framework of economic theories and models, leave room for choice and action to exist in a more meaningful sense than as the reflexive behavior of human beings in response to measurable data.

The traditional opponent of instrumentalism is realism. There are, according to Mäki, two schools of economic thought that “are obviously amenable to realist interpretation and reconstruction,” namely, the Marxian and the Austrian.¹³ It needs to be emphasized, however, that the non-Marxian realist tradition in economics is broader than merely Austrian. And it is also older. During the time of classical economics and even before, there are many writers that would fall in this tradition.¹⁴

However, in modern economics, which is where our focus lies, the realist tradition is predominantly held up by Austrians and most notably by Ludwig von Mises and his intellectual followers. Mises has devoted more time and effort than most other economists to clarifying the relation between economic theory and social reality. In the first chapter of *Human Action* he states: “The main question that economics is bound to answer is what the relation of its statements is to the reality of human action whose mental grasp is the objective of economic studies” (p. 6). The reality of human action is taken as a given.

¹³ Uskali Mäki, “Scientific Realism and Austrian Explanation,” *Review of Political Economy* 2 (3) (1990): 310–44.

¹⁴ See for example Murray N. Rothbard, *Economic Thought Before Adam Smith: An Austrian Perspective on the History of Economic Thought Volume I* and *Classical Economics: An Austrian Perspective on the History of Economic Thought Volume II* (Auburn, AL: Ludwig von Mises Institute, 2006).

In another early piece on the topic, Mäki argues that although Austrian economics has been seen as a bit more realistic than neoclassical economics, it is still seen as being “on the ‘unrealistic’ side of the dividing line, at least when compared to American institutionalism or to Menger’s actual opponent, German historicism.” He further clarifies that “these sorts of assessment seem to be rooted deep in ordinary economists’ unreflected intuitions” and sets out “to show that a case can be made for Austrian theories being realistic in a very ambitious sense and that therefore a radically realist view of Austrian economics is defensible.”¹⁵ We share this position.

Human choice and action are given a central position in Austrian economics. This has been seen as a unique feature by Mises: “What distinguishes the Austrian School and will lend it immortal fame is precisely the fact that it created a theory of economic action and not of economic equilibrium or non-action.”¹⁶ In other words, the concept of action is what Austrian economics seeks to *explain*, not in the sense of predicting action and its observable effects or identifying its material causes but analyzing what is logically implied in it. This includes adopting related concepts, such as purposes, means, ends, preferences and values in their relation to action and their subjective nature. Mäki (1990b, p. 315) explains how these concepts fit into a realist position:

Austrians characterize an essential element in their approach as ‘subjectivism’, and the import of this is simply that reference to mental entities such as valuations, purposes and expectations of human individuals should have a prominent role in economic theories and explanations.

Consequently, the relevant version of scientific realism should allow mental entities to exist as scientific objects. To exist in what sense? Clearly, we have to put aside those versions of realism which specify the concept of existence merely in terms of externality or independence with respect to the human mind. Mental entities - unlike material entities - do not exist externally to and independently of human minds. We can, however, say that purposes, expectations, etc. of economic agents may exist objectively, that is, independently of and unconstituted by economists’ beliefs about

¹⁵ Uskali Mäki, “Mengerian Economics in Realist Perspective,” *History of Political Economy* 22 (Annual Suppl., 1990): 289–310.

¹⁶ Ludwig von Mises, *Notes and Recollections: With the Historical Setting of the Austrian School of Economics*, Bettina Bien Greaves, ed. (Indianapolis: Liberty Fund, 2013).

them. Thus, it is the notion of existence as objective existence which should be part of the relevant version of scientific realism.¹⁷

The fundamental components of economic theory are considered to have objective existence. However, they are far from being completely explained based on material factors, and hence are not observable empirically in an encompassing sense. Some of their consequences, i.e. material effects, are observable, but a causal explanation of the latter presupposes an understanding of the meaning of action and related concepts. According to Austrian economics, these concepts are *a priori*.¹⁸ Action as such is not observable. Only the rearrangement and transformation of matter in the external world that it causes is. Abstract propositions that relate to human action in general are thus not testable empirically, which is not to say that there is no way of evaluating their truth claims.

They are arrived at by logical deduction from the self-evidently true or common-sensical proposition that humans act, that is, they purposefully employ means to attain chosen ends, and certain auxiliary assumptions. The truth claim of a theoretical proposition is then evaluated on the basis of the logical consistency of the chain of reasoning that leads to it. The proposition is applicable whenever and wherever the auxiliary assumptions are an accurate description of reality.

Strictly speaking, what Austrians assert when it comes to methodology is not that all their theoretical utterances are irrefutably true, but rather that there are objective truths to be discovered about the unobservable common-sense concepts that constitute the subject matter of economics, that finding these truths is the primary goal of economics, that our theoretical proposition should and in principle can conform to these truths, and that these truths are independent of how we think about them.

One central difference to the modern instrumentalist position lies in the use of assumptions or abstractions. Both approaches, as any scientific procedure, require abstractions, but they are of a very different kind. The instrumentalist-positivist position regards accurate empirical

¹⁷ Mäki, "Scientific Realism and Austrian Explanation," p. 315.

¹⁸ Hans-Hermann Hoppe, *Economic Science and the Austrian Method* (Auburn, AL: Ludwig von Mises Institute, 1995; www.hanshoppe.com/esam).

prediction as the highest goal of economic theory and modeling. Any assumption that is deemed conducive to this goal is acceptable. Modern DSGE modeling, for example, assumes specific forms of utility functions and inputs to these functions that determine consumer welfare and quantifiable optimal behavior, etc. In other words, the numerous factors potentially influencing the agents' preferences and behavior are either assumed away or assumed to have precise, quantifiable and measurable form. After all, whether these assumptions are realistic or not is irrelevant. They serve the purpose of formulating testable quantitative-empirical predictions about agents' behavior and market outcomes. This type of abstraction is called *precisive*.

A realist approach, too, as exemplified here by Austrian economics, requires abstraction. Yet, our lack of knowledge about the causes of action and the driving forces behind preferences, utility, or expectations, is not filled by precise and unrealistic assumptions or simply disregarded for the purpose of economic model building. It is explicitly acknowledged in taking human action and choice as an "ultimate given" (Mises 1998, pp. 17ff.), not to be traced back to its causal factors, at least not in the field of economics. Instead of giving action a precise shape of unrealistic specifications, it is made the cornerstone of economic theory in its general and abstract form. This type of abstraction is *nonprecisive*. Roderick Long describes the distinction as follows: "In short, a precisive abstraction is one in which certain actual characteristics are *specified as absent*, while a nonprecisive abstraction is one in which certain actual characteristics are *absent from specification*."¹⁹

Nonprecisive abstractions are characteristic of the realist approach to economics. Theoretical economics in the sense of Mises (1998) takes a nonprecisive abstraction of action to be the logical starting point from which to analyze all economic phenomena: "The starting point [...] is not a choice of axioms and a decision about methods of procedure, but reflection about the essence of action" (p. 39). The primary goal is thus

¹⁹ Roderick T. Long, "Realism and Abstraction in Economics: Aristotle and Mises versus Friedman," *The Quarterly Journal of Austrian Economics* 9 (3) (2006): 3–23. The distinction between precisive and nonprecisive abstractions goes back to Aristotelian philosophy which had an important impact on Austrian economics through the Viennese philosopher Franz Brentano. On this see Barry Smith, *Austrian Philosophy: The Legacy of Franz Brentano* (Open Court, 1994).

a cognitive one, namely that of finding truth about the subject matter, and not merely a practical one, such as empirical prediction.

The theoretical science of economics in Mises's view is thus occupied with the *essence* or the *universal*, that is, the time-and-place invariant, aspects of human action. Economic history, while always employing economic theory, uses additional methods of inquiry to analyze the particular, time-and-place contingent, circumstances of human action. This also involves empirical-quantitative methods, statistics, and econometrics.

Moreover, individual human action and subjective valuation are always taken to be the *causes* of the phenomena to be explained by economic theory. The importance of cause-and-effect analysis in understanding economic phenomena, and all other phenomena for that matter, is reflected in the very first sentence of Menger's *Principles*: "All things are subject to the law of cause and effect." Indeed, the cause-and-effect analysis of the Austrian school stays in stark contrast to mutual determination in systems of simultaneous equations, characteristic of the Walrasian neoclassical approach. As Stigler in criticizing the causal-realist theory of price formation developed by Böhm-Bawerk claimed: "Mutual determination is spurned for the older concept of cause and effect" (as cited in Rothbard 2009, p. 327). In other words, neoclassical economics tries to do without cause-and-effect analysis. Hence, one might adopt the more precise attribute *causal-realist* instead of merely *realist* to describe the methodological stance of the Austrian school.²⁰

²⁰ Peter G. Klein, "Foreword," in Carl Menger's *Principles of Economics*, (Auburn, AL: Ludwig von Mises Institute, 2006), pp. 7–10; *idem*, "The Mundane Economics of the Austrian School," *The Quarterly Journal of Austrian Economics* 11 (3) (2008): 165–87.

III. WAS MILTON FRIEDMAN A CAUSAL REALIST?

A recent argument merits some critical reflection. While Uskali Mäki has persuasively argued that Austrian economics stands in the tradition of philosophical realism, he has also recently suggested that Milton Friedman's methodological essay (F53) can be interpreted as a realist statement, although this, in Mäki's own words, might require some "rereading" and in fact "rewriting" of F53. Mäki describes his attempt as follows:

To the extent that my *rereading* fails to be a matter of unbiased discovery of what is already there, hidden in the text of F53, it can also be taken as a project of *rewriting* the essay. It is a matter of rewriting by selection and correction so as to eliminate its flaws and to make it more agreeable to a variety of audiences. On this rereading (or rewriting) F53 emerges as a realist (rather than instrumentalist) manifesto with strong fallibilist and social constructivist sensitivities (in contrast to standard textbook positivism).²¹

We suggest that we stick to what Friedman wrote himself, although rewriting his essay might render things more entertaining at times.

Hoover echoes Mäki's interpretation of Friedman and concludes that the text "is best read as advocating causal realism."²² The standard interpretation is obviously in conflict with these controversial claims.²³ Friedman's essay is commonly seen as a driving force behind the formalist revolution of new classical economics. This thesis is based on the more common interpretation of Friedman as an advocate of methodological instrumentalism. He is neither concerned with the realism of underlying assumptions, nor the real existence of central concepts of a theory, nor the truth of theoretical propositions. Mäki acknowledges

²¹ Mäki, "Unrealistic Assumptions and Unnecessary Confusions: Rereading and Rewriting F53 as a Realist Statement," p. 91.

²² Hoover, "Milton Friedman's Stance," p. 319.

²³ Terence W. Hutchison, *Changing Aims in Economics* (Oxford: Blackwell Publishing Ltd, 1992); *idem*, *On the Methodology of Economics and the Formalist Revolution* (Cheltenham: Edward Elgar, 2000); Mark Blaug, "Is There Really Progress in Economics?", in S. Boehm, C. Gehrke, H. D. Kurz, and R. Sturn, eds., *Is There Progress in Economics?* (Cheltenham: Edward Elgar, 2002); *idem*, "Ugly Currents in Modern Economics," in *Fact and Fiction in Economics: Models, Realism, and Social Construction*, Uskali Mäki, ed. (Cambridge: Cambridge University Press, 2002).

that “[t]he instrumentalist interpretation of F53 used to be the dominant one” and suggests that it nonetheless “may have to give way to a diametrically opposing realist reading.”²⁴ In his article he concludes:

I have reread F53 by focusing on a selected set of ambiguities that open up opportunities for reinterpretation. I have exploited these opportunities by highlighting the partly hidden realism in F53’s conception of economic science. On this basis, F53 could be rewritten as an unambiguous and consistent realist manifesto. It conveys a methodology of economics that conforms to the tradition of viewing theories or models as partial but potentially true descriptions of causally significant mechanisms. Their primary service is to convey explanatory understanding (answers to why- and how-questions) and only secondarily to yield predictions (answers to what-, when-, and where-questions).²⁵

Sure enough, if it were possible to literally rewrite Friedman’s text, we could make it a manifesto of whatever is desired. Alternatively, one can stretch definitions. As pointed out above, there are different kinds of realism, and Mäki would probably not argue that Friedman falls into the same camp as the Austrians. At the very least it would have to be a different type of realism. So, one might simply blame it on semantic divergences. Yet, it is rather difficult to convince oneself of the alleged secondary role of empirical prediction in Friedman’s stated methodology after a disinterested reading and interpretation of his essay, not based on its “ambiguities” but on what he explicitly states.

Friedman (F53, p. 7) writes, for example, that it is the “ultimate goal of a positive science” to develop “a ‘theory’ or ‘hypothesis’ that yields valid and meaningful (i.e., not truistic) predictions about phenomena not yet observed.” For him it is a “fundamental methodological principle that a hypothesis can be tested only by the conformity of its implications or predictions with observable phenomena” (p. 40). Moreover, he claims that, with respect to the criterion of accurate prediction, as a general rule “the more significant a theory, the more unrealistic the assumptions”

²⁴ Uskali Mäki, “Reading the Methodological Essay in Twentieth-Century Economics: Map of Multiple Perspectives,” in Uskali Mäki, ed., *The Methodology of Positive Economics: Reflections on the Milton Friedman Legacy* (Cambridge: Cambridge University Press, 2009), pp. 47–67.

²⁵ Mäki, “Unrealistic Assumptions and Unnecessary Confusions: Rereading and Rewriting F53 as a Realist Statement,” p. 113.

(p. 14). These passages must have been subject to rewriting in Mäki's account. For someone reading the original text of F53, it can hardly be overlooked that Friedman is not concerned with the cognitive goal of finding truth about the subject matter of economics. As Hausman argues, he can be considered a "contextualist instrumentalist"²⁶ who is for the most part agnostic about the truth or falsehood of theoretical statements involving unobservables.

Friedman very openly declares empirical prediction to be the only relevant benchmark for the assessment of models, which Mäki does in fact acknowledge, but he squares this view with a "realist" position by simply reducing the meaning of realistic assumptions, or what he calls "approximate truth of assumptions" (p. 95), to precisely their predictive performance. He clarifies that "one is advised [by Friedman] to pay attention" to the assumption's "actual degree of realisticness and to judge whether it is sufficiently high for the purposes at hand."²⁷ And the purpose is empirical prediction. Anybody, who feels so inclined, is of course free to choose and can call this a "realist" position. After all, it focuses exclusively on what is observable, measurable, and hence existent in the material world. However, this must be regarded as a rather confusing use of language, given the traditional meaning of realism and the subject matter of economics, which does involve unobservable common-sense notions, such as choice and action.

F53 lines out an empiricist or positivist position, and more precisely, an instrumentalist-positivist position. The feasibility of empirical prediction as a benchmark for evaluating theories and models could only emerge as a corollary to an actual understanding of the nature of the subject matter. But Friedman simply declared prediction to be the primary goal and quality benchmark of economic theory without any reflection on its actual subject matter. The assumptions on which a theory or model is based are supposed to serve this purpose. And Mäki defines their "realisticness" or approximate truth very pragmatically by how well they do.

²⁶ Hausman, "Problems with Realism in Economics," p. 189.

²⁷ Mäki, "Unrealistic Assumptions and Unnecessary Confusions: Rereading and Rewriting F53 as a Realist Statement," p. 95.

Hoover acknowledges that Friedman’s essay “was a contributing cause in the suppression of causal language in economics.” He shows in his article that Friedman barely ever mentions the terms “cause” and “causal” although he uses some words that can be regarded as synonymous. Friedman himself stated that he tries to avoid the term “cause” for being “tricky and unsatisfactory.”²⁸ This should not come as a surprise, since, strictly speaking, there is no way of identifying causal relationships in the social sciences based on empirical analysis. This is widely accepted despite the use of misleading terms like *Granger causality*, which really boils down to an assessment of predictive power of one variable for another over a specific historical period. Unless one wants to reduce the meaning of causality in Humean spirit to empirical prediction, the predicate “causal-realist” for Friedman’s stated methodology is even more misleading than a mere “realist.”

It thus needs to be emphasized, for the purpose of terminological clarity, that Friedman’s position, and by extension the methodological basis of instrumentalist-positivist economics, is very distinct from what Mäki referred to as realist in his earlier writings, and what others have referred to as causal-realist. Austrian economics might, seem extraordinary, given the dominance of positivism. A more hostile interpretation calls it “cranky and idiosyncratic.”²⁹ However, plagiarizing Shakespeare, one might confer that there is a method to this madness. The idiosyncrasy of the Austrian school is partly due to its thoroughly realist stance, which at least to that degree is rather exceptional in modern economics.

IV. CONCLUSION

For the discussion of underlying methodological and epistemological views in economics it is of utmost importance to maintain terminological

²⁸ Hoover, “Milton Friedman’s Stance,” p. 319.

²⁹ Mark Blaug, *The Methodology of Economics* (Cambridge, MA: Cambridge University Press, 1980). In a passage that Professor Hoppe himself referred to in his writings, Blaug commented on Mises’s methodological position as follows: “His writings on the foundations of economic science are so cranky and idiosyncratic that one can only wonder that they have been taken seriously by anyone” (p. 93).

clarity. Stretching the definitions of terms beyond recognition should be avoided and, if encountered, be corrected. Subsuming Milton Friedman's stated methodology of positive economics under the umbrella of causal realism is such a case. His methodology is better seen as one of the primary expositions of the instrumentalist position in 20th century economics, that is, the opposite of a realist stance.

38

“Keep off” is a Good Maxim

Robert Nef

I share with Hans Hoppe his attitude to “creative dissidence.” So let me start this contribution with the fable “The fairly intelligent fly” by the American writer James Thurber (1894–1961). It expresses beautifully the stance of those who are sceptical about centralists in all parties and about those who, with no pun intended, “fly the national flag” whenever possible. The story goes like this:

A large spider in an old house built a beautiful web in which to catch flies. Every time a fly landed on the web and was entangled in it the spider devoured him, so that when another fly came along he would think the web was a safe and quiet place in which to rest. One day a fairly intelligent fly buzzed around above the web so long without landing that the spider appeared and said, “Come on down.” But the fly was too clever for him and said, “I never land where I don’t see other flies and I don’t see any other flies in your house.” So he flew away until he came to a place where there were a great many other flies. He was about to settle down among them when a bee buzzed up and said, “Hold it, stupid, that’s flypaper. All those flies are trapped.” “Don’t be silly,” said the fly, “they’re dancing.” So he settled down and became stuck to the flypaper with all the other flies. Moral: There is no safety in numbers, or in anything else. (Thurber, 1939).

Robert Nef is married to Annelies Nef-Nyffeler and father of two sons and grandfather of five grandchildren.

No country is completely independent, but even partial accession to alliances with welfare states linked in a single market with a tendency towards greater centralisation implies a loss of independence. In a memorable referendum in 1992, Switzerland rejected joining the European Economic Area. Since then, Switzerland's European policy has been determined by this "no" vote. It is based on bilateral treaties, which in future will be merged into an agreement that restricts essential elements of independence. In the event of a rejection, the European Union is threatening to exclude Switzerland from various agreements that also offer advantages for Switzerland. Even before Brexit, the late Lord Harris of High Cross gave Switzerland the following advice (that's my second quote): "You don't necessarily have to join a club that doesn't discriminate against non-members. But you should never join a club that discriminates against non-members." This is very reminiscent of the saying of the American comedian Groucho Marx: I don't join a club that accepts me as a member.

For Switzerland, the fundamental question is: what is the essence of the EU? Is it a continental peace project to prevent a repetition of the madness—including the socio-cultural and economic madness—of the two world wars, or a single market with a tendency towards political centralisation that is mutating into a dangerous harbinger of a new geopolitical bloc with a new potential for war? It is to be hoped that the Swiss electorate will once again have the courage to vote no in the next referendum on partial integration.

My third quote has its origin in Austria and struggles with politics and the nation.

Franz Grillparzer (1791–1872) had very good reasons in 1859 to be against Nationalism. He remarked that "human development leads from Humanity via Nationality to Bestiality" (Grillparzer, 1859). Unfortunately, we have observed this rapid progression over the course of the 20th century full of war and growing welfare state.

I am convinced that Europe today needs more than short-term political crisis management. Neither will the flight forwards into a centralized economic, financial and social policy solve the current problems. What is required is a consideration of the conditions and facts that form the secret to the success of our little continent in world history. It is our diversity that enables competition in the broadest

sense and mutual learning- that diversity which tenaciously resists the spirit of standardization and harmonization.

Let's return to the regional integration as a trans-national alternative to the nation state. The terms "region" and "integration" are not easy to define, they are weasel words. The word "region" harkens back to the "rex," the king. Integration, on the other hand, has the double interpretation of either eliminating or of cultivating differences.

Personally, I am in favour of cultivating diversity. That is, after all, one of the great secrets of the Swiss success. European diversity includes the individual responsibility of EU-member states for their own budgets, which requires a consistent no-bail-out policy that expects each member to take on responsibility for its own financing and to bear the consequences of national bankruptcy. This combination of diversity and autonomy is what Eric Jones called "The European Miracle": "The fundamental trump card of Europe is its diversity" (Jones, 1981).

This is not only the diversity of nations, but above all the internal diversity within a nation state. In the past this internal diversity used to be considered a disadvantage, but in a competitive world of a learning society it is effectively turning into an advantage. At least that is the experience we have made in Switzerland. Diversity makes us all more robust and less vulnerable. It enables mutual transfer of knowledge, one simply copies the successes and avoids the mistakes.

This is, in fact, a form of experimentation. History does not offer us ready-made complete models that we can simply replicate. But it does show us a lot of interesting experiments. I, for example, never call Switzerland a model. It cannot be copied. But it is an (at least partly) successful experiment.

The whole life is an experiment. Technology can be regarded as Nature experimenting with humans. In this light, politics is humans experimenting with humans. Experimental economists are becoming increasingly famous these days, but their experiments are always designed, from above. The experimentation I am talking about is different. There is no central designer, just small groups experimenting with what works and what does not.

Indeed, the smaller the group experimenting, the better, because the risks of a failure are contained within a small area or a small group of

people. Diversity over an area is then a natural creator of small groups suitable for experimentation.

Historically, the most decisive cultural and political unit is the city (with its suburbs), not the centralized nation state. Political institutions of the future will simply be confederations of cities and local communities. I suggest that an actual path forward is not “let us forget about all regional integration and let us go back to the good old nation state!” Switzerland has never been a typical nation state and this is another of the many secrets of our successes.

But we should add that the mother of all things is the peaceful exchange and mutual learning and adaptation. So let us all together forget the authoritarian over-regulating father, at least in the political sphere! And let us go back to the tolerant mother who shows us how to exchange in peace and how to be creative. Perhaps even how to be a creative dissident, one of my favourite issues. After all, who else should “return to the mother.”

The traditional nation-state wanted to safeguard and imperialistically promote the ideas of State, Nation, Language, Economy and Culture within one “sensibly” and “naturally” constrained territory. But who is to say what the correct political borders are? This collective error led to the First World War, “the great seminal catastrophe of the 20th century—the event which lay at the heart of the failure and decline of this Western civilization” (Kennan, 1981). An event in whose shadows we are still suffering; of course, the Second World War was just a continuation of the First, and the Cold War just a continuation of the Second. The disastrous issue was the vain hope to find “just” borders. But there are no “just” borders. Borders are just borders!

Today, economies and cultures are essentially and increasingly spanning across political or linguistic borders. The EU is not the positive alternative to the collective error of centralised nation states. Instead, the EU is a bureaucratic, corporatist empire, a political cartel in which the economically influential parties keep the smaller or economically weaker parties happy through transfer payments. In return they demand financial and political tributes whilst at the same time cutting off competition among systems as much as possible. The more ambiguous and indistinctive the foundations are, the better for the self-assigned, self-empowering bureaucrats. Eurocrats in Brussels can live quite well in

this state of hazily defined responsibilities since bureaucrats are masters at muddling through. You can always present unnecessary restraints as inevitable practical constraints “without alternative.” It is well-known that necessity knows no law.

The EU is trying to prolong this collective error on a continental level by muscling in a form of European pseudo-solidarity and nationality. It wants to be something of a mercantilist Super-nation. If it lacks some loyalty, it wants to buy people off by centrally organized redistribution. But in reality it is perhaps destroying the loyalty more than creating it. Coercion destroys voluntary action and genuine loyalty. Loyalty can be based on free consensus over enlightened self-interest, never on bureaucratic machinery of redistribution.

Most nation states are probably too large rather than too small. Their current size came out of an optimal defence technology in case of war. Large states did not rise through markets but through wars. However, this emphasis on size for military purposes becomes a moot point in our nuclear age.

There are political communities which are collecting money for the common good on the basis of self-administered taxes in the sense of club membership fees. Alternatively, whenever possible, they directly charge for use. Our goal is not the removal of borders and the integration in centralising structures, but a political organization which offers the best possible combination of “voting,” “voting by feet” (exit) and “loyalty.”

I started my remarks with a fable, and I would like to end them with another. It is from Arthur Schopenhauer (1788–1860), and it brings together nicely everything I have tried to explain on these pages:

A company of hedgehogs snuggled up together on a cold winter’s day in order to stop themselves freezing by using their mutual warmth. But they soon found themselves suffering from their own spines and were driven apart. When their need for warmth finally brought them nearer together again, the spines drove them apart again—so that they were pushed hither and thither between the two evils until they found an adequate distance from each other in which they could tolerate both of them. Exactly in this way the need for company, which springs from the emptiness and monotony of mankind’s inner life, brings people together—but then their objectionable habits and their unpardonable errors soon drive them apart again. The mean distance from each other at which they finally settle down and where mutual coexistence turns out to be possible is marked

by courtesy and good manners. The English have a good expression for those who do not observe this. They say to such people: 'Keep your distance.' In this way the need for mutual warmth is only partially filled, but there is also little injury done by the spines of the hedgehog. But those who have sufficient inner warmth of their own will do well to keep away from society altogether, for in this way they will give no offence and they will also feel none.

Well, so much for Schopenhauer, the famous pessimist...

I hope that the people in Switzerland and of all countries all over the world have a lot of "inner warmth" of their own. I also hope it will come from the most sustainable energy source—I hope for more "inner warmth" as a result of permanent peaceful frictions in a civil society. And I hope that the most important lesson for preserving freedom will not be forgotten: We must have the courage to say No in the right moment.

REFERENCES

- Grillparzer, Franz (1859) *Sämtliche Werke. Ausgewählte Briefe, Gespräche, Berichte.* Hrsg. von Peter Frank / Karl Pörnbacher. 2 Bde. München 1960, Bd. I, S. 500.
- Thurber, James (1939/1983), *The fairly intelligent fly, Fables for our Time*
- Jones, Eric (1981). *The European Miracle: Environments, Economics and Geopolitics in the History of Europe and Asia.* Cambridge University Press
- Kennan, George F. (1981), *The Decline of Bismarck's European Order: Franco-Russian Relations 1875-1890*
- Schopenhauer, Arthur (1851), *Parerga und Paralipomena*, English Translation by E. F. J. Payne, Clarendon Press, Oxford, 1974, 2 Volumes The text draws also on ideas and statements contained in: NEF (2004 and 2011)
- Nef, Robert (2004), *In praise of Non-Centralism*, Berlin
- Nef, Robert (2011), *Liberty, Diversity and subsidiarity, contending with triplets*, Telders lecture, Den Haag
- Nef, Robert (2002) *Vom Scheitern des Zwangs zum Guten – Braucht es den Staat? Kritik zum Hauptartikel von Gerard Radnitzky zum Thema «Das moralische Problem der Politik*, in: «*Erwägen Wissen Ethik*», Jahrgang 13, 2002, S. 399 ff. (überarbeitet 2016, in: www.robert-nef.ch)

39

A Hoppean Alternative to Hayek's “Spontaneous Order”

Juan Fernando Carpio

PERSONAL NOTE

I was a young social democrat when I first encountered the Austrian School through mentions and footnotes on a popular anti-socialist book by three renowned authors in Latin America. The experience of a college-exchange year in Mexico, plus my own growing up in Ecuador, had disillusioned me from the mixed economy ideas “sensibly” taught at my Economics classes in Business School, and the resulting paternalistic State, as it clearly corrupts the culture (it was not just the economics and politics, in a narrow sense). I was growing increasingly pro market. After graduating college in 2002 and thanks to the rise of the internet I discovered the Ludwig von Mises Institute, printed and studied a sizeable portion of the *QJAE* and the *JLS* on my own, and soon attended Mises University 2003. I will never forget two moments at MU2003 related to Prof. Hoppe: (1) I was lucky to witness an impromptu debate, a “clash of titans,” between Hoppe and professor George Reisman, two of my—even then, and more so now—intellectual heroes, and (2) Prof. Hoppe telling the rest

Juan Fernando Carpio was Professor of economics at Universidad San Francisco de Quito, Ecuador (www.jfcarpio.com). He has translated the works of Hans-Hermann Hoppe and George Reisman into Spanish.

of the faculty at the table “ok, we’ve heard enough” after my answers at the *mündliche Prüfung* that he was heading, to my immediate confusion and later on—upon getting our examination results—humorous relief.

That was my first experience of Prof. Hoppe. He seemed a bit distant or “dry” at first if I may say, but let me get back to that in a few lines. Reading him was so impactful that at www.liberalismo.org (the first major pro liberty website in Spanish) my own blog and the only one by a non-Spaniard is still called “Orden Natural” (natural order) after Prof. Hoppe’s ideas around the term. (As a Gen Xer I have a knack for liberty but always preserving the core of society and respecting the families.) I have also written short defenses of his “argumentation ethics” in Spanish.

A Theory of Socialism and Capitalism must be the most important treatise in political economy in the last 50 years. With a team of volunteers composed of various Rothbardians and Hoppeans from different Latin American countries, we translated it into Spanish. And with USFQ (Ecuador) we published “Libertad o Socialismo,” a varied compilation of Prof. Hoppe’s work translated into Spanish, some by me. Years later after I had become the “Rothbardian on campus” at USFQ, I began attending the Property and Freedom Society meetings in Bodrum. Not only uncompromising radicalism and the quest for the truth characterize PFS, but also a rather warm experience for me as a Latin American, since Prof. Hoppe truly is a joyous (as his teacher MNR would want us all to be) man and a gracious host. PFS is another of his successful endeavors, and to me it represents a family within the larger LVMI family, at a next level of commitment to the West and civilization as the main themes for our intellectual gatherings.

Somehow from my paternal family of musicians and educators, I have always had a “European” bias towards cultural richness and sophistication, and thus as an Austrian and libertarian I needed more than just “free markets” or “spontaneous order” as a worldview. It was in Prof. Hoppe’s work that I found Misesian answers to the questions of both material wealth and cultural wealth going (or not) hand by hand. The key of course, is Prof. Hoppe’s contributions to the field of *Austrian School Sociology* as a pioneer in the field of time preference. I appreciate

the opportunity to contribute to this tome, and above all, I celebrate Prof. Hoppe's life and his contributions to Austro-libertarianism.

INTRODUCTION

In this article I seek to present Hayek's idea of "spontaneous order," then move on to present some old and new distinctly anti-egalitarian thinkers with ideas that contrast Hayek's, including a contribution of my own, to then move on to present a truly Hoppean alternative to the Hayekian worldview.

Friedrich A. Hayek is widely recognized for furthering Carl Menger's research program on the evolution of social institutions and even often credited solely for the whole of it.

So, what is a "spontaneous order"? Hayek's "spontaneous order" idea posits that complex social structures emerge organically from individual actions without a centralized or vertical planning force. Complex societies and communities cannot be designed top-down, indeed. That does not mean, though, that social structures and institutions operate in a void and lack virtuous, uniquely human elements like foresight, courage, and vision throughout their emergence.

HAYEK'S SPONTANEOUS ORDER AND ITS SHORTCOMINGS

This theory of a "spontaneous order" celebrates the self-regulating nature of markets and societies. However, a critical analysis, drawing from diverse intellectual traditions, reveals significant blind spots in Hayek's theory, very much like Adam Smith's own well documented oversight of the capitalist-entrepreneur's pivotal role in economic dynamics.

Hayek's spontaneous order suggests that the interplay of individual choices, driven by personal knowledge and preferences, naturally leads to a coherent and functional social system. This process, according to Hayek, obviates the need for top-down planning or control. Even such thinkers as T. Sandefur in "Four Problems with Spontaneous

Order” critique Hayek’s theory, focusing on its conceptual ambiguity, the challenge of distinguishing between spontaneous and constructed orders, the difficulty in identifying and addressing injustices within such an order, and the problematic blind reliance on tradition. Sandefur argues these issues undermine the theory’s practical applicability and its ability to guide social reform or critique constructed societal arrangements effectively .

It’s a rather simplistic view of social organization that borders on the “unconscious” or entirely instinctive. It explains, following Carl Menger, the emergence of certain social institutions such as money, (judge-produced, not legislation by fiat) law, and property rights but stops short at defending them—and even distinguishing them to begin with—from aggressive or mafia-like activities around them (a.k.a. the origins and legitimacy of Nation-States). Survival per se is not the measure of something being fair or just.¹ In fact Hayek’s whole social analytics program stops arbitrarily at the emergence of property rights where they are never again incorporated properly in his social analysis to distinguish aggression (against self-property and other property) from “coercion” with consequences that are not only ethical (libertarian) but also lead to highly distorted social analysis lenses and setting up Austrian School social analysis for undue idealism and for stagnation.

The same goes for Hayek’s definition of freedom as the absence of coercion defined as “sufficiently announced and sufficiently slow rule changes,” which will slowly and “sufficiently announced” lead any political system in the direction of Cuba and North Korea. It’s an arbitrarily set inability to see how *emerged institutions* further shape the moral analysis, from property and on. Apparently, everything evolved including morality but once it’s there, we are supposed to ignore it. We may call this *Hayek’s evolutionary poison*.

¹ In fact, justice is not a mere convention or social construct (“useful but let’s not make too much of It”) as the moral relativists and extreme egalitarians contend. It’s a deep human contribution to the world, in the same way that friendship, or love based on admiration, or the deliberate pursuit of beauty are uniquely human contributions to the world. In the same spirit that we celebrate social institutions (manners, property, banking, enterprise, etc.) as civilizational wealth or *cultural capital* of sorts, we may recognize virtues themselves as proper and uniquely human contributions to the whole of life.

PARALLEL "INVISIBLE MOTORS" OR PARALLEL VOIDS: F. A. HAYEK AND ADAM SMITH

We may draw a striking parallel between F. A. Hayek and Adam Smith here. Adam Smith, still widely considered the father of modern economics, emphasized the "invisible hand" that guides free markets toward efficiency through supply and demand equilibrium. Yet, Smith's narrative predominantly casts the *entrepreneur* as a mere *manager*—even and thus confusing the *originary form of income* in human societies as "wages" instead of *profits and losses* as both correct theory and history dictate—overlooking the entrepreneur's critical role in social coordination and innovation. This gigantic void in Adam Smith's theory mirrors F.A. Hayek's own vulgar underestimation of directed social forces (intentionality, virtue) and thus natural leadership(s) in shaping social orders.

Thus, *Smith's economy* has no entrepreneurs (its ultimate key element, or motor) as they are conceptually replaced by managers in his work, as much as *Hayek's society* lacks natural aristocratic tendencies and (ironically again) *emerged* morality and virtues in practice.

Such conceptual lacunae in their works are actually enormous in significance, distorting economic and social thought for several human generations due to both authors works' worldwide impact.

In the case of Hayek, we may speak of the missing or "invisible elites" that excel and stand out in every community and human endeavor, paralleling Adam Smith's own terrible "invisible hand" metaphor.

On what leadership is, we may survey Tannenbaum and colleagues (1961) who defined leadership as "the interpersonal influence demonstrated in a situation and directed, using communication, towards achieving a specialized goal(s)."

By the way, the capitalist-entrepreneur being Adam Smith's gigantic missing piece was further underscored by the fact that only in the 1950's Ronald Coase turned the British Schools "mainstream" towards studying and taking the firm and thus entrepreneurship, management and leadership, seriously.

SOME OTHER ANTI-EGALITARIAN THINKERS ON THE ROLE OF MERITFUL HIERARCHIES AND NATURAL ELITES

Before moving on to a Hoppean answer to “the Hayekian social void” or “invisible elites” question let’s survey the ideas of a few thinkers, including de Maistre, Carlyle, Spengler, Robert Nisbet and Thomas Jefferson, all contrasting Hayek’s writings about an almost unconscious or “spontaneous puddle” emerging order.

These thinkers offer profound insights into the *structured* influence of natural hierarchies, traditional values, heroic leadership, and historical cycles on societal development. Joseph de Maistre emphasizes the necessity of hierarchical structures and the role of established institutions in preserving stability within society, challenging the notion of a *purely spontaneous* social order. Thomas Carlyle celebrates the transformative impact of visionary leaders who possess extraordinary talents and virtues, underscoring the significance of intentional leadership in guiding societies through periods of change. Oswald Spengler’s cyclical theory of history challenges the idea of linear progress, highlighting the *structured* nature of historical development.

Nisbet’s focus on the importance of community and traditional social structures suggests that social order often arises from established hierarchies and the intentional actions of leaders within those structures. Jefferson’s concept of a “natural aristocracy” further underscores the role of enlightened leadership in steering the direction of democratic societies, indicating a more complex interplay between spontaneous and structured social orders than Hayek’s theory might suggest.

Robert Nisbet and Thomas Jefferson² offer insights that challenge the notion of a purely spontaneous social order. Nisbet’s emphasis on

² Thomas Jefferson, in a letter to John Adams dated October 28, 1813, discussed the concept of a “natural aristocracy,” which he believed was based on virtue and talents rather than wealth and birth. He contrasted this with an “artificial aristocracy” and argued that the natural aristocracy is essential for the governance and instruction of society. Jefferson emphasized that such a system ensures that those with true ability and moral standing lead, which he saw as crucial for a healthy society. For more details on Jefferson’s views, you can visit the University of Chicago Press’s Founders’ Constitution website, which features this correspondence: Thomas Jefferson to John Adams, 28 Oct. 1813. <https://press-pubs.uchicago.edu/founders/documents/v1ch15s61.html>

community and traditional social structures suggests that order often stems from established hierarchies and social bonds. Jefferson's advocacy for a "natural aristocracy" of virtue and talent highlights the indispensable role of enlightened leadership in guiding societies, pointing to a more complex interplay between emergent or purely instinctive and structured or at least partially intentional, social orders.

The novelist philosopher Ayn Rand, too, discusses a Pyramid-of-Ability principle, where the vertical division of labor is based on the control of more resources by elites and extraordinary talents in exchange for elevating everyone "below" (not politically in more capitalistic societies, but merely administratively) through vision, plan, tools, team, and execution. Now that we are broaching the topic of Austrian egalitarianism from any author, of course, the capitalist-wage earner relationship is anything but egalitarian (again, contra Hayek and Adam Smith's egalitarian or "fuzzy" descriptions). The relationship is based on the capitalist contributing what I term *Say's Surplus* as all added productivity magnification for both parties, but mainly benefiting the wage-earner in the relationship. In other words, it's not just a win-win relationship, but one in which the capitalist demonstrably adds—location, machinery, methods, internal division of labor and management, clientele, and brand—far more than the wage-earner does. *Say's Surplus* is the added productivity (added value per hour, not just in quantity) the capitalist provides the wage earner with, far more than he could ever achieve on his own (it's not the worker's wage that gets split for profits, but rather *Say's Surplus*, making both parties better off at the same time). The wage earner is not exploited but potentialized by the relationship. It's not merely win-win; the capitalist-entrepreneur is the *bigger and better* contributor.

If capitalistic labor hiring is not exploitative and furthermore not even merely of the "win-win" sort but essentially benevolent and virtuous, then so is *capital accumulation* itself and all peaceful social differences derived from it.

And of course, we should mention Murray N. Rothbard's overarching work in "Egalitarianism as a revolt against Nature" and other texts where he clearly delineates the view that human beings tend to specialize not only "horizontally" but also "vertically" around individuals of extraordinary talents, virtue or vision leading teams and enterprises

of all sorts, only on every single successful human endeavor. According to these thinkers, successful human societies are relatively more garden and less jungle.

SOME CONTEMPORARY OR POPULAR ANTI-EGALITARIAN THOUGHT

As for contemporary analysis of heterogeneous social orders we can mention Malcolm Gladwell's in the popular literature (see his *The Tipping Point* for a breakdown of the three human roles usually present or required for any new social tendency to go massive and how that "tipping point" from eccentric activities/idea/innovation to gain massive acceptance) or if I may, my own description of the *concentric circles of social and market innovation* on how every individual has a different role between *influencer* and *influenced* in different trends of human action and knowledge.

Malcolm Gladwell's concept of the "early adopter curve" underscores the structured influence of certain individuals and groups in adopting and spreading innovations. This phenomenon, critical for understanding market and social trends, suggests a more nuanced mechanism of social organization than purely spontaneous interactions.

A HOPPEAN ANSWER TO THE EMERGENCE OF NATURAL ELITES IN A SOCIAL ORDER: PROPERTY, TIME PREFERENCE, AND CONSTRUCTIVE INFLUENCE

I consider the missing piece(s) to be found in the work of Prof. Hans-Hermann Hoppe.

Hoppe, as a devoted Misesian, follows Mises who in *Human Action* emphasized the role of purposeful human action and rational planning in economic activities, which contrasts with Hayek's emphasis on the emergent nature of social orders with a distinct lack of main actors and visionaries (entrepreneurial and otherwise) in the formation of *cultural capital*. Hoppe's own work is a pioneering one on what we may call an Austrian Sociology of Time Preference.

First of all, Hoppe emphasizes scarcity and thus property, as the basis of advanced human cooperation. This sets the proper groundwork for economic analysis since "wealth" doesn't exist in the abstract, but rather is a subjective appreciation of a series of possessions, properties and property titles. Thus any economic policy is done to/on someone else's property and thus rendering most if not all State public policy as a permanent source of unfairness (Ulpian's dictum not being respected) and the appearance of artificial (political, from privilege, fiat) elites in society.

Second, Hans-Hermann Hoppe's original contributions to the analysis of social time preference, the valuation of present goods over future ones, further refines this critique. This, dear reader, is probably the biggest source of meritful—just—inequality in human societies, since adult and overall wise (farsighted, low time-preference) activities and investment practices reward each individual, family lineage and community quite differently. If family A saves and invests, and family B throws parties and enjoys luxurious trips, their time-preference differences will be a major cause of—just and natural—wealth inequality.

Lower time preferences among natural elites³ and entrepreneurs predispose them toward long-term investments in culture, infrastructure, and philanthropy, essential for sustained and long-run societal development around themselves. Ultimately, well understood selfishness is extraordinarily generous. *Noblesse oblige*. True nobility of spirit is generous.

This perspective challenges Hayek's emphasis on spontaneous, short-term individual actions as the sole drivers of social order. There is no "invisible hand" creating a social order, and there's nothing capricious or "spontaneous" about it, but the long term and virtuous planning of many

³ Ironically for the Hayekian "evolutionary-egalitarian" research program, value-adding inegalitarian status games as well as "fashions" and other social cues have been observed in other advance primate species. Müller & Thalmann (2000) examine the origin and evolution of primate social organization, offering a foundation for understanding human status dynamics. Their research highlights the complexity of social hierarchies, their role in the group's welfare, and interactions in primates, which inform theories on the evolutionary origins of human status games. "In Primate Social Systems" by R.I.M. Dunbar (1988) we find a comprehensive overview of social structures in primates, offering insights into the evolutionary basis of social behavior and hierarchies.

families and private organizations (“clubs” in the economic literature) usually over many generations. Thus is *cultural capital* formed, through socially unequal contributions of vision, understanding and leadership.

MY CONTRIBUTION TO THE ANALYSIS: TOWARDS A NEW MODEL OF HUMAN INTERACTION

Instead of it being a simple consumer behavior curve as described by the fields of Management or Consumer Behavior (Gladwell), and inspired by Hoppe’s work, I set forth the notion of *concentric circles of social innovation* that further distinguishes human roles in every possible human realm. We are not equal in the sense of being identical, we take different cues from different people at different times, and there is nothing ultimately egalitarian or merely “spontaneous” about it. We are all different in innate talents, interests or dispositions, and ultimately, choices.

Tendencies, fashion, manners, etc. radiating outwards from the first circle, which itself differs in every human trend and reaches different people with different levels of interest in participating in it. From 1) the innovator/eccentric, to 2) the early adopter who is the first to emulate the eccentrics or seemingly “crazy” visionaries, then on to 3) the normal participant in any tendency or fashion, to 4) the conservative who participates reluctantly from social cues and does so very late, to 5) the reactionary who simply refuses to take part of any given trend.



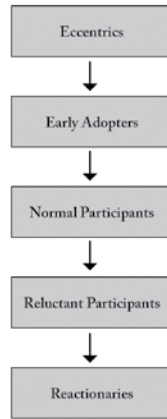
The concentric circles of social innovation

A very simple example would be the debut of a new show or experience by a famous director or artist, or any scarce-ticket event. Some people may camp at the place since the night before, some people will wait in line for two hours, some will attend only if someone else did the waiting in line for them, and some wouldn't attend, even with extra "bribes" in the form of snacks, drinks and other amenities.

Another good example for this *concentric circles of social innovation* model is the use of cell phones. Some people paid a prime or extraordinary price to own a cell phone before others, they may be considered innovators but more justly, *early adopters*. But to reach the next "concentric circle" of people with a less intense preference for it at the moment, the producer will reduce price through reinvestment and economies of scale in order to reach them. And thus the cell phone arrives to the average or *normal* user. The process goes on and on until "everyone," including reluctant or *conservative* participants, has a cell phone except the *reactionaries*, or people who chose to not participate in that invention or activity.

The corollary of this conception or model of social interaction is that prices go down in a capitalist society (that is a hard, deflationary money setting) even in the absence of competition since it's in the capitalist-entrepreneur's own self-interest to reach ever wider layers of population—the outer concentric circles—who have a lower intensity of demand and will purchase only at a lower, later price. The model recognizes inequality not only in human talents, knowledge/wisdom and interests as producers and trend-makers but also as consumers and trend-takers, in a way that demolishes the Neoclassical "perfect competition" model from to its own egalitarian and inhumane core.

A third example of the *concentric circles* model would be our use of modern table utensils first inspired by the Italian aristocracy to the French court and from then on, to the whole world through elegance, cultural influence and diplomacy.



The concentric circles of social innovation

By merging the three elements: a) property, b) time preference and c) the concentric circles of (talents and) social innovation we can truly form a perspective of *how natural elites arise* in advanced and complex-enough cultures. As Prof. Hoppe has written, these *natural elites*⁴ possess extraordinary virtues that make them stand out and become community bearers of virtue, beauty, manners and overall elegance. (I may add that naturally-formed aristocracies are everywhere generally composed of women of extraordinary natural elegance and men of extraordinary character). Disregarding luck, differences of virtue with regards to or in the treatment of property, farsightedness (time preference) and philanthropic pursuits will generate some of the main differences of outcome in the long run.

By the way, the same *concentric* process configures the emergence of social (Mengerian) institutions themselves. In other words, the very institutions—rules, complex human practices—that coordinate societies post-*Dunbar's Number*⁵ followed the pattern of the concentric circles

⁴ Not to be confused with the artificial—or unjust—elites of the current social-democratic or “globalist” global order. See Hoppe, H.-H. (2006, July 21). Natural elites, intellectuals, and the state. Mises Institute. <https://mises.org/mises-daily/natural-elites-intellectuals-and-state>

⁵ 150. The approximate number of individuals in a personal or “intimate order” (or primitive order) society in which we spent most of our history as advanced primates,

model in order to emerge, as it is materially impossible that every human everywhere at the same time in the past began engaging in any human practices that became institutionalized (in other words, became institutions) through social repetition. Even Mengerian institutions came to be through non-egalitarian social patterns, and there is nothing merely *spontaneous* about it. And by elucidating this matter, we shall have removed another source of "Austrian egalitarianism," so to speak.

It is through property, low time preference, and constructive influence in society that natural elites become natural elites.

FINAL THOUGHTS

This article offers a critique of Hayek's "spontaneous order" notion as it has been, integrating perspectives from various intellectual traditions and then presenting an alternative inspired by the works of Hans-Hermann Hoppe. By highlighting the structured roles of natural hierarchies, visionary leadership, and long-term strategic investments, this critique challenges the simplistic view of social organization advocated by Hayek that borders on the "unconscious" or entirely instinctive.

By challenging the simplistic view of societal organization advocated by Hayek and embracing a more nuanced understanding of social dynamics, we illuminate the structured roles of natural hierarchies and visionary leadership in shaping the complex tapestry of human societies. Through deliberate human actions, we pave the way for a deeper appreciation of societal evolution and progress.

proto-humans and humans. Past that, we require "institutions" or impersonal coordination mechanisms such as money, land property, manners, private businesses, etc. to survive and flourish as extended human societies.

REFERENCES

- Barry, N. (n.d.). The Tradition of Spontaneous Order. Retrieved from <https://www.econlib.org/library/Essays/LtrLbrty/bryTSO.html#n14>
- Carlyle, T. (2013). On Heroes, Hero-Worship, and the Heroic in History. CreateSpace Independent Publishing Platform.
- de Maistre, J. (2010). Considerations on France. Cambridge University Press.
- Dunbar, R. I. M. (1988). Primate social systems. Chapman & Hall.
- Gladwell, M. (2000). The Tipping Point: How Little Things Can Make a Big Difference. Little, Brown and Company.
- Hayek, F. A. (1948). Individualism and Economic Order. University of Chicago Press.
- Hersey, P., & Blanchard, K. H. (1988). Management of Organizational Behavior: Utilizing Human Resources (5th ed.). Prentice Hall.
- Hoppe, H.-H. (2006). Democracy: The God That Failed. Transaction Publishers.
- Hoppe, H.-H. (2006, July 21). Natural elites, intellectuals, and the state. Mises Institute. Retrieved from <https://mises.org/library/natural-elites-intellectuals-and-state>
- House, R. (1976). A 1976 Theory of Charismatic Leadership. University of Toronto, Faculty of Management Studies, 77, 1–34. Retrieved from Scientific Research Publishing.
- Jefferson, T. (n.d.). Collected Works.
- Luban, D. (2019). What Is Spontaneous Order? American Political Science Review. Cambridge University Press. <https://perma.cc/AAG5-VVEJ>
- Menger, C. (1883). Investigations into the Method of the Social Sciences with Special Reference to Economics. New York: New York University Press.
- Müller, A. E., & Thalmann, U. (2000). Origin and evolution of primate social organisation: a reconstruction. *Biological Reviews of the Cambridge Philosophical Society*, 75(3), 405–435.
- Nisbet, R. (1953). The Quest for Community: A Study in the Ethics of Order and Freedom. Oxford University Press.
- Ostrom, E. (1990). Governing the Commons: The Evolution of Institutions for Collective Action. Cambridge University Press.
- Rand, A. (1999). The Fountainhead. Plume.
- Rothbard, M. N. (1974). Egalitarianism as a Revolt Against Nature and Other Essays. Libertarian Review Foundation.
- Sandefur, T. (2009). Sandefur's Critique of Spontaneous Order. Retrieved from <https://studiesinemergentorder.org>.
- Smith, A. (2012). Wealth of Nations. Wordsworth Editions.
- Smuts, B., Cheney, D., Seyfarth, R., Wrangham, R., & Struhsaker, T. (Eds.). (1987). Primate Societies. University of Chicago Press.
- Spencer, H. (1860). First Principles. London: Williams and Norgate.
- Spengler, O. (1991). The Decline of the West (Vol. 1). Oxford University Press.
- Tannenbaum, R., Weschler, I. R., & Massarik, F. (1961). Leadership and Organization: A Behavioral Science Approach. McGraw-Hill.

40

The Economics of Metaphysics

Jörg Guido Hülsmann

Professor Hoppe has made many eminent contributions at the crossroad of philosophy and economics. In the present paper, which I offer to my dear friend and mentor, I will fish in the same waters, but not from the same boat. Hans-Hermann Hoppe has dealt with economics as a philosopher. Here I will deal with philosophy as an economist. I will not discuss the foundations of economics, but some of the reasons for which people choose their philosophy.



One of the most characteristic features of the Austrian School of economics is its metaphysical framework. The Austrians have traditionally been philosophical realists. They have always considered that economic science deals with universals — economic laws that apply at all times and places. These laws are not purely intellectual constructs, or fictions, but rooted in observable human life. According to Carl

Jörg Guido Hülsmann (jgh@guidohulsmann.com) is Professor of Economics at the Faculty of Law, Economics, and Management of the University of Angers, France; a Senior Fellow with the Ludwig von Mises Institute; and the author of *Mises: The Last Knight of Liberalism* (2007), *The Ethics of Money Production* (2008), and *Abundance, Generosity, and the State* (2024).

Menger, they are ingrained in economic goods. According to Mises, they are embedded in human action.

This metaphysical stance has occasionally led to polemical debates, most notably the *Methodenstreit* of the 1880s and 1890s involving Menger and various economists of the German historical school. However, in the 20th and 21st centuries, disputes of this sort have faded away. What remains is a consciousness on all sides that the Austrians are very different from the rest when it comes to the methodology and epistemology of economic science. From a mainstream point of view, they are oddballs. From their own point of view, they have preserved and developed the economic realism that has characterised the methodological writings of the classical economists (see Whately 1847 and Cairnes 1875). Anyway, fact is that the realism of the Austrian School has increasingly become a minority position. It continues to bewilder even those who are attracted to Austrian writings on money, prices, capital, and the business cycle.

Now, the gradual decline of realism into the present state of near-oblivion cannot only be observed in economics, but in all sciences. Economics was not even the first discipline to undergo this transformation. First it hit the natural sciences, in the 17th and 18th centuries. Economics followed at the end of the 19th and through the 20th centuries. The 20th century then also saw the transformation of jurisprudence and legal science under the onslaught of legal positivism. Only philosophy, theology, and some of the humanities have stood their realist ground.

Theologians and philosophers have debated the pros and cons of realism and nominalism in Antiquity and then throughout the Middle Age. Many of the greatest thinkers of the West—such as Socrates, Plato, Aristotle, Saint Thomas Aquinas, and Leibniz—had championed realism. Alas, it would seem that they put their money on the wrong horse. Eventually, in modern times, nominalism achieved a sweeping triumph in most fields of scientific endeavour.

But *why* did this happen? A straightforward economic answer would start from the fact that nominalism and realism are in competition and that intellectuals *chose* to adopt the nominalist framework, whereas they discarded the realist one. It would therefore seem that nominalism is after all *more useful* than realism. It is probably more

accurate. At the very least, it produces the same results at lower intellectual costs. And, indeed, one could make the case that Occam's razor greatly simplifies the convoluted Aristotelean approach, which had dominated in the Middle Ages. Aristotle proposed that everything has four causes: its finality, its form, its matter and its efficient cause. But then came Occam and argued that one could eliminate the first two and still explain all things in nature with the last two. From the point of view of Occam's nominalism, final and formal causes are superfluous. All scientific knowledge is based solely on material and efficient causes.

As we shall explain below, it so happens that finality and form give rise to universal concepts, whereas material and efficient causes are bound up in a flux of constant change. The triumph of nominalism therefore implied that universals were discarded or at least neglected. But so be it! Just as we put away old, obsolete tools, we disregard old, obsolete conceptions. Man selects and retains superior tools and relegates inferior ones. He retains the material and efficient causes, while the final and formal causes are forgotten or fade into the background.

Still, this straightforward economic answer would be unsatisfactory in the present case.

Indeed, in the social sciences and even in the natural sciences, there are problems that have no nominalist solution. Raymond Ruyer (*Néo-finalisme*), Etienne Gilson (*D'Aristote à Darwin et retour*) and more recently Edward Feser (*The Last Superstition*), to name but three eminent authors, have highlighted the limitations of nominalism in biology, geology, chemistry and physics. How can one talk about cells without invoking their functions and, by implication, their *finality*? How can one talk about any organic chemical processes without asking similar questions?

The problem is even greater in the sciences of man. In the humanities and the social sciences, form and purpose reign supreme. Man pursues projects. He chooses means and ends. Human action and human interaction are characterized by many universal forms, recognized in jurisprudence and the social sciences: scarcity, production, success, failure, conflict, agreement, disagreement, convention, gift, contract, association, representation, community, society, price, income, cost, and so on. Looking back at the *practice* of jurisprudence and the

social sciences—rather than at their official nominalism—there is no denying that realism is still very much alive and kicking.

And yet, jurists focus their attention on statutory law (positive law), which is a more or less pure creation of human imagination and human will. And economists, sociologists, and political scientists, too, are cultivating the empiricist-positivistic conviction that “knowledge regarding reality, which is called empirical knowledge, must be verifiable or at least falsifiable by experience; and experience is always of such a type that it could, in principle, have been other than it actually was so that no one could ever know in advance, i.e., before actually having had some particular experience, if the outcome would be one way or another.” (Hoppe 2010 [1989], p. 120) What explains this obstinacy?

In our view, it reflects a bias resulting from government intervention. Indeed, the competition between nominalism and realism has not been a *free* competition. It has been biased by the interventions of political power. Governments did not necessarily seek to impose nominalism or any other philosophical doctrine. But they have *unintentionally* favoured nominalism by creating a state of affairs more in tune with nominalist conceptions. As interventionism develops, nominalism becomes more plausible and useful relative to realism.

Economists have long understood that state intervention can reverse the ordinary effects of competition. For example, Gresham’s Law tells us that a currency overvalued by statute tends to drive undervalued currencies out of the market. While the best products *usually* prevail on the market, monetary interventions can bring about the opposite effect (Hayek 1977, chap. VI).

Should one not expect a similar result when it comes to ideas? It goes without saying that the state has the power to deliberately promote one doctrine at the expense of another. We see this every day in public schools. But the same effect can occur unintentionally, as a collateral effect of interventions that are not necessarily aimed at this outcome.

In what follows, we will attempt to show that interventionism tends to create artificial advantages for nominalist conceptions, particularly in jurisprudence and economics, and that it also tends to eliminate the *disadvantages* of nominalism in an equally artificial way.

I. REALISM VS NOMINALISM

The divide between realism and nominalism is one of the oldest philosophical quarrels in the West. Realism enabled Greek philosophers to reconcile two elementary experiences: that of difference (including change) and that of equality (including permanence). No two objects are identical in every respect. Even industrially mass-produced products differ from one another, albeit often very marginally and imperceptibly to the human eye. Similarly, the same object (the same tree, the same human being) is likely to change, if only in certain respects, over time.

What then allows us to assert that two tables, though different, are both “tables”? What allows us to affirm that an adult man, although very different in appearance, ideas and sensitivity from what he was twenty years ago, and from what he will be in twenty years’ time, is really “the same person”? Is this way of expressing oneself purely a linguistic convention? (This is the thesis of nominalism.) Or are there really common elements between different tables, between different phases of human life, universal and unchangeable elements?

Socrates, Plato, and Aristotle all asserted the presence of such universal (or essential) elements in all things, interwoven with changeable (or accidental) elements. The universal elements of things are their forms and purposes. The changing elements are their material aspects and the circumstances under which they come into being. For example, all tables enable people to use their arms without bending (their purpose). This is universal. But tables can be made of different materials, they can have different dimensions, different ornaments and so on. The men who make them may be motivated by different motives, depending on the particular conditions of space and time. This is what is changeable or accidental. If Socrates, Plato, and Aristotle have been revered in the West for 2400 years, it is not least because they developed this solution to the problems of difference and equality.

Opposed to this is nominalism, which asserts that forms and ends are themselves changeable. There are then no universal elements, only accidents.

It is true that we use the *same words* to designate objects that are fundamentally unequal. But according to nominalists, this is only due to an economy of thought and communication. We would not be able

to master a vocabulary so large that we could use a different word for each thing and every activity. We could not communicate with other people. Therefore, on purely pragmatic grounds, we use the same words for different things. Hence the term “nominalism.”

Hence also a great intellectual danger. Indeed, this pragmatism can put us on the wrong track. It can lead us to believe that words with universal connotations designate universal *realities*. But universal realities do not exist. It is our language that creates the *illusion* of the universality of things.

But let us leave these metaphysical considerations behind and take a closer look at their practical implications, first from a realist point of view, then from a nominalist one.

Implications of Realism

Starting from realism, we should expect to find universal forms and purposes everywhere, not only in simple objects, whether animate or inanimate, but also in complex or compound objects. There is not only the universal form of a human being. There are also universal forms in human *relationships*: families, religious and cultural associations, companies, markets, conflicts, wars, states. Accordingly, there is a logic of the family, just as there is a logic of exchange and a logic of the state. There is a specific logic of language, a specific logic of the written word, a specific logic of law and so on. To understand these specific logics, we need to study these relationships, their causes and their consequences.¹

This requires a number of caveats. For example, to say that a relationship between different agents follows its own universal logic does not mean that each agent is always, or only, in the same way linked to the others. There are equal and symmetrical relationships, just as there are organic and hierarchical relationships. A family is not *merely* a collection of three individuals sharing the same roof and fridge. A company is

¹ See for example Adolf Reinach (1989), Paul Grice (1989), John Searle (1997), Olivier Massin and Anne Meylan (eds) (2014). Professor Barry Smith from the University of Buffalo has pursued for many years a very considerable research programme in applied ontology. See for example Smith (1989, 1993, 1999), Smith, Mark, and Ehrlich (eds) (2008), Smith and Munn (eds)(2008).

not merely a collection of different contracts. A market economy is not merely a set of different monetary exchanges in juxtaposition.

Similarly, as Carl Menger emphasised in his *Investigations*, the causes and consequences of social ensembles can be unintentional. The logic of different social relations may exist *spontaneously*, rather than as a result of deliberate human choices. Language is a prime example. It has a universal form and purpose. And yet it does not owe its existence to a deliberate creation. It is “alive” spontaneously. It is cultivated in the innumerable “speech acts” of everyone, every day.

Similarly, to say that money exists and has a universal purpose is not to say that all monetary exchanges owe their existence to deliberate creation, or that all forms of money need to be supported by deliberate acts of the state. To say that law exists and has a universal purpose is not to say that justice and jurisprudence owe their existence to a deliberate creation, or that all forms of law need to be supported by deliberate acts of the state.

The presence of universal human relationships in no way diminishes the reality of free will. But it does impose *limitations* on human will and action. Faced with its own logic, human action entails objective consequences. A husband is free to cheat on his wife, but this is not without consequences for the couple. An entrepreneur can cheat on his public accounts, and this has consequences for the future of his firm. The state has the power to nationalise law and money, but this has consequences for the quality of the law and for the quality of money.

Implications of Nominalism

From a nominalist point of view, as we have said, it is absurd to speak of the logic of things as if there were any universal relations involved. Everything changes, everything entails change. What is more, change itself is not subject to universal regularities—the way things change is itself subject to change. Everything changes, and in principle everything can change in any conceivable way. And since everything is changeable,

everything can also *be deliberately modified*, at least in principle, in any conceivable way.² Let us see where this takes us.

In the early days of modern nominalism, during the Renaissance, nominalism inspired the alchemists (Newman 2006, Eamon 2010). These mad scientists of their time explored the hypothesis that there are no essences, only accidents. They believed that all these accidental elements of nature could, in principle, be combined in every conceivable way. They therefore looked for technologies such as the “fifth element” and the “philosopher’s stone” that would enable them to transform an apple into a table, a bird into a fish and so on. The overall aim was to improve nature. The great symbol of this quest was the *magnum opus*, the transmutation of any substance into gold.

It is not hard to see in these approaches the antecedent of contemporary biotechnology, assisted reproductive technology, maternal surrogacy, transgenderism, transhumanism and so on. But these are just the latest fruits of nominalism. They have attracted a lot of attention because they are still hotly contested and in the headlines. But they are part of a long line of nominalist conceptions and practices that have marked economics and law in particular.

The central idea of legal positivism is that the state can impose legal causes and consequences—starting with the law itself, which, according to nominalism, finds its sole cause in the will of power. The state also has the power to modify the consequences of legal acts as it sees fit. For example, it can decide that an employment contract entails consequences other than those foreseen by the parties involved. It can limit the civil liability of members of parliament, public officials and companies; or it can decide that a company is not liable if it has complied with certain formalities stipulated by financial regulations. The state can also create rights and obligations *ex nihilo*, without relying on prior custom or contract. The welfare state creates benefits and obligations to finance social security organizations. Similarly, it can impose the nullity of private agreements contrary to its will—think of marriage contracts and

² Aristotle, although refuting the nominalism of Democritus, had closely studied the manifestations of change and transformation, notably in *On Generation and Corruption* and in the fourth book of his *Meteorology*. The doctrine he developed in these writings, now known as “corpuscularism,” inspired both chemistry and modern alchemical experiments (see Lüthi 2001, Martin 2013, Bigotti 2020).

inheritance. And it can impose the nullity of natural moral obligations contrary to its will—as in laws on filiation.

The contemporary dominance of nominalism is evident not only in deeds, but also in intellectual life. In law, this dominance is enshrined in the organization of higher education in France and other countries, where legal positivism is *de rigueur*, while the teaching of natural law is relegated to the antiquarian discipline called history of law.

In economics, nominalism is just as omnipresent, all the more so as economists, unlike jurists, are unaware that they are practicing it. They think they are simply applying “the scientific method.” Today’s young economists are the descendants of Monsieur Jourdain. If they were told that they practise the positivist approach, they would first be astonished, then delighted by this pleasant discovery.

The four-step scientific method (observation-hypothesis-model-test) has proved useful when dealing with inanimate objects. In this field, we can expect to find constant quantitative relationships between observed variables. However, when confronted with human choices, the same approach is contradictory (Mises 1957, 2012 [1962]; Hoppe 1983, 1995). But that has not stopped economists from practicing it with great enthusiasm. They love their models so much that they regularly confuse them with reality. The classic case is the microeconomic model of “pure and perfect competition” found in every contemporary microeconomics textbook. As an intellectual construct, it is innocent, if sterile. It becomes problematic, however, when viewed as a practical ideal, and attempts are made to transform the world to conform to this model.

Nominalism has therefore strongly influenced intellectual life in universities, particularly in law and economics. But it has also left its mark on the general mentality. In contemporary Western societies, we flatter ourselves with the conviction that everything is—or should be—possible for everyone, and that a better future awaits us thanks to the technological and political transformations of this world. There are no constraints in the *nature* of man, in the nature of the economy or in the nature of law. Water sometimes wets, and perhaps very often, but not always. Fire can burn, but not necessarily. Indeed, from a nominalist point of view, neither things, nor the economy, nor the law have natures. Anything can be transformed into anything. All we have to do is choose an objective, and the rest is a matter of will and means.

II. INTERVENTIONISM AND NOMINALISM

Let us return to our starting point. What explains the triumph of nominalism in law and economics? Why do jurists choose to abandon the study of universal legal forms and devote themselves entirely, or almost entirely, to positive law? Why do economists neglect to understand the nature of choice and exchange, and concentrate instead on quantifying human behaviour? In short, what motivates the *choice* between a nominalist and a realist approach?

Everyone is free to adopt the conceptions that suit them, for one reason or another. This is as true for realist conceptions as it is for nominalist ones. Here, as elsewhere, the choice is the result of a multitude of motivations and objectives. In what follows, we shall focus our attention on the material incentives provided by the economic and political context. We will try to show that it is through state intervention that nominalism *becomes* increasingly useful relative to realism. To this end, we shall first highlight the practical usefulness of realist conceptions, and then look at how state intervention changes the picture.

The Utility of Realism

The knowledge of a universal relationship brings three practical benefits: an economy of thought, a reduction in uncertainty and a reduction in inter-personal conflicts. The choice of realism can therefore be motivated by an expected reduction in opportunity costs.

The economy of thought is obvious and considerable. Anyone who knows the Pythagorean theorem does not have to measure all the straight lines in a rectangular triangle. They do not have to start from scratch when faced with a different rectangle. He may generalise previously acquired knowledge. The same advantage goes hand-in-hand with the knowledge of all other universal relationships, such as the law of gravity, the intercept theorem, the law of diminishing marginal utility, the law of returns, etc.

The same applies to universal knowledge of *impossibilities*. It is important to know that this or that cannot happen, that it is impossible. No one wastes time trying to square a circle, or finding a solution to a mathematical problem that has no solution.

It is in everyone's interest to know and learn the most widespread universal relationships. This knowledge is useful not only in the classroom, but also in practical life, when faced with the problem of uncertainty.

It is precisely when faced with an uncertain future that man benefits most from his universal knowledge. It enables him to reduce the number of unknown variables. It guides him through the darkness that separates the present from the future. An entrepreneur setting out to conquer a new market is unaware of many of the variables that will influence his success. But he knows from the outset that his services must be useful, that their prices will influence customers' choices, that customers have budget constraints, that monetary exchange is preferable to barter, that his costs must be measured in relation to his sales, that there are dishonest customers, that there may be legitimate disputes with honourable customers, that well-written and well-explained contracts reduce disputes and so on. Whatever his ignorance of the concrete conditions prevailing in this new market, it is never complete ignorance. Our entrepreneur arrives with a wealth of universal knowledge that reduces the uncertainties he faces and the potential conflicts to which he is exposed.

These remarks are not intended to diminish the importance of ignorance or error. They are indeed formidable problems, and universal too, but it is precisely because they are universal that they afflict a nominalist approach just as much as a realist one.

Interventionism

Let us now look at how the usefulness of universal conceptions, characteristic of philosophical realism, is affected by state intervention. This requires a definition of interventionism (see Mises [1929] 2011; Hülsmann 2024, pp. 265–268).

Interventionism originated with the modern state in the 16th and 17th centuries. The modern state is based on the doctrines of sovereign power and the social contract. This state is not just the ultimate arbiter between different *interpretations* of the law, but the very source of right and wrong, of what is legal and what is illegal. The modern state makes the law. It is itself subject to the law only in the *formal* sense that its own

decisions apply equally to itself and its representatives. However, *materially*, it is above the law insofar as its legal definitions are not bound by principles higher than the mere will of the representatives of the state.

Such is the modern conception of the state. It is a nominalist pure-bred. It postulates that the state can freely associate the legal causes and consequences of its own acts, and of the acts of others. But the modern state transmits and reinforces this legal nominalism in other areas too. It is the driving force behind nominalism.

From an economic point of view, the difference between medieval political power and the modern state is reflected in the difference between mixed and interventionist economies. When governments buy and sell goods and services, they usually behave in the same way as all other individuals and organizations. They are an integral part of society and the wider economy. They play by the same rules as everyone else. Economists call this a mixed economy. Things are different when a government acts in the manner typical of modern government, i.e., when it overrides natural and customary rights. In such cases, it intervenes in the economy.

State intervention is a partial violation of natural and customary rights. When the government drafts soldiers, it violates the right that conscripts normally have over their own person. When it taxes citizens, it violates the ordinary right of taxpayers to use their money as they see fit. These are *partial* violations. Conscription is usually temporary, and taxation rarely amounts to complete expropriation. But in all cases, the ordinary property rights of the people are at least partially violated.

Yet these partial violations of natural and customary rights tip the balance of benefits and costs in favour of nominalism. They thereby tend to inverse the subjective value of legal positivism as compared to the subjective value of natural law (1). But they also distort the competition between nominalism and realism by imposing the costs of nominalism on all citizens (2) and by socialising these costs (3).

(1) *Inversion of Values*

We have emphasized that the modern state can alter the consequences of legal acts as it sees fit. It can define civil liability, it can create rights

and obligations *ex nihilo*, and it can impose the nullity of private agreements contrary to its will. These interventions are motivated by the nominalist conviction that, in any case, there are no natural causal relations at the legal level. But they are not only *based* on nominalism, they also increase its subjective value.

Interventionism *destroys the universal legal relations of natural law*. It replaces them with contingent relations that are now imposed in the form of positive law. As a result, knowledge of natural causal relations *becomes* less important. The market value of realism diminishes and therefore its subjective value declines, too. This is the reason why very few legal scholars study natural law, or more precisely, they study only what remains of it in positive private law.

(2) *Imposing the Costs of Nominalism*

Legal nominalism is associated with higher monetary costs than natural law. But this disadvantage disappears when nominalism is imposed or subsidized by the state.

This is particularly the case with the cumulative production of new norms. It is well known that the accumulation of laws, rulings, ordinances etc. leads to inconsistencies and even conflicts between these norms. These conflicts can be resolved by the principle of the hierarchy of norms and by rules governing the application of the law over time. However, this resolution is not instantaneous, but involves legal procedures spread out over time, and therefore costly.

What is more, the relentless accumulation of standards leads to profound disorientation. In a forest of rules that have *prima facie* nothing to do with nature, no-one can rely on the evidence of their own eyes and reasoning. To avoid conflicts with the law, and to settle disputes, it becomes necessary to benefit from the assistance of competent persons (lawyers, notaries, judges) who know the will of the positivist legislator, as well as the dominant way of interpreting this will. In other words, the accumulation of standards goes hand in hand with a growing dependence of citizens on legal professionals, and therefore with higher monetary costs.

Legal positivism drives up costs for yet another reason, namely, because it makes it possible to change all standards overnight. From an economic point of view, the power to make law has two diametrically opposed effects. Its immediate consequence is to create greater certainty, and therefore a reduction in the cost of economic life, since the state makes the same rule known and applied to everyone. But the same cause also produces an opposite effect. The power to change all norms at any time *increases ignorance of future norms*.³ In the end, a certainty “for now” is not a certainty at all.

Economic life under an interventionist regime is therefore more uncertain than under a natural law order. This problem was dear to the heart of a great jurist and philosopher of law, Bruno Leoni (1991 [1961]), who pointed out that statutory law had the unfortunate tendency to increase the uncertainty of entrepreneurs. Robert Higgs (2006) has emphasised the great practical importance of this problem of regime uncertainty.

But who precisely bears these costs? Faced with an accumulation of standards and increased uncertainty, entrepreneurs will commit their time and capital only when they can expect higher returns on investment. In practice, this means trying to negotiate lower purchase prices. The nominalism imposed by the law therefore logically leads to a fall in wages and income from land, as well as an increase in gross corporate profits (see Rothbard 2007 [1962], t. II, chap. 7). Gross corporate profits increase because they now include a higher risk premium, in compensation for the uncertainties of positive law. It is clear that the attempt to negotiate purchase prices downwards will discourage a certain number of employees and suppliers. The overall result of legal positivism is therefore a reduction in economic activity below the level it would have reached under a natural law regime.

In short, legal nominalism is costly in more ways than one. In free competition, it couldn't go very far. If there were a free choice between natural law and legal positivism, most people seeking for arbitration of their disputes would resort to natural law and shun positivism. The

³ Another consequence is a profound change in the legal professions. Whereas the quasi-immutability of natural law values the experience and wisdom of the juriconsult, the “dynamic” systems of positive law value attention to legal news and the ability to opportunistically anticipate ongoing changes.

latter is only maintained by the power of the state, which can compel its citizens to bear the costs.

(3) *Socialisation of the Costs of Nominalism*

State intervention also promotes nominalism in a more indirect way, by socialising its costs. Normally, market participants have an interest in behaving prudently, anticipating future problems and considering their natural and social environment. Any imprudence is likely to have a negative impact on their income. In particular, failure to respect the rights of others will result in legal action, with loss of money and time.

However, government intervention can change this. In particular, the state can subsidise a particular activity, and can give it legal preference. For example, it can ensure that a company that emits harmful gases is not obliged to compensate its neighbours; or that a pharmaceutical company that sells substances that are dangerous to health is not obliged to compensate its customers.

Such privileges are likely to encourage nominalist ways of thinking. Indeed, they devalue the effort of those who seek to master a trade or, more generally, to *understand the nature* of the activity in which they are engaged. Thanks to state subsidies and legal protection, it becomes possible to pursue an economic activity on the basis of a very partial, even superficial, understanding of its issues. It becomes possible to succeed on the basis of a reductionist vision and an irresponsible attitude. But the risk of failure remains. It is even increased when entrepreneurs and other responsible people neglect to take prudent steps, when they no longer try to understand the nature of their activity, because they know they are supported and protected by the public authorities.

Normally, it would not be prudent to act with a reductionist and superficial view of reality. Normally, it would be imprudent wherever there is genuine civil responsibility. On the other hand, where the State subsidises nominalist experiments (agriculture, medicine) or imposes them (vaccinations), things can change, even radically.

III. CONCLUSIONS

We have tried to show how state interventionism tends to favour nominalist philosophical conceptions and, by the same token, to reduce the usefulness of realist conceptions. The triumph of nominalism and its overwhelming dominance today can therefore be explained by the wholly artificial support it receives from political power.

Positivist law flouts all rights that are defined independently of the State, especially natural and customary rights. It destroys the natural universal relationships that lie at the heart of realism, and this drastically reduces the value of knowledge about these relationships. State intervention also has a massive impact on the advantages and disadvantages (value and costs) of nominalist projects such as transgender, surrogacy, compulsory vaccination, the health pass and other techno-engineering and social transformation projects. But despite this powerful support, nominalist projects fail again and again because of the reductionism that drives them. It is therefore necessary to subsidise them and protect them with privileges against any legal claims and any competition they might face.

REFERENCES

- Bigotti, Fabrizio (2020) “[Corpuscularianism](#)” D. Jalobeanu and C.T. Wolfe (eds.) *Encyclopedia of Early Modern Philosophy and the Sciences* (Cham: Springer; https://doi.org/10.1007/978-3-319-20791-9_133-1)
- Cairnes, John E. (1875) *The Character and Logical Method of Political Economy* (London: Macmillan).
- Eamon, William (2010) *The Professors of Secrets: Mystery, Medicine, and Alchemy in Renaissance Italy* (Washington, D.C.: National Geographic Society).
- Feser, Edward (2008) *The Last Superstition* (South Bend, Indiana: St. Augustine’s Press).
- Gilson, Etienne (2000 [1971]) *D’Aristote à Darwin et retour* (Paris : Vrin).
- Grice, Paul (1989) *Studies in the way of words* (Cambridge, Mass.: Harvard University Press).
- Hayek, Friedrich August (1977) *Denationalisation of Money* (London: Institute of Economic Affairs).
- Higgs, Robert (2006) *Depression, War, and Cold War* (Oxford: Oxford University Press).
- Hoppe, Hans-Hermann (1983) *Kritik der sozialwissenschaftlichen Sozialforschung* (Opladen: Westdeutscher Verlag).
- (2010 [1989]) *A Theory of Socialism and Capitalism* (Auburn, Ala.: Mises Institute).
- (1995) *Economic Science and the Austrian Method* (Auburn, Ala.: Mises Institute).

- Hülsmann, Jörg Guido (2024) *Abundance, Generosity, and the State* (Auburn, Ala.: Mises Institute).
- Leoni, Bruno (1991 [1961]) *Freedom and the Law* (3rd ed., Indianapolis: Liberty Fund).
- Lüthi, Christoph (2001) “An Aristotelian Watchdog as Avant-Garde Physicist: Julius Caesar Scalige” *The Monist*, vol. 84, no. 4, pp. 542–561.
- Martin, Craig (2013) “Alchemy and the Renaissance Commentary Tradition on *Meteorologica IV*” *Ambix*, vol. 51, no. 3, pp. 245–262.
- Massin, Olivier and Anne Meylan (eds)(2014), *Aristote chez les Helvétès. Douze essais de métaphysique helvétique* (Paris: Ithaque)
- Mises, Ludwig von (2007 [1957]) *Theory and History* (Auburn, Ala.: Mises Institute).
- (1962) *The Ultimate Foundation of Economic Science* (Irvington-on-Hudson, NY: Foundation for Economic Education).
- Newman, William Royal (2006) *Atoms and Alchemy: Chymistry and the Experimental Origins of the Scientific Revolution* (Chicago: Chicago University Press).
- Reinach, Adolf (1989) *Sämtliche Werke* (Munich: Philosophia).
- Rothbard, Murray Newton (1993 [1962]) *Man, Economy, and State* (3rd ed., Auburn, Ala.: Mises Institute).
- Ruyer, Raymond de (2012 [1952]) *Néo-finalisme* (Paris: Presses Universitaires de France).
- Searle, John R. (1997) *The Construction of Social Reality* (New York: Free Press).
- Smith, Barry (1989) “Logic and the *Sachverhalt*” *The Monist*, vol. 72, pp. 52–69.
- (1993) “An Essay on Material Necessity” P. Hanson and B. Hunter (eds), *Canadian Journal of Philosophy*, supp. no. 18, pp. 301–322.
- (1999) “Les objets sociaux” *Philosophiques*, vol. 26, no. 2, pp. 315–347.
- Smith, Barry, David Mark and Isaac Ehrlich (eds)(2008) *The Mystery of Capital and the Construction of Social Reality* (Chicago: Open Court).
- Smith, Barry and Katherine Munn (eds)(2008), *Applied Ontology: An Introduction* (Frankfurt: Walter de Gruyter).
- Whately, Richard (1847) *Introductory Lectures on Political Economy*, 3rd ed. (London: Parker).

41

Some of My Favorite Hoppe Quotes

Thomas DiLorenzo

One of the joys of reading the writings of Hans-Hermann Hoppe is his ironclad logic, inspired by his deep knowledge of philosophy, Austrian economics, and libertarian theory. This enables him to constantly state the obvious, a reality that is lost and may even seem shocking to the less logical and educated among us. Such conclusions comprise my favorite Hoppe quotes.

Take for example this one: “[A] president (as distinct from a king) has not interest in *not* ruining his country”.¹ Unlike a king who owns the capital of the country and therefore has a longer-term perspective, a president benefits from using up or consuming as much of that capital while he can.

With democracy “public law” emerges which “exempts government agents from personal liability.” That of course sounds more like lawlessness than lawfulness, all in the name of “the law.”²

¹ Hans-Herman Hoppe, *Democracy: The God that Failed* (New Brunswick, NJ: Transaction Publishers, 2001), p. 24, emphasis added.

² Hoppe, *Democracy*, p. 28.

Dr. Thomas DiLorenzo was a university economics professor for forty-one years, including twenty-eight years at Loyola University Maryland. He is president of the Ludwig von Mises Institute.

With a welfare state “There will be more poor, unemployed, uninsured, uncompetitive, homeless, and so on . . . there will be less productive activity, self-reliance, and future orientation, and more consumption, parasitism, dependency and shortsightedness . . . and a progressive de-civilization—infantilization . . . of civil society.”³ The evidence of this is of course everywhere.

“Democratic wars tend to be total wars . . . distinctions between combatants and noncombatants fall by the wayside . . .”⁴ As this is written the “only Democracy in the Middle East” was waging total war on Gaza, carpet bombing the entire area, destroying all of the infrastructure, and reportedly killing more than 30,000 civilians.

“[A]fter the . . . defeat . . . of the secessionist Confederacy by Lincoln and the Union, it was clear that the right to secede no longer existed and that democracy meant absolute and unlimited majority rule . . . all modern democracies are compulsory membership organizations.”⁵ Murray Rothbard mocked Lincoln’s theory of the compulsory, forever “union” as “a perpetual one-way venus flytrap—a one-way ticket to sovereign suicide.”⁶

“After more than a century of compulsory democracy, the predictable results are before our eyes. The tax load imposed on property owners and producers makes the economic burden even of slaves and serfs seem moderate by comparison.”⁷ This is because our rulers claim to be “protecting” us from “global warming and cooling and the extinction of animals and plants, from husbands and wives, parents and employers, poverty, disease, disaster, ignorance, prejudice, racism, sexism, homophobia, and countless other enemies and dangers” but not “protecting our life and property,” the one legitimate function of the state.⁸

Finally, “[I]f the power of government rests on the widespread acceptance of false indeed absurd and foolish ideas, then the only

³ Hoppe, *Democracy*, p. 32.

⁴ Hoppe, *Democracy*, p. 36.

⁵ Hoppe, *Democracy*, p. 80.

⁶ Murray Rothbard, “America’s Two Just Wars: 1776 and 1861, in John Denson, editor, *The Costs of War* (New Brunswick, NJ: Transaction Publishers, 2009), p.126.

⁷ Hoppe, *Democracy*, p. 89.

⁸ Hoppe, *Democracy*, p. 89.

genuine protection is the systematic attack of these ideas and the propagation and proliferation of true ones.”⁹ Hans-Herman Hoppe has spent a lifetime doing exactly that.

⁹ Hoppe, *Democracy*, p. 93.

Editors and Contributors

EDITORS

JÖRG GUIDO HÜLSMANN (jgh@guidohulsmann.com) is Professor of Economics at the Faculty of Law, Economics, and Management of the University of Angers, France; a Senior Fellow with the Ludwig von Mises Institute; and the author of *Mises: The Last Knight of Liberalism* (2007), *The Ethics of Money Production* (2008), and *Abundance, Generosity, and the State* (2024).

STEPHAN KINSELLA (nskinsella@gmail.com) is an attorney and libertarian writer in Houston, and author of *Legal Foundations of a Free Society* (2023), *Against Intellectual Property* (2008), *Trademark Practice and Forms* (2001–2013), and *International Investment, Political Risk, and Dispute Resolution* (2020).

CONTRIBUTORS

PHILIPP BAGUS is professor at Universidad Rey Juan Carlos, a Fellow of the Mises Institute, an IREF scholar, and the author of numerous books including *In Defense of Deflation* and *The Tragedy of the Euro*.

JEFFREY F. BARR practices law in Las Vegas, Nevada. He studied under Murray Rothbard and Hans Herman-Hoppe in the late 1980s and early 1990s.

CANER (JAY) BAYKAL lives and works in Bodrum, Turkey.

HARDY BOUILLON teaches philosophy at the University of Trier; is Hayek Institute Endowed Guest Professor at the Vienna University of Economics and Business; and is a Fellow of the International Centre for Economic Research (ICER) in Turin. His books include

Government: Servant or Master? (1993), *Libertarians and Liberalism* (1997), and *Ordered Anarchy* (2007).

JUAN FERNANDO CARPIO was Professor of economics at Universidad San Francisco de Quito, Ecuador (www.jfcarpio.com). He has translated the works of Hans-Hermann Hoppe and George Reisman into Spanish.

FERNANDO FIORI CHIOCCA is the founder and editor of Instituto Rothbard.

EMILY HOPPE DALTON, Professor Hoppe's daughter, lives with her family in California.

JEFF DEIST is former President of the Mises Institute and currently general counsel for Monetary Metals.

DR. THOMAS DILORENZO was a university economics professor for forty-one years, including twenty-eight years at Loyola University Maryland. He is president of the Ludwig von Mises Institute.

DAVID DÜRR is Professor of Law emeritus, University of Zürich/Switzerland, and Attorney-at-Law and Notary Public, SwissLegal-Group.

DEANNA L. FORBUSH is an attorney with Fox Rothschild. She lives with her husband, Doug French, in Las Vegas.

DOUG FRENCH received his Masters degree in economics from the University of Nevada Las Vegas under Murray Rothbard with Professor Hoppe serving on his thesis committee. He resides in Las Vegas with his wife, Deanna Forbush.

ALESSANDRO FUSILLO is an attorney in Italy and president of the Italian Libertarian Movement.

SEAN GABB, an English libertarian and conservative, is a novelist and Director of the Centre for Ancient Studies, an academy that teaches Greek and Latin.

CARLOS A. GEBAUER is a German lawyer and author.

NIKOLAY GERTCHEV holds a Ph.D. in economics from the University of Paris II Panthéon-Assas. He works for an international organisation in Brussels, Belgium and teaches financial sector regulation in the Master Law and Finance at the University of Angers, France.

OSCAR GRAU is a musician and piano teacher, working in the family business. He is a popularizer of libertarian ideas and economic science and is editor of the Spanish section of Hans-Hermann Hoppe's official website.

ROBERT GRÖZINGER lives and works in the United Kingdom.

TIM HAFFNER is a retired law enforcement and reserve military officer that was introduced to Austrian economics while serving in combat in the Middle East, and now consults on political risk and international security affairs.

JEFFREY M. HERBENER is professor of economics and chairman of the economics department at Grove City College. He is a Senior Fellow of the Ludwig von Mises Institute and associate editor of *The Quarterly Journal of Austrian Economics*.

NICK HOPPE, Professor Hoppe's son, lives with his family in Austria.

DR. GÜLÇİN IMRE HOPPE lives in Istanbul.

DAVID HOWDEN is Professor of Economics, Saint Louis University—Madrid Campus.

LEE IGLODY, an attorney in Las Vegas, completed his Bachelor of Arts in Economics with honor under the guidance of Professors Murray N. Rothbard and Hans-Herman Hoppe at the University of Nevada, Las Vegas.

KARL-FRIEDRICH ISRAEL is a professor at Université Catholique de l'Ouest, Angers, France.

THOMAS JACOB studied economics at Zurich University, was a Swissair airline pilot and now works in the insurance sector. In 1981 he became a Randian Minarchist and in 1990 a Hoppean Anarchist. He has four children and lives with his wife and the two younger ones in Zurich, Switzerland.

GREGORY MORIN, Ph.D., Chemistry, owns and operates a manufacturing firm in Georgia (US). He is a chemist by training and an armchair economist by passion. He and his wife Joy are longtime supporters of the Mises Institute and the Property and Freedom Society. He currently serves on the board of the Mises Institute.

ANTONY P. MUELLER holds a doctorate in economics from the Friedrich-Alexander-University of Erlangen and Nürnberg (FAU) and teaches currently at the Mises Academy in São Paulo, Brazil.

ROBERT NEF is married to Annelies Nef-Nyffeler and father of two sons and grandfather of five grandchildren.

DR. THORSTEN POLLEIT is Honorary Professor for Economics at the University of Bayreuth and President of the Ludwig von Mises Institut Deutschland.

OLIVIER RICHARD lives and works in Switzerland.

LLEWELLYN H. ROCKWELL, JR., is founder and chairman of the board of the Ludwig von Mises Institute in Auburn, Alabama, and editor of LewRockwell.com.

MATTEO SALONIA is a historian currently teaching at the University of Nottingham Ningbo (China), and a Visiting Scholar at Benedictine College (Kansas). His academic publications include the 2017 book *Genoa's Freedom: Entrepreneurship, Republicanism, and the Spanish Atlantic*.

JOSEF ŠÍMA teaches at Metropolitan University Prague. He earned his Ph.D. in Economics and his M.A. in Finance and International Politics at the University of Economics, Prague.

RAHIM TAGHIZADEGAN is the last Austrian economist of the Austrian School in the direct tradition, having taught at universities in Austria, Liechtenstein, Switzerland, and Germany. Author of over fifteen books, he is the founder of the private university *scholarium*, where the Austrian School can be studied in its original interdisciplinary form. He is also a physicist (specialization in nuclear physics and complex systems), entrepreneur, and investor. Originally from Iran, he has grown up in Austria and studied in Switzerland and the US.

MARK THORNTON is the Peterson-Luddy Chair in Austrian Economics and a Senior Fellow at the Mises Institute. He serves as the Book Review Editor of the *Quarterly Journal of Austrian Economics*. His publications include *The Economics of Prohibition* (1991), *Tariffs, Blockades, and Inflation: The Economics of the Civil War* (2004), *The Quotable Mises* (2005), *The Bastiat Collection* (2007), *An Essay on Economic Theory* (2010), *The Bastiat Reader* (2014), and *The Skyscraper Curse and How Austrian Economists Predicted Every Major Crisis of the Last Century* (2018).

ANDREAS TÖGEL lives and works in Austria.

FRANK VAN DUN taught philosophy of law at the Universities of Ghent and Maastricht. He is the author of numerous works on the philosophy of law from a natural law and libertarian perspective.

PETER WONG is a perpetual traveller and financial columnist. His former roles include chairman of a free-market think tank and chief economist at a boutique hedge fund in Hong Kong.

Index

- Acquisition
 of power, 210, 214–215
 of property, 121–122, 125, 130
Action axiom, 228
Action Equals Reaction (AER) law,
 263–264, 266
Actors. *See* Human action
Adams, John, 231
Aggression. *See also* Conflict
 avoidance of, 61
 vs. coercion, 344
 defense against, 269
 by government, 78–79, 245, 254
 IP as, 281
 law and, 130, 146
 non-aggression principle, 61–62,
 154, 317
 against private property rights, 25
 social norms and, 148–149
 suffering and, 121–122
Alchemy, 362
Anarcho-capitalism
 in Argentina, 111, 188
 economic theory and, 232
 in Europe, 41–43
 Hoppe’s case for, 13–14, 34, 161, 256,
 298–299
 vs. minarchism, 38
 Obox Planet, 44–45
Anarchopolco conference, 241
Andreski, Stanislav: *The Work is Done by
 Others: Class Struggle and the Priestly
 Rule of the Intellectuals* (1975), 76
Antisemitism, 305–308, 311–312
Apel, Karl-Otto, 14
Apriorism, extreme, 73–85
 economic theory as empirical science,
 76–77
 government, destructive path of, 79–80
 governmental aggression by, 78–79
 money supply, 77–78
 natural sciences, 75–77
 praxeology, 74–75, 80–81
 scientific method and, 82–83
Argumentation ethics
 conscience and, 239
 discursive law and, 256–258
 ethics of, 142–143
 etymology of, 265–266
 extreme apriorism, 73–85. *See also*
 Apriorism, extreme
 force of arguments, 266–268
 freedom and, 60
 happiness and, 60–61
 Hoppe on, 37–39, 53, 60–62, 273, 342
 human action and, 238–239
 human nature, law and, 117–132. *See*
 also Human nature

- law and, 227–239
 praxeological presuppositions of, 123–124
 presumptions, 235–236
 private property and, 97
 rational argumentation, 271
 rules and, 264–266
 self-ownership principle and.
 See Self-ownership principle
 socialism and, 43
 social life and, 122–125
 truth and, 123–125, 142, 326
 Aristocracy, 346–347
 Aristotle, 80, 206, 356–357, 359, 362
 Articles of Confederation, 71
 Augustus, Romulus, 251–252
 Austrian economic theory
 in academia, 38
 anarcho-capitalism and, 232. *See also*
 Anarcho-capitalism
 Austrian economy, 315–316
 banks. *See* Banks/banking
 business cycle and capital, 168, 175
 catalactics, 101
 causal realism, 319–333. *See also*
 Causal realism in economics
 crime and, 241–254. *See also* Crime
 in Czech Republic, 113
 democracy and prosperity, 221–223
 econometrics, 47–48, 321
 economic forecasting, 93–94, 93 n.7
 as empirical science, 76–77
 Hoppe’s teaching of, 9–10, 19, 95–101
 immigration, 178–179
 immigration, economic effects of, 168
 of metaphysics, 355–371. *See also*
 Metaphysics, economics of
 methodology of, 173, 319–320
 Milton Friedman and causal realism,
 319–333. *See also* Causal realism in
 economics
 Misesian, 3, 235
 nominalism, 356–357, 363
 philanthropy. *See* Philanthropy
 philosophy and, 355–371. *See also*
 Metaphysics, economics of
 positivism and instrumentalism,
 321–323
 prices. *See* Prices
 realist tradition, 324, 356–357
 salons and, 98–99
 socio-macroeconomic phenomena, 78
 spontaneous order and, 344
 subsistence funds, 165–180. *See also*
 Immigration
 survival of Austrian school, 95–96
 taxation, 88–89
 technology, history, and theory, 90–94
 Austrian People’s Party, 316
 Austrian Student Scholars Conference, 28
 Austro-libertarian philosophy, 53, 103–112

 Baader, Roland, 96, 100, 133–134, 257
 Bagus, Philipp, 106, 303–314
 Bankruptcy, 250–251, 337
 Banks/banking, 35–36, 77–79, 90–91, 185,
 187, 250–251
 Barr, Jeffrey, F., 49–52
 Bastiat, F., 141, 241, 282
 Baykal, Caner (Jay), 47–48
 Becker, Gary S., 169–170, 174, 242
 Beltrão, Helio, 106–107
 Benneman, Bud, 18
 Bennett Institute for Public Policy
 Cambridge, 184–189
 Benson, Bruce, 139, 147
 Berlin Wall, fall of, 45
 Bernanke, Ben, 187
 Berwick, Jeff, 241
The Big Short, 34
 Birth, 127–129
 Bismarck, Otto von, 277–278
 Bitcoin, 100
 Blankart, Charles B. and Björn
 Gehrman, 190–191
 Blankertz, Stefan, 133
 Block, Walter, 50, 173, 273, 282, 284, 286,
 288, 308
 Body ownership. *See* Self-ownership
 principle
 Böhm-Bawerk, Eugen von, 25, 167, 328
 Positive Theory of Capital, 167
 Bouillon, Hardy, 133, 189–205
 Bourne, Randolph, 253
 Breach of contract, 199–200
 Buchanan, James, 13

- Burke, Edmund, 231, 297
- Business
- business cycle theory, 114, 167–168, 175, 178, 319
 - cancel culture and, 311–313
 - criminals in business world, 245–246, 250, 253
 - defamation. *See* Defamation law
 - hiring practices, 347
 - labor. *See* Labor
 - state influence on private companies, 306–308
- Cancel culture, 299, 311–313
- Capital
- in business cycle, 168
 - criminal accumulation of, 246–248
 - cultural, 348–350
 - German capital market, 191
 - money supply, 77–79, 345
- Capitalism. *See also* Anarcho-capitalism
- capitalist exploitation, 63
 - clean capitalism, 64
 - free-market capitalism, 228
 - state culture and, 313–314
- Carlyle, Thomas, 346
- Carnap, Rudolf, 19
- Carpio, Juan Fernando, 341–354
- Cartelization, 206
- Catallactics, 101
- Causal realism in economics, 319–333
- assumptions/abstractions, 326–327
 - existence and independence, 323–324
 - Granger causality, 332
 - human action, 325–326
 - instrumentalism, 329–330
 - logical deduction vs. observation, 326
 - Milton Friedman and, 329–332
 - philosophical realist doctrines,
 - economics and, 323–328
 - positivism, 331–332
 - positivism and instrumentalism, 321–328
 - precise and nonprecise abstractions, 327–328
- Censorship, 90, 109, 306–307, 312
- Centralization, 335–340
- Charity. *See* Philanthropy
- Chicago School, 18
- Chiocca, Fernando Fiori, 103–112
- Christianity, 297–302, 304–305, 309
- Churchill, Winston, 109
- Cicero, Marcus Tullius, 236
- Class analysis, 62–63, 65
- Clausewitz, Carl von, 254
- Clinton, Hillary, 298
- Club des Jacobins, 213–214
- Coase, Ronald, 267, 345
- Coercion, 344
- Cold War, 338
- Comparative systems theory, 228, 231
- Competition
- currency competition, 79
 - in insurance market, 144
 - IP and, 278
 - in market system, 242, 246–248
 - between political parties, 210–211, 215, 218
 - state intervention in, 336–338, 351, 358, 363
- Conflict. *See also* Aggression; War
- avoidance of, 120–121, 123, 125, 127, 139
 - class conflict, 63, 65
 - resolution of, 155–156
 - rules of, 263–268, 271
 - social conflicts, 256–258
 - state's instigation of, 141
- Consensus, 130–132, 144, 166, 169–172, 211
- Constitutions
- constitutionalism, 299
 - Swiss, 41
 - U.S., 71, 150–153, 231, 276
- Consumer behavior, 285, 327, 350–351
- Contract, breach of, 199–200
- Copyright law, 276–279, 281–283
- Counter-academia, 98–99
- Covenant communities, 161, 283, 313
- Covid, 43–44, 108, 110–111
- Creative dissidence, 335–340
- Crime, 241–254
- from crime to legitimacy, 248–252
 - criminal organizations, 247–254
 - definition, 243–244
 - drug cartels, 250, 253–254
 - incentives to engage in, 242, 244–245

- increasing marginal returns for
 - criminal activity, 246–248
- international law, warfare, and
 - international organizations, 252–254
- political and economic means, 243–244
- psychopathological personality and, 245–246
- robbery, 247, 249–251, 312–313
- victims of, 245, 247–249
- Crowd-funding, 191
- Culinary Workers Union, 24
- Cultural development, 303–314
 - cancel culture in hybrid society, 311–313
 - cultural capitol, 348–350
 - culture in absence of state, 311
 - how the state influences culture, 306–308
 - in hybrid society, 304, 308–311
 - indirect influence of state on culture, 306
 - natural evolution vs. state culture, 304–305
 - traditional family and, 304–305, 309.
 - See also* Values, traditional
 - welfare state, 162, 169–170, 274, 308
 - wokeism and antisemitism, 305
- Curley effect, 206

- Dach, H.V.: *Total Resistance*, 151
- Dalton, Emily Hoppe, 7
- Debate, public, 97–98, 114–115, 239
- Decentralization, 146–152
- Declaration of Independence (U.S.), 147, 152
- Defamation law, 273–294. *See also*
 - Intellectual property (IP) law
 - argument against laws protecting reputations, 290–293
 - reputation rights and, 287–290
 - trademark law, similarity to, 275
- Deist, Jeff, 150, 159–164, 289, 301
- De Maistre, Joseph, 346
- Democracy
 - definition, 211
 - failure of, 65–67
 - philanthropy and, 189–205. *See also* Philanthropy
 - political parties, abolishment of, 205–219. *See also* Political parties
 - prosperity and, 221–223
 - public law and, 373
 - time preference and, 183–188
 - war and, 374
 - wealth inequality scale and, 185
- De Molinari, Gustave, 139, 282
- Dialogue ethics, 227–228, 230, 234
- DiLorenzo, Tom, 4, 48, 373–375
- Discrimination objection, 190, 198–199
- Discursive law, 256–258
- Dissidence, creative, 335–340
- Diversity, 337–338. *See also* Immigration
- Diversity Immigrant Visa program (U.S.), 174
- Doering, Detmar, 135
- Donations. *See* Philanthropy
- Duesberg, Peter, 21
- Dun, Frank van, 227–239
 - Het fundamenteel rechtsbeginsel*, 228
- Dunbar's Number, 352
- Dürr, David, 255–271
 - “Discursive Law—Theoretical Foundation of Legal Interference on Social Conflicts,” 256

- Easements, 282–283
- Econometrics, 47–48, 321
- Economic theory. *See* Austrian economic theory
- Egalitarianism, 88, 234, 313, 346–348, 353
- Elections
 - in Argentina, 45, 111
 - dissatisfaction with election process, 65–66, 184, 207
 - political parties and, 205–219. *See also* Political parties
- Entrepreneurs
 - capitalist-entrepreneurs, 343, 345, 347–349, 351
 - crime and, 245
 - nominalism and, 368–369
 - realism and, 365
 - state, connection to, 307
- Epistemology, 74–76, 80, 82–83, 130
- Equal rights, 198–199, 244
- Erhard, Ludwig, 31

- Escobar, Pablo, 250
- Estoppel, 143, 273
- Ethics
- argumentation ethics. *See* Argumentation ethics
 - of dialogue, 227, 234
 - of physics, 255–271. *See also* Physics, ethics of
 - of taxation, 88–89, 175–179
 - theory and practice, 126
- European Union, 111, 254, 317, 335–340
- Evolution
- of culture. *See* Cultural development
 - Hayek's evolutionary poison, 344
 - of individual, 263
 - of law, 260–261
 - natural, 304–305
- Families, traditional. *See* Values, traditional
- Feser, Edward, 357
- Foa, Roberto, 185
- Forbush, Deanna L., 23–26, 50, 165–166, 184
- Foreign policy, 62, 72, 78–79
- Fractional reserve banking, 250–251
- France Libre, 210
- Frankfurt School, 13
- Freedom. *See also* Law; Property rights
- argumentation ethics and, 60
 - of association, 66, 300–302
 - democracy and, 65–67, 221–222
 - of expression, 306, 311
 - free society, 115, 148, 309
 - against government assaults, 110
 - Hayek's definition of, 344
 - justification of, 37–38
 - of movement, 159, 163
 - philosophy of, 137
 - politics and ethics of, 234
 - prosperity and, 222
- Free market. *See also* Markets
- Austrian economics and, 342–343
 - clean capitalism and, 64
 - comparative systems theory, 228
 - free market libertarianism, 60, 63
 - immigration and, 172–174
 - insurance companies, 144–146
 - invisible hand, 345
 - market failures, 277–278
 - state-owned enterprises and, 309–310
 - supporters of, 13
- Free trade. *See also* Immigration
- immigration and subsistence fund, 165–180
 - IP law and, 277–278, 281
 - Open borders, critics of, 159–164
- French, Deanna, *see* Forbush, Deanna
- French, Douglas, 23, 165, 183–188
- French Revolution, 72, 213–214, 218
- Friedman, David, 237
- Friedman, Milton, 35, 103, 222, 251
- causal realism and, 319–333. *See also* Causal realism in economics
 - Methodology of Positive Economics*, 321, 329–331
- Frisch, Ragnar, 321
- Full-cost principle, 162–163
- Fusillo, Alessandro, 241–254
- Gabb, Sean, 4, 34, 59–67, 234
- Gebauer, Carlos A., 133–136
- German Donation Monitor, 196
- Germany
- Berlin Wall, fall of, 45
 - federal elections, 208–209
 - German capital market, 191
 - Green Party, 208–209
 - Third Reich. *See* Third Reich
 - warrior spirit, 31–32
- Gertchev, Nikolay, 87–94
- Gilson, Etienne, 357
- Gladwell, Malcolm, 348
- Gödel, Kurt, 235
- Gold Coin Initiative, 41
- Goods, 162, 169–172
- Government
- aggression by, 78–79, 245, 254
 - bad government and elections, 206–207
 - codes as source of law, 260
 - competition, intervention in, 358
 - crime and psychopathology from praxeological perspective, 241–254. *See also* Crime
 - criminal organizations as, 249

- destructive path of, 79–80
- indirect influence of state on culture, 306
- initiation of violence, 112
- interventionism and realism, 364–369
- law without the state, 258–260
- as monopoly of violence, 252–253
- mugger state, 268–271
- political parties, abolishment of, 205–219. *See also* Political parties
- power of, 374–375
- private property in state culture, 303–314. *See also* Cultural development; Property rights
- protection rackets, governmental, 251
- rule of law, 261–262
- rulers, role of, 259
- state ownership of land and resources, 161–163
- taxation, 88–90
- time preferences and, 186
- Grand Narrative of human history, 28–29
- Grant, Jim, 187–188
- Grau, Oscar, 117–132
- Great Recession, 35–36
- Gresham's Law, 358
- Grillparzer, Franz, 336
- Group selection, 146–150
- Grözinger, Robert, 31–32
- Grundnorms, 258
- Guevara, Che, 42

- Habermas, Jürgen, 13–14, 49, 61, 255, 258
- Haffner, Tim, 137–156
- Haller, Karl Ludwig von, 149
- Hamilton, A., J. Madison & J. Jay: *The Federalist Papers*, 147
- Happiness
 - argumentation ethics on, 60–61
 - material happiness, 189–192, 196, 198, 201–202
 - social cooperation as, 237–238
- Harris, Ralph, 336
- Hasnas, J., 150
- Hausman, Daniel M., 329–331
- Hayek, F.A.
 - Adam Smith and, 345
 - on business cycle, 168
 - classical liberalism ideology, 61
 - on economy, 74, 98, 319
 - freedom, definition of, 344
 - “The Intellectuals and Socialism,” 40
 - legal training, 25
 - The Road to Serfdom*, 316
 - on socialism and utopia, 42
 - spontaneous order, 341–354. *See also* Spontaneous order
- Hazlitt, Henry, 48
- Hentoff, Nat, 288
- Herbener, Jeffrey M., 27–29
- Herodotus, 4, 21
- Hierarchies, 346–348, 353, 360, 367
- Holmes, Oliver Wendell, 289
- Homosexuals, 51, 70, 310 n.7, 313
- Hong Kong, 221–223
- Hoover, Kevin, 322, 329, 332
- Hoppe, Gülçin Imre, 3–5, 20, 40, 47, 97, 100, 184
 - doctoral thesis, 47–48
 - “Ludwig on Mises's Contributions to Economic Thought within the Austrian School,” 3
- Hoppe, Hans-Hermann
 - on argumentation ethics. *See* Argumentation ethics
 - From Aristocracy to Monarchy to Democracy*, 299, 301
 - Austrian School of Economics, 9–10, 19, 95–101. *See also* Austrian economic theory
 - “Banking, Nation States, and International Politics: A Sociological Reconstruction of the Present Economic Order” (2006), 78
 - biography of, 49–52
 - “The Case for Free Trade and Restricted Immigration,” 160–161, 166–167, 309
 - in Czech Republic, 113–115
 - Democracy: The God That Failed* (2006), 33–34, 50, 65–67, 81–82, 161, 185, 205–206, 222–223, 299, 316
 - “Economic Crisis: How to Make Them Worse by ‘Curing’ Them” (2011), 105

- The Economics and Ethics of Private Property: Studies in Political Economy and Philosophy* (2006), 73, 274
- Economic Science and the Austrian Method* (1995), 18, 75, 105–106
- Economy, Society, and History*, 27–28
- Extreme priorism, 73–85. *See also*
- Apriorism, extreme
 - family life, 3–5, 7, 9–11
 - favorite quotes by, 373–375
 - foreword to *No More Democracy and Mob Rule* (Kreisky), 316
 - as freedom fighter, 5
 - on free society, permissible views in, 313
 - Hoppophobia, 159, 164
 - Hoppe Unplugged* (edited by Thomas Jacob), 41–42
 - humility, 90–92
 - on immigration, 161–163, 171
 - as intellectual provocateur, 133–136
 - Journal of Libertarian Studies*, editor of, 274
 - Kritik der kausalwissenschaftlichen Sozialforschung Untersuchungen zur Grundlegung von Soziologie und Ökonomie* (Critique of Causal Scientific Social Research, 1983), 75, 320
 - love of learning and work, 7
 - on marriage, 24
 - “Marxist and Austrian Class Analysis,” 62
 - microeconomics course, 9–10
 - Mises and, 32, 74–75
 - The Myth of National Defense*, 3
 - not revolutionary, 69–72
 - “On Man, Nature, Truth, and Justice,” 53
 - open borders, critics of Hoppe’s ideas about, 159–164
 - “Open Letter to Walter E. Block,” 173
 - philanthropy, objections to, 189–205. *See also* Philanthropy
 - on politicians, 5
 - Pope of Libertarianism, 59–67
 - as principled person, 49–52
 - “The Private Law Society” lecture, 28–29
 - The Private Production of Defense*, 138
 - as professor, 18–20
- Property and Freedom Society. *See* Property and Freedom Society (PFS)
- on property rights, 24–25, 121. *See also* Property rights
- Reisman, debate with, 341
- Rothbard and. *See* Rothbard, Murray
- security production, insights into, 142–144
- Servus TV, Conversations in Hangar 7*, 110–111
- on spontaneous order, 348–350
- “State or Private Law Society” (2011), 105
- on theoretical compromise/gradualism, 108
- A Theory of Socialism and Capitalism*, 18, 43, 342
- truth, commitment to. *See* Truth
- Der Wettbewerb der Gauner (The Competition of the Rogues)*, 242
- Hoppe, Nick, 9–11
- Howden, David, 165–180
- Hülsmann, Jörg Guido, xi–xii, 4, 21, 43, 48, 50, 103, 133, 223, 308, 355–371
- Huerta de Soto, Jesús, 103, 250
- Human action. *See also* Praxeology
- ability to learn, 74–76
 - action axiom, 228
 - aggression. *See* Aggression
 - argumentation ethics and, 238–239. *See also* Argumentation ethics in Austrian economics, 325–326
 - concentric circles of social innovation, 350–353
 - crime. *See* Crime
 - human interaction, new model of, 350–353
 - humans as actors, 118–120
 - property and, 142–143
 - socio-macroeconomic phenomena, 78
 - universal forms of, 357
- Human nature
- argumentation ethics, law, and, 117–132
 - argumentation ethics and social life, 122–125
 - law, argumentation, and, 129–132
 - maintaining peace, 129–130
 - marginal utility theory, 195–196
 - morality and philanthropy, 200–202

- property rights and, 120–122, 126–129.
See also Property rights
- rationality, 236–237
- three-stage system of affection, 195
- Human rights, 147–148, 229–230, 287–290
- Human society. *See* Social life
- Humboldt Foundation, 13
- Humbolt, Wilhelm von, 201
- Hume, David, 171, 195
- Hybrid society, 304, 308–313
- Iglody, Lee, 17–21
- Immigration
 in hybrid society, 308–309
 market for, 172–174
 open borders, 159–164
 political consensus and, 169–172
 quota systems, 170, 174
 subsistence fund and, 165–180
- Imre, Gülçin. *See* Hoppe, Gülçin Imre
- Incentives
 for criminal activity, 244–245
 incentive structure, 242
- Income. *See* Money supply
- Industrial revolution, 72, 192, 276
- Industry. *See* Business
- Inflation, 78, 90, 185, 187, 251, 311
- Inheritances, 176–177, 179
- Injustice. *See* Justice
- Instituto Liberal*, 103
- Instituto Rothbard (Instituto Mises Brasil), 104, 106–108, 112
- Instrumentalism, 321–330
- Insurance companies, 144–146, 150–153
- Integration, 160, 309, 336–339
- Intellectual property (IP) law, 273–294
 categories included in, 280–281
 copyright law, 276–279, 281–283
 defamation law as, 291–292. *See also*
 Defamation law
 defined, 274–275
 evolution of idea of, 276–277
 legal category, emergence as, 275–281
 natural property rights and, 278
 nonconsensual negative easements
 (servitudes), 282–283
 opposition to, 277–278
- patent law, 276–279
- trademark law. *See* Trademark law
- trade secret law. *See* Trade secret law
- International law, 252–254
- Interventionism, 82, 358, 364–370
- Iorio, Ubiratan, 105
- Israel, Karl-Friedrich, 319–333
- Jacob, Thomas, 37–46
- Jacobines, 213–214
- Jefferson, Thomas, 147, 276, 279, 346
- John Randolph Club, 274
- Jones, Eric: “The European Miracle,” 337
Journal of Libertarian Studies, 33, 274
- Judaism, 305–308, 311–312
- Jurisprudence, 357–358
- Justice, 122, 211–212, 216, 232–233, 344.
See also Law
- Justinian: *Corpus Juris Civilis*, 259
- Kant, Immanuel, 74
The Critique of Pure Reason (1781),
 80–81
 Kantian Categorical Imperative, 142
 Kantian philosophy, 61
- Kataguirri, Kim, 108
- Kelley, David, 288
- Kelsen, Hans, 258
- Kinsella, Stephan, xi–xii, 14, 25, 38, 43,
 50, 51, 61, 93–94, 106, 143, 227,
 242, 256, 258–260, 273–294
Libertarian Papers, 274
- Kliemt, Hartmut, 227
- Kreisky, Bruno, 315–316
No More Democracy and Mob Rule, 316
- Kuehnelt-Leddihn, Erik von, 299
- Labor. *See also* Business
 business cycle, role in, 168–169
 criminal activity and, 244
 economic and political means, 243
 hiring practices, 347
 immigration and political consensus,
 169–172, 175
 intellectual property as fruits of labor, 278
- Law
 aggression and, 130, 146

- argumentation and discursive law, 256–258
 argumentation ethics and, 117–132, 227–239. *See also* Argumentation ethics; Human nature
 codes as source of law, 260
 of conflict, 263–264
 defamation, 273–294. *See also*
 Defamation law
 discursive law, 256–258
 European, history of, 259–260
 insurance companies and, 144–146
 international, 252–254
 jurisprudence, 357–358
 law without the state, 258–260
 legal positivism, 362–363
 legal systems, 230–231
 natural law. *See* Natural law
 Natural Moral Law, 233, 238
 private legal systems. *See* Private legal systems
 private property legal order, 142–144
 public law and democracy, 373
 rule of law, 151, 261–264, 271
 as social institution, 130
 thin law, thick culture, 154–155
 tort law, 292
 truth and, 130–132, 235
 Leadership, 212, 345–347, 350, 353
 Lehmann Brothers, 35–36
 Lenin, Vladimir, 72
 Li, Teng, 297
 Liberales Institut, 39
 Libertarianism
 in America, 59–60
 in England, 59
 medieval Christendom and, 297–302
 pope of, 59–67
Libertarian Papers, 274
 Liberty. *See* Freedom
 Lichtschlag, André, 42, 134
 Locke, John, 14, 232, 243, 278–279
 Lucas, Robert, 320
 Ludwig von Mises Institute. *See* Mises Institute

 Machlup, Fritz, 278–279
 Mäki, Uskali, 322–325, 329–331

 Marginal utility theory, 195–196
 Markets. *See also* Free market
 capital markets, 77, 82, 191
 for charity, 199
 circles of innovation. *See* Spontaneous order
 competition in, 242
 crime in, 245–246
 discovery process, 145
 immigration and, 163–164, 169–170, 172–176, 179
 insurance, 144
 international, 221–222
 for justice, 232
 monetary interventions in, 358
 nominalism and, 369
 profit and loss incentives, 138–139
 realism and, 367
 Marshall, Alfred, 322
 Martland, Keir, 301
 Marx, Groucho, 39, 62–65, 233, 336
 Marx, Karl, 42
The Matrix, 34
 Maybury, Richard, 144
 Mencken, H.L., 183, 185
 Menger, Carl, 25, 98, 195, 196, 325, 344, 356
 Investigations, 361
 Principles, 328
 Metaphysics, economics of, 355–371
 interventionism, origins of, 365–366
 nominalism. *See* Nominalism
 realism. *See* Realism
 state intervention in competition, 358
 Methodological individualism, 63, 173
 Michel, Christian: “Marxist and Austrian Class Analysis,” 33
 Middle ages, 297–302
 Milei, Javier, 45–46, 111, 188
 Militia, 148, 150–156
 Millennial, 184–188
 Minarchism, 38, 41, 288
 Mises, Ludwig von
 Bureaucracy/Bürokratie, 138, 303
 classical liberalism ideology, 61
 economic theory, 3, 235
 epistemological writings, 82–83
 Hoppe and, 32, 74–75
 on human action, 238–239, 356

- Human Action*, 38–39, 106, 228, 319–320, 324–328, 348
 on human life, 118
 Kreis, 98–99
 as leader in libertarian thinking, 316
 legal training, 25
Liberalism/Liberalismus, 146, 303
 on population size, 237–238
 praxeology. *See* Praxeology
 private salon, 97
 on property, 140
 on rationality, 236–237
 on scientific knowledge, 76
 on subsistence funds, 167
The Ultimate Foundation of Economic Science, 320
- Mises Institute, 4, 23, 69, 227, 341
 Austrian Economics Research Conference (2015), 53
 1989 conference, 14
 Instituto Rothbard and, 112
 summer institute 2002, 87
 summer university, 113
 35th anniversary event, 53–54
- Mises University, 37, 45, 48, 303, 341
- Monarchy, 66, 70, 72, 149, 213–214, 218, 299–301
- Money supply, 77–79, 345. *See also* Capital
- Monopolies
 government granting of, 276–279
 government monopolies, 78, 132, 141–142, 144, 149–151, 153
 of violence, 252, 300
- Mont Pèlerin Society, 39
- Morality, 200–202, 230–231, 344–345
- Morgan, Jason, 153
- Morin, Gregory, 53–55
- Mueller, Anthony P., 205–219
- Mugger state, 268–271
- Nationalism, 60, 335–340
- National Socialist party. *See* Third Reich
- Nation-states, 338–339
- Nativism, 160
- Natural aristocracy, 346–350, 352
- Natural evolution, 304–305
- Natural law
 crime, 131–132, 243
 Hoppe and, 29, 74
 interventionism and, 366–368
 in Medieval Europe, 149
 nominalism and, 363
 politics and, 163
 Rothbard on, 14
- Natural Moral Law, 233, 238
- Natural rights, 61–62, 71, 126, 228, 234–235, 366
- Natural sciences, 75–77
- Nazism. *See* Third Reich
- Nef, Robert, 133, 335–340
- Negative easements, 282–283
- Nietzsche, Friedrich, 135
- Nisbet, Robert, 133, 346–347
- Nominalism
 in economics, 356–357, 363
 explained, 359–360
 implications of, 361–363
 imposing costs of, 367–369
 interventionism and, 364–369
 inversion of values and, 366–367
 vs. realism, 356–363
 socialization of costs, 369
- Non-aggression principle, 61–62, 154, 317. *See also* Aggression
- Nonconsensual negative easements, 282–283
- Non-profit organizations (NPOs), 190–191
- North, Gary, 31, 38
- Objectivism, 37, 288, 317
- Obox Planet, 44–45
- Occam's razor, 357
- Oligarchies, 206–207, 218, 252
- One thousand Liechtensteins, 315–317
- Open borders, critics of, 159–164. *See also* Immigration
- Oppenheimer, Franz, 243
- Original appropriation, 125
- Original moment, 127–128
- Ortega Y Gasset, José, 111–112
- Our World in Data, 184
- Overcrowding, 237–238
- Ownership. *See* Self-ownership principle

- Palmer, Tom, 283–284
- Pareto efficiency, 191
- Patent law, 276–279, 281–283
- Peace, 124–125, 129–132, 140–141, 317, 336, 338. *See also* Aggression; Conflict; Property rights
- Penrose, Edith, 279
- Philanthropy
 - creative philanthropy, 191
 - discrimination objection to, 198–199
 - donor motives, 191
 - economic argument for under-supply objection to, 192–194
 - functional objection to, 199–200
 - historical argument for under-supply objection to, 192
 - moral objection to, 200–202
 - philosophical argument for under-supply objection to, 194–197
 - underprovision objection to, 190–197
 - voluntary vs. forced redistribution of material happiness, 189–199
- Philosophie Magazine*, 88
- Philosophy and economics, 355–371. *See also* Metaphysics, economics of
- Physics, ethics of, 255–271
 - argumentation and discursive law, 256–258
 - conflict rules, 263–264
 - force of arguments, 266–268
 - Hans, arguing with, 271
 - law without the state, 258–260
 - mugger state, arguing with, 268–271
 - rule of law, Chantecler and, 261–262
 - rules and argumentation, 264–266
- Pina, Juan, 304–305
- Pinheiro, Joel, 107
 - Dicta & Contradicta*, 107
- Pinkerton-samurai rule, 153
- Plato, 97, 241, 356, 359
- Political Economy Club, 17–19
- Political monopoly, 141
- Political parties, 205–219
 - abolition of, 210–217
 - banning of, call for, 215–217
 - candidates, choice of, 209
 - career politicians, 217
 - decision-making, political, 209
 - democracy and, 205–210, 211–212
 - division between left and right, 214
 - dominance as aim of, 217
 - election process, dissatisfaction with, 207. *See also* Elections
 - evils of, 213–214
 - political propaganda, 214–215
 - the Right, 298
- Politics. *See also* Government
 - democracy. *See* Democracy
 - discontent with, 207
 - divisiveness of, 100
 - EU and Switzerland, 335–340
 - group selection, decentralization, and secession, 146–150
 - immigration and political consensus, 169–172. *See also* Immigration
 - party system, 209, 217–218. *See also* Political parties
 - political and economic means, 243–244
 - social conflicts, 256–258
 - trend towards greater control over individual choice, 60
- Polleit, Thorsten, 73–85
- Pope, Nathaniel, 176
- Popper, Karl, 19
- Population size, 237–238
- Positivism, 321–328, 362–363, 365–370
- Powell, Benjamin, 169–170
- Praxeology. *See also* Human action
 - as advancement of human action, 105–106
 - argumentation and private property, 97
 - catallactics, 101
 - crime, governments, and psychopathology, 241–254. *See also* Crime
 - economics and, 74–75, 80–81, 93 n.7, 142–143, 320
 - justification for justice, 122–123
 - knowledge conveyed by, 119–120
 - term, introduction of, 99
- Precisive abstraction, 327–328
- Presumptions, 235–236
- Prices
 - of assets, 222
 - in capitalist society, 351
 - government role in, 242

- influence on consumer choices, 365, 368
- money supply, 77–79, 345
- of state-owned enterprises, goods from, 309–310, 314
- Principled man, 49–52
- Prisoners' dilemma, 192–193
- Private legal systems, 230–232
 - common law and, 284
 - establishing and defending, 154–155
 - private law society, 44
 - security and justice production in, 150–153
- Private property. *See* Property rights
- Progression-theoretical framework, 78–79
- Propaganda
 - cultural, 306–307
 - economic science and, 77
 - IP and, 279, 281, 292
 - political, 214–216
 - in Roman state, 252
 - War on Drugs, 138
- Property and Freedom Society (PFS), xi–xii, 4, 20–21, 24, 45, 87, 227, 242, 274, 316, 342
 - Annual Meeting 2016, 117
 - Bodrum, Turkey gatherings, 54
 - counter-academia, 98–99
 - first conference, 34–35
 - founding of, 40, 50
 - Hoppe's 2013 speech to, 143
 - Hoppe's 2016 speech to, 143
 - Hoppe's 2023 speech to, 139
 - inaugural meeting, 48
 - Instituto Rothbard and, 112
 - organization of, 28
 - as place of practice, 99–101
 - as salon, 97
 - success, reason for, 41
 - women in, 100
- Property rights
 - acquisition of property, 121–122, 125, 130
 - aggression against property, 25
 - Hoppe's insight into, 24–25, 121
 - human nature and, 126–129
 - integrity of, 142–144
 - intellectual property. *See* Intellectual property (IP) law
 - justice and, 120–122
 - maintaining peace, 115, 129–130, 140–141
 - nonconsensual negative easements (servitudes), 282–283
 - ownership of property, 43
 - physical integrity, 288–290
 - private ownership, 64
 - private property, 97, 161–162, 164
 - public property, 161–162
 - scarce resources. *See* Scarce resources
 - self-ownership principle. *See* Self-ownership principle
 - spontaneous order and, 344
 - in state culture, 303–314. *See also*
 - Cultural development
 - state influence on, 304
 - subsistence funds as property, 175–178
 - time preference and, 186, 352. *See also* Time
 - Prosperity, 43, 221–223, 342, 349
 - Psychopathology, 241–254. *See also* Crime
 - Public debates, 97–98, 114–115, 239
 - Public goods theory, 69–70, 82, 174, 176–178
 - Public property, 161–162
 - Pyramid-of-ability principle, 347
- Quota systems, 170, 174
- Raico, Ralph, 48
- Rand, Ayn, 37, 41, 61, 103, 109, 185, 282, 288, 317, 347
- Rationality, 236–237, 257–258, 264–265
- Reagan, Ronald, 35
- Realism
 - causal. *See* Causal realism in economics explained, 359
 - implications of, 360–361
 - interventionism and, 364–369
 - vs. nominalism, 356–363
 - utility of, 364–365
- Reinach, Adolf, 50, 360
- Reisman, George, 287, 341
- Reparations, 140, 172–173
- Reputation rights, 287–293
- Restitution, 140–141

- Revolutions
- American Revolution, 71
 - constitutionalism as invention of revolutionaries, 299
 - Cultural Revolution, 297
 - formalist revolution, 329
 - French Revolution, 72, 213–214, 218
 - Hoppe not revolutionary, 69–72
 - industrial revolution, 72, 192, 276
 - Russian Revolution, 72, 222
- Richard, Olivier, 33–36
- Riggenbach, Jeff, 38–39
- Robbery, 247, 249–251, 312–313
- Robinson Crusoe, 39, 43
- Rockwell, Llewellyn H., Jr., 13–15, 73, 103
- Rostand, Edmond, 261–262
- Rothbard, Murray
 - on anarcho-capitalism, 42
 - Anatomy of the State*, 150
 - comprehensive approach to libertarianism, 98
 - defamation law, case against, 288–289
 - “Egalitarianism as a revolt against Nature,” 347
 - epistemological writings, 82–83
 - on ethics, 61–62, 126
 - The Ethics of Liberty* (1982), 228, 303–304
 - Hoppe and, 10, 13–15, 17, 19, 32, 49, 54, 74, 139
 - Hoppephobia, 159
 - on human life, 118
 - at John Randolph Club, 274
 - on law and property rights, 29
 - on *luftmensch libertarians*, 164
 - Man, Economy and State*, 38–40, 319–320
 - Natural Moral Law, 238
 - For a New Liberty*, 232–235
 - on prices of goods and services, 309–310, 314
 - on self-ownership, 230
 - state as organized banditry, 188
 - survival of Austrian school, 96
 - on union, 374
- Rousseau, Jean-Jacques, 211, 216, 270
- Rousseff, Dilma, 106
- Rule of law, 151, 261–264, 271
- Ruwart, Mary, 155
- Ruyer, Raymond, 357
- Salerno, Joseph T., 15, 103, 142
- Salonia, Matteo, 297–302
- Salons, 4, 97. *See also* Property and Freedom Society (PFS)
- Sandefur, T.: “Four Problems with Spontaneous Order,” 343–344
- Scarce resources. *See also* Time
 - charitable giving and, 199
 - goals of human action and, 118, 120–121
 - human nature and, 126–128, 243–244, 349
 - in paradise, 134
 - property rights in, 290
 - Robinson Crusoe, 39, 43
- Schelsky, Helmut: *The Work is Done by Others: Class Struggle and the Priestly Rule of the Intellectuals* (1975), 76
- Schopenhauer, Arthur, 339–340
- Schumpeter, Joseph: *Capitalism, Socialism, and Democracy* (1950), 211
- Schütz, Rainer Ernst, 97
- Scientific method, 74–76, 82–83, 363. *See also* Praxeology
- Secession, decentralization, and group selection, 146–150
- Second Seminar on Austrian Economics (2011), 104–105
- Security production, 137–156
 - group selection, decentralization, and secession, 146–150
 - Hoppean insights, 142–144
 - insurance vignette, 144–146
 - non-aggression in private law society, 153–155
 - security and law in a private law society, 150–152
 - war, peace, and prosperity, 140–141
- Self-determination, 146–150, 229
- Self-ownership principle
 - argumentation ethics and, 14, 228–230, 234, 236
 - birth and, 127–129
 - control of body, 25, 121
 - crime and, 243–244, 248–249
 - property rights and, 143

- Servitudes, 282–283
- Šíma, Josef, 113–115
- Slander, 289
- Smith, Adam, 343, 345, 347
- Smith, Barry, 50, 327, 360
- Socialism
 vs. anarcho-capitalism, 42
 argumentation ethics and, 14, 228
 in Austria, 315–317
 economic theory and, 77, 82
 interventionism and, 82, 228
- Social justice, 189–199
- Social life
 argumentation ethics and, 122–125
 concentric circles of social innovation, 350–353
 Grand Narrative of human society, 28–29
 hybrid society, 304, 308–313
 norms, 139, 148
 social order, 297–302
 social structures, 341–354. *See also*
 Spontaneous order
 traditional values. *See* Values, traditional
- Socrates, 356, 359
- Soviet party, 210–211
- Spengler, Oswald, 346
- Spontaneous order, 341–354
 anti-egalitarian thinkers, 346–348
 concentric circles of social innovation, 350–353
 contemporary or popular anti-egalitarian thought, 348
 defined, 343
 human interaction, new model of, 350–353
 meritful hierarchies and natural elites, 346–348
 parallel “invisible motors” or parallel voids, 345
 Say’s surplus, 347
 shortcomings of, 343–344
- Spooner, Lysander: *Natural Law*, 140, 282
- State. *See* Government
- Statute of Anne (UK, 1710), 276
- Statute of Monopolies (UK, 1623), 276
- Stigler, George, 328
- Stromberg, J.R., 151
- Subsistence funds, 165–180. *See also*
 Immigration
- Sun Tzu, 139
- Switzerland, 335–340
- Taghizadegan, Rahim, 95–101, 133, 257, 316
- Tannehill, Linda and Morris, 139
- Tannenbaum, R., 345
- Taxation
 authority to levy taxes, 77–78, 150, 366
 economic burdens of, 374
 ethics of, 88–89, 175–179
 government influence on culture through, 307
 philanthropy and, 192–194, 196–197
 public property and, 162–163
 subsidies and, 206
 tax load on property owners and producers, 67
 taxpayers and tax consumers, 63
 welfare systems and, 308–309. *See also*
 Welfare state
- Technology, 90–94, 337, 339, 362–363
- Thatcher, Margaret, 35
- Theft, 247, 249–251, 312–313
- Theodor Heuss Academy, 133
- Third Reich, 210–211, 305–308, 311–312, 315
- Thoreau, Henry David, 108
- Thornton, Mark, 69–72
- Thought police, 27–28, 51, 106
- Thurber, James: “The fairly intelligent fly,” 335
- Tierney, Brian, 299–300
- Time
 in mugger state, 268–269
 as scarce resource, 243–244
 time preference, 63–64, 70, 183–188, 342, 348–349, 352
- Tögel, Andreas, 315–317
- Totalitarianism, 96, 210–211, 213–214, 216, 258, 260
- Trademark law
 case against, 281–287
 consumer confusion, 285
 damages for violation of, 285–286
 defamation law, similarities to, 274–275, 290–293

- inclusion in IP law, 280–281
- reputation and antidilution rights, 286–287
- Trade secret law, 275, 280–281, 283–284, 292–293
- Traditional values. *See* Values, traditional
- Transmission Protection Instrument, 91
- Trump, Donald, 188
- Truth
 - argumentation ethics and, 123–125, 142, 326
 - assumptions, approximate truth of, 331
 - defamation, defense to, 289
 - Hoppe’s commitment to, 5, 19–22, 29, 32, 49–52, 87–94, 106–107, 303–304
 - human action and, 76–77
 - justice and, 211–212, 216
 - law and, 130–132, 235
- Universal Declaration of Human Rights (1948), 234
- Universal knowledge, 254, 364–365
- University of Nevada, Las Vegas (UNLV), 4, 23, 27, 51–52, 106
- U.S. Constitution, 71, 276, 289
- Valuation, 328, 349
- Values, traditional, 246, 298–301, 304–305, 308–309, 346–347
- Vedder, Richard K., 170, 174
- Victims. *See* Crime
- Vieira, Edwin, 152
- Violence. *See* Aggression; Conflict; Crime; War
- Walsh, Bryan, 184
- War
 - Civil War, 155
 - civil war and party politics, 217
 - Cold War, 338
 - cultural, 304–305, 312–313
 - First World War, 338
 - international law and, 252–254
 - maxims of, 152–153
 - nationalism and, 336, 338–339
 - peace and, 139–141
 - Revolutionary War, 147
 - Second World War, 31, 111, 338
 - total war, 374
 - War of 1812, 155
 - War on Drugs, 138
 - warrior spirit, 31–32
- Washington, George, 176–177
- Washington, John and family, 176–177
- Wealth
 - democracy and prosperity, 221–223
 - inequality, 349
 - material and cultural, 342
 - state intervention and, 43
 - wealth gap, 185–188
- Weede, Erich, 134
- Weil, Simone, 205, 210–217
 - “Notes on the General Abolition of Political Parties,” 210
- Welfare state, 162, 169–170, 202, 304, 308, 362, 374
- When Harry Met Sally*, 54
- Wokeism, 244, 305, 313
- Wong, Peter, 221–223
- Woods, Tom, 298
- Wright, Steven, 54
- Yeager, Leland, 14–15, 237
- Yohe, James, 18



Professor Hans-Hermann Hoppe has devoted his life to scholarship in pursuit of individual liberty. He is the author of *A Theory of Socialism and Capitalism* (1989), *The Economics and Ethics of Private Property* (1993), *Democracy—The God that Failed* (2001), *Economy, Society, and History* (2021), *Getting Libertarianism Right* (2018), *A Short History of Man: Progress and Decline* (2015), *The Great Fiction: Property, Economy, Society, and the Politics of Decline* (2012), and numerous other important essays and scholarly articles. His writings have been translated into over 30 languages.

He has also greatly distinguished himself as a teacher and, together with his wife Gülçin Imre Hoppe, as the host of the international Property and Freedom Society. The present *liber amicorum* is published on the occasion of his 75th birthday. The editors and authors trust that followers of Dr. Hoppe's work, and all other lovers of liberty and scholarship, will enjoy and profit from the present volume.

Now Professor Emeritus of Economics at UNLV and Distinguished Fellow with the Ludwig von Mises Institute, Professor Hoppe resides in Austria and Turkey.

