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Book Review

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

Many academics toil a thankless life, striving for truth amid a sea of fallacies and inaccuracies. Some who do this with mediocrity are ignored. Those who do it well are often subject to intense criticism and ridicule. A select few rise to the challenge, and with conviction, carry forward – ever aiming to convince the masses that their truthful pursuit is right. Of this miniscule number of individuals, only a handful may ever reach the point where their peers recognize them for their insights, and reward their toils accordingly. Hans-Hermann Hoppe is one such individual.

Jörg Guido Hülsmann and Stephan Kinsella have edited a magnificent *Festschrift* to honor Professor Hoppe for his life-long achievements in championing individualism, private property, rights, and above all else, liberty. The collection of scholars who have come together to pay their respects reads like a veritable “who’s who” list of the world’s leading political philosophers. Hülsmann and Kinsella note in their brief introduction that after Murray Rothbard’s untimely death in 1995, Hoppe assumed a role of “uncontested leadership” among the Austro-libertarian scholars. The scope of this leadership is evident as one reads the contributions offered by his admirers in the following pages.

The book is divided into five sections delineating five specific areas where Hoppe’s influence has been greatest. The sheer number of contributions provides a limitation on giving a full assessment, but in this brief review we may see some of the startling affects Hoppe has bestowed on some of the individuals’ lives and thinking.

Personal Recollections

The venerable Lew Rockwell opens the book’s contributions by writing a short expose of his first encounter with Hoppe. Listening to a German give a lecture on the pitfalls of the American constitution provided a learning experience in what would be typical Hoppean political economy. Challenging the prevailing doctrine would become the norm for our esteemed honoree, and Rockwell’s recounting of his early experiences with Hoppe show that not much has changed since the early years of his transatlantic move.

The rest of the first section contains personal recollections of the scholar. Former

students have come forward with their experiences learning from the master's knee, and the effects this has had on their lives. Prominent libertarian scholars recollect how Hoppe has shaped and changed their own thinking. Ed Stringham provides a story of his early days as a student with an honors bachelor's thesis on the privatization of law. After encouragement from his own professor, Walter Block, he submitted it to Professor Hoppe for advice on how to proceed. To his astonishment, Hoppe not only read the whole 120 pages, but offered more than constructive advice on the contributions, resulting in Stringham's first publication: "Market Chosen Laws," in the *Journal of Libertarian Studies*. The other contributions recount similar stories with their prominent effects.

Crossroads of Thought

Section two provides an interesting look at some of the controversies that Hoppe has managed to generate (with good reason). Philipp Bagus provides a brief look at why radicalism is a promising strategy for current Austro-libertarian thinkers. Taking an unwavering attitude towards these beliefs, much as Hoppe has espoused his whole life, provides libertarians with the credibility to continue pushing their theories forward as a consistent and unified whole.

Martin Froněk and Josef Šíma provide a detailed analysis of some issues that arise in the current law and economics literature. Specifically, they take issue with the Posnerian analysis that has become prevalent stemming from the University of Chicago since the 1960s. In pure Hoppean fashion, they deconstruct the myth that wealth maximization is an attainable standard for legal rulings. By relying on market prices to achieve such an equitably remedy, legal scholars neglect that these prices must necessarily reflect only past preferences, and hence, are unable to provide any sort of standard by which to make decisions concerning future events. The standard law and economics approach is shown to be faulty, something which Austrian economists and legal scholars have been demonstrating for years, yet are often ignored in the relevant literature. This is a puzzling development as both economic and legal scholars understand that the field of law and economics must be challenged due to its shortcomings. Perhaps this specific paper may do much to change that.

Joseph Salerno provides what may well prove to be the most controversial piece of the volume. “The Sociology of the Development of Austrian Economics” provides a print version of a thinly circulated paper written in 1996 which received heated exposure at the time. Salerno takes issue with many of the issues that arose during what may be best referred to as the *Methodenstreit II* of the Austrian school which followed the famed South Royalton conference of 1974. In it, Salerno takes issue with the question: “What is Austrian economics?” While specifying a vague methodological stance based on subjectivism or individualism may seem like an attractive option, the result is a bifurcation between many strictly *un*Austrian thinkers and our more Austrian counterparts – George L.S. Shackle and Milton Freidman, as examples of non-Austrians who support subjectivism and individualism. In its place, Salerno strongly reckons that if Austrian economics must be defined by a single tenet, it must be methodological – praxeology. This approach has been the strictly Austrian approach since Carl Menger and may be found in several older eighteenth and nineteenth-century philosophers and economists – notably Cantillon, Say, Senior, and Cairnes. This methodological foundation is highly influenced by Hoppe’s work on the Austrian method, including his 1988 book *Praxeology and Economic Science* and his 1995 book *Economic Science and the Austrian Method*.

Political Philosophy

This third section provides the reader with grouping of articles continuing Professor Hoppe’s arguments concerning the political sphere.

Frank van Dun gives an interesting essay on the potential conflict that arises between property rights and individual freedom. One well-known case illustrating this conflict is where one person is blocked from exiting (or gaining entrance) to their property due to being physically surrounded by another’s property. This paradox has been solved previously via the “Blockean Proviso.” Under such a condition, any individual who homesteads land encircling unowned land must allow an easement to permit potential homesteaders access to this unowned property. Van Dun goes fur-

freedom must be given primary consideration. A compromise in property rights in such cases is not an arbitrary decision, but rather one grounded in natural law and the attainment of a greater freedom (which must be the overreaching goal of such actions). The ramifications for property rights theorists is manifest as it requires a response or reformulation of the sanctity of the uninhibited right to one's property.

Much as Salerno's piece focused on what it is that specifically defines an Austrian economist, Stephan Kinsella delineates "What Libertarianism Is." Using a belief in capitalism or the free market as a litmus test seems too narrow. At the same time, using other metrics, such as property rights seems to include too many other doctrines. Instead, it is a particular set of property assignment rules which sets apart libertarians from other political canons. Kinsella's piece gives added emphasis to van Dun's earlier look at the conflicts between the end of freedom and the ubiquity of property rights.

Democracy

Professor Hoppe's 2001 book *Democracy: The God that Failed*, marks a high-point in his intellectual battle with prevailing political principles. In it, he outlines not only the pitfalls of democracy, but also the advantages that traditional monarchies have enjoyed due to the principle of continual succession and the resultant benefits of lowered time preference for the political leaders. This fourth section offers some novel viewpoints on this ongoing battle against the doctrine of mob rule.

Robert Higgs points out the hereto now largely unaddressed problem of *fais accomplis*. Elected rulers seldom face any effective constraints once in office, except the looming deadline of the end of their ruling period. Woodrow Wilson was not elected in 1916 to wage the Great War; Franklin Roosevelt was not elected in 1932 to impose the New Deal, nor reelected in 1940 to campaign another Great War. In the interim periods after their elections their electorates were left with little to no recourse to enforce what the elected officials had originally been elected for. As Higgs points out, Goethe's dictum that "none are more hopelessly enslaved than those who falsely believe they are free" has never wrung more true.

Doug French defeats the mantra that “we just need to elect the right people,” in response to the belief that politicians who are incompetent must just be replaced by the competent. Indeed, the competent are typically those who are busying themselves servicing consumers’ wants, and not running for political offices to redistribute the wealth with little regard to real constraints. David Gordon manages in a few short pages to use the Hoppean arguments contra democracy to destroy David Estlund’s epistemological justification for democracy found in his new book *Democratic Authority: A Philosophical Framework*.

Economics

In this final section, several key contributions to the current corpus of Austrian economics literature are expanded upon.

Thomas DiLorenzo provides a comparison of Hoppean political economy and prevailing Public Choice opinion. Opening by showing that Public Choice commences with the basic Hobbesian argument *viz.* the need of government to avoid a life rampant with theft and violence, he proceeds to demonstrate that Professor Hoppe’s political economy searches for much more theoretically secure underpinnings. By assigning the government an explicit right to tax its citizenry (if ever so slightly), a violation of property rights is undertaken before the state ever reaches a position where it may protect them. Addressing the fallacy of the majority rule doctrine, DiLorenzo shows that the idea of “tacit” agreement in political decisions based on the possibility of unanimous political consent is “patently absurd.” Indeed, DiLorenzo’s piece has much in common with Jesús Huerta de Soto’s fine contribution “Classical Liberalism versus Anarcho-Capitalism.” By showing that classical liberals sowed the seeds for their own demise by accepting as a starting assumption a minimal state, Huerta de Soto proceeds to reach the same conclusions as DiLorenzo – that even a minimal amount of state is impossible to sustain over the long-term, and will result in a reduced quality of life for all citizens under its command.

Nikolay Gertchev delves into the inner workings of securitization to explore its effects on the business cycle. Its use coupled with fractional reserve banking has delinked growth in the money supply from the growth in the credit supply. Thus,

securitization has allowed a new avenue for credit creation, making central banks' goals for money supply growth targets more or less ineffective in light of the credit growth figures that can result. As a result, as Dr. Gertchev coherently demonstrates, securitization has become a tool to spread the illusion of savings-driven growth, for its real manifestation – a business cycle.

Jörg Guido Hülsmann's own contribution to his edited work shows that while the demand for *commodity* money is not time-neutral, demand for *fiat* money most definitely is. Austrian business cycle theory generally rests on the claim that shifts in the supply of money affect the rate of interest, while shifts in the demand to hold money do not (i.e., they are time-neutral). Hence, fiat money represents a very basic way that the structure of production is misaligned with the underlying macroeconomic conditions. The typical result of an Austrian business cycle prevails, the greater tendency for capital to be wasted.

Mateusz Machaj takes issue with the standard argument against the feasibility of socialism. The lack of a numerical calculation system is less important, so it seems, than the underlying characteristics that *define* socialism. It exists in a dictatorial form

to the French laissez-faire liberal economists Frédéric Bastiat and Gustave de Molinari.

The thirty-five contributions to his Festschrift – *Property, Freedom, & Society: Essays in Honor of Hans-Hermann Hoppe* – show the far-reaching effects that his writings have had. In many diverse fields we can see the torch of Hoppean economics and political philosophy carried on. The quality of the contributions is outstanding and should result in this work being highly read and influential in furthering the Austro-libertarian research paradigm.

In many ways, it is unfortunate that honors such as a Festschrift come along only once a lifetime for an individual. With so many contributions currently progressing and many significant works yet to come, it will be interesting to see our *Herr Professor Doktor's* sphere of influence grow as the years continue. Until such a time, the present work is a succinct place to read the scope and influence of Hans-Hermann Hoppe's works over his lifetime; let's hope that more is to follow in the future.

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