

p. 37

Compline to Augustine + Aquinas

action = the employment of means for the attainment of ends.

"But the concept of action does not imply that the action is guided by a correct theory and a technology promising success and it attains the end aimed at. It only implies that the performer of the action believes that the means applied will produce the desired effect."

"[Science] est l'acte par lequel nous revenons à l'identique ce qui nous a, tout d'abord, pour nous-même par tel."

- Emile Meyerson, 1927.

p. 41

* history, too, must be praxeological; otherwise, totally disjointed.

ME: praxeology and eudemonism.

p. 47

scope + specific method of History
"Verstehen" and "Verstehen"

p. 64

"Procedure of Economics" = concise definition of praxeology

p. 67

"An economist can never be a favorite of autocrats + demagogues. With them he is always the mischief-maker, and the more they are inwardly convinced that his objectives are well-founded, the more they hate him."

69

"The economist must never be a specialist. Historians often are in this respect. They are ready to invest theories of law. "abstract causal relations from studies

p. 69-71 Althusser? not really

more a highly restrictive analysis a laite of perfection.

* enthusiasm toward theory.

cf. p. 155 H.A.

p. 17 Planned Class (1947) - * on papal encyclicals.

"wherever wider peace among people must fight action" - Mises, Nation, Economy, p.

Notes, and

from "Mises Debunks the Religious Love for the State," Mises Inst. site, Lawrence M. Van

ME: it's so shameful that pope felt capable, obliged to weigh in heavily on matters economic of which they clearly know very little.

they should have tried

lightly and scholarly, like the

Schumanes, especially given the papal's inferior

knowledge of the most efficacious means to a
just + free society.

Mises must agree that it was the
modern obsession w/ the bond services
and concomitant degradation of economics
as a field that permitted this to occur.

p. 73 para. 3.

"Only one way could lead the socialists out of this impasse [of the rational triumph of classical economics over their ideology]. They could attack logic + reason and substitute mystical intuition for rationalism." p. 74 para. 1.

ME: socialists are Brother's.

"What induced Mises to invert his ideological ideology-doctrine was the wish to
save the prestige of economics." p. 78 para. 1

ME: * class polylogism rules as slaves.

on the absurdity of class + race polylogism:

"But here again we must raise the question: What advantage could a race or class derive from an 'ideological' distortion of understanding?"

(88)

ME: * only advantageously should the state

make such a polylogistic program

profitable. (AA, DEE, etc.)

ME: assimilation is both, unmitigated antagonism toward independent
successful living + happiness.

in defense of reason and action as self-evidently apriori (91)

goods, products, + services (94)

sense of values + wants only manifested in action (95)

proceeding ≠ ethical systems; not normative

↓
"whether or not they are suitable to attain the ends
at which the acting individuals aim." (95)

"Value is not intrinsic, it is not in things. It is within us; it
is the way in which man reacts to the conditions of his environment."
(96):

"Economics deals with real man, weak and subject to error in his,
not with ideal beings, omniscient and perfect as only gods
could be." (97, 0)

ME: Is this the reason for elites' hatred of real economics?

They feign themselves gods. Frustration from lack of
progress among the plebs? Fear of loss of omnipotence?

apodictic
conviction (?) indisputable

"mercantile"

④

- profit + loss (97-98)
- case + class probability (109-112)
- "social engineering" (113)
- betting vs. gambling (115-116)

'The characteristic feature of business within a society, i.e., within an order based on the division of labor, is enclosed in the endeavors of its members' (117)

* Against quantitative approaches:

"The fundamental deficiency implied in every quantitative approach to economic problems consists in the neglect of the fact that there are no constant relations between what are called economic dimensions. ... Every new datum brings about a reshuffling of the whole price structure." (118)

* Law of marginal utility (119-128)

* Law of (diminishing) returns (128-130)

valid, a priori → analogy of the dryer. (too little, too much = not good)

ME + MPSES: great explanation of efficient / productive human labor. (131)

'shortening the hours of labor' (133)

why work? "Yield of labor is more usefully derived than the enjoyment of leisure." (133)

* leaders (fishers) vs. pioneers

"But, of course, we can organize society in such a way that no room is left for pioneers and their path-breaking." (140)

the crushing of certainty by socialization.

(147) Human Rights: law, legality, moral code + social institutions

all of purely human origin.

ME: and if laws in totality of human origin,

it can be just as easily changed as it was created.

(148) "statolatry" = counterfeit religion.

(149) Mises addresses "anarchy"

"State or government is the social apparatus of compulsion and coercion. It has the monopoly of violent action." (para. 2)

(150) "the last breath of liberalism"

argument against Hoppe / Rothbard.

(151) "The quasi-theological character of all collectivist doctrines becomes manifest in their mutual conflicts. A collectivist doctrine does not assert the superiority of a collectivist whole in abstracto; it always proclaims the existence of a definite collectivist idol, and either flatly denies the existence of other such idols or relegates them to a subordinate and auxiliary position with regard to its own idol."

(154) *** remark at the modern churches:

"Present-day churches often speak more about raising wage rates and farm incomes than about the dogmas of the Christian faith."

(155) liberalism = religion.

(156) Fr. St. Louis of Assisi ME: HERE'S THE REAL FRONT OF 'FRANCIS BERTOLTO' !!

(158-59) Rejection of law of association = praise for benevolent Prod = (ME)

(168) "social cooperation has nothing to do with personal love..."

ME: here is where Marx is speaking as a purely psychological economist in a context argued to, for ex. Richard Hill.

(178) reason is a biological phenomenon

(184) "preeminent importance of social cooperation"

(185) "Logic is for man the only means to master the problems of reality. What is contradictory in theory, is or less contradictory in reality."

(186) market mechanism is bunk.

(189) might and group "spontaneous obedience"

(192) best definition of the Enlightenment = ever! (meliorism)

(194) "There is but one yardstick for the appraisal of human action: whether or not it is fit to attain the ends aimed at by acting men." = praxeology.

(195) artistic exchange

(198-199) hegemonic vs. contractual worlds.

(200) centrality of economic calculation.

III Economic Calculation

Cardinal vs. ordinal #'s



(202) *homo-fictio*, Böhm-Bawerk

(204) Miss notes point that universities did away with study in indirect exchange (money) in order to discredit intellectualism and monetary theory.

(205) subjectivism, ordinal valuation

(216-17) false accusation of avarice, cold-heartedness in Western civilization → economic calculation is a sin
money, does not mean that we cannot live up to the standards of *Thoreau* & *Kropki* (!)

(218) "It is not the fault of money that there are gangsters, thieves, murderers, prostitutes, corruptible judges & officials. It is not these that honesty does not 'pay'. It pays for those who prefer fidelity to what they consider to be right to the advantages which they could derive from a different attitude."

(220) myth of stabilization through tinkering. (price stability & equilibrium)

(224) "The prices of the market are historical facts expressive of a state of affairs that prevailed at a definite instant of the irreversible historical process."

(KHOPI)

Ⓟ

"The idea of rendering purchasing power stable did not originate from endeavors to make economic calculation more exact. Its source is the will to create a sphere withdrawn from the endless flow of human affairs, a realm in which the historical process does not operate." (225-226)

* the evil of "long-term irredeemable or perpetual loans" (226)

* "public debt is no burden because we owe it to ourselves" MYTH!
(229)

* destroys Misesian, again (236) = no security

* destroys MMT, (236)

"Theoria + Demia of the Age of Enlightenment..."

doctrine of predetermined borrowing + theories of the borrowing of rationally understood interests within a market system. (240)

* Mises, economics, natural law.

"In eliminating the entrepreneur one eliminates the driving force of the whole market system." (249)

+ capitalist is always an entrepreneur, + vice versa.

so too the farmer, the laborer. (254-55)

+ defense of the market - characteristics of the market economy (258-259)

"There is nothing inherent or mystical with regard to the market."
(255)

ME: problem = there is something mystical + transcendent about its beautiful creation + organization

* definition of socialism (230)

"The market economy is good because it can calculate." (230)

* Capitalism is never perfect. (269) - (270!)
(illogical)

BEST QUOTE
EVER
I
thought
anticipated

"a democratic constitution is a scheme to assign to the citizens in the conduct of a government the same supremacy the market economy gives them in their capacity as consumers." (271)

monopoly (277-78) * DESTROY idea of natural monopoly.

"Profit... is yield minus costs." (286)

"In the market economy, there will always be entrepreneurs" (291)
entrepreneurs = speculators.

"In the long run, every increase in productivity benefits exclusively the workers and some groups of the owners of land + of capital goods."
Kuznets curve(?) [293]

"The vehicle of economic progress is the accumulation of additional capital goods by means of saving and improvement in technological methods of production the execution of which is almost always conditioned by the availability of such new capital." (295)

"The moralists' and sermonizers' critique of profits misses the point... The existence of the enormous industries is a consequence of a world's spirit, not its laws." (297)

* purchasing power argument = DESTROYED by Mises (298-99)
(cf. 763-773)

* syndicalism (305, cf. 808-816)

* Misesian minimalism (307)

* gov't still + always, "the social apparatus of compulsion + coercion."

* in a truly free market, consumers pick the "captains of industry and business" because "their qualification to adjust production to the needs of consumers." (310)

*** GREAT LEVEE: the survivors and self-victimized, "There are glory in the miracle of self-empowerment and Pharisian self-righteousness." (310)

"Inventors and creative geniuses cannot be reared in schools." (311)

*** IMMENSE SOURCE OF EVIL = artificial (demand) division of individual as consumer vs. producer.

*WE NR

BOTH!

myth of the evenly, balanced, rotating economy (326)
"All the prices we know are post prices" (327)

* valuation vs. appraisement: ("just price" calculation) (329-30)

* denunciation of mathematical models
"They strongly impress the gullible layman. In fact, they only confuse and muddle things which are satisfactorily dealt with in textbooks of commercial arithmetic and accountancy." (350)

* gov't as the true monopoly-cartel (363)

* 19th / early 20th century Demand = economic backbone (363-64)
"monopoly prices", New Deal. (365)

MEANS * means do not in fact, operate like monopolies, esp. re: monopoly prices (373-74)

↓
competitive prices vs.

monopoly price = "difference is that the owners of all goods + services of all orders are compelled to serve best the wishes of the consumer."

= "monopolist forces better by withholding from the market a part of the supply at his disposal in order to make specific monopoly gains." (376)

* Mises great point about conservationists (environmentalists' position on "non-renewable" energy sources + the one people's attitude monopolies (i.e. monopolists are the best conservationists) (383)

* "democracy of the market" again, (384)

*** Coherence of prices determined by the coherence of: 1. production
 labor connects all of it, all of us. 2. consumption
 3. substitution

"[Labor] integrates the pricing process into a whole in which all goes with one another. It makes the market a concentration of mutually independent planners." (385)

*** "A price is expressive of the position which acting men attach to a thing under the present state of their efforts to remove messiness." (389)

*** "A certain amount of malinvestment is unavoidable. What has to be done is to show policies like credit expansion which artificially foster malinvestment." (392)

* "coercion + compulsion" - cause + necessary, lasting conditions of a non-market economy.

* Carl Menger + formation of money (402-403)

* Regensburger theory (406-408)

• Cartellian effect per Mises (409-410)

* hoarding + "dis-hoarding" (411)

*ME: price revolution explained, 16th-17th c. Spain?

• Hume, Mill + driving force of money (414-16)

* purchasing power; cost-induced + goods-induced changes.

"The quantity of money available in the whole economy is always sufficient to secure for everybody all that money can and does do." (418)

crit "For the sake of our right, we may call wasteful all expenditures incurred for increasing the quantity of money." (418)

"Whatever a government does in the pursuit of aims to influence the height of purchasing power depends necessarily upon the rulers' personal value judgements. It always frustrates the interests of one group of people at the expense of other groups. It never serves what is called the common or the public welfare. In the field of monetary policies too there is no such thing as a scientific ought." (419)

HUGE!

crit "The choice of the good to be employed as a medium of exchange and as money is never indifferent. It determines the course of

the cost-induced changes in purchasing power. The question is only who should make the choice: the people buying and selling on the market, or the government? It was the market which in a selective process, going on for ages, finally assigned to the precious metals gold and silver the character of money. For two hundred years the governments have interfered with the market's choice of the money medium. Even the most bigoted statisticians do not venture to assert that this interference has proved beneficial." (419)

* "popular tendency toward inflationism" (420)

* gold standard - superiority of;

"Man has not the power to change the categories of human action. He must adjust his conduct to them." (422)

* "flight into real goods" or "cash-hoarding" (424)

* "Inflation is a policy that cannot last forever." (425)

"commodity money" (425)

"credit money" (425)

"fiat money" = "mere tokens" / ^{no} claims (426)

* quantity of money + how the market solves supposed "disequilibrium" (428)

"Inflationary or expansionist policy must result in over-consumption on the one hand and in malinvestment on the other." (429)

* Keynesianism is, "This doctrine [that] is as old as it is bad. Its analysis and reputation will be undertaken in the chapter dealing w/ the trade cycle"

* British banks, credit expansion in 19th c, N.D. Book N.D. (438)
 "The establishment of free banking was never seriously considered."
 "The foremost task of banks was to lend money to the treasury."
 "Radical inflationism, although not admitted explicitly, is an essential feature of the economic ideology of our age." (439)

* "free banking"! (440)

* "Nothing harmed the cause of liberalism more than the almost regular return of foreign loans and the domestic breakdown of bull markets followed by lingering slumps." (441)

* lessons "legal tender laws" (447); Dreston law (447)

* brilliant, brilliant analysis of / (taboo of misperception (as on the part of entrepreneurs) of necessary inflationism (46: 66)

"economic progress consists primarily in making the amenities of life more easily accessible." (466)

WHAHA!
 must include in book!

* Mises quotes Keynes, refuting Keynes' claim that "deflationary pressure... would have... prevented the development of modern industry." or, "that credit expansion brings about the 'miracle... of turning a stone to bread.'" !!!
 (this B de nomic!)

* a direct reference to temptation!

*** THE GOLD STANDARD

"The emergence of the gold standard was the manifestation of a crumbling defeat of the gov'to and their cherished doctrine." (46)

1. Nationalists hated it because they want autarky.
2. "interventionist" pressure groups "hate" it because "they consider it the most serious obstacle to their endeavors to manipulate prices + wage rates."
3. "most fatal attack", "made by those intent upon credit expansion." + "[they] believe] credit expansion is the prayer of for all economic ills." (47)
4. "no one thing as a perfect or ideal standard."

"In fact, the adversaries of the gold standard do not want to make money's purchasing power stable. They want rather to give to the gov'to the power to manipulate purchasing power without being hindered by an 'external' factor, namely, the money relation to the gold standard." (471)

5. The gold standard's "general acceptance requires the acknowledgment of the truth that one cannot make all people rich by printing money. The obsolescence of the gold standard is inspired by the superstition that omnipotent governments can create wealth out of little scraps of paper." (471-72)

~~VIII~~ Continuity in the Passage of Time

period of production / duration of serviceability / durable goods. (476-7)

the reference: (450)

* William Stanley Jevons + Eugen von Böhm-Bawerk (485)

Capital good (487)

• accumulation phase → production phase → working time → provision

↓
"The social process of production never stops." (489)

*** Analyzing insights about capital goods + time preference.
cf. Jevons * READ HUMAN ACTION (495-504)

* protective tariff ^{import} in infant industries? (505)

*** Three cruxes / explain the roots behind protectionism, e.g. the Home / Chinese tariff. (506)

• patents (507-508)

• moving of capital goods centers / convertibility:
"Not the soberly calculating businessman, but the romantic technocrat is to blame for the delirious incomprehension of reality." (510)

• "There is no such thing as a non-speculative investment." (514)

* (533) "The granting of credit is necessarily always an entrepreneurial speculation which can possibly result in failure and the loss of a part or of the total amount lent."

ME: Fatal conceit of central banking; manipulation of interest rates with ^{no failure /} _{accountable}

The market economy is essentially characterized as a social system in which there prevails an incessant urge toward improvement. The most provident and enterprising individuals are driven to earn profit by readjusting again and again the arrangement of production activities so as to fulfill in the best possible way the needs of consumers. (539)

* again, importance of the ratio of market interest rate vs. originating interest (gross rate) (547-48)
definition on 548.

* Dennis Keele's dissent returns 90% in fall of 1923: STEEL, artificially low. (545)

"A drop in the gross market rate of interest affects the entrepreneur's calculation... It forces him to employ the available stock of capital goods in such a way as to satisfy best the most urgent wants of the consumer." (550)

boom/bust cycle.

"Credit expansion is an attendant phenomenon of the boom" (552)
"crawl-up boom"

"If one wants to know whether or not there is credit expansion, one must look at the state of the supply of fiduciary media, not the conventional state of interest rates." a ME: M's over the Fed. (interest rates) (536)

malinvestment NOT overinvestment.

entrepreneur as master-builder analogy

"It is obvious that our master-builder's fault was not overinvestment but a inappropriate employment of the means at his disposal."

(557)

mitigating factors (ex. technology), 1926-29 (558)

KEY

"However conditions may be, it is certain that no manipulation of the banks can provide the economic system with capital goods. What is needed for sound expansion of production is additional capital goods, not money or fiduciary media. The boom is built on the sands of banknotes + deposits. It must collapse." (559)

"The characteristic mark of economic history under capitalism is increasing economic progress, a steady increase in the quantity of capital goods available, and a continuous trend toward the improvement in the general standard of living." (562)

!!!!

true democracy of the markets (562-63)

* gross market rate of interest affected by deflation + credit contraction (564-568)

MF: important point simply put: "First money inflation and cheap loans to the gov't convey additional funds to the treasury; deflation depletes the treasury's vaults." (565)

"[Contraction] produces neither reinvestment nor overconsumption." (565)

CLEANSING MECHANISM. "readjustment"

* a deflationary trend / period is the necessary & natural means of cleansing the market.

1. gov't records it.

2. will never properly take place so long as gov't continually injects paper money & financing media. (566-67)

* double credit expansion by state = WWE Derrin Rev. (568)

KEYNES.

* British credit expansion, post-war, "transition to base" (570, cf. 767)

* Beveridge Road, "Taxation for Keynesian Recession", (1946)

* "The only objection ever raised against the circulation credit theory is long interest." (17A) (570)

• defense of gold standard. (571-72)

• unemployed factors of production: ex. of copper, "interest" "q"

* artificial interest "q" causes malinvestment & unemployment (i.e. credit expansion) to repeat themselves. (577-78)

"The remedies these authors suggest would not make the boom last forever. They would merely repeat the process of recovery." (578)

*** entrepreneurs must be or irredeemably stupid as to repeat their errors over & over again (581)

"Although every textbook explodes them, the businessmen must help to repeat them." (581)

* every farmer = 'the pet children of governments & politicians' (583)

XXI Work Days

1. intensive or extensive labor.
(divisibility of labor)

* N.B. religious life.

2. joy of labor (586)

(HA) see #3-#4 -> "fetichs, homosexuals, artists..."

*** HUGE part about industrial revolution

"The benefits which the masses derived from the capitalist system were so obvious that no entrepreneur considered it necessary to harangue the workers with pro-capitalist propaganda." (587)

"Modern capitalism is essentially mass production for the needs of the masses." (ibid)

ME: governments' gods in rule over people:

MAKE THEM FEEL NO JOY IN LABOR, ONLY TROUBLE

"To feel tedious in labor makes people morose and nervous." (588)

* WAGES + LABOR "labor is a commodity" (590)

ME: Here, Marx answers the question that has always bugged me.

Q: Why doesn't capital overpay for labor?

A: "[T]he conduct of consumers forces them to proceed in this way"

* Adam Smith writes about "a sort of tacit but constant and uniform combination" (W of Nature) among employees to keep wages down" (591)

1. only by privilege / license, etc. could a monopoly on labor exist.
2. employers don't profit the proposed difference btw. marginal-productivity wage rate + the lower monopoly rate → it is passed on to consumers.
3. no possible ability to monopolize all material factors of production" (593)
4. labor is more scarce than other material factors of production.
5. licensing: these "entels" have no evidence of even existing.
6. unions can wait and not starve; on other hand, entrepreneurs + capitalists cannot. (must employ capital or suffer losses)
7. "labor" is not a homogeneous entity.

intellectual (or laborer-preferred) employment. (595-96)
 "Employment in the unorganized market is always voluntary." (596)

*** This summary of my former argument about socialism is just so-called fancy slavery (597)
 "a central board planning all production activities. This is tantamount to the suppression of all freedom." (597)

* intellectual employment ≠ institutional employment. (598)
 (cannot be enforced with)

*** "Speerhambard system" = British state subsidized locked entry to

** Anti-Rousseauian idea of 'primitivism' (600)

"Civilization for freedom from these perils".

• can only have the Kropotkin's error in capitalism. (601)

• Ricardo's iron law of wages "of no use" to categorical theory

"Only people blinded by green-eyed prejudices and party bias could resort to such an explanation in an age in which industry supplies the consumption of the masses again and again with new commodities hitherto unknown and never accessible to the average worker. Anticipation of what we have had to dream in the past." (602-03)

ME: + MISES: quite the irony that Marx + Ricardo popularized their historical/moral wage rate + iron law of wages theories in the midst of a century wherein "the wage earners' standard of living rose to a height unprecedented in history and never thought of in earlier periods." (605)

• more regression theory, this time on wage rates (606)

*** what ultimately determines wages are "the wishes and likes of the majority" of the masses. (609)

• failure of "labor laws" based on eliminating child labor, shortening work week, etc. at expense of "massive profits" of capitalists:
? based on falsity of labor as a quantity: rise in production of individual...

can't (it's really just an application of proper marginal utility) →

"An excess of profits over losses can appear only in a progressing economy and only to the extent to which the masses' standard of living improves. Thus capitalism is the system under which the least and most capable minds are driven to promote to the best of their abilities the welfare of the lagged masses." (611)

ME + Tom

WOODS: What we should be asking is how so many people w/ little to no appreciable human capital still find remunerative jobs?!

"capitalism... has made the wage earner so prosperous that he is able to buy some leisure time for himself and his dependents" (612)

ME: the opposite of "exploitation".

* WHOA! shot at Germany + early adoption of social security systems:

"It is no accident that Germany, the country that inaugurated the social security system, was the cradle of both varieties of modern disparagement of democracy, the Marxist as well as the non-Marxist." (613)

social systems rest on coercion that
"wage earners lack the insight and moral strength to provide spontaneously for their own futures." (613)

* the supposed factory owners made clothes for the "proletariat" not the elites. (616)

"The very principle of capitalist entrepreneurship is to provide for the common man." (616)

on historians "The first duty of a historian..." (618)

"do not become 'an apologist or propagandist.'" (618)

9. The Labor Market * labor (rent theory (cf. Ricardo)

"The tragedy of the commons" (635)

XXIII

Date of the Market

1. theory and the date

(some theory is always operative; despite what Frankfurt "Historical school +

Institutionalists say) 643

5**

WITVA! nature and then indirectly, Dord, is "the most relentless exploiter" (!) cf. footnote, 644.

* on war + conquest: "In order to seize booty, something must be plundered. The producers could do without the plunderers." (!) → (646)

period of adjustment (648)

Amend a direct dig at Keynes (650) "in the long run we shall all be dead."

the vice of short-sightedness:

"Madame de Pompadour's notorious phrase *après nous le déluge* - played in the most serious crisis of Western civilization. [History] will have to show how welcome this slogan was to governments + parties whose policies lived at the consumption of the spiritual and material capital inherited from earlier generations." (650)

* property rights, social function (650)

limited by proper liability.

* Mises talks about forests / reforestation ME: cf. Seignior State? Inc. death. cf. Two Cheers for Capitalism

"The gallible noses who cannot see beyond the immediate range of their physical eyes are enraptured by the marvelous accomplishments of their noses." (655) HAZLITT!

"eternal economy" (657)

* patents + copyrights

XXIV Harmony = Conflict of Interests.

profit and loss - ultimate sources. (660)

the accused (and innocent) "Montaigne Doctrine". (660)

Dogma

!! "What produces man's profit in the course of affairs within an unimpeded market society is not his fellow citizen's plight and distress, but the fact that he alleviates or entirely removes about causes his fellow citizen's feeling of uneasiness." (660)

WHOA! Mises under the suggestions + economic ignorance of Voltaire. (662)
Luis-Mysen + H.D. Velle too

*** Malthusian law - works in animal populations vis-a-vis scarcity, not human populations.
(biological not genealogical) (664)

human practice "praxeological restraint"

↳ abortion is "egregious" (664)

* WEST TO EAST: "It is of no use to import the paraphernalia of Capitalism without admitting Capitalism as such" (667)

!!! (Mises is just done wrong on built culture.) 668-69

• state of nature idealism. (669-70)

Enlightenment.

solved by division of labor / social cooperation.

ORE
NATURAL
LAW(!) "The catallactic competition of those who, like me, are eager to have shoes makes shoes cheaper, not more expensive." (670)
... "The fact that not all human wants can be satisfied is not due to inappropriate social institutions or to deficiencies of the system of the market economy. It is the condition of human life." (670)

+++ / *** * Mises says that "the belief that violence has been upon man is inevitable
wides and that misery is an outgrowth of man's failure to recognize
the good society is entirely fallacious," but he that this "is the
official philosophy of Roman Catholicism." (670-71)

ME: is that so or has Mises been
deceived / misinformed? Price H: Imperialism (1931)

isnt, as Mises contends, that all the churches, "agree in the fundamental
thesis that the very existence of ^{the} capitalist system bears the vital
interests of the immense majority of workers... and they all wish
the name of social justice for the abolition of capitalism." (671)

the omniscient "production team" ! (672)

"Under such a socialist mode of production all personal incentives which
selfishness provides under capitalism are removed, and a premium is put
upon laziness and negligence." (674)

* "Human cooperation under the system of the social division of labor is
possible only in the market economy." (675-76)

↓
"Socialism is not an alternative to capitalism; it is an alternative to any
system under which men (as live or human beings." (676)

discussion of late (i.e. monopoly) capitalism. (676-77)

... (676-677)

* the autonomy of the household vs. the cooperation of the market. (680)

*** Conflicts of our age are certainly not the result of capitalism but rather the anti-capitalist mentality & policies. (680-81)

"None of these conflicts could have emerged in a unimpeded market economy." (681)

"It is not sovereignty vs. market rules for men, but sovereignty of governments not entirely committed to the principles of the market economy." (682)

"What is needed to make peace durable is a change in ideologies." (683)

↓
"The philosophy of protectionism is the a philosophy of war." (683)

League of Nations failure. (683) → downed future of United Nations. (684)

PART FIVE "Social Cooperation without a Market" = socialist society.

• gods of state (685)

• classical liberalism asserted that "The interests of the citizens are not opposed to the nation, the interests of each nation are not opposed to those of other nations." (685-86)

liberal philosophers erred here in their creating a "godlike state" = the "ideal state" (686)

"people began to ascribe to the state not only the best of intentions but also conscience." (688)

*** socialist con = Gleichschaltung = perfect uniformity enforced by police.

"People frequently call socialism a religion. It is indeed the religion of self-deification." (659)

ME = just like Protestantism!

"the religion of statolatry."

ME = democracy, therefore, is both coercive act + prayer.

criticisms of Marx (polylogism) +

Hegel (evolutionary nihilism) +

Nietzsche (force) - (690)

Proxological Character of Socialism

(one will over alone)

major contrast w/ market economy (civilization) = "social cooperation under the division of labor is safeguarded by a system of hegemonic laws in which a director pre-emptively calls upon obedience of all his vassals." !!! (69)

XXVII: Impossibility of Economic Calculation Under Socialism (694)

THE HOUSE - thought experiments (694-95)

it's all about economic calculation (non-arithmetic)

"The paradox of 'planning' is that it cannot plan, because of the absence of economic calculation. What is called a planned economy is no economy at all. It is just a system of groping about in the dark." (696)

the
consider-
ation

"We may admit that in its initial period a socialist regime could to some extent rely upon the experience of the preceding capitalism. But what is to be done later, as conditions change more & more?" (696)

* author to check out = Nikolai Pierson

*** distribute against the mathematical economists.

"He delimitates the entrepreneur from his thought." (698)

• socialist system w/ a market & market prices = "triangular square" (706)

"The question is: Who should be the master, the consumers or the director?" (706)

*** market never achieves, nor wants, to attain a state of static equilibrium. (707-11)

Part 6:
the
largest
Market
Economy.

so-called "mixed" economy → ① Lenin (state ownership)

② Hindenburg (state management)

no more entrepreneurs, only

Betriebsführer

(shop

managers)

U.S. economy is Marx
in nature: Rechtswirtschaft
maintain. (713)

③ Marx says that's a bad thing
interventionism.

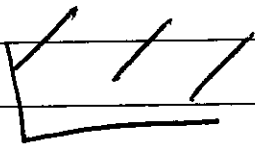
*** "It is important to remember that gov't interference always means either violent action or the threat of such an action." (715)
("quid pro quo")

*** (111) "We must take exception to the oft-repeated phrase that government is an evil although a necessary and indispensable evil... However, in the face of modern tendencies toward a deification of gov't + state, it is good to remind ourselves that the old Romans were more realistic in symbolizing the state by a bundle of rods with an axe in the middle than our contemporaries in ascribing to the state all the attributes of God." (715)

??? Misce distribute against natural law (?)

↑
procedural question of social cooperative functioning. (717-18)

~~xxx~~ Righteousness, Christianity, conscience → opposed to profit/loss incentives in markets (719)



"People will devalue the value of capitalism for the value of the state without enthusing the value of state." (719)

*** mistakes of the advocates of Christian social reform. (722)

"The worldview of these philosophers does not take into account man's ceaseless striving for improvement of the material conditions of well-being." (722-23)

+++ real definitions of just and unjust prices + wages.

* Aquinas wrong on just prices - (723)

* "demagogues" should speak to consumers (724)

*** The essence of "laissez-faire"

• socialist propaganda equates laissez-faire with "autistic" (725-26)

"The great God State is a great god only because it is expected to do exclusively what the individual planner fully approves." (727)

government = God authority, again (728)

*** on gov't directing consumption habits / tastes:

"If one abolishes man's freedom to determine his own consumptions, one takes all freedoms away." (729)

XVIII Interference by Taxation

- 1. no such thing as a "neutral tax" (does not retard capital investment + size growth, however)
- 2. total tax → hinders entrepreneurship because it hinders incentive.
- 3. fiscal + non-fiscal objectives of taxation. → incompatible.
(sin taxes)

"The power to tax is, as Chief Justice Marshall pertinently observed, the power to destroy. This power can be used for the destruction of the market economy, and it is the firm resolution of many governments and parties to use it for this purpose." (733)

4. taxes as instruments of interventionism

XXIX

restriction of production: "The effect of [gov't] interference is that the people are prevented from using their knowledge and abilities, their labor, and their material means of production in the way in which they would earn the highest returns and satisfy their needs as much as possible." (736)

* ex. tariffs, esp. as Ricardo proved, "divert production from those locations in which output per unit is higher to locations in which it is lower." (737)

"Johns Commons fallacy" of Lord Keynes = "personal advantage from gov't spending"

*** "muddled work" and Western interventionism. (735-40)

"The disagreement does not refer to the end sought; it concerns solely the means applied for their realization." (740)

goal vs. objectives: ME - fundamental distinction for my book

- * problems of tariffs:
 1. inspire trade war
 2. increase cost of commodity / product across production lines
 3. Misery: short term boom attracts competition + resources from other industries.
 4. Misery: lowest, cheapest production source never found / relieved
 5. impoverishment of consumer.

all consequences
dislocation / realignment
even March

economic rationalists.

observable trace (i.e. tariff improvement) what social democrats have done is generalize "tariff policy" rather than speak of tariffs in specific industries.

• Thunissen + Muretano

* in just a 2-century mercantile economy, the effects are dreadful.

* all done in the name of "social gain"

• Restriction as a Economic System.

"Capitalism is a system of social production." (750)

"That in the capitalist countries, the average wage earner consumes more goods and can afford to enjoy more leisure than his ancestors, and that he can support his wife and children and ^{need} not send them to work, is not a achievement of gov't + labor union

It is the outcome of the fact that profit-seeking business has accumulated and invested more capital and thus increased a thousandfold the productivity of labor." (751)

XXX

Interference With the Structure of Prices

gov't vs. authority of the market

max/min prices, rates, wages = "They have always looked on money saving, investing, and money lending." (752)

"History is a long record of price ceilings and anti-money laws." (753)

ME: WAREHOUSE = total waste -> I want that #20 history to be a refractory factory.

LET IT BE FO!

↓ gov't is naturally at war with and

- gov't action against capitalists: 1. currency debasement.
 2. exchange rate for fiat. (Guthrie's law)
 3. get intellectuals to determine fiat prices (socialism)

get intellectuals (ex. ^{inst.} Derrida school) to condemn
 economics as a science altogether, replacing it
 with political science.
 (mittelechtliche Staatswissenschaften)

"It is logically impossible to reconcile
 the point of view of the economist and
 that of the interventionist." (755)

"In speaking of the laws of nature, we
 have in mind the fact that there exists
 an inexorable interconnectedness of
 physical and biological phenomena and
 that acting man must submit to this
 regularity if he wants to succeed..."

NOT TO BE
 CONFUSED WITH
 'THE LAWS OF
 MEN' i.e. civil laws.

"In the absence of laws man would either be omnipotent
 and would never feel any messiness which he could
 not remove instantly and totally, or he could not
 act at all." (755)

"The man-made laws are mutable
 if they are fit to attain these ends and contrary to purpose if they are not.
 They are open to examination from the point of view of their mutability or
 immutability." (756)

2. Market Reaction to Government Interference.

Mises analyzes rent control (759-60)
monopoly prices (760)

* on the decline of ancient civilizations:

• Roman Empire by second century = fall of "mutually interdependent" provinces. (761)

(762-63)

fall: 1. "imperial" system of nationalization of grain trade.
2. currency debasement.
3. decline of the social division of labor (depopulation of cities)

↑
social foundation of Middle Ages

"A social order is doomed if the actions which its normal functioning requires are rejected by the standards of morality, are declared illegal by the laws of the country, and are prosecuted as criminal by the courts & police." (763) "The Roman Empire crumbled to dust because it lacked the spirit of liberalism & free enterprise."

* Minimum Wage Rates - minimum.

* Marx doubted union effectiveness.

↑
frictions in unions to this day... (764-65)

* "Primer effect" - replace labor w/ machinery
"most of economic fallacies" (767-68)

"Tools & machinery are primarily not labor-saving devices, but means to increase output per unit of input." (768)

*** BEE POINT: footnote #13 on 769; re: saving and investment in capital goods
"As we are dealing here with the conditions of the subjugated and
economy, we may disregard the capital-consuming effects of
government borrowing."

ME: Because government expenditure + borrowing is naturally independent of
and incongruous to the profit/loss system/mechanism, unlike in private
enterprise wherein prices are naturally established, it lacks any signals
whatsoever to determine outlays that inevitably turn into malinvestment and
risking or futile lending.

• catallactic aspects of labor unions

* gov'ts have all permitted, even condoned labor union violence.

1. "collective bargaining" = "the substitution of a union's bargaining for the
individual." (772)

2. really, "it is bargaining at the point of a gun." (773)

3. "It produces institutional unemployment." (773) * Kr Klux Klan. (!!!)

"When the union invoke the right to strike in
justification of such intimidation and deeds of
violence, they are on no better ground than a
religious group would be in invoking the right
of freedom of conscience as a justification of
persecuting dissenters." (773)

Wow! re: strike breaking

"They did what
every gov't considers its
main duty. They tried to
preserve their exclusive
right to resort to violence."

!!! (773)

XXXI

Emergency + Credit Manipulation

history of printing → clipping (sweating) (774-75)

↓
legal tender laws.

("rigid exchange ratio between gold and silver" = also, a bad idea)

"The bimetallic system proved a complete failure." (775)

"The international gold standard came into being without inter-governmental treaties and institutions." (776)

• debt obstement → inflation makes it more expensive to contract loans

3. modern methods of currency manipulation.

* Ricardo + Smith were in advocacy of paper money because they thought "preservation of a metallic currency a waste." (780)

- gold exchange standard - open to inflationary manipulation by gov'ts. (780-)
- need for "rigid parity"

4. objectives of currency devaluation

• major cause of Great Depression = maintained wage rates under (783)

↓
"Revolution was the depression and mass unemployment."
process." (783)

↓
* interest contradiction in policies (784)

* mutually and concurrently operative purposes of devaluation =

"At the end of this race is the complete destruction of all nations' monetary systems."

* contra-Keynes and dissenting gov't opposition vis-à-vis market. (787)

5. Credit Expansion = "an exclusive prerogative of gov't (788)

"[It] is the gov't's foremost tool in their struggle against the market economy." (788)

!!! → "In their hands it is the magic wand designed to conjure away the scarcity of capital goods, to lower the rate of interest or to abolish it altogether, to finance boundless gov't spending, to expropriate the capitalists, to continue everlasting booms, and to make everybody prosperous." (788)

* myth of directed, planned credit expansion. (790)

* "Chimera of central-planned policies."

(interventionists + socialists do nothing to contain artificial credit expansion) - 792

!!!

"In the context of these plans the government appears as a deity that stands & works outside the orbit of human affairs, that is independent of the actions of its subjects, and has at its disposal means and funds that are not passed by the people and can be freely used for whatever purposes the rulers are prepared to employ them for." (792)

"The real evil [is] that shortage of capital goods"

*** historical case of 1930's Sweden = false, gov't financed boom.

(Footnote 8, 793)

"author was not Keynes, it was Hitler." (794)

- foreign exchange manipulation by governments (796)
- barter agreements w/ Germany (78-99)

XXII

Confiscation and Redistribution. (801-805)

1. land reform
2. taxation

question is always: Who is the boss? The consumer or the government?

It is an inherent feature of capitalism that it is in respect of vested interests and forces every capitalist and entrepreneur to adjust his conduct of business ^{every} day to the changing structure of the market. "Cold"

* Confiscatory taxation + red-taping

• entrepreneur is not a noble person

gov't confiscation limits capital investment.
"The wants of consumers are satisfied to a lesser extent only" (806)

XXIII

Syndicalism + Corporatism. (808-811)

ex. Deutscher, "The railroad to the railroad..." ME: UBI is syndicalism.

• syndicalists really hate "the supremacy of the consumer" (809)

* workers themselves would protest against a system of purely meritism (i.e. profit-sharing) remuneration. (811)

profit-sharing scheme * "There are no facts about future profits." (812)

4. Guild Socialism and Corporatism.

* Fabians = "eulogists of the Middle Ages" (813)

* state corporatism = Italian guild socialism, i.e. fascism.

++ another mention of Hyndman's Annals (1931); advocate of corporatism! (813)

↓
Mussolini quote on need for ultimate state intervention in corporatism. (protocol #8, 814)

MAJOR PROBLEM w/ GUILD SOCIALISM; "Whereas the system grants the right of self-determination for each vocation, within a system of social cooperation under the division of labor there are no such things as matters of concern only to those engaged in a special plant, enterprise, or branch of industry and of no concern to outsiders." (814-15).

"Production [rather than the satisfaction of consumers' needs] becomes an end in itself." (815)

*** New Deal, N.R.A. = dictator prices (816)

re: the "guild scheme" = "In short, it is nonsense." (816)

XXXIV

Economics of War → ME: note the progression of intervention in market increasingly culminates in war.

"The only cause of armed conflict is the greed of autocrats." (818)
laissez-faire means peace.

"While laissez-faire eliminates the causes of international conflict, gov't interference with business and operations create conflicts for which no peaceful solution can be found." (819-20)

↓
cause of war = "the substitution of the welfare state for the laissez-faire state" (820)

2. War in the Market Economy = war socialism.
inflation, price controls, wage / controls (unions)

Continual strategic point of war socialists: "The most appropriate thing would be to cling permanently to government control in order to be always prepared for any possible emergency." (821)

actual
ytd of
other
regime.

* Russians "were defeated before American ^{made} bombs fell on Germany and before they got the arms manufactured by American big business." cf. Stalin (823) Na.

↓
"Of course, in the long run war and the preservation of the market economy are incompatible. Capitalism is essentially a scheme for peaceful relations." (824)

• still, capitalism is and remains the "most efficient means of defense." (824)

3. War and Autarky
re: American Civil War (825)

"Error" of "Wohlfahrtstheorie" (825)

↓
poor quality good, at greater expense. (826)

"In both World Wars, Germany was in the position of the tarlows fighting against the man who supplies him with bread. With all their brutality the Nazis could not alter this fact." (826)

4. Futility of War.

* Bentham + Bentham (827)

"Interventionism generates economic nationalism, and economic nationalism generates belligerence. If men and commodities are prevented from crossing the borderlines, why should not the armies try to give the way for them?" cf. Hough (?) maybe? (828)

*** even Hegel denied the supposed "necessity" of war.

* "The main thing is to discredit the ideology that generates war." (826)

XXXV The Welfare Principle vs. The Market Principle.

↓
"Various schools of Sozialpolitik... are based on very bad economics. They repeat again and again all the errors that economists long ago exploded" (829)

ME: very close to Christian doctrine.

↓
"[The market economy] delivers the goods." (829)

re: poverty = "luxury-fair + industrialism converted
the employable poor into wage earners." (832)

misuse of colonialism and expected abandonment of capitalism by free states. (83)

socialism and welfare economies go foot-in-hand with depopulation policies:
 under capitalism
 *** "The increase in population figures does not create superfluous mouths, but additional hands whose employment produces additional wealth." (832)

* Misses how Catholic encyclical for care of invalids, incapacitated. (833)

the greater the capitalism, the greater the funds going to support such agencies.

interventionism + inflation suppress such funding.
 frustrate.

VEE!!!

"We may fully endorse the religious and ethical precepts that declare it to be man's duty to assist his malady brethren when nature has doomed. But the recognition of this duty does not answer the question concerning what methods should be resorted to for its performance. It does not injure the choice of methods which would endanger society and curtail the productivity of human effort. Neither the able-bodied nor the incapacitated would derive any benefit from a drop in the quantity of goods available." (835)

3. Inequality

Capitalism and liberalism are always to give a free hand to those men who had the ingenuity to produce in the cheapest way the greatest quantity of products of the best quality." (837)

** natural "inequality" generates social cooperation + civilization. (837-38)

* economic & historical analysis on why India, China, Muslim world
(once advanced) was lag behind the West. Cost, fear of individual

* "anticapitalistic spirit" (839)

wealth creation, vi-a-vi
empire & nation. (839)

* "The notion of equality... appears to the way of ^{the} injudiciousness." (84)

* "Savings, capital accumulation, and investment withholds the amount concerned from current consumption and dedicates it to improvement of future conditions." (840)

Advocates of welfare school 1. Remove incentive to save.
2. promote consumption esp.

*** "The welfare propagandist, in whose opinion
Gov't control is a synonym for God's providential
care that wisely and imperceptibly leads
mankind to higher and more perfect stages of
an inescapable evolutionary progress, fails to see
the intricacy of the problem and its ramifications." (842)

*** "I don't believe it is necessary to look to Soviet Russia in
order to comprehend the role that public finance plays in our day." (84)

!!! MMT take down by Miss (843)

"we owe it to ourselves' debt"

- "Social Class fables" of the welfare school. (844)

- Plato + Aristotle allusion to children + parents. (845)

* gov'ts (esp. modern democracies) tend toward capital consumption, ~~rather~~ ^{rather} capital accumulation. (846)

4. Insecurity (change is inevitable, and hence for big consumer)

5. Social Justice ("lubrication of economic retrogression") - (850)

"progressing poverty for all its members"

XXVI The Crisis of Interventionism.

* 1. Harvest (Evils) of Interventionism

2. Exhaustion of the Reserve Fund

(high taxes on the rich are very popular among gov't class; gives them a crisis d'être too)

"nothing the rich" always falls on the shoulders of the masses. (853)

3. End of Interventionism.

* Bismarck in Germany; Churchill in Britain.

"The most choice... they cannot evade deciding bet. [market economy + socialism] by adopting a 'middle of the road' position..." (857)

Part 7: The Place of Economics in Society

XXXVII Nondescript Character of Economics.

• Singularity of Economics

↓
remuneration
by experience. (858)

* "History speaks only to those people who know how to interpret it on the ground of correct theories." (859)

• Economics + Public Opinion.

Two factors for the flowering of
human society:

ME: Ideology too.

1. intellectual power of outstanding men
to conceive sound social and economic theories
2. the ability of these & others to make these
ideologies palatable to the majority. (860)

XXXVIII Place of Economics in Learning.

1. Study of Economics.

* great quote on the necessary basis of the historian (864)
(essential need of a priori theories)

2. Economics as a Profession. = the realm of the interestists

(highlight of Powell's view of the limited/
unrestricted view)

"The ultimate aim of their efforts is to make their clients prosper at the expense of other people." (865)

* all the while, feigning to fight for general good, even civilization.

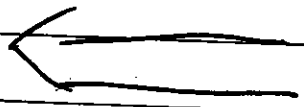
3. Increasing as a Profession: not the purpose of a true economist.

4. Economics & the Universities: you'll promote interestist bias at schools

FREAT
QUOTE:

"The duty of the university teacher is not merely to hand down to the students the complex of knowledge developed by other men. He is supposed to contribute to the enlargement of this treasure by his own work. It is assumed that he is a full-fledged member of the world-embracing republic of scholarship, an innovator and a pioneer on the road toward more and better knowledge." (868-69)

instead, universities are
filled with "sedulous
monogophers" (869)



ME: is there anything more
faced by academic
administration than that
today?

* economics (particularly theory) is essential (870)
"one coherent body of economics"

"The students are bewildered." (871)

5. General Education and Economics.

"The party that operates the schools is in position to propagandize its tenets and to disparage those of other parties." (872)

6. Economics and the Citizen

"[Economics] is the path of civilization and of man's existence." (874)

"Whoever neglects to examine to the best of his abilities all the problems involved is voluntarily surrendering his birthright to a self-appointed class of superiors." (874)

knowledge of economics, "in our age, the primary civic duty." (875)

7. Economics and Freedom

evil man: "Domination from God and has the sacred duty of administering the heretic." ME: again, Small's vision of the Anarchist (875)

WHITE PILL: "None before has the world known of such a cleverly contrived system of propaganda and oppression as that instituted by contemporary governments, parties, and pressure groups. Hence all these edifices will crumble like houses of cards as soon as a great ideology attacks them." (875)

ME: all the better when the economics of true Christianity does. Boom!

"never relax in the search for Truth." (876)

~~XXXX~~ Economics and the Essential Problems of Human Existence.

* Wertfreiheit vs Teleology

Q: Is the sage the embryonic or active man?

• inevitability of death: is life an exercise of delusional fertility?

"Whatever the future may have in store for him, he cannot withdraw from the necessities of the actual hour." (878) = *élan vital*

* man "purposefully" struggles "against the forces adverse to his life." (878)

2. Economics and Judgments of Value

* economists define "bad" vs "good" action in an efficient, teleological way (879)

1. man can not only, in first of all, in pursuit of material satisfaction.

ME: subjective rationality from the point of view of the economist in the optimist perspective

"It is neither more nor less rational to aim at riches like Croesus than to aim at poverty like a Buddhist monk." (880)

2. economics is apolitical or non-political

3. economic cognition and human action

"It rests with men whether they will make proper use of the rich treasure with which this knowledge (economics) provides them, or whether they will make ~~proper~~ leave it unused. But if they fail to take the best advantage of it and disregard its teachings and warnings, they will not amend economics; they will stamp out society and the human race." (881)

In no case malice, sed. contra indication etc.

7/31/2024

