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What it means to be libertarian

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Talk: What it means to be libertarian (London, 28-Oct-2017)

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September 8, 2017

Until I blog again, be seeing you...

Yes, it is that time of the year again – the London Anarchist Bookfair. This year's Bookfair will be on Saturday 28th October from 10am to 7pm at Park View School, West Green Road, London, N15 3QR. As usual, I have a talk entitled – after some humming-and-hawing about doing a Poverty of Philosophy related one (too niche) – as follows:

What it means to be libertarian

2017 marks 160 years since Joseph Déjacque coined the word “libertarian” in an open letter challenging Proudhon's patriarchal and market socialist views. By the dawn of the twentieth century, anarchists across the world had embraced the term. Today, it is now increasingly associated with the far-right. How did this happen? What does it mean to be a libertarian? Can you be a right-wing libertarian? Can we reclaim the word for the twenty-first century? These questions as well as the history of “libertarian” will be explored by Iain McKay, author of “An Anarchist FAQ”.

There seem to be a lot of Russian Revolution ones this year, so just as well I got in early last year with *The Bolshevik Myth Reloaded*. Talking of the Russian revolution, I have a chapter in a new book by AK Press entitled *Bloodstained: One Hundred Years of Leninist Counterrevolution*. Not completely happy with the title (nothing to do with me!), but very happy with the contents as it contains a lot of works I think of as essential reading for any socialist (libertarian or otherwise):

- Anarchy and “Scientific” Communism, by Luigi Fabbri
- The Soviet System or the Dictatorship of the Proletariat? by Rudolf Rocker
- The Idea of Equality and the Bolsheviks, by Nestor Makhno

- The State and Revolution: Theory and Practice, by Iain McKay
- A Decade of Bolshevism, by Alexander Berkman
- Preface to Ida Mett's "The Kronstadt Commune," by Maurice Brinton
- The Kronstadt Commune, by Ida Mett
- The Struggle Against Fascism Begins with the Struggle Against Bolshevism, by Otto Rühle
- My Disillusionment in Russia—Afterword, by Emma Goldman
- Cries in the Wilderness: Alexander Berkman and Russian Prisoner Aid, by Barry Pateman
- Bolshevism and Stalinism, by Paul Mattick
- The Role of Bolshevik Ideology in the Birth of the Bureaucracy, by Cornelius Castoriadis

I must admit to feeling very humble about being included with such great thinkers and activists. Hopefully my chapter will not suffer in comparison. The chapter is something I've wanted to do for sometime, which is a review (if you like) of Lenin's *The State and Revolution*. It is in two parts, the first discusses the theory (i.e., the book) and the second indicates reality (i.e., what happened – based on section H.6 and section H.1.7 of *An Anarchist FAQ*). Some of what happened was not in the book (but could be predicted, knowing more about Bolshevik ideology), but a lot of post-October developments were in-line with what was promised. This is best seen from the economic notions expressed (centralised, statist, as

at worse. But then, proprietarians have always been focused on the existence of an abstract right rather than the practical ability to exercise it.

(And we must never forget that when the State does pass laws against social evils it is almost always as a result of previous social movements which used direct action to get change – so even if you do think getting the State intervene is unproblematic, you do still need to apply anarchist tactics first. And, equally, we must never forget that without a social movement which takes direct action, these laws will be ignored in practice and so we are back at the anarchist position again).

And does he practice what he preaches? Do proprietarians themselves boycott and ostracise those amongst them who, say, support fascism? Well, given that our author mentions von Mises then the answer is obvious...

So why are many on the alt-right former proprietarians? For obvious reasons – neither are interested in liberty, neither are egalitarians. The social relations of property are authoritarian, dictatorial in fact, which have obvious appeal to fascists. The overlap between proprietarians and fascism are more than the former would like to admit – particularly given how often the former have supported the latter. In short, both are authoritarians – but one hides their support for authoritarian social relationships under the rhetoric of "liberty."

Freedom means more than the possibility to change masters. Which shows the importance of my talk in October – "What it means to be libertarian". I doubt that the word can be saved in America (but who knows? An increase in the influence of anarchists on the ground, in social movements, would achieve that. As can be seen, from the above and in more detail in *160 Years of Libertarian*, to be a genuine libertarian means be aware of anarchism and its critique of liberalism. You cannot be a libertarian without being aware of where the word comes from and why it was coined in the first place.

how liberalism is against the evils of racism, sexism, etc. he admits that, well, there is a greater evil – the State not defending property owners:

“Therefore, when libertarians are asked if bigoted property owners should be free to discriminate, they should say, ‘Free of government force, yes, but not necessarily free from costs imposed by consumers.’ In other words, bigotry should be fought without help from the state, where appropriate, through boycott, ostracism, and publicity.”

Fine – except that propertarians have been very clear that such things need the permission of the property owners! Publicity? If you can afford it. Boycott and ostracism? You need to organise for that and that needs resources. Picketing? Only if the property owner allows it. Unions? Don’t go there.... And, lest we forget, while those subject to bigotry cannot use “government force”, the bigoted property owners have its full backing – that is the sole role of the State under liberalism – so if, say, workers strike against their bigoted boss then the State will be there to defend him and his property rights (and power).

And when the oppressed do follow the path of direct action and solidarity, the State can and does become fascist to maintain the property owners in their position – with, as von Mises showed, the praise and help of the (classical) liberals.

But in a sense he is right (although not for his reasons) – bigotry must be fought without the help of the State for that exists to defend property as well as other social hierarchies and we have always seen it turn laws passed to combat an evil produced by that system into means of defending it. It is a class State, after all. Moreover, when people have taken his advice – taken direct action, formed unions, etc. – we have seen the State impose “costs” on the protesters. To fail to mention this is ingenuous at best, misleading

per Marxist orthodoxy) but also politically (centralisation, primarily). It may be Lenin’s most libertarian work, but it is not that libertarian when you pay attention. Anyways, the book contains many an important text (those by Fabbri and Castoriadis are my personal favourites) and I recommend it wholeheartedly.

On less happy news, in relation to the bookfair I did notice that the Communist Workers Organisation has a meeting of Russia (presumably, the Bolsheviks were great until they seized power?) and stall (like in recent years) and I have to wonder why. They are not libertarian communists, not council communists, but followers of Armadeo Bordiga – an advocate of party dictatorship (and whose leadership of the Communist Party of Italy actively aided the rise of fascism). So the anarchist bookfair is giving space to a bunch of anti-anarchist ultra-leftists, great...

Which suggests what it means to be libertarian is somewhat important, not least the right-wing appropriation of the term in the US (and to a lesser degree here in the UK). Obviously, this talk will be based on my recent 160 Years of Libertarian article (soon to appear in the journal *Anarcho-Syndicalist Review*). It would appear this is particularly relevant with developments in America and the anti-“alt-right” demonstrations. Some have noted that “it seems observably true that libertarianism is disproportionately a gateway drug to the alt-right. Again, the question is... why?” (The Insidious Libertarian-to-Alt-Right Pipeline – also see *As cockroaches scurry for the darkness, so do the Nazis*)

Let us remember that the current usage of “libertarian” – both valid (anarchist/socialist) and invalid (right-wing “Libertarian”, or more correctly propertarian) traces back to Joseph Déjacque. It was coined in opposition to the sexism of Proudhon, to note the illogicality of attacking the hierarchies of property and State while defending that within the home. American propertarians stole the term in the 1950s to use in defending the former, the hierarchies associated with property. Locke, after all, defended the patriarchal

family in the same way he did the hierarchies of property – consent.

So some fascists appear to have realised – long after the conservatives – the benefits of framing your private hierarchies in terms of “liberty.” This, obviously, involves a massive overlap with propertarianism – indeed, classical liberalism. Let us not forget that liberals – in the main – were just as racist and sexist as their conservative opponents. Locke was seeking, after all, to defend existing privileges just as much as his absolutist opponents – while they defended inequalities based on a patriarchal reading of the Bible, Locke replied with a “just-so” story which allowed all the features of his society (up to and including slavery) to be based on consent. This has proven to be a wise choice, given its long-lasting utility to the powers-that-be (as intended).

So the modern fusion of “libertarians” (i.e., propertarians) with conservatives is no real surprise – the latter seek to defend existing (“traditional”) inequalities and the former those based on property, which have been the “traditional” ones for some time. “Libertarians” are not interested in whether associations are actually libertarian, just whether they are “voluntary” (economic power not counting towards that, as they feign to believe it does not exist). As such, the linkage with fascism is not that surprising.

Of course, some propertarians object to this. One commented upon this at Reason and it is worth commenting upon. What is amazing – but not surprising – is the illogical nature of this article as well as its complete ignorance of the genuine libertarian tradition which critiqued. It is also somewhat selective in what it takes from classical liberalism, most obviously von Mises and his legacy:

“The liberal worldview was self-consciously universal, applicable to all people everywhere because all human beings had the same basic requirements for flourishing. [...] But the basics were expected to be more or less

if not confirming of, their ideology (or are concerned about it only if it can be utilised to attack State interference with property, such as minimum wage laws).

This is all unsurprising for liberalism – as postulated by Locke – was created specifically to defend, justify and rationalise all these relations of subordination. It is not a theory of liberty, but of authority – and it used property as the means of so doing. For property is the defining feature of “libertarianism” – surely, if this were not the case, he would have written “Liberty can be used to advance bigotry...” but decided not to because property is the fundamental issue, not liberty. Focusing on liberty, we have to ask about the liberty of those subject to bigotry – which opens up a whole can of worms for the propertarian for it brings forth the reasons libertarian was originally coined by Déjacque, namely to be consistent and oppose all forms of subordinate relations.

And let us not forget that a printing press and a website are specific forms of property. Yes, property can be used to advance bigotry – because it is based on relations of subordination, master-servant relationships. Possession is not the same – someone being racist alone in their own home is significantly different to someone being racist as head of a company or a newspaper (or a State).

Genuine libertarians recognise this for, to quote Proudhon, there “will no longer be nationality, no longer fatherland, in the political sense of the words: they will mean only places of birth. Whatever a man’s race or colour, he is really a native of the universe; he has citizen’s rights everywhere.” (Property is Theft!, 597) Déjacque took him to task for excluding the home from this position which he had applied to the community and the workplace (that is, associationism is for all aspects of life).

Our author contains and proclaims that “liberalism is a spirit as well as a set of ideas, and it cannot be turned against itself. It fosters human solidarity, not separation.” Sure, solidarity between competitors... and it would appear that a great many liberals did turn it against itself, not least von Mises. And after proclaiming

maintain a libertarian order.” (Hans-Hermann Hoppe, *Democracy: the God that Failed*, 218)

You can see why that would appeal to fascists – and it is all consistent with proprietarianism. Just as voluntary slavery is deemed to be – which has obvious appeal to neo-confederates, I am sure. And lest we forget, there is apparently A Libertarian Case for Monarchy. As someone put it:

“Critics of anarcho-capitalism might be amused to see that Hoppe’s outline of the ideal society resembles the dystopic consequences of an anarcho-capitalist system that the critics point out. The main difference between them is that the critics find these consequences horrifying, while Hoppe gleefully endorses them. [...]

“To sum it up: Expansion of private control is not a festival of free-love, wonderful, amazing liberty. It is more a total tyranny (tyranny of the property owner, as opposed to tyranny of the state). Instead of denying these things are true (as many try to), he says they are absolutely true, and that constructing this merciless private tyranny is precisely the point of libertarianism.”

Unconcerned by all this (it is just empirical evidence, waiting to be ignored) our author proclaims:

“No matter how hard one might try, it is impossible to twist libertarianism into something it is not. Property can be used to advance bigotry, but so can a printing press or a website.”

But von Mises managed to view fascism in a positive light. Friedman and von Hayek saw the benefits of Pinochet. All defend the autocratic powers of the boss over their wage-workers. All seem, at best, indifferent to the power of the husband over the wife. All seem, at best, unconcerned about racism – seeing it irrelevant to,

the same because people are people, that is, “created” equal.’

But under capitalism some are more equal than others... and if people have the same basic requirements for flourishing, then surely they need the same resources to do so? Otherwise not all human beings can flourish... needless to say, this critique of hardly new, Proudhon argued it back in 1840 in *What is Property?* – a text which proprietarians never seem to engage with. And Déjacque’s coining of “libertarian” is based on this argument, extends it.

So the “liberal worldview” is based on a massive contradiction – people make be “created” equal but they do not have the same means available to ensure “the same basic requirements for flourishing.”

Proprietarianism exists, in part, to defend this situation and to combat all – including genuine libertarians – who seek to create a world in which all do have the same means for flourishing. Also, lest we forget, von Mises (whom our author name checks later) was quite clear: “Nothing, however, is as ill founded as the assertion of the alleged equality of all members of the human race.” (*Liberalism*, 28) More, in a letter to Ayn Rand he opined:

“You have the courage to tell the masses what no politician told them: you are inferior and all the improvements in your conditions which you simply take for granted you owe to the effort of men who are better than you.”

This will appeal to the fascist – after all, Hitler said of industrialists that they “have worked their way to the top by their own abilities, and this proof of their capacity – a capacity only displayed by a higher race – gives them the right to lead.”

Our author continues:

“Liberalism has recognized the importance of respect for property to the quest for the good life. This is not difficult to fathom. How can one flourish in an environment in which one’s possessions are subject to confiscation by the state or freelance marauders?”

Note the jump – possessions are not the same as property. This was a key part of Proudhon’s argument – along with showing how property creates a situation where some flourish at the expense of the rest, some are free while others are in subjection: “property, which should make us free, makes us prisoners. What am I saying? It degrades us, by making us servants and tyrants to one another.” (Proudhon, *Property is Theft!*, 262)

Talking of uncertainty of possession/property, what of the (fictional) property in the person (or labour)? This is the foundational principle of propertarianism (liberalism) yet its adherents wish to see a regime where its holders can be fired at will. To quote one of the author’s heroes, von Mises, the capitalist “of course exercises power over the workers”, although “he cannot exercise it arbitrarily” thanks to the market but within this limit “the entrepreneur is free to give full rein to his whims” and “to dismiss workers off-hand.” (*Socialism*, 443-4) This is particularly of concern during the regular crises of capitalism.

How can one flourish in an environment in which one’s possession is subject to such power and uncertainty?

But, of course, being the ideology of rich, white men such concerns rate little with the propertarian.

“This point is reinforced when one remembers that plans can extend over many months and years. Who would delay consumption a long period without reasonable certainty of being able to enjoy the fruits of one’s labor and forbearance?”

But, as Proudhon noted, the wage-worker does not enjoy the fruits of their labour, they only get part of it (so they are exploited by the employer, landlord, etc.). Property results in the worker be-

conomics. I remember reading Rothbard attack Samuelson’s introduction to economics and its discussion of pay differentials between men and women. He bemoaned that Samuelson did not just conclude women were paid less because they were, in fact, worse workers than men – because “marginal productivity theory” was correct (it is not).

“Perhaps those individuals were attracted to the exclusionary features of property but then got turned off when they saw the overriding lure of inclusion that property and trade present. So they moved on.”

Quite the reverse, let us look at one self-proclaimed “anarcho”-capitalist:

“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. One may say innumerable things and promote almost any idea under the sun, but naturally no one is permitted to advocate ideas contrary to the very purpose of the covenant of preserving private property, such as democracy and communism. There can be no tolerance towards 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-centred 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

“It may be assumed that races do differ in intelligence and will power, and that, this being so, they are very unequal in their ability to form society, and further that the better races distinguish themselves precisely by their special aptitude for strengthening social co-operation. This hypothesis throws light on various aspects of social evolution not otherwise easily comprehensible. It enables us to explain the development and regression of the social division of labour and the flowering and decline of civilizations. We leave it open whether the hypothesis itself and the hypothesis erected on it are tenable. At the moment this does not concern us. We are solely concerned to show that the race theory is easily compatible with our theory of social co-operation.

“When the race theory combats the natural law postulate of the equality and equal rights of all men, it does not affect the free trade argument of the liberal school. [...] The results of the scientific study of races cannot in any way refute the liberal theory of social development. Rather they confirm it.” (Socialism, 325-7)

So race theory (racism) is fine and “easily compatible” with liberalism, indeed “confirm[s] it” (although he does reject race war). So rather than being opposed to racism, as our blogger stresses, propertarianism is indifferent to it. Which is fine, I suppose, if you are a middle-class white male like von Mises but perhaps a different matter if you are, say, a working class black female.

And, of course, attempts to expand civil rights for women, blacks, etc. have generally been opposed by propertarians as... attacks on the rights of property!

You can see how this can appeal to fascists. And from indifference to defence is not that far, given the blinkers of bourgeois

ing denying the fruits of their labour, something genuine libertarians had been aware of since 1840 but which propertarians seek to deny.

“You see this clearly in Adam Smith and Ludwig von Mises.”

Leave poor Adam Smith out of it, as he was well aware of the difference between self-employment and wage-labour as well as the harmful effects of the division of labour, not to mention his awareness that the State was run by and for the few (unsurprisingly, propertarian Murray Rothbard denounced him for not being a real liberal long ago). As for von Mises, he refutes the article as he did indeed back fascism in the late 1920s:

“It cannot be denied that Fascism and similar movements aiming at the establishment of dictatorships are full of the best intentions and that their intervention has, for the moment, saved European civilization. The merit that Fascism has thereby won for itself will live on eternally in history.” (Liberalism, 51)

Of course, as numerous propertarian apologists for him note, the support for fascism purely instrumental – once the left, unions, etc. were crushed, then he hoped the regime would revert back to just defending property. Yet the awkward fact remains, von Mises praised fascism. More:

“The second is Gerhard Jagschitz, a historian who teaches at the University of Vienna (where Mises also taught). In addition to his books on Austrian wartime history, Jagschitz wrote his doctoral dissertation on Engelbert Dollfuss, the Austrian Chancellor who tried to prevent the Nazis from taking over Austria. During this period Mises was chief economist for the Austrian Chamber of Commerce. Before Dollfuss was murdered for his politics, Mises was one of his closest advisers.” (Hans-Hermann Hoppe, *The Meaning of the Mises Papers*)

Hoppe, while indicating that Dollfuss was opposed to the Nazis, fails to mention that he was a fascist. So a few years after praising

fascism, von Mises was a close adviser to the fascist leader of a fascist regime. Remember, there is not link between fascism and propertarianism...

Before going further, it should be mentioned that this advisor position was at the start of the Great Depression. Like all propertarians, von Mises was from the “soup kitchens caused the Great Depression” school of thought (if it can be called that), so what happened in Austria? Well, it was not great:

“Beginning in in 1931, [Austrian] unemployment grew rapidly, reaching a peak in 1933–6, with between 24 and 26 per cent of the labour force out of work When, in 1937 and 1938, there was a modest recovery, unemployment never dropped below the 20 per cent value. This had a devastating effect on the legitimacy of the Austrian system As the Austrian government sustained its reluctance to apply Keynesian policies, the economic recovery never entered a serious tale-off phase in the second half of the 1930s. Linked to an exhausted determination of the Austrian government to resist the pressures from Germany, the economic crisis of the 1930s should be seen as an additional reason why the Austrian society was receptive to the annexation by Germany in March 1938” (P. Gerlich and D. Campbell “Austria: From Compromise to Authoritarianism,” in D. Berg-Schlosser and J. Mitchell (eds). *The Conditions of Democracy in Europe, 1919–39: Systematic Case Studies*, [Macmillan, Basingstoke, 2000] 55).

He left Austria in 1934, so the period of his economic advice saw unemployment rise to a peak of around 25 per cent. More:

“The effects of the government’s policies were to be seen in the continued stagnation of the Austrian

Or they realised that propertarianism is not interested in the issues of race, sex, class and so on — for the propertarian, these are irrelevant for the negative aspects of these social relationships are not its concern. Look at von Mises on sexism:

“Whether, for example, the law obliges the wife to obey her husband is not particularly important; as long as marriage survives one party will have to follow the other and whether husband or wife is stronger is certainly not a matter which paragraphs of the legal code can decide. Nor is it any longer of great significance that the political rights of women are restricted, that women are denied the vote and the right to hold public office. For by granting the vote to women the proportional political strength of the political parties is not on the whole much altered; the women of those parties which must suffer from the changes to be expected (not in any case important ones) ought in their own interests to become opponents of women’s suffrage rather than supporters. The right to occupy public office is denied women less by the legal limitations of their rights than by the peculiarities of their sexual character. Without underestimating the value of the feminists’ fight to extend woman’s civil rights, one can safely risk the assertion that neither women nor the community are deeply injured by the slights to women’s legal position which still remain in the legislation of civilized states.” (Socialism, 104)

Not of great significance or importance for von Mises perhaps, but not so to those subject to the tyranny of patriarchy...

So von Mises was a sexist prat. What of racism? Again, von Mises shows his privilege:

to doubt its truth” (quoted by Homa Katouzian, *Ideology and Method in Economics*, 39-40)

All of which is a case of heads I win, tails you lose – if empirical evidence supports the “Austrian” then it is pointed to, if it refutes him then it can be happily ignored. So von Mises support for fascism can be ignored – it is just what happened and so, apparently, tells us nothing...

Nor should we forget (nor forgive) von Hayek and Friedman’s support for Pinochet’s fascist regime in Chile – the later proclaiming that regime’s “free market” when workers could end up murdered if the State deemed them a leftie... but, then, a free market for labour is rarely of prime concern for the right (as can be seen from, say, Thatcher’s anti-union laws).

Compare these with, say, the Spanish and Italian anarchists (i.e., genuine libertarians) who fought fascism tooth and nail.

Moving on:

“Sure, property also authorizes owners to exclude from its use those they wish to exclude for whatever reason. But that hardly seems to have been the focus of liberals.”

Yes, of course that would be the case – upper-class white males who own lots of property would simply not be that interested in the exclusion of others. Private oppressions did not really make it onto their radar – because they were the ones benefiting from it.

There are exceptions, of course. John Stuart Mill springs to mind – but he ended up questioning capitalism as such, indeed becoming a market socialist (as von Mises noted and denounced, while also blaming Mill for the relative industrial decline of the British Empire! Yes, seriously, in his book *Liberalism*).

“The exclusionary side of property could explain why some individuals flirted with libertarianism before going on to circles of racial and religious bigotry.”

economy right up to the German invasion of 1938. By 1932 industrial production had fallen to 61 per cent of its 1929 output, and unemployment had reached 21.7 per cent of the workforce.” (Tom Kirk, *Nazism and the working class in Austria : industrial unrest and political dissent in the ‘national community* [Cambridge: Cambridge University Press, 1996], 31)

Unsurprisingly, von Mises blamed the crisis on... the workers, of course. Wages were too high, unions existed and the government did not tackle them – something was needed to make the labour market free again. Enter the Dollfus regime:

“Dollfuss’s assumption of full power in the state was accompanied by a curbing of civil liberties, including freedom of speech, assembly, and the press” (Barbara Jelavich, *Modern Austria : empire and republic 1815-1986* [Cambridge : Cambridge University Press, 1987], 195)

Of course, if Dollfuss had been the rightful owner of the territory then proprietarians would have no objection to these acts. Indeed, the landlord or the capitalist does this every day – try talking about a union or joining one and see what happens. More, the proprietarians will defend these acts. As Rothbard, as other proprietarians make clear, there is no freedom of speech, assembly, etc. on someone else’s property. This means that proprietarians can defend the elimination of basic freedoms – in the name of freedom. You can see how this could appeal to fascists.

(Indeed, Trump’s authoritarianism can be explained, in part, because he is acting like the head of a company – he is used to issuing orders and having them obeyed because that is what a company is, a dictatorship.)

Back to Austrian... In this manner the “basis pattern for a totalitarian regime had been set; Austrofascism was established” (Jelvich, 204) with unsurprising effects of wages:

“The standard of living for those in work declined as wages fell further and faster than prices. Unemployment benefits were meagre for only one year” (Kirk, 31)

Obviously, they should have got rid of these “meagre” benefits as this was causing the mass unemployment — as von Mises teaches us. And what about the greedy workers in jobs having too much power and so high wages? Again, the unsurprising occurred:

“Rising unemployment strengthened the hand of the employers in the labour, and they attempted to dismantle what was left of the Republic’s labour legislation.” (Kirk, 31-2)

This saw industrial disputes fall from 242 in 1928 to 30 in 1932 and the number of strikers from 562,992 to 79,942. Still, unions still existed! What about under Dollfuss? That should see improvement as workers were liberated from the chains of unionism — by fascism:

“The new regime brought immediate and tangible gains to employers at the expense of a further deterioration in working class living standards. Firms quickly took advantage of the absence of trade unions and the weak bargaining position of the workforce to enforce wage cuts” (Kirk, 44)

Did this have the expected result? Did unemployment fall? No: “unemployment . . . still stood at 20.4 per cent in 1937.” (Kirk, 31)

So, clearly, unemployment was not caused by workers and unions — indeed, the first result of a depression is mass unemployment which weakens workers power. And, anyway, workers do not control product prices. Cutting wages, as Keynes explained, cannot be viewed in isolation — wages are costs and are reflected in prices. So cutting wages means cutting prices, leaving real wages the same (or, if prices do not fall, reducing demand for the goods).

(A difference between Keynes and von Mises was that Keynes was seeking to save capitalism and so had to understand it while von Mises was seeking to eulogise capitalism and so had to ignore its reality. Which explains why Keynes is worth reading while von Mises appeals to cranks).

I suppose the defence of this obvious failure is that von Mises was only an adviser and so his advice could have been ignored (the existence of a “merge” years worth unemployment benefits would suggest that). Yet real wages fell and unemployment remained extremely high (and this slight improvement occurred after von Mises had left the country). Yet the fact is, in the face of fascist violence which crushed unions and put uppity workers in their place which saw wages fall, unemployment remained high and the economic crisis continued.

Of course, the empirical evidence is water off a duck’s back to the propertarian. Remember, according to von Mises:

“If a contradiction appears between a theory and experience, we must always assume that a condition presupposed by the theory was not present, or else there is some error in our observation. The disagreement between the theory and the facts of experience frequently forces us to think through the problems of the theory again. But so long as a rethinking of the theory uncovers no errors in our thinking, we are not entitled