

the Freeman

SPRING 2016



THE HERO'S
JOURNEY

the Freeman

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VOLUME 66 | NO. 01

PUBLISHED BY

FOUNDATION FOR ECONOMIC EDUCATION

1718 Peachtree Street NW, Suite 1048

Atlanta, GA 30309 | United States

Phone: 800 960 4333 | freeman@FEE.org

www.FEE.org

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FEE

FROM THE EDITOR

The mighty hunter stalks the beast. He has the creature's scent and knows that soon one of them will be dead. He is far from home, far from the world of his clan, but it is for them—the community he has left behind—that he assumes the dangers of this quest.

Humanity's oldest stories follow the form: the lone individual in peril on behalf of his tribe. From the Hobbit to Harry Potter, from *Star Wars* to the *Hunger Games*, we see this pattern embedded in the structure of our favorite tales.

Mythologist Joseph Campbell called the deep universal framework of these stories the *hero's journey*, drawing on the psychoanalytic theory of Carl Jung and Jung's concept of *archetypes*, the symbols across time and across cultures that surround each person's journey toward both individual authenticity and wholeness with her community.

In the heroic stories, both fictional and factual, featured in these pages, each beast is an avatar of coercion—whether manifested in the naked force of an authoritarian regime, in the insidious ideologies that masquerade special interests as collective weal, or in the actions of one individual willing to impose his will on another.

The peril may be physical or intellectual. To risk suffering and death requires a particular brand of heroism, but there are quieter forms of courage and character: there is real risk and real valor in defying the established wisdom, in speaking truth to power.

The word *hero* is Greek, from a root that means *protector*. The customary understanding of the hero, then, is as one who protects his tribe. But the heroes of freedom face an extra challenge: the tribe that they set out to protect stand also as guardians at the threshold, one of the obstacles to be overcome.

Campbell wrote, "The modern hero, the modern individual who dares to heed the call and seek the mansion of that presence with whom it is our whole destiny to be atoned, cannot, indeed must not, wait for his community to cast off its slough of pride, fear, rationalized avarice, and sanctified misunderstanding.... It is not society that is to guide and save the creative hero, but precisely the reverse."

In the traditional tale, when the hero returns with the boon or elixir that will revitalize his community, he arrives transformed, ready to reintegrate with his people. But the elixir of liberty transforms the community itself. Whether or not that change is welcome—whether you will be recognized as the tribe's protector or seen instead as a new threat—remains unwritten.

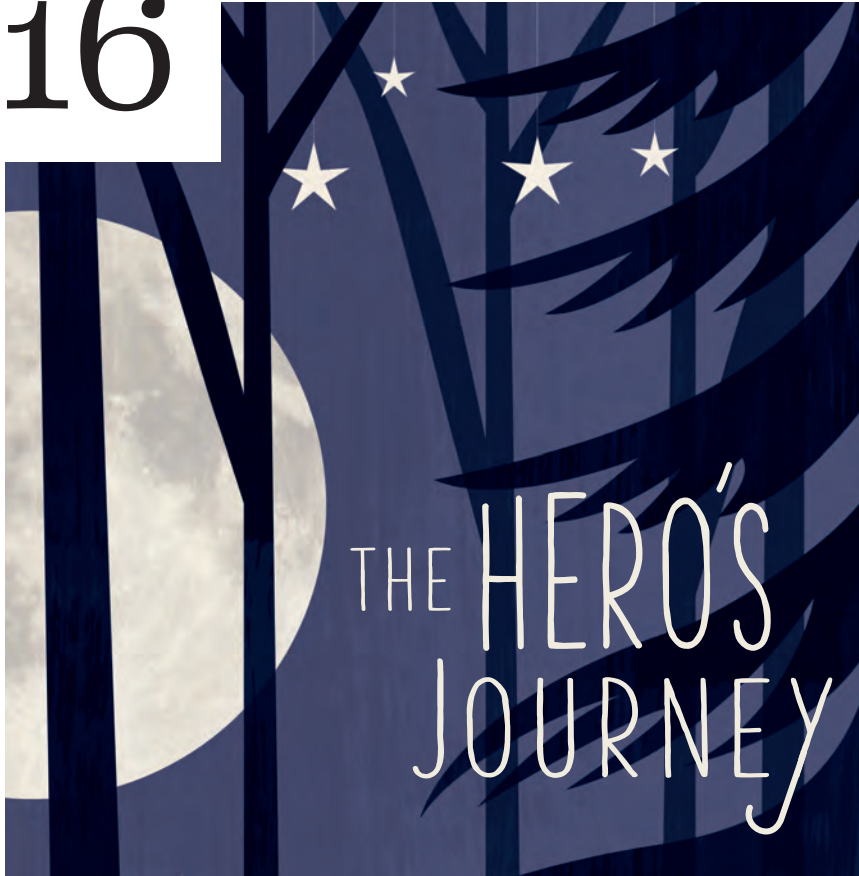
Seventy years ago, Leonard Read started the Foundation for Economic Education to teach the values of the freedom philosophy and the economic way of thinking. If Campbell was right about the friction between the modern hero and his or her tribe—a tribe no longer limited to clan or even nation but now comprising the world—then the ongoing mission of FEE and the *Freeman* is to tell the tales that will help this universal tribe embrace both liberty and its heroes.

— B.K. MARCUS

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STAR TREK'S PSEUDO-ECONOMICS

BEAM ME UP: THERE'S NO ECONOMY DOWN HERE

BY ROBERT P. MURPHY



A fan convention dedicated to comics, graphic novels, anime, manga, video games, toys, movies, and television is not the place you'd expect to find a panel on economic theory. But economists and geeks joined forces last fall at the New York Comic Con to discuss "Treconomics," the economics of *Star Trek*.

One of the major issues was whether the *Trek* universe is one of "post-scarcity," and the implications the popular science fiction franchise poses for traditional economic theory.

The participants seemed confused about the role scarcity plays in economic theory.

A SCARCITY OF SENSE

At one point in the panel, the moderator Felix Salmon asked economist Brad DeLong, "What is post-scarcity?"

DeLong answered:

Gene Roddenberry tried to paint our future by saying: "Wait a minute! What's going to happen in three centuries? In three centuries we are going to have replicators. Anything material, gastronomic that we want ... we are going to have. What kinds of people will we be then and how will we live?"

We are quite far on that transition already....

Right now ... here in the United States what used to be the principal occupation of the human race—farming—is at satiation.... We have about three times as many people in our medical and health-support professions working to try and offset the effects of excessive calories as we do growing calories and nutrients. Thus we are now rapidly approaching a post-scarcity economy.

And it is not just for food. If you go and look at containers coming in from China, we are approaching it with respect to things physically made via manufacturing processes as well. And that's one of the things *Star Trek* is about.

It is odd that someone who flips out so much when people disagree with his policy views thinks that we are approaching the satiation of all physical wants. After all, how bad can fiscal austerity and sticky wages be if we're just around the corner from a world where people live to work rather than work to live?

In reality, DeLong is wrong to think that the higher productivity of labor in agriculture and manufacturing

somehow indicates a qualitative change in the nature of scarcity. Even though we enjoy a standard of living that, in many respects, exceeds that of Louis XIV, just about every American today desires more material goods. Indeed, many of DeLong's colleagues recommend raising the minimum wage for precisely this reason—though I disagree with their recommended solution.

SCARCITY: NOT JUST FOR THE FERENGI

That humans move beyond *subsistence* is not the same as eliminating *scarcity* as economists typically use the term. It's surprising that DeLong apparently used the terms interchangeably.

Indeed, scarcity occurs whenever the available resources are insufficient to satisfy all possible uses to which human agents could put them, meaning that *choices* must be made.

There will be *trade-offs*, even in the world of *Star Trek*.

Because of that, people would still need the institutions of private property and money, even if Gene Roddenberry banished them from the most enlightened and advanced species in his fictitious creation.

SCARCITY IN *TREK*

We can reflect on some of the more iconic moments from *Star Trek*

to illustrate the pervasiveness of scarcity.

For example, in "The Galileo Seven," Spock must make difficult command decisions when the shuttlecraft is stranded on a planet. Yet, the suspense in the episode derives from Galactic High Commissioner Ferris bickering with Kirk over how long they should continue searching for the landing party while the plague-ridden people of Makus III await the medical supplies the *Enterprise* is delivering. There is obvious conflict because of the trade-off involved: despite the wonderful ship at his command, Kirk (it seems) must *choose* between his stranded friend and the planet of sick strangers.

Indeed, even though the opening sequence of each episode mentions seeking out new life and civilizations, and of course boldly going where no man has gone before, the *Enterprise* quite often is tasked with delivering physical supplies to various people. The famous episode, "Let That Be Your Last Battlefield," with the half white-half black-faced men, involved a medical mission to decontaminate a planet. In the *Next Generation* series, the memorable episode

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“Brothers” involves Lieutenant Commander Data seizing control of the *Enterprise* when he is summoned by his creator. The situation is dire because a very sick child (accidentally placed in his predicament by his brother) cannot be cured of a parasite while on the *Enterprise*, and time is running out.

THE HIGHER
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So we see that it is a common theme in *Star Trek* for people to argue over how the ship should be used, and often people will die from illness depending on whose will prevails. Whether they have a 24th-century version of Obamacare is irrelevant; there is definitely scarcity in the *Star Trek* future, and it operates just like scarcity today.

Even the technology in the *Trek* universe is not a given; it is a response to incentives. For example, in the episode “Yesterday’s Enterprise,” the crew goes into a different timeline where Lieutenant Tasha Yar is still alive (she had been killed off in the first season when the actress asked to be let out of her contract). In this timeline, the Federation has been at war with the Klingons all along. At one point, Yar says, “Deflector shield technology has advanced considerably during the war. Our heat dissipation rates are probably double those of the *Enterprise-C*, which means we can hang in a firefight a lot longer.” Thus, we see that the capabilities of the *Enterprise-D*—the ship commanded by Jean-Luc Picard—are themselves dependent on the preferences of the humans who own it and the associated resources.

SHOW ME THE MONEY!

It is true that Roddenberry thought, and others still think, that high productivity will eliminate the necessity of money for economic coordination. But Roddenberry was simply mistaken on this point—as were the socialist theorists who thought the modern computer would make socialism “work.”

The *Star Trek* universe is internally inconsistent from an economic perspective, just as trained natural scientists could point out all sorts of contradictions among the episodes. They depict outcomes that are truly impossible—not merely beyond our current technology.

Ironically, the socialist theorists (and Gene Roddenberry) got things *backwards*. In a primitive Robinson Crusoe or Swiss Family Robinson environment, people can make decisions without recourse to money prices because the system isn’t very complicated; a person can “see” the trade-offs involved. But in a modern economy based on the division of labor, money prices are indispensable. The possible uses of resources become greater—and the economic problem more difficult to solve—as technology expands. ■

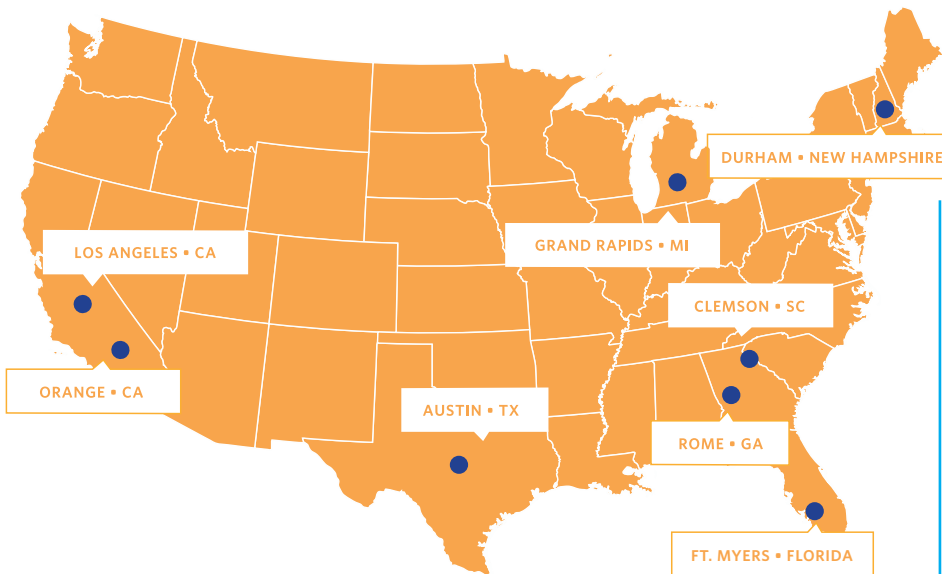
Robert P. Murphy is research assistant professor with the Free Market Institute at Texas Tech University. Read more at FEE.org/Murphy.





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STUDENTS *for* SALE

BY THOMAS BOGLE

Imagine you're with me in a room full of educators, mostly public school teachers and administrators. We are there to learn how to incorporate principles of entrepreneurship and innovation into a science, technology, engineering, and math (STEM)-based learning environment. Ben, the professional development facilitator, is showing us how to use a business model canvas, a simple diagram used by startups to map out their business model.

"Let's take a simple example of an innovative firm, like Uber, and break this down a little bit..."

"Can we do something a little more relatable," one of the attendees chimes in, "like a nonprofit organization or a school?"

We shift gears and map out a typical public school program, defining customers and value propositions. We describe delivery channels and key partners.

Things get more complicated when we try to define cost structures and identify revenue streams.

"You know," Ben interjects, "we may be looking at this all wrong. Based on this current business model, maybe students and parents are not the actual customers of your services."

Silence.

He continues, but the sudden weight of the air in the room seems to pull his words to the floor before they reach my peers sitting nearby. The uncomfortable truth he spoke is so repulsive to everyone, as educators, that the very laws of nature seem to resist. There are even a couple of audible gasps as some of the teachers realize that "customer" is really some kind of entrepreneur's code word for "people whose opinions you should value."

There we were, professional educators, having relegated ourselves to a career of self-sacrifice and meager pay for the greater good, and this capitalist had the gall to imply that our mantra of "doing it for the children" was hollow!

I had to suppress any hint of a grin triggered by their reaction so as not to out myself as a capitalist, somehow complicit in dishing out all this cognitive dissonance.

But it was true. Under the current model, our students aren't our customers. Bizarrely, they are the products being sold.

Any first-year economics student can explain how self-interested individuals, when faced with the consumption of a public good, will attempt to maximize their personal benefit while minimizing their personal contribution.

CUSTOMER SERVICE

If children and parents aren't my customers, then who are the customers? This is a difficult question to answer in the world of public education.

First, it isn't even clear what we mean by "customer." When it comes to public education, are we more concerned with those who consume the educational services, or are we more concerned with those who bear the cost of those services? Perhaps the taxpayers who finance the public education system and the parents who send their children there to be educated are both being deceived; after all, neither holds the power to make substantial decisions about how these institutions operate or what benefits they or their children receive.

When education becomes a public good, the power to make decisions about the educational opportunities for the majority of students falls directly into the hands of politicians and unelected bureaucrats. While these groups can be responsive to parents with children in the public education system—at least occasionally to a bloc of angry voters—their voices are simply



Students are not sold an education but rather a false image of their future selves.

few among many. Even if the policymakers offer more than lip service to the voting public, they have myriad other constituents who all want their voices to be represented in this domain, too—from developers who want to build \$70 million football stadiums to the teachers' associations and unions.

THE CUSTOMER: SOCIETY, ECONOMY, OR SELF?

Professor David Labaree uses a three-branch framework to identify these different potential customer segments and their often-contradictory goals for education throughout history. He sorts these voices into those who believe public education should pursue goals of

- **democratic equality (for the good of society),**
- **social efficiency (for the good of the economy), or**
- **social mobility (for the good of the individual).**

A system focused on democratic equality would concern itself with civic education and perhaps encourage students to participate in programs such as We the People or Model UN.

Where social efficiency drives education policy, you would likely find an emphasis on STEM and career and technical education programs.

According to Labaree, a public education system that emphasizes social mobility focuses on the signaling value of the education, not the education itself. You should expect to see an increased enrollment in honors-level classes, International Baccalaureate and AP programs, and specialized magnet schools. This approach to understanding public education represents the demands of three distinct customer segments.

With regard to the first two segments, society and industry, education is not the product being sold or delivered. People are. The argument is that an educated populace benefits society at large, or industry at large. Thus, we ought to deliver an education with these ends in mind, delivering a populace that functions according to the demands of political society, or a populace that functions according to the demands of industry. Sometimes proponents of this view speak as though society and industry are so homogeneous and intertwined that they may be identified as a single entity.

The third customer segment, individual students, is sold a particularly nefarious product. They are not sold an education but rather a false image of their future selves. In other words, they are offered the promise that education, in and of itself, will grant them success. All that is required to cash in on this promise is to flash the diploma, degree, or other credential that is supposed to signal that learning has taken place.

But as I often remind my students, if you are a user but not a paying customer, then you are actually the product being sold.

WHAT IS GOOD FOR THE PUBLIC?

How did we arrive at a point where education policy is set primarily with social efficiency in mind, and where the only purpose of getting an education is to increase someone's signaling power?

One possible explanation is that we are attempting to deliver a private good as though it were a public one. When we treat education as a public good, we fall into the trap

Labaree has identified, and we are then forced to act as though all participants have the same goals and objectives for their participation. Any first-year economics student can explain how self-interested individuals, when faced with the consumption of a public good, will attempt to maximize their personal benefit while minimizing their personal contribution.

There has to be a better way, one in which students are not mere cogs in a machine or widgets to be delivered at the end of production. Perhaps that new way begins by shifting our understanding of education from the realm of public goods to where it rightfully belongs, in the realm of private goods, recognizing that it also delivers significant positive externalities.

If we treat education as a private good, do we fear that society and industry will be shortchanged? Do we fear that individuals will not have the means or desire to achieve their

own educational objectives? Or is our real fear of recognizing education as a private good that the educational objectives of others may not align with our own vision for how society ought to look?

Every day, we count on the forces of the marketplace to feed and clothe us, and to do so with great abundance and variety. There are failures, to be sure. We can and should address them. But the market process does a better job of delivering goods and services than do alternative systems—precisely because it empowers customers to vote with their resources based on their own preferences, and suppliers respond to the feedback.

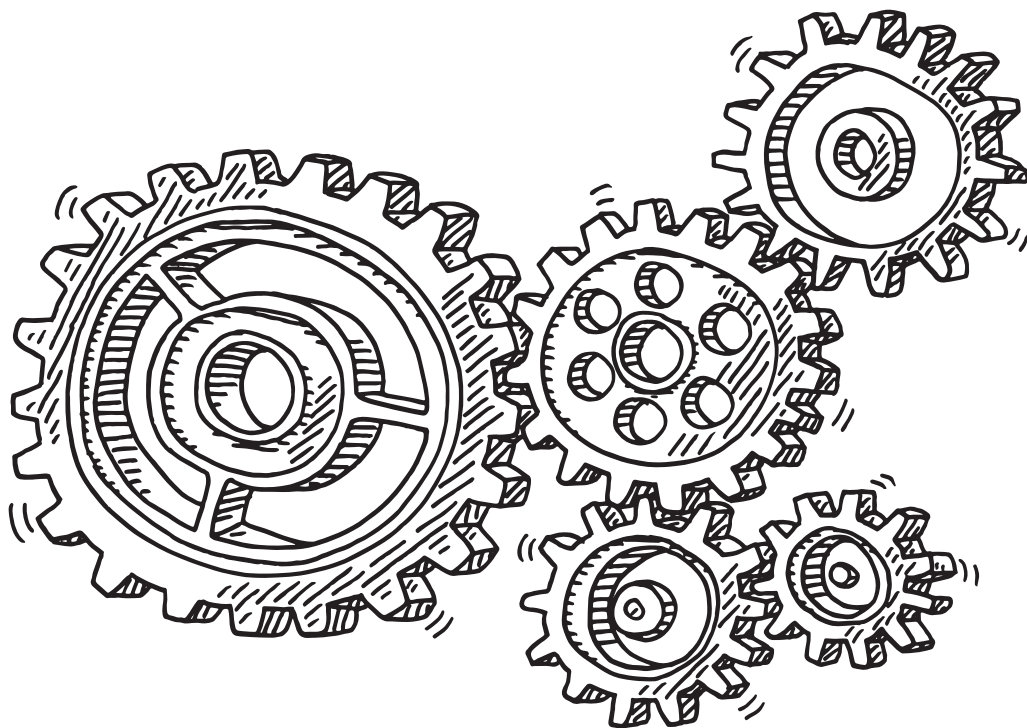
*Under the current model,
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IT'S THE INCENTIVES, STUPID

It isn't sufficient for those of us in public education to shift our perspective and tell ourselves that we need to start viewing our students as customers. Indeed, all that does is perpetuate a comfortable lie. Already, consumers are increasingly voting their way out of the current system through school choice and homeschooling.

My colleagues may not like it, but it is past time for us to become entrepreneurs, reach for a business model canvas, recognize education as a private good, and build a new model: one in which the student is, in fact, the customer. ■

Thomas Bogle is a public school teacher in Tempe, Arizona. Read more at FEE.org/Bogle.



How to Make **ECONOMIC FREEDOM** *Sound Silly*

BY SANDY IKEDA



Libertarians like to think of themselves as economically literate, at least when compared to other political groups, and for the most part, I believe that's true. But there are at least three mistakes that I keep hearing even libertarians make when talking about the free market.

MISTAKE #1: "THE FREE MARKET DOESN'T NEED REGULATION."

One of the dangers of talking with someone who disagrees with you, or sometimes even with someone who seems to agree with you, is that you talk past each other. I find that's true in discussions about regulation.

Even among libertarians, whether and to what extent we need government regulation—for example, to prevent environmental catastrophe, to prosecute violent criminals, to defend against territorial aggression—is a subject of heated debate.

We're fooling ourselves if we think that even in a free market, there won't be unscrupulous sellers who will try to sell to unsuspecting buyers unsafe food and drugs, dangerous cars, and shoddy housing, or that there won't be unscrupulous buyers who will try to cheat unsuspecting sellers with false claims about their ability to pay.

In the real world, knowledge is imperfect. It's impossible always to know when someone is telling the truth, and people are vulnerable to opportunists. Such unsociable behavior, if not restrained by internal norms, requires external constraints—regulation—of some kind. But even libertarians too often concede that regulation means expanding the role of the state.

If, by "regulation," we mean external constraints on harmful behavior by buyers and sellers, then people in free markets do need regulation to protect them. The mistake is to assume that only government—that is, a monopoly over the legitimate initiation of violence—can do the regulating.

Free markets unleash forces not only to lower costs and to innovate; they also unleash the resourcefulness of ordinary people to regulate antisocial behavior.

MISTAKE #2: "MARKETS WILL REGULATE THEMSELVES."

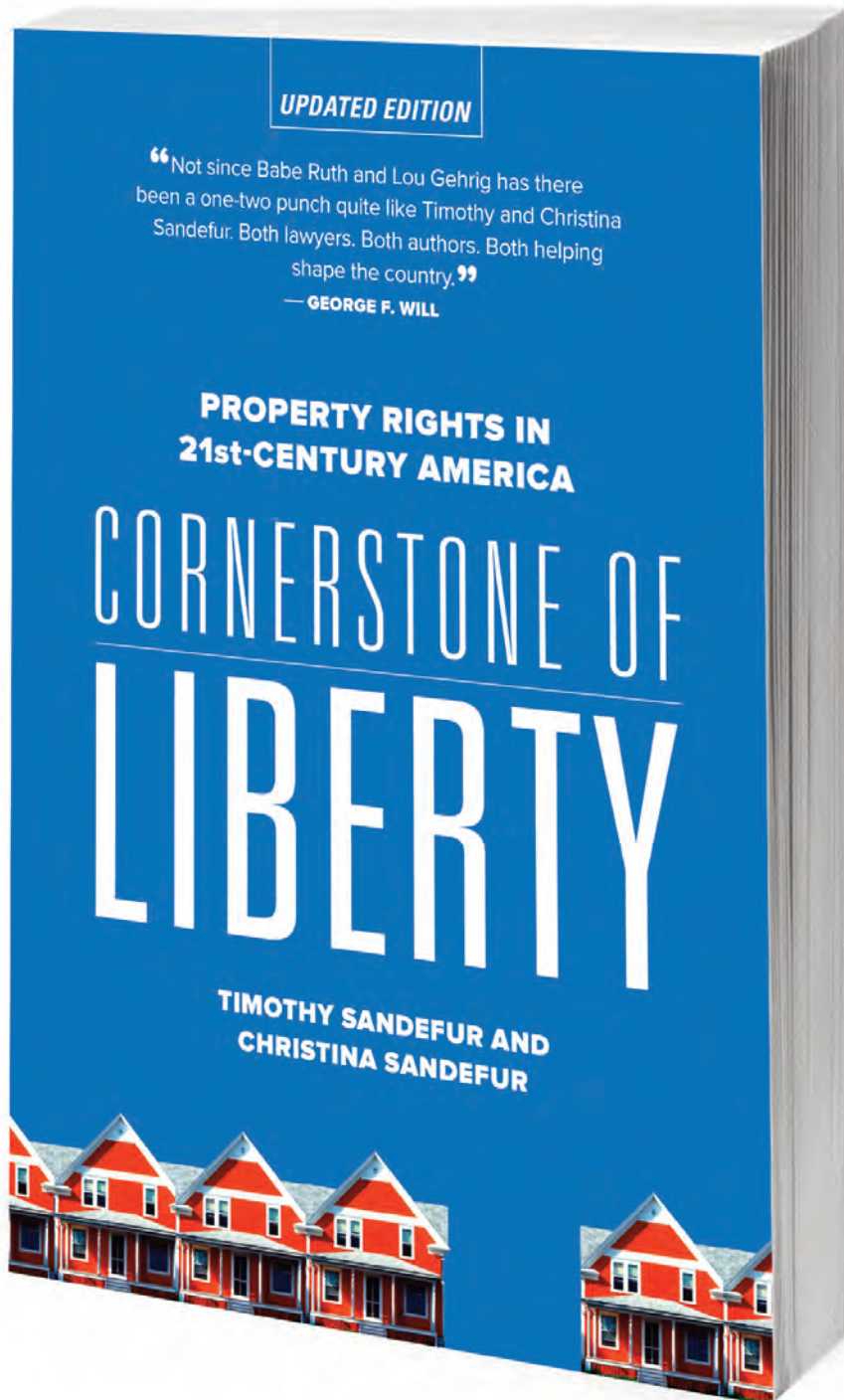
Now, this statement isn't a mistake if you understand that it's shorthand for a more complex argument. The trouble is, to someone innocent of basic economics, it makes the free market sound like a magical black box. Worse, opponents of the free market like to twist it into the straw-man idea that sellers and buyers will exert enough self-control to regulate themselves individually, or that markets would form trade associations to maintain the quality and practices of members—which is true sometimes, but not always.

Better, then, to spell things out.

In a free market, a great deal of potentially unscrupulous behavior by sellers and buyers is indeed restrained by constraints that we internalize, called "norms." They're lessons we learn, usually early in life, about why it's important to trust and to be trustworthy, and to be honest and play fair even when no one is looking. A free market wouldn't flourish without these "non-market foundations of market processes."

Again, while necessary, these norms won't always be enough to keep buyers and sellers in line, and so we do need regulation. But...

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In a free market, the heavy regulatory lifting, the lion's share of constraining unscrupulous behavior, comes not from government but from competition. Competition pressures buyers and sellers to be trustworthy and to make fair and attractive deals or else risk losing business to their rivals.

So what does this market competition consist of?

MISTAKE #3: "BUYERS AND SELLERS COMPETE WITH EACH OTHER."

In a free market, buyers do not compete with sellers, nor do sellers compete with buyers. In a free market, buyers compete with other buyers to offer sellers the best deal, and sellers compete with other sellers to offer buyers the best deal.

Now, because buyers and sellers often find themselves sitting on opposite sides of the bargaining table—when buying a car, selling a house, or closing a business deal—we sometimes associate that with market competition. It is not. There's a difference between a buyer and a seller *bargaining* within a range of prices and the *competition* among buyers and buyers and among sellers and sellers that creates that price range.

Let's say Jack would sell his house for as low as \$100,000, and Jill would pay as much as \$125,000 for it. Within those terms of trade, Jack and Jill will bargain for the best price from their point of view and, if the exchange is voluntary, both will gain from the transaction. But if Ralph would sell a similar house to Jill for \$90,000, that would certainly help Jill (at the expense of seller Jack). Or if Alice would pay Jack as much as \$140,000, that would certainly help Jack (at the expense of buyer Jill). Bargaining happens in the interstices left over from competition. And notice that competition disrupts bargaining situations, as happens when an OPEC cartel bargaining agreement gets disrupted by competition from non-OPEC oil producers.

PUTTING IT ALL TOGETHER

So why isn't government regulation superior to regulation via competition, especially when knowledge is imperfect and buyers and sellers are vulnerable?

First, markets do not require accurate and complete knowledge to work. Quite the contrary. Buyers and sellers have an incentive to discover mistakes and profit from



TO SOMEONE INNOCENT OF BASIC ECONOMICS, LIBERTARIAN SHORTHAND CAN MAKE THE FREE MARKET SOUND LIKE A MAGICAL BLACK BOX.

them. If Jill erroneously thinks she can't do any better than paying \$100,000 for a house, Ralph has an incentive to see this and undersell Jack, keeping Jill from paying too much. Competition is an error-discovery and error-correction process.

Second, even if the men and women in government are no more or less selfish than the buyers and sellers they regulate, why should they have better information than profit-seeking buyers and sellers on the market, and why should they

have a greater incentive to acquire it? If a product is defective, who is more likely to discover and correct the problem: a self-interested regulator who can't profit from doing so, or a host of self-interested competitors who could profit from offering a better product?

Third, who effectively regulates the regulators? What checks and balances there are in government—voting, party politics, whistle-blowing—are cumbersome and much less effective than regulation by consumers and producers. And how do you make sure that the coercive power you give to good government regulators doesn't get misused by opportunistic and self-interested regulators?

In the market, buyers regulate buyers and sellers regulate sellers via peaceful, competitive rivalry. In government, such an effective error-correction process is absent. ■

Sandy Ikeda is a professor of economics at Purchase College, SUNY. Read more at FEE.org/Ikeda.

A MONOPOLY SCHOOL SYSTEM CAN'T BE EVENHANDED

BY KEVIN CURRIE-KNIGHT

How big is the distinction between education and indoctrination? Not terribly, if you ask some Tennessee lawmakers. They are pushing to remove any mention of religion from Tennessee's state academic standards. At issue is an apparently controversial unit in seventh grade world history class that spends some time exploring Islam. At some point, the students even need to commit the five pillars of Islam to memory.

Needless to say, this issue has generated a lot of heat on all sides. State Representative Sheila Butts (R) believes that exposing students to Islam threatens to indoctrinate them. Others argue that students can't effectively learn about world history without developing an understanding of the religions that shape that history, which includes Islam. (And for the record, the Tennessee State Academic Standards cover Islam, Christianity, Judaism, Buddhism, and Shinto; it just so happens that in seventh grade world history, students cover Islam before other religions.)

Let's put aside the question of what the right way to teach history is, at least for a moment. What worries me, as a school choice advocate, is that within a public school system, whatever decision is made will be a political one, and the results will apply to all public schools across the state. There will be a winning side and a losing side, and the losing side—throughout the entire state of Tennessee—will have little choice but to send their children to public schools that teach in a way they see as unsatisfactory. And who will choose what side prevails? The state's department of education.

*In a public school system,
for either of us to get our way,
the other will have to lose.*

Religion has always been a thorny issue in US schools. In the early 1800s, American "common schools" were very Protestant, which led to a standoff in New York by Catholics who understandably didn't want their tax money going to Protestant public schools. (Eventually, many frustrated Catholics formed their own private Catholic schools.) In 1922, the state of Washington outlawed all private schools (a law the Supreme Court found unconstitutional), largely motivated by a desire to eliminate Catholic schools. Since then, we've had legal battles over school-led prayer and student-led prayer, over whether schools can or should teach creation accounts of human origins in biology classes, and even over whether schools can allow "released time," where students can leave school premises to learn about a religion of their choice during the school day.

Few of these controversies would have been as heated in a system of private schools. With markets, what goes on within one firm doesn't dictate what must go on in another. If Chick-Fil-A wants to stay closed on Sundays, that doesn't mean that Burger King can't choose to remain open. Back in



the days when video stores were a thing, Hollywood Video could choose to carry “racy” films, but that didn’t mean that Blockbuster (which took a “family values” approach) had to do so. People are free to shop at stores that are most in line with their values.

But that is not how disagreements play out in public schools. In the government’s school system, curricular and other decisions apply across a large territory, usually the entire state. When textbooks for science classes are chosen, all public schools in the state must use those textbooks. When the courts decide that schools cannot lead students in prayer, that decision applies to all public schools across the state. And when curricular standards for seventh grade world history are revised for the state of Tennessee, the resulting standards apply for all public schools in the state.

In a private market, these decisions could be what economists call *non-zero-sum* situations. If you are appalled that your child must memorize the five pillars of Islam in our children’s history class and I am not, you can decide to take that up with the school and, if you still don’t get your desired result, you can try to find a school that better aligns with your values. But that won’t negatively affect other families who are fine with their children learning about Islam. Neither of us is in a position where a central department of education makes those decisions for everyone. All of us are free to find or start schools in line with our values.

These differences turn into heated conflicts when you and I disagree in a public school system, because for either of us to get our way, the other will have to lose. Instead of taking the issue up with the school, we take it up with the school board for the entire state to see who can garner the most favor.

Imagine if Chick-Fil-A could only close on Sundays if it got enough support to sway the Board of Rapid Dining Establishments to force Burger King and all other restaurants to do the same.

Historian of education Charles Glenn has written about the noisy history of religion’s place in America’s public schools. He writes of the difficulty American public education has had in finding one approach that accommodates all of our rich religious and cultural diversity. He concludes, “We have reason to hope that America may achieve a degree of pluralism in its schools, but important changes are needed. American public education should be disestablished and demythologized.”

But wait, critics might say; if we disestablish public education and allow for robust school choice, doesn’t that mean that some will choose educational forms that I regard as abhorrent?

Yes, I am sure that will happen. But in the world we inhabit, there is vast and persistent disagreement about what the proper elements are for a good education, a very complex issue. Until the day when we reach a truly voluntary consensus on what a good education looks like (not, as we do today, a consensus forced on us by legislation), the better path is to allow individuals to opt out of schools they believe teach inconsistently with their values.

That means you can go your way, I can go mine, and the state department of education never has the thankless task of deciding who is right. ■

Kevin Currie-Knight teaches in East Carolina University’s Department of Special Education, Foundations, and Research. Read more at FEE.org/Currie-Knight.

HOW THE STATE KEEPS YOU WORKING LONG HOURS

BY IAIN MURRAY



Entrepreneur Tim Ferriss found he had a megahit on his hands with his 2007 book, *The 4-Hour Workweek*, a paean to a new attitude toward work. In it, Ferriss recommends a four-step approach to balancing work and life in a way that leads to a more rewarding lifestyle. We are now nearing the day when his concepts can be applied to the economy as a whole.

Ferriss directly challenges notions of the firm and employment that are fundamental to how we think about—and regulate—work. While he doesn't directly mention them, Ferriss puts Ronald Coase's and F.A. Hayek's theories to use in a way that CEOs, regulators, and legislators should follow.

Ferriss advises a four-step framework for rethinking your work life, which goes by the acronym DEAL (though for many people it will be DELA). The steps are as follows:

- **Definition.** Work out what you really want from life ("What excites you?") and what it will take to get you there.
- **Elimination.** Eliminate tasks that take up time for little result; be effective rather than efficient.
- **Automation.** Automate not just tasks but income streams as well.
- **Liberation.** Work when and where you want to by liberating yourself from the 9-to-5 routine and the physical office location (through remote working arrangements and flexible scheduling).



While Ferriss aims his framework at individuals trying to escape drudgery and live their dreams, there's a lot here for a CEO to ponder. In fact, a lot of startups aim to be four-hour companies.

Entrepreneurs, after all, launch businesses to follow a dream. Few companies are started without a vision of something greater—the *definition*. But failure to achieve the next three steps often drags a business down.

Companies can become burdened with processes that make them not just inefficient but ineffective. Tasks that should be automatic become lengthened with other processes. The business's physical location and workday rules can also become burdens.

Why does this happen? To answer that, we need to turn to Coase and Hayek.

COASE AND TRANSACTION COSTS

It was Ronald Coase's insight that firms exist because the costs of market transactions are often higher than those of an employment relationship.

Employment, since its origins as a form of contract in common law, has always been seen as a master-servant relationship, where the employer instructs the employee. Because of this understanding, firms have mostly gravitated toward a command-and-control structure (which was encouraged by Frederick Winslow Taylor's 1919 essay, "The Principles of Scientific Management").

HAYEK AND THE KNOWLEDGE PROBLEM

Yet, we also know from F.A. Hayek that command-and-control structures suffer from a knowledge problem, because the commanders cannot possibly know as much as they need to know to make rational decisions.

To counteract this knowledge problem, companies often introduce complex procedures and feedback loops that can be inefficient or ineffective. Managers opt to "fight the last war," introducing procedures to prevent a problem from recurring, only to see new problems arise while laying the groundwork for unintended consequences in the future.

In the end, Ferriss notes, they succumb to the Pareto principle—also known as the 80-20 rule, where 80 percent of a company's activities produce only 20 percent of its output.

THE KNOWLEDGE PROBLEM VERSUS TRANSACTION COSTS

The solution to the knowledge problem, says Hayek, is to use markets, which contain the sum of information necessary. But then we run into the problem Coase identified: transaction costs are higher in markets than in firms. If they weren't, firms wouldn't exist. Firms exist until their transaction costs get too high, and then they collapse. Some large companies have avoided this fate by using market-based processes within their organizational structures. The franchising business model also introduces these processes.

Companies can become burdened with processes that make them not just inefficient but ineffective.

The emerging economy, however, goes beyond the master-servant relationship, as I noted in "Depression-Era Laws Threaten the Sharing Economy" (FEE.org, October 21, 2015). Increasingly, people want an employment relationship more like what Ferriss describes.

THE SHARING ECONOMY TO THE RESCUE?

Contractual relationships aided by technology can reintroduce market processes into a corporation. Smart contracts can automate those processes. Ineffective processes can be eliminated, and the entire company can be liberated from physical offices and fixed hours.

The fact remains, however, that regardless of the actual work arrangement, the overriding legal and regulatory structure assumes a master-servant employment relationship within a firm. And these days, the Department of Labor and the National Labor Relations Board are going out of their way to freeze old-economy rigidities in place by punishing firms that use contractual relationships as part of their business models. That may be why, despite all the changes in technology and attitude, the traditional firm continues to dominate the employment market.

The four-hour company and the four-hour workweek are feasible—but only if the government allows them. Until then, they remain tantalizingly out of reach. ■

Iain Murray is vice president at the Competitive Enterprise Institute. Read more at FEE.org/Murray.



THE HERO'S
JOURNEY

the Freeman





HE VOLUNTEERED TO GO TO AUSCHWITZ

By Lawrence W. Reed

In this great mortuary of the half-living—where nearby someone was wheezing his final breath; someone else was dying; another was struggling out of bed only to fall over onto the floor; another was throwing off his blankets, or talking in a fever to his dear mother and shouting or cursing someone out; [while still others were] refusing to eat, or demanding water, in a fever and trying to jump out of the window, arguing with the doctor or asking for something—I lay thinking that I still had the strength to understand everything that was going on and take it calmly in my stride.

That was on a relatively *good* day at the infamous Auschwitz concentration camp in 1942, in the words of the only known person to have ever volunteered to be a prisoner

there. His name was Witold Pilecki. His story is one of history's most amazing accounts of boundless courage amid bottomless inhumanity.

Powerful emotions gripped me when I first learned of Pilecki and gazed at his picture. I felt rage toward the despicable regimes that put this honorable man through an unspeakable hell. I welled up with admiration for how he dealt with it all. Here you have a story that depicts both the worst and the best in men.

To label Pilecki a “hero” seems hopelessly inadequate.

Olonets is a small town northeast of St. Petersburg, Russia, 700 miles from present-day Poland. It's where Witold Pilecki was born in 1901, but his family was not

there by choice. Four decades earlier, when many Poles lived under Russian occupation, the czarist government in Moscow forcibly resettled the Pileckis in Olonets for their part in an uprising.

For the first time since 1795, Poland was reconstituted as an independent nation at the conclusion of World War I, but it was immediately embroiled in war with Lenin's Russia. Pilecki joined the fight against the Bolsheviks when he was 17, first on the front and then from behind enemy lines. For two years, he fought gallantly and was twice awarded the prestigious Cross of Valor.

In the 18 years between the end of the Polish-Russian war in 1921 and the beginning of World War II, Pilecki settled down, married, and fathered two children with his wife, Maria. He rebuilt and farmed his family's estate, became an amateur painter, and volunteered for community and Christian charities. And, after extensive officer training, he earned the rank of second lieutenant in the Polish army reserves. He probably thought his days of mortal combat were over.

Hitler and Stalin secretly agreed in August 1939 to divide Poland between them. On September 1, the Nazis attacked the country from the west, and two weeks later, the Soviets invaded from the east. The world was at war again—and so was Pilecki.

An overwhelmed Poland surrendered on September 27, but Polish resistance never ceased. Together, Pilecki and Jan Włodarkiewicz cofounded the Secret Polish Army (*Tajna Armia Polska*) in early November. They and other elements of a growing underground movement carried out numerous raids against both Nazi and Soviet forces. In September 1940, Pilecki proposed a daring plan that, in hindsight, appears nearly unimaginable: he would arrange to be arrested in the hope that the Nazis, instead of executing him, might send him to the Auschwitz camp where he could gather information and form a resistance group from the inside.

If he could survive arrest, Pilecki figured, Auschwitz would likely be where the Nazis would incarcerate him. It was nearby, and many Polish resistance fighters were

imprisoned there. It wasn't yet the death camp for the Jews of Europe that it would soon become, but there were murmurings of executions and brutality that the Polish resistance wanted to investigate so that they could inform the world.

On September 19 in Warsaw, Pilecki kissed his beloved wife and two young children goodbye (both are still alive today). Equipped with forged identity papers and a new name, he walked into a Nazi roundup of some 2,000 civilians. Two days and a few beatings later, he was Auschwitz inmate number 4859.

Viktor Frankl, himself an Auschwitz survivor and author of the powerful 1946 book *Man's Search for Meaning*, had men like Pilecki in mind when he wrote,

The way in which a man accepts his fate and all the suffering it entails, the way in which he takes up his cross, gives him ample opportunity—even under the most difficult circumstances—to add a deeper meaning to his life. It may remain brave, dignified and unselfish. Or in the bitter fight for self-preservation he may forget his human dignity and become no more than an animal. Here lies the chance for a

man either to make use of or to forgo the opportunities of attaining the moral values that a difficult situation may afford him. And this decides whether he is worthy of his sufferings or not.

Fired by a determination that almost defies description, Pilecki made the most of every opportunity that his 30-month imprisonment at Auschwitz presented. Despite bouts of stomach ailments, typhus and pneumonia, lice infestations, backbreaking toil hauling rocks, extremes of heat and cold, and relentless hunger and cruelties at the hands of German guards, he formed an underground resistance group, the Union of Military Organization (*Związek Organizacji Wojskowej*, ZOW). His initial reports of events and conditions within Auschwitz were smuggled out and reached Britain in November 1940, just two months after his detention began. Using a radio transmitter in 1942 that he and his fellow ZOW conspirators built, he broadcast information that convinced the Western Allies that the Nazis were engaged in genocide on an unprecedented scale. What became known as "Witold's Report" was the first comprehensive account of the Holocaust from a firsthand witness.

"The game which I was now playing in Auschwitz was dangerous," Pilecki later wrote. "This sentence does not really convey the reality; in fact, I had gone far beyond

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*Are you wondering why you've
never heard of this man before?*

*What became known as “Witold’s Report”
was the first comprehensive account of the
Holocaust from a firsthand witness.*

what people in the real world would consider dangerous.” That, too, is an understatement. He was surrounded by a camp staff of 7,000 Nazi SS troops, each of whom possessed life-and-death power over every inmate. It was a hell on earth—one where no moral rules applied.

More than two million people died at Auschwitz. As many as 8,000 per day were gassed with the deadly chemical Zyklon-B, while others died of starvation, forced labor, disease, or through hideous “medical” experimentation. Smoke from the ovens that burned the corpses could be seen and smelled for miles. Pilecki saw it, wrote about it, broadcast news of it, and even prepared for a general uprising of inmates against it—all under the noses of his captors.

By spring 1943, the Germans knew full well that there was an extensive resistance network in Auschwitz. Many ZOW members had been found out and executed, but Pilecki’s identity as the ringleader hadn’t yet been discovered. Then, on the night of Easter Sunday, 1943, Pilecki accomplished what only 143 other people in the history of Auschwitz ever could. He escaped, bringing with him incriminating documents that he and two fellow inmates had stolen from the Germans.

If this were the end of the story, Witold Pilecki would already be a major figure in the history of World War II. Incredibly, there’s still more to tell—and it’s every bit as stunning as what you’ve read so far.

Avoiding detection, Pilecki made his way from Auschwitz to Warsaw, a journey of some 200 miles. There, he reestablished connections with the underground in time to assume a commanding role in the Warsaw Uprising, the largest single military offensive undertaken by any European resistance movement in World War II.

For 63 days, fighting raged in the Polish capital. No one came to the rescue of the brave Poles—not even the Soviet Army, which halted its advance just east of the city and watched the slaughter like vultures overhead. Warsaw was demolished, the rebellion was put down, and Pilecki found himself in a German POW camp for the remaining months of the war. If the Nazis had realized who he was, summary execution would surely have followed quickly.

Still, there’s more.

Germany’s surrender in May 1945 resulted in the immediate liberation of its prisoners. For Pilecki in particular, it meant a brief respite from conflict and confinement. Stationed in Italy as part of the 2nd Polish Corps, he wrote a personal account of his time at Auschwitz. But as the summer turned into fall, it was becoming apparent that the Soviets were not planning to leave Poland.

In October 1945, Pilecki accepted yet another undercover assignment—to go back to Poland and gather evidence of growing Soviet atrocities. This he did, marking him by the pro-Soviet Polish puppet regime as an enemy of the state.

In May 1947—two years to the day after Nazi Germany capitulated—Witold Pilecki’s cover was blown. He was arrested and tortured for months before a sham public trial in May 1948, where he was found guilty of espionage and given a death sentence.

His last words before his execution on May 25 were these: “Long live free Poland!” He was 47.

Are you wondering why you’ve never heard of this man before?

For decades, information about Pilecki was kept hidden by the leaders of the postwar, Soviet-installed regime. They couldn’t recount his anti-Nazi activities without completing

the story and telling of his anticommunist work as well. With the release in recent years of previously classified or suppressed documents, including Pilecki's own reports in their entirety, his superhuman exploits are finally becoming known around the world. (American film producer David Aaron Gray is working on *Operation Auschwitz*, a movie about Pilecki's life, slated for release later this year.)

Polish author and translator Jarek Garlinski, in his introduction to the 2014 book *The Auschwitz Volunteer: Beyond Bravery*, summarizes the extraordinary character of Witold Pilecki:

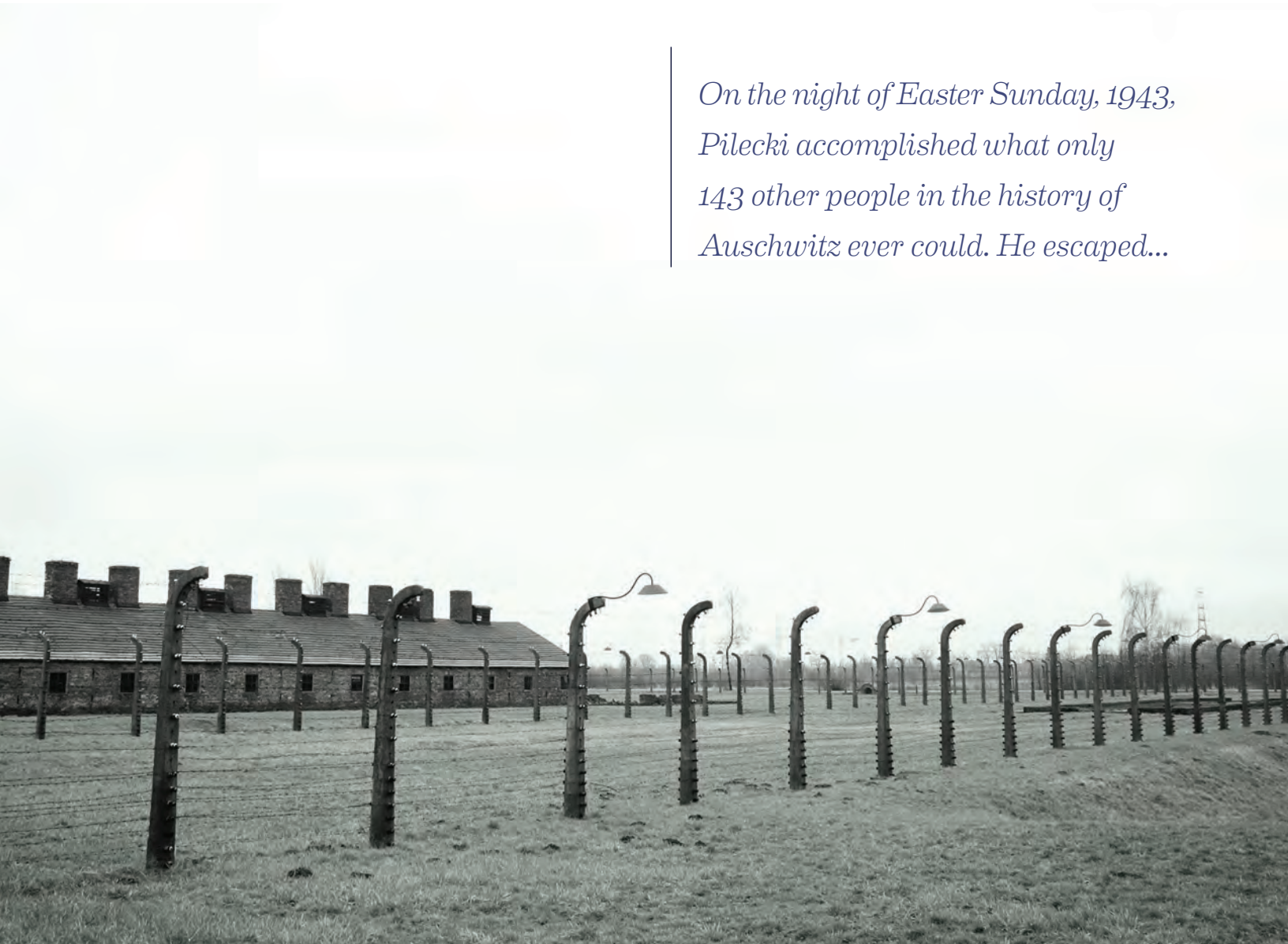
Endowed with great physical resilience and courage, he showed remarkable presence of mind and common sense in quite appalling circumstances, and a complete absence of self-pity. While most inmates of Auschwitz not slated for immediate death were barely able to survive, he had enough reserves of strength and de-

termination left to help others and to build up an underground resistance organization within the camp. Not only that, he managed to keep a clear head at all times and recognize what he needed to do in order to stay alive.

Pilecki's reports from the death camp, Garlinski wrote, were more than indispensably valuable for intelligence purposes. They also represented a "beacon of hope"—demonstrating that "even in the midst of so much cruelty and degradation there were those who held to the basic virtues of honesty, compassion, and courage." ■

Lawrence W. Reed is president of FEE. Read more at FEE.org/Reed.

*On the night of Easter Sunday, 1943,
Pilecki accomplished what only
143 other people in the history of
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YOUR EVERY ACTION IS HEROIC

Ex Machina and Human Action

By Richard N. Lorenc

The 2015 sci-fi thriller *Ex Machina* seems to tell a common story in futuristic fiction: the development of artificial intelligence through the creative powers of human genius. But the film also demonstrates one of the most fundamental concepts of economics: *how individuals alone can choose to act*.

While *Ex Machina* provides the requisite heart-pounding adventure of a Hollywood action movie, it also depicts profound ethical questions that crash into the practicalities of continuous technological innovation, including at least these first four of Max Borders's "10 Questions about Conscious Machines" (FEE.org, April 16, 2015):

1. Can conscious awareness arise from causal-physical stuff—like that assembled (or grown) in a laboratory—to make a sentient being?
2. If such beings become conscious, aware, and have volition, does that mean they could experience pain, pleasure, and emotion, too?
3. If these beings have human-like emotions, as well as volition, does that mean they are owed humane and ethical treatment?
4. If these beings ought to be treated humanely and ethically, does that also confer certain rights upon them—and are they equal to the rights that humans have come to expect from each other? Does the comparison even make sense?

But pondering the film a few days after seeing it, I found myself asking a different sort of question: Who exactly is the hero of *Ex Machina*?

Is it Nathan, the entrepreneurial visionary and technical genius who, through sheer willpower and guile, creates the android Ava? Is it Caleb, Nathan's lonely and inquisitive employee tasked with assessing Ava's true intelligence? Or is it the buxom android Ava herself?


I nominate Ava. She skillfully navigates a slew of possibilities to realize her dream of entering the real world. In case you haven't yet seen this movie, which is now available on Netflix, Amazon Prime Video, and other streaming services, I will avoid spoilers and say only that it is Ava's story that best fits the model of the hero's journey.

There is, of course, more than one sort of hero.

There are action heroes, whose courage, skills, and power make them easy to spot in most adventure stories.

There is the Randian hero, shaping the world through his or her strength of creative vision and aggressive follow-through (Ava's creator fits this mold).

And there is the hero described by the late comparative religion scholar Joseph Campbell, whose "monomyth" theory attempts to structure all stories, including religious parables, using a single formula.



*“The challenge is not
to act automatically.
It’s to find an action
that’s not automatic.
From painting, to
breathing, to talking...
to falling in love.”*

NATHAN BATEMAN, *EX MACHINA*

You can slice and dice this many ways, but, by my reckoning, Campbell's "hero's journey" involves three distinct phases:

- 1. the call to adventure:** Dissatisfied with the status quo, the hero-to-be takes control of his life's direction to discover his true potential. Usually, this involves leaving home. (Picture Luke Skywalker in *Star Wars*, abandoning his home planet of Tatooine.)
- 2. struggle, revelation, and transformation:** In doing battle with demons within and without, the hero-to-be becomes transformed with newly gained knowledge and experience. (Recall Bruce Wayne's harrowing journeys, pre-Batman, far away from Gotham.)
- 3. return:** The new hero returns home, demonstrating his heroism to family and friends who have never heard the call. (Both Bilbo and Frodo Baggins fit the bill.)

Dissatisfied with the status quo, the hero-to-be takes control of his life's direction to discover his true potential.

According to Campbell, the hero's journey is never finished. Upon returning home to impart his special knowledge to his original family, he is sometimes haunted by a new call to adventure, thus restarting the entire cycle.

The hero's journey framework reminds me of a very different concept from economic thought: the model found in Ludwig von Mises's treatise, *Human Action*, in which Mises devised a different three-step model for assessing the incentives that drive any person to action.

The *Human Action* model posits:

1. An individual has a sense of discomfort or unease with her current situation,
2. That individual imagines a vision of a better state, and
3. The individual comes to believe her action can realize that improved condition.

Each step must be taken in order to drive a person to take actions to improve her life.

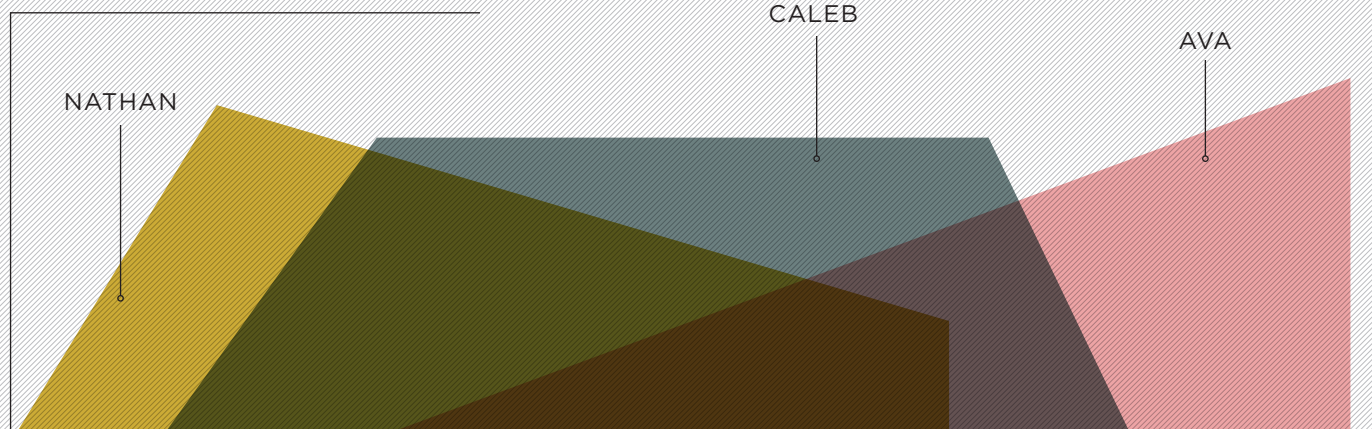
By this rubric, the android Ava is the real hero of *Ex Machina*. Trapped in a bunker with full knowledge of her likely fate, she devises a plan of escape.

Ex Machina is not only a thriller but also a lesson in the pervasiveness of economics in everything we do. If economics is the science of human action—and only individuals can choose to act—then economics is all around us.

When you recognize that, you will marvel at how utterly improbable the wealth of the world around us actually is. You will also understand how easy it is to disrupt the entire system through reducing, restricting, or abolishing the individual's prerogative to be the actor and hero of her own life. ▣

Richard N. Lorenc is FEE's chief operating officer. Read more at FEE.org/Lorenc.

HEROES' JOURNEYS - EX MACHINA





THE INTELLECTUAL JOURNEY OF HENRY HAZLITT

By Jeffrey A. Tucker

Years ago, I was looking through a box of artifacts from the life of Henry Hazlitt (1894–1993) and came across some of his old Big Chief tablets, the sort that people once used in elementary school. The handwriting was youthful, perhaps that of a fifth grader, and the pencil marks thick, as if from a child’s writing tool.

So I was astonished to find, in young Henry’s hand, extensive notes on Baruch Spinoza’s treatise on ethics. And that was only the beginning. There were piles of these tablets, with notes on William Shakespeare, Adam Smith, David Hume, Herbert Spencer, Thomas Paine, Charles Darwin, Sigmund Freud, Ralph Waldo Emerson, and other great thinkers.

To call Hazlitt precocious would be an understatement. A better description is that he was intellectually fearless, even from a young age. He had put together a rigorous reading program, apart from anything his teachers were asking of him. His desire for learning and education was insatiable. These early years laid the foundation for a lifetime of

intellectual output that would cover economics, ethics, politics, history, religion, and psychology.

Fans of his most famous book, *Economics in One Lesson*, may not know that Hazlitt also wrote another 20 books and tens of thousands of articles, published in every important venue of the 20th century. His literary legacy is awe inspiring and a reflection of his own courageous spirit. There was no idea that Hazlitt was unwilling to explore in defense of human freedom, so it makes sense that he made the Foundation for Economic Education his home.

A LOOK BACK

When he was 91 years old, Hazlitt sat down to write his memoirs. He never completed them, but the manuscript he left, recently published by FEE, is still a fascinating document. It chronicles his remarkable career, from New York journalist, to literary critic at the *Nation*, to H.L. Mencken’s successor at the *American Mercury*, to *New York Times* editorial writer, to close collaborator with Leonard

Read at FEE and author of *Economics in One Lesson* (a book published the same year as FEE's founding).

Those memoirs provide a clue about the origin of his lifelong love of liberty.

He tells of putting his career on hold to enlist during the "Great War" in 1917, for he was 19 years old and destined to be drafted in any case. By agreement, he was paid \$30 a month (or \$557 in today's prices) for his service.

But instead of being sent to the front, he was sent to a flight-training school at Ellington Field in Houston. Here's the unlikely story of how he was promoted to student battalion

sergeant major. He slept in one day and missed roll call. He woke and didn't have anything to do, so he decided to use his time to master the art of bed making, "tightening each sheet like a drum-top."

After the others came back, they made their beds hastily, whereas Henry's bed was already immaculate.

The commander said, "That's a well-made bed. That's the way I'd like to see all the beds made."

At that moment, Henry got his promotion and was allowed to boss people around. Oh, the joy! Hazlitt writes that he was able to say, "Battalion commanders, take your battalions and march them to the parade grounds for parade!"

Here he saw the truth about government up close. The point of the base was to train for flight. Remember, this was 1917, and the airplane industry was in its infancy. The US government didn't want to use France's model for the engine, for reasons of patriotism. So it used Curtiss planes with a government-created Liberty Motor. But the motor was too heavy for the frame, resulting in massive casualties and a huge shortage of planes. As a result, Hazlitt wrote, "My stay at Ellington Field was mainly marked by frustration and boredom. Our country had been dragged into a war for which it was unprepared, especially in the air; and our leaders in that branch seemed determined to do all the wrong things."

BACK TO NEW YORK

Peace came and everyone returned to normal life. Hazlitt was back in New York writing for daily newspapers and working his way toward real intellectual achievement. But surely this wartime experience left a mark on him. His general spirit toward politics might be described as "old liberal," meaning that he favored freedom of the individual in religion, speech, civic life, and economics.

*Henry was
intellectually
fearless, even
from a young age.*





There was no idea that Hazlitt was unwilling to explore in defense of human freedom, so it makes sense that he made the Foundation for Economic Education his home.



Hazlitt's outlook on economics had been shaped by reading the classical economists from Adam Smith to David Ricardo to contemporaries such as Benjamin Anderson (who is sometimes described as proto-Austrian). Although he had been a financial reporter on Wall Street, when Hazlitt later wrote for the *Nation* beginning in 1930, his main beat was literary criticism, not economics. Based on his experience to that point, he had no reason to believe that his economic views were fundamentally at odds with those of his fellow liberals.

All of that changed with the New Deal. Franklin Roosevelt used populist language to sell his program, but on close examination, Hazlitt could see that something more insidious was going on. The New Deal was a central planning program that privileged large corporations and unions at the expense of market competition—an arrangement that was fundamentally antithetical to Hazlitt's beliefs. Liberals in those days were forced to choose between supporting the New Deal (as an experiment in socialist-style

half measures) or returning to their traditional support for market economics.

Hazlitt used his position to argue the case against the New Deal—and, as part of that case, to explain that the economic crisis was caused not by the free market but by the government policies that created the boom-bust cycle. He asked the *Nation's* readership to decide who was right. Which direction the publication would take became obvious when Hazlitt left his position to succeed Mencken as the editor of the *American Mercury*.

MEETING MISES

When Hazlitt took the job as editorial writer at the *New York Times* in 1934, he found himself at the center of the nation's political and intellectual life. He became a radio personality. He wrote one or two unsigned editorials per day, in addition to long feature articles in the weekly book review. It was here that Hazlitt discovered the work of Ludwig von

Hazlitt resisted every bankrupt intellectual trend of his time.

Mises, the Austrian economist who would become his intellectual mentor.

It was Hazlitt who boosted Mises's prominence among English-speaking readers. When Mises immigrated to the United States in 1940, Hazlitt put him in touch with an academic publisher, resulting in a book series at Yale University that culminated in Mises's great economic treatise, *Human Action* (which Hazlitt had a hand in editing). FEE made the treatise's publication possible by purchasing and distributing much of the first print run.

Following the Second World War, Hazlitt again found himself in hot water with a publisher. The *Times* wanted to back John Maynard Keynes's plan at the Bretton Woods Conference in 1944. Hazlitt warned that the plans for monetary reconstruction were unsustainable. Refusing to write what the publisher demanded, Hazlitt was shown the door.

AFTER THE TIMES

His first book after leaving the *New York Times* was *Economics in One Lesson*, published in 1946. It was an attempt

to distill the most important lessons of economic science into a short and entertaining read. It ended up becoming the best-selling economics book of the second half of the 20th century. FEE was founded the same year, and the agenda for the future became clear: to educate widely about the meaning, the significance, and the moral and practical urgency of human freedom.

FEE became Hazlitt's beloved intellectual home—something he had lacked his entire life. Whether he was writing for *Newsweek*, the *Los Angeles Times*, or the *Wall Street Journal*, or publishing large books on economics and ethics, FEE remained Hazlitt's most treasured association. And FEE was the center of his social circle, which included people like Leonard Read, Ludwig von Mises, Murray Rothbard, and Ayn Rand.

These were remarkable times. The idea of liberty was an extreme minority position, often a seemingly hopeless cause. Why did Hazlitt persist? What drove him? I think back on those childhood notebooks with young Henry's thoughts on the great literature he was reading as a preteen.

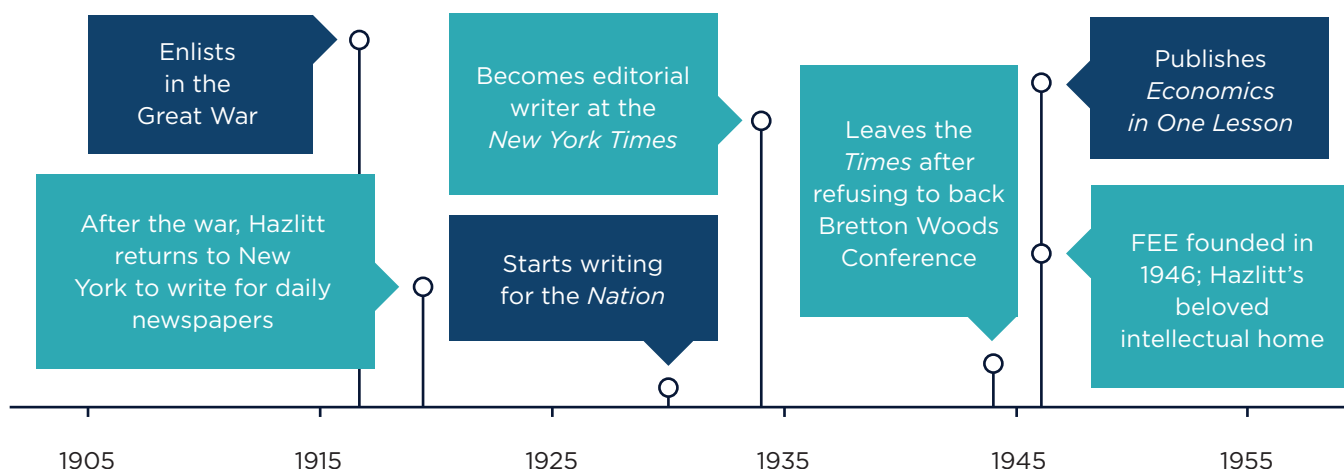
Hazlitt resisted every bankrupt intellectual trend of his time, never succumbing to the pressure to protect his career by yielding to the collective wisdom of a collectivist age.

He knew that in the long run, the love of liberty could never be extinguished in the human mind. He knew that trends could change. And he knew that freedom needed courageous, learned, and tireless voices in its defense.

Today we remember Hazlitt as one of those great voices—and one of the most heroic. **F**

Jeffrey A. Tucker is director of digital development for FEE.

Read more at FEE.org/Tucker.





FREEDOM'S CHAMPION: LEONARD E. READ

By Roger Ream

I was fortunate at a formative time in my life to accompany my father to a FEE seminar in Irvington-on-Hudson, New York. At that seminar, FEE's founder, Leonard E. Read, delivered three lectures:

1. "The Essence of Americanism"
2. "The Miracle of the Market"
3. "How to Advance Liberty"

The experience that summer led me eventually to spend three years at FEE as director of seminars and a member of the senior staff.

If I were to summarize Leonard's vision, it would be by way of a quotation from the 17th-century essayist and poet Abraham Cowley, who wrote, "Liberty will not descend to a people; a people must raise themselves up to liberty. It is a blessing that must be earned before it can be enjoyed."

Leonard would have liked that quotation. It captures his lifelong passion for learning and for "raising himself up to liberty."

Leonard was committed to spiritual growth, or what he would sometimes call "hatching." He believed freedom was inextricably linked with the practice of self-improvement. Each of us should seek to continually develop our talents and our understanding.

Leonard himself reached what he called the third level of libertarian leadership: a level of learning that leads others to seek one's tutorship. Leonard's philosophy was to "go only where you are called, but do everything in your power to be called."

He was often called by those seeking to learn about the freedom philosophy, and he traveled the world to speak, teach, and inspire people to commit to self-improvement.

Leonard understood that advancing the cause of freedom is not a numbers game. We don't win by getting 50 percent plus one of the people to support liberty. He emphasized instead the power each of us has to spread the light of liberty. One person of character and commitment can make all the difference. History is replete with examples.

Leonard also understood that there is no magic key. People come to understand and commit to the ideas of liberty through a range of life experiences. Some are convinced by a good argument of a friend or by a practical experience. Still others might read the work of a great libertarian such as F.A. Hayek, Ludwig von Mises, or Henry Hazlitt. Some may be moved by a deeper understanding of the moral consistency of free market ideas.

Leonard's influence was global and profound. It came from the power of his example and the consistency of his first principles.

His concluding lecture at FEE seminars was to demonstrate in a darkened room that "darkness has no resistance to light." Leonard's light continues to shine brightly, long after his death, driving darkness from the world. ■

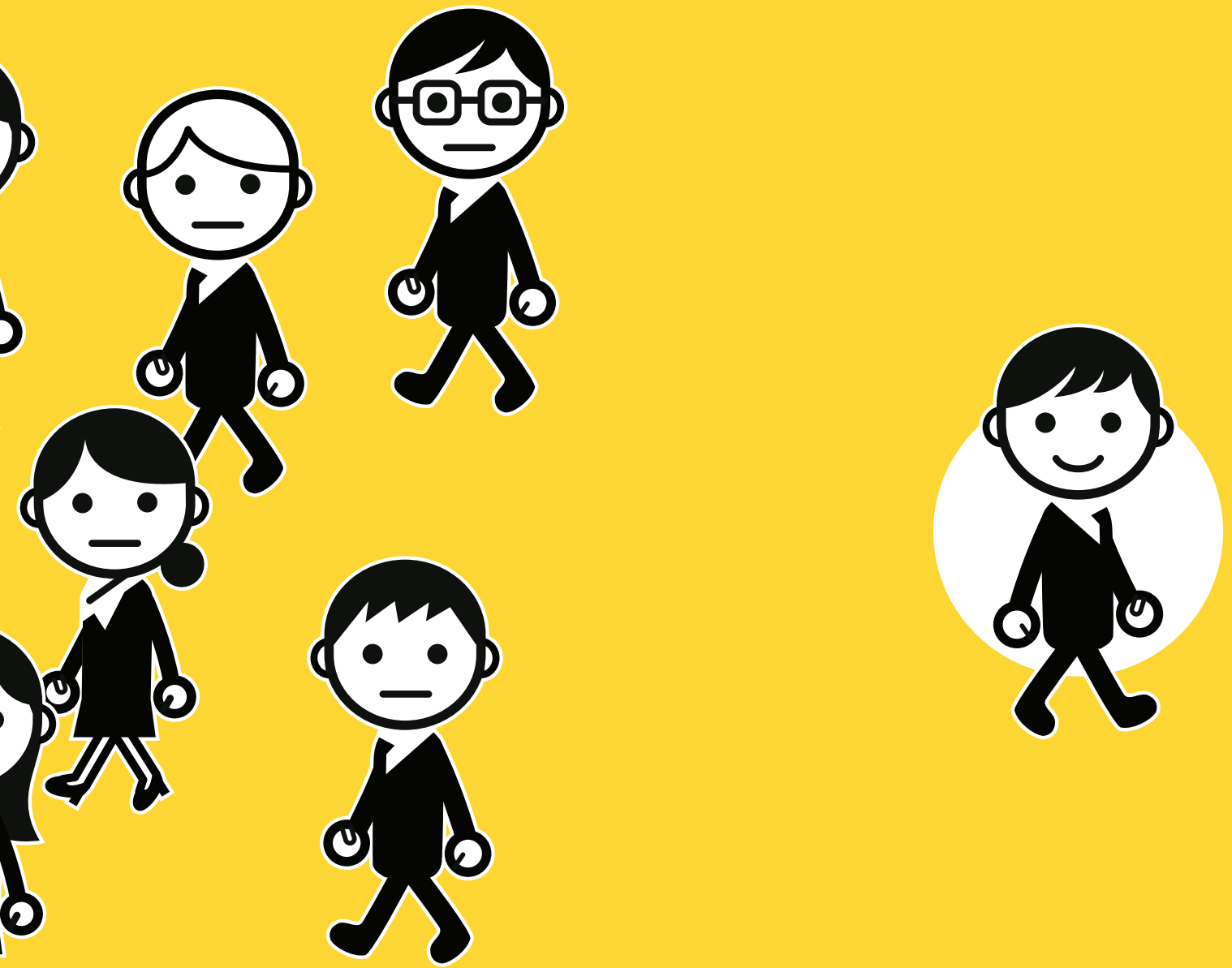
Roger Ream is chairman of FEE. Read more at FEE.org/Ream.

HOMESCHOOLING *is a* **THREAT** *to* **PUBLIC EDUCATION**



**BUT NOT FOR THE REASONS
YOU MIGHT THINK**

BY B.K. MARCUS



According to my local government, this is my fifth year as a homeschooling dad. That's how long state law has required us to file the paperwork.

In that time, I've heard homeschoolers called elitists (because not everyone can afford to educate their own children), snobs (because it is assumed that we look down on those who send their kids to group schools), religious fanatics (because, well, aren't all homeschoolers Bible-thumping snake handlers or something?), hippies (because if you're not locking your kid up with a Bible, you must be one of those barefoot, patchouli-scented unschoolers), negligent (because what about socialization?), and just plain selfish.

All the epithets sting, but that last one feels the most unfair.

We are selfish, apparently, because we're focused on the well-being of our own children and families instead of the larger community. But not only do many homeschooling families devote their time to volunteer work and charity, and not only do we evolve spontaneous extended community co-ops, but some parents also become ardent activists, making homeschooling a political movement and not just a personal choice.

THERE'S SOMETHING TO BE SAID FOR A NONIDEOLOGICAL MOVEMENT AWAY FROM THE STATE'S EDUCATION CARTEL.

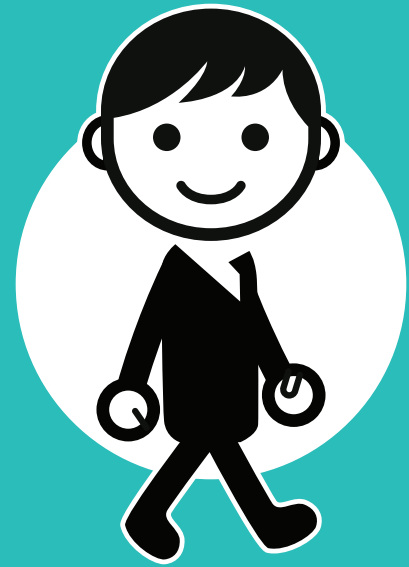
That activism has at least one academic calling for greater government scrutiny of homeschooling families.

In a summer 2015 *City Journal* article, "Homeschooling in the City," Matthew Hennessey quotes Georgetown law school professor Robin L. West, who "worries that homeschooled children grow up to become right-wing political 'soldiers,' eager to 'undermine, limit, or destroy state functions.'"

I assume that for West, the "right-wing" label subsumes all of us who seek to "undermine, limit, or destroy state functions"—you know, people like John Locke, Tom Paine, and Henry David Thoreau.

I almost wish West's fears were better founded.

Very few of the homeschoolers I know, whether on the



right or the left, are eager to curtail the growing scope of government—except when the bureaucracy tries to reach into their homes and families. Many of the homeschooling dads I know are in the military, many of the moms drive cars with Obama bumper stickers, and many of the kids started out in public school before their parents decided they would be better educated outside the system. The activists are focused on education and on parents' rights. Beyond those immediate issues, there's little consensus on the proper scope of government power in areas outside of education.

It used to frustrate me that there are so few classical liberals in evidence in the diverse and active homeschooling community where I live. But there's something to be said for a nonideological movement away from the state's education cartel.

The American Founders (whom West, no doubt, considers "right-wing") saw the future of freedom in the idea of decentralization: small governments should have to compete for citizens, akin to businesses having to compete for customers. Citizens who were dissatisfied could vote with their feet, leaving behind the territorial government that failed to serve their needs. It was, after all, such freedom of movement that had allowed individual liberty and general prosperity to grow, however imperfectly, in late-medieval Europe.

That liberalization was not the result of ideology. It was the effect of exit.

If landlords were too rough on the peasants, the peasants could seek a better situation elsewhere. Feudal law said they couldn't, but the reality was that they could—especially in the post-Plague era. So compensation grew and working conditions improved, despite a widespread belief in the Great Chain of Being, a doctrine that stood against such changes.

If local princes interfered too much with nearby markets, merchants could pick up and leave. Other principalities welcomed them into freer local economies. Again, this liberalizing migration was not the result of enlightened rulers or ideologically motivated migrants; it was the consequence of fragmented authority and easy exit.

We live in an era when territorial authority has grown larger and ever more centralized. There is less political power behind the threat of departure when the rules are so similar everywhere you go. But there are other ways to leave Leviathan. Technology helps us outcompete the state, drawing ever more people away from government regulations and cartels. These defectors are savvy and self-interested; they are not necessarily ideological. The sharing economy couldn't thrive if it depended on philosophical converts.

Homeschooling took off before the advent of digital peer-to-peer technology, but the idea is similar: those who think they can do better than the monopoly system simply choose to leave that system, whether or not the law acknowledges that option. Through peer networking, homeschoolers, like generations of migrants before them, have sought alternatives outside the norm, leading to the kind of innovation that centralized systems inhibit.

Between 1970 and 2012, the number of American children educated at home grew from 10,000 to 1.77 million, according to economist Walter Williams.

Professor West and other advocates of big government are right to be worried by those numbers, but not because homeschooled kids are learning any anti-government ideology at home. The greatest threat that homeschooling poses to the government system is its diversity, its resiliency, and its undisputed academic success.

Homeschooling looks ever more appealing as an alternative to public education. That pressures public schools to make staying put more attractive. It pressures legislatures to explore options such as charter schools and school choice. As the government schools lose their monopoly status, the competition benefits even the families who never consider the alternatives.

I'm too new to homeschooling to take much credit, but we can thank those thousands of pioneers in the 1960s and '70s, and the millions of families over

the decades since then, who quietly withdrew their children and their consent, and selfishly attended to the well-being of their own families. ■

B.K. Marcus is editor of the Freeman. Read more at FEE.org/Marcus.

THOSE WHO THINK THEY
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WE'RE STILL HAUNTED BY THE LABOR THEORY OF VALUE

BY STEVEN HORWITZ

Why are so many students convinced that they should receive better grades for the papers they've spent so much time writing? It's not a belief about the quality of those papers; it's a belief about the hours and hours spent working on them.

This fundamental misunderstanding about the value of labor is at the center of the Marxist critique of capitalism.

THE CENTER OF EVERYTHING

For thousands of years, humans were sure that the earth was the center of the universe and the sun revolved around it. With the advent of systematic inquiry, scientists had to develop more and more complex explanations for why their observations of the universe did not fit with that hypothesis. When Copernicus and others offered an alternative explanation that *was* able to explain the observed facts, and did so more clearly and concisely, the heliocentric model triumphed. The Copernican revolution changed science forever.

There is a similar story in economics. For hundreds of years, many economists believed that the value of a good depended on the cost of producing it. In particular, many subscribed to the labor theory of value, which argued that a good's value derived from the amount of work that went into making it.

Much like the geocentric view of the universe, the labor theory of value had some superficial plausibility, as it does often seem that goods that involve more labor have more value. However, much like the story in astronomy, the theory got increasingly complicated as it tried to explain away some obvious objections. Starting in the 1870s, economics had its own version of the Copernican revolution as the subjective theory of value became the preferred explanation for the value of goods and services.

Today, the labor theory of value has only a minuscule number of adherents among professional economists, but it remains all too common in other academic disciplines when they discuss economic issues, as well as among the general

public. (The labor theory of value is, as I noted above, particularly popular among college students.)

THE SPECTER OF KARL MARX (AND ADAM SMITH)

One reason the theory is still the implicit explanation of value in many other disciplines is because they rely on the theory's most famous adherent for their understanding of economics: Karl Marx. Marx was hardly the only economist to hold this view, nor is the labor theory of value unique to socialists. Adam Smith believed in a somewhat weaker version of the theory as well.

For Marx, the theory was at the center of his view of the problems of capitalism. The argument that capitalism exploited workers depended crucially on the view that labor was the source of all value and that the profits of capitalists were therefore "taken" from workers who deserved it. Marx's concept of alienation focused on the centrality of labor to making us human and the ways in which capitalism destroyed our ability to take joy in our work and control the conditions under which we created value. Without the labor theory of value, it is not clear how much of Marx's critique of capitalism remains valid.

Part of the problem for Marx and others who accepted the theory was that there were so many seemingly obvious objections that they had to construct complex explanations to account for them. What about the value of land or other natural resources? What about great works of art that were produced with a small amount of labor but fetched extremely high prices? What about differences in individuals' skill levels, which meant that there would be different amounts of time required to produce the same good?

The classical economists, including Marx, offered explanations for all of these apparent exceptions, but, like the increasingly complex explanations of the geocentrists, they began to feel ad hoc and left people searching for a better answer.

THE AUSTRIAN REVOLUTION

In economics, that answer came when, much like Copernicus, several economists realized that the old explanation was precisely backward. This point was clearest

in the work of Carl Menger, whose *Principles of Economics* (1871) not only offered a new explanation for the nature of economic value but also founded the Austrian school of economics in the process.

What Menger and others argued was that value is *subjective*. That is, the value of a good is not determined by the physical inputs, including labor, that helped to create it. Instead, the value of a good emerges from human perceptions of its usefulness for the particular ends that people had at a particular point in time. Value is not something objective and transcendent. It is a function of the role that an object plays as a means toward the ends that are part of human purposes and plans.

Thus, according to the subjectivists, land had value not because of the labor that went into tilling it, but because people believed that it could contribute to the satisfaction of some direct want of their own (such as growing crops to eat) or that it would contribute indirectly to other ends by being used to grow crops to sell at the market. Works of art had value because many people found them to be beautiful no matter how much or how little labor went into

producing them. With value being determined by human judgments of usefulness, the variations in the quality of labor posed no trouble for explaining value.

Indeed, economic value was a completely separate category from other forms of value, such as scientific value. That's why people pay money to have someone give them a complete horoscope reading even though astrology has no scientific value whatsoever. What matters for understanding economic value is the perception of usefulness in pursuit of human purposes and plans, not some "objective" value of the good or service.

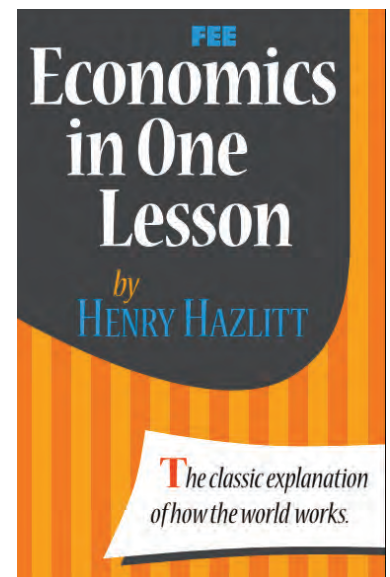
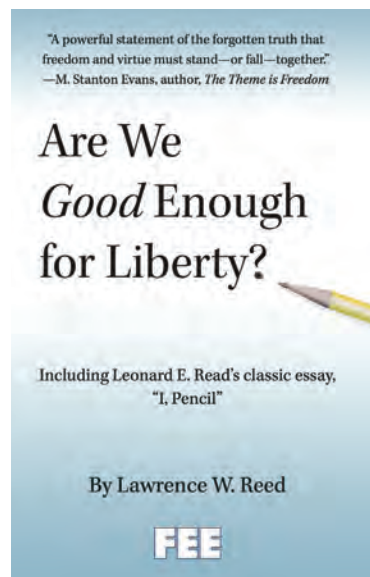
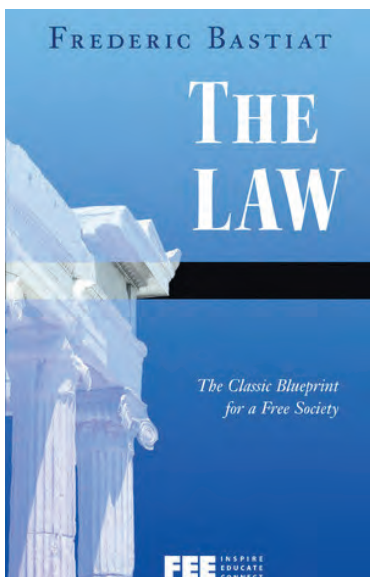
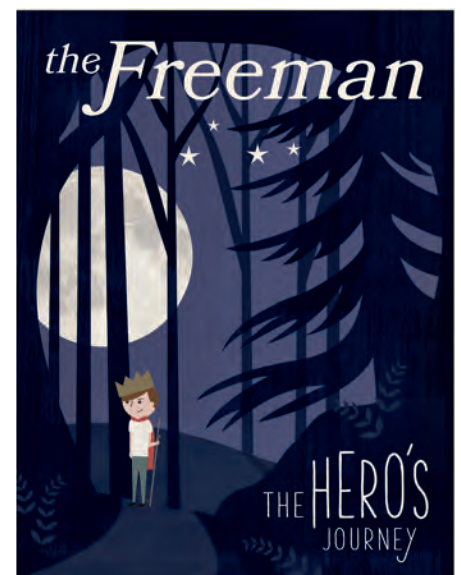
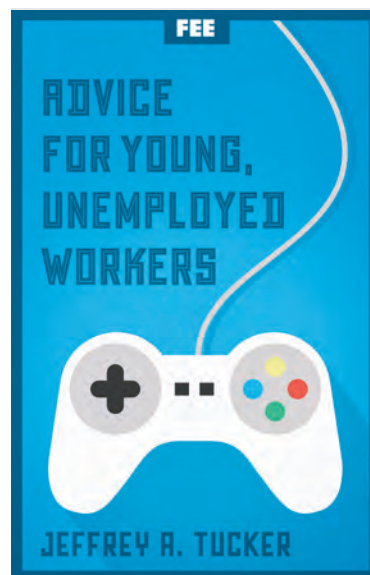
TURNING MARX UPSIDE DOWN

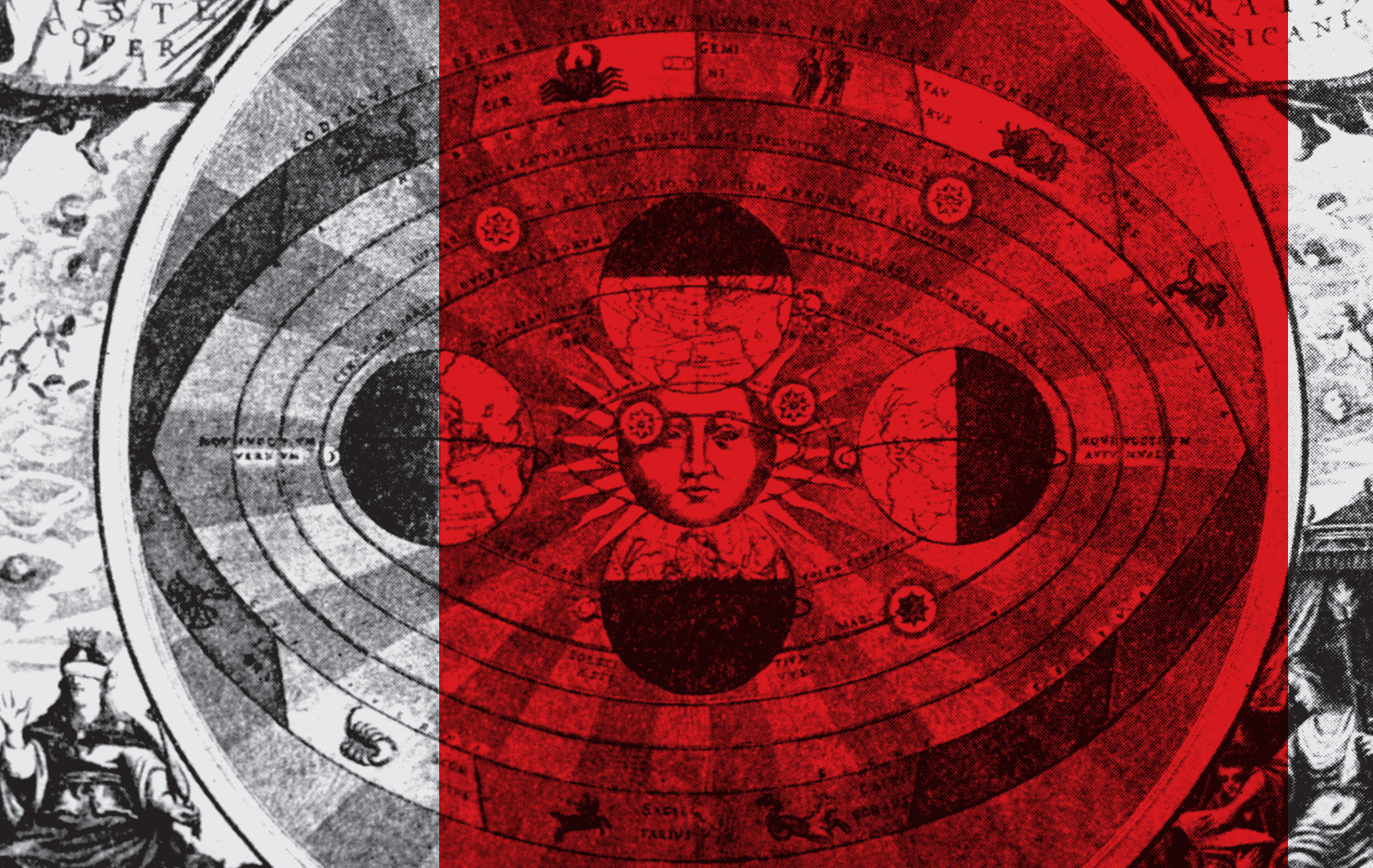
But the real Copernican revolution in economics was how the subjective theory of value related to the value of labor. Rather than seeing the value of outputs being determined by the value of the inputs like labor, the subjective theory of value showed that it's the other way around: *the value of inputs like labor was determined by the value of the outputs they helped to produce.*

**WITHOUT THE LABOR
THEORY OF VALUE, IT IS
NOT CLEAR HOW MUCH
OF MARX'S CRITIQUE OF
CAPITALISM REMAINS VALID.**

ARE YOU INVOLVED WITH A STUDENT GROUP IN YOUR HIGH SCHOOL OR COLLEGE?

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The high market value of well-prepared food is not the result of the value of the chef's labor. Rather, the chef's labor is valuable precisely because he is able to produce food that the public finds especially tasty, beautiful, or healthy.

On this view, labor gets rewarded according to its ability to produce things that others value. When you then consider the ways in which labor combining with capital enables that labor to produce goods that humans value even more, which in turn increases labor's remuneration, Marx's whole worldview is suddenly turned on its head. Capital does not exploit labor. Instead, it enhances labor's value by giving labor the tools it needs to make even more of the things that humans value.

Understood correctly through the subjective theory of value, capitalism is fundamentally a communication process through which humans try to sort out how best to make use of our limited resources to satisfy our most urgent wants. Exchange and market prices are how we make our subjective perceptions of value accessible to others so they can figure out how best to provide us with the things we value most.

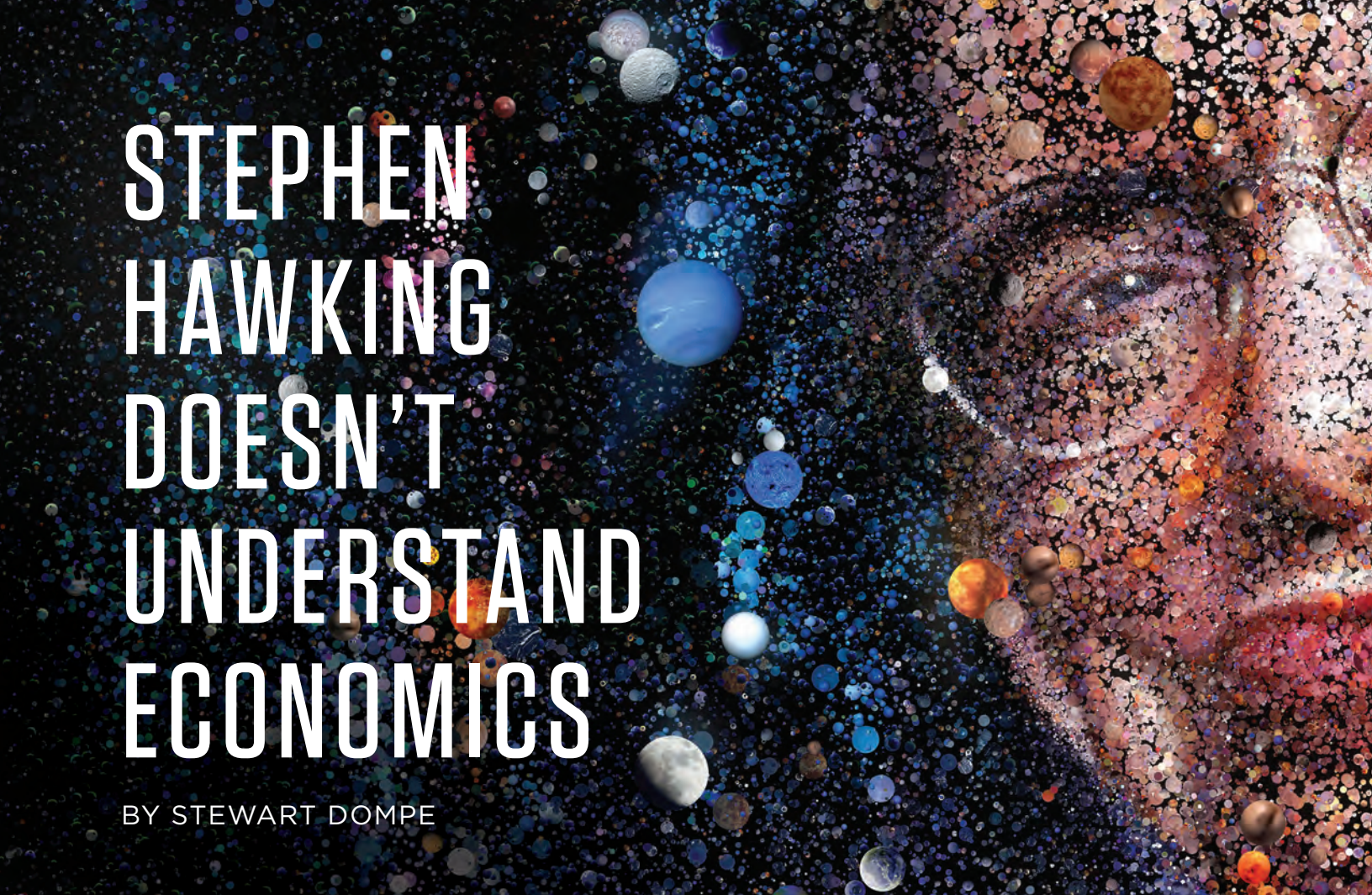
LABOR GETS REWARDED ACCORDING TO ITS ABILITY TO PRODUCE THINGS THAT OTHERS VALUE.

WE HAVE MORE WORK TO DO

For economists, the labor theory of value holds roughly the same validity as the geocentric view of the universe. For that reason, Marx's whole theoretical apparatus, and therefore his criticisms of capitalism, are equally questionable.

Unfortunately, many people, academics outside economics and the public alike, are simply unaware of the Copernican revolution in economics. Knocking down the labor theory of value remains a labor-intensive and valuable task. ■

*Steven Horwitz is the author of *Microfoundations and Macroeconomics: An Austrian Perspective*. Read more at FEE.org/Horwitz.*



STEPHEN HAWKING DOESN'T UNDERSTAND ECONOMICS

BY STEWART DOMPE

Stephen Hawking, the University of Cambridge physicist and best-selling science writer, says that technology is driving an “ever-increasing inequality.” He is a brilliant polymath, but he doesn’t understand economics.

In a Reddit Ask Me Anything forum, Hawking wrote:

If machines produce everything we need, the outcome will depend on how things are distributed. Everyone can enjoy a life of luxurious leisure if the machine-produced wealth is shared, or most people can end up miserably poor if the machine-owners successfully lobby against wealth redistribution. So far, the trend seems to be toward the second option, with technology driving ever-increasing inequality.

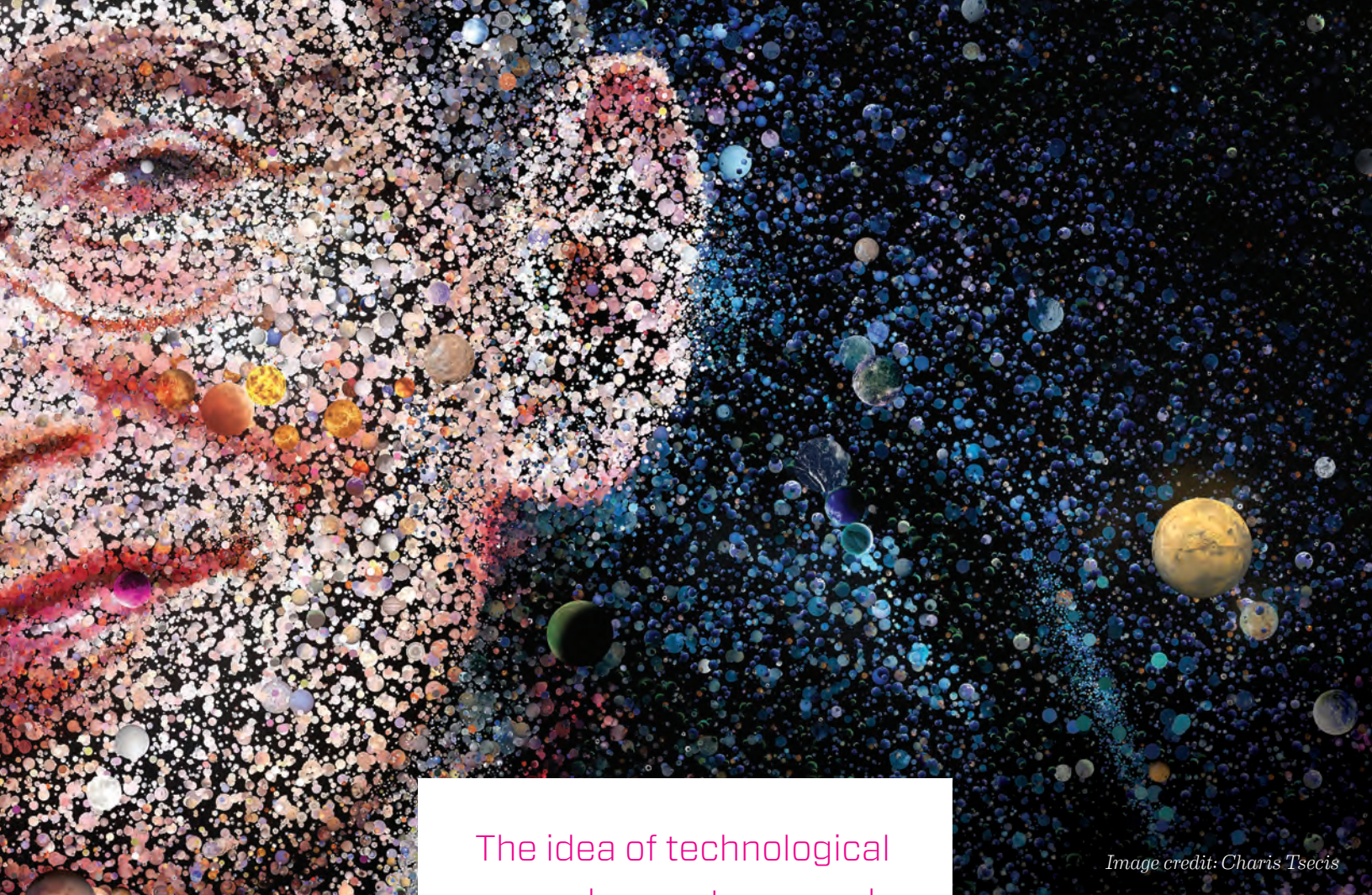
Hawking’s error is in too quickly accepting the assumption of technological unemployment, which asks us to imagine a world where a large percentage of the populace is unemployable because they have zero marginal productivity thanks to machines. In other words, in no conceivable circumstance will an employer pay them anything for their labor. They cannot get jobs and pay their bills. Those without savings will starve and die.

Given this apocalyptic assumption of crippling and permanent unemployment, it is unsurprising that Hawking comes to a bleak conclusion—one that seems to demand government as a solution. But the idea of technological unemployment suspends the laws of economics: specifically, scarcity and comparative advantage.

Scarcity occurs when our desires exceed our means of achieving them. We cannot perfectly multitask: doing one thing implies not doing something else. This is an inescapable quality of the world. No matter our level of technological development, scarcity will still exist. People cope with scarcity through trade.

Trade and production occur because of differences. If everyone were the same, having identical tastes and possessions, there would be no reason to trade. Trade is a powerful force because it allows radically different individuals to come together for mutual betterment. The logic of trade also implies specialization. With trade, people will produce the goods or services they are best at and trade for everything else they consume.

Mechanics who try to grow their own food will find themselves much poorer than those who spend that work time in the garage and buy their food instead from the local



The idea of technological unemployment suspends the laws of economics.

Image credit: Charis Tsecis

grocer. The gains from trade are created by the differing opportunity costs of production. If tomorrow we discovered aliens with science-fiction-level technology, it would still be possible to trade with them. New technology changes productivity, but it does not upend the logic of exchange and production. Differing opportunity costs, not technology, are why we trade.

Regardless of the number or quality of the machines of the future, if they are doing one thing, they are not doing something else. Specialization and gains from trade are created by scarcity. Simple machine ownership does not destroy the gains from trade.

Economic history tells us a story of constant dynamism and change. Almost 150 years ago, roughly 45 percent of the working population was employed in agriculture. These people earned their bread from the sweat of their brows and the strength of their backs. A pessimist might have concluded that if labor-saving machines were introduced, these people lacking knowledge of a trade would find themselves in dire circumstances. But that is not what happened. Today, less than 2 percent of the population is directly involved in agriculture, and we are not suffering a shortage of either food or employment.

I may not know the specific wonders the future will entail, but the mundane reality is that people will still engage in exchange and production, if they are allowed to do so.

Hawking implies that the only alternative to technological unemployment is a political redistribution of wealth. His prescription gets things exactly backwards.

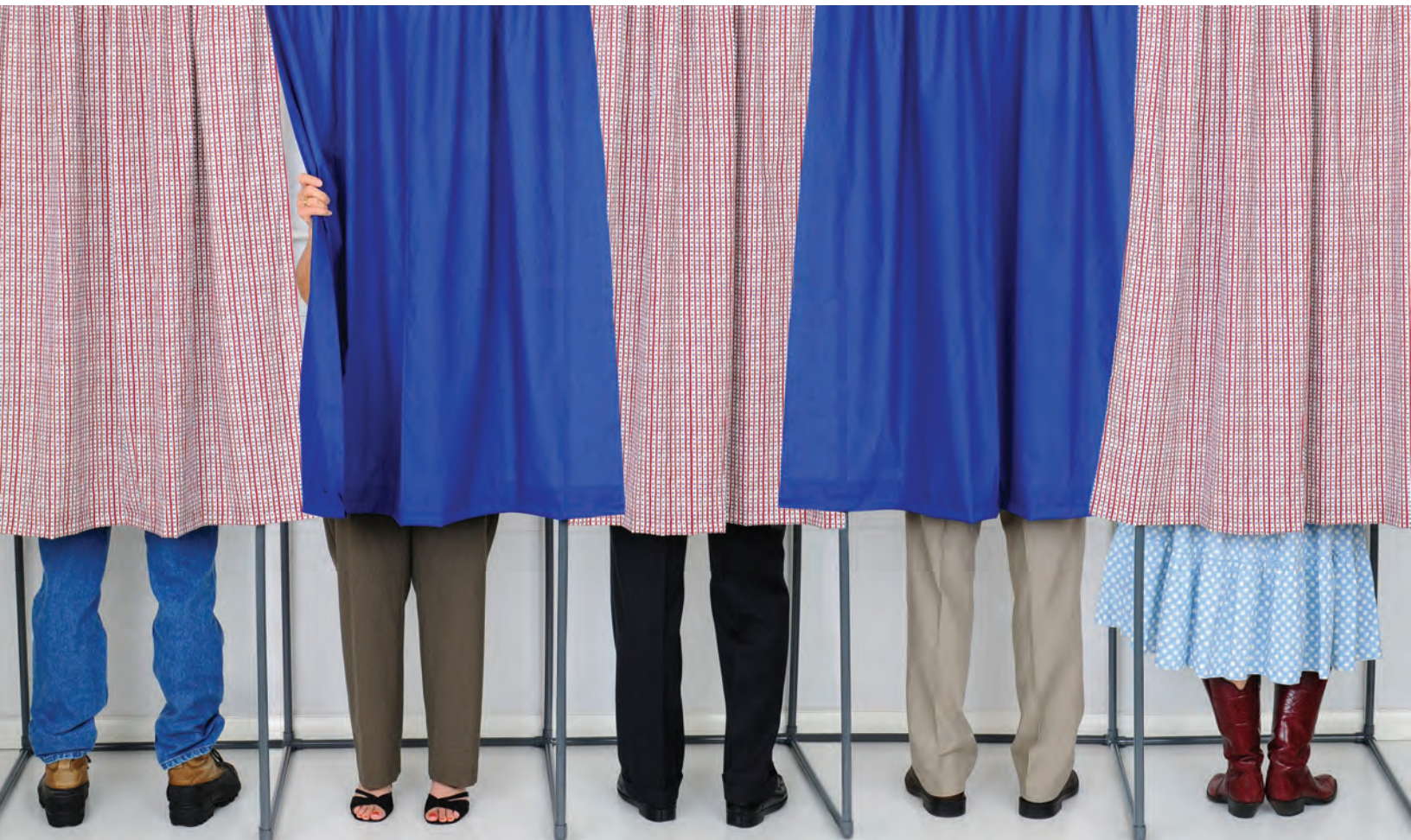
Government's hampering of the market is a time-tested method of generating poverty and unemployment. Labor laws that prevent employers and employees from entering into voluntary contracts worsen both parties. Minimum wage laws and occupational licensing requirements make it harder to find employment, and this burden falls most heavily on the already poor and marginalized of society. Barriers to trade and employment are some of the most regressive laws on the books. And more direct forms of socialism destroy economies altogether.

We are better served by helping the poor of today—by freeing the market to increase wealth and productivity—than by worrying about the imagined threats of tomorrow. ■

Stewart Dompe is an instructor of economics at Johnson & Wales University. Read more at FEE.org/Dompe.

WHY DO PEOPLE BEHAVE SO BADLY IN THE VOTING BOOTH?

BY ISAAC M. MOREHOUSE



Why do so many San Franciscans want to curb Airbnb’s innovative business model?

Proposition F would have restricted the number of nights owners could list their homes for and the types of rooms that could be listed; it would also have required a litany of paperwork and reporting to a city department. Listings that did not meet city standards would have incurred fines of up to \$1,000 per day. The details are many, but the thrust is obvious: this proposal was to make Airbnb far less successful at creating value for customers and investors.

The proposal ultimately failed, but not by a landslide. Forty-four percent of voters supported it. Nearly half of the voters in a city that owes its recent prosperity and identity to this kind of innovative company wanted to strangle one of the golden geese on whose eggs they are feasting.

The simplest explanation is that proponents of this proposal were the minority of businesses and individuals who are in direct competition with Airbnb—hotels and those working or investing with them. True, but something deeper is at work. A surprising number of investors, entrepreneurs, and everyday residents of the city who are not involved with competing businesses voiced their support for the proposal. Some supporters were even Airbnb investors.

How could this be?

Here are five reasons (by no means an exhaustive list) why people behave so badly in the political realm.

1. OTHER PEOPLE’S PROBLEMS

Milton Friedman famously described the four ways to spend money. You can spend your own money on yourself, your own money on someone else, someone else’s money on yourself, or someone else’s money on someone else. It’s clear that you’ll be most judicious in the first scenario, and ever less so in each that follows.

All political issues are a case of the fourth scenario, even when money is not directly involved. You’re voting on the use of resources that aren’t yours—the pool of taxpayer dollars that fund government bureaucracy—to solve someone else’s problem, in this case hoteliers threatened by competition and San Francisco residents supposedly being pushed out of affordable housing.

Ballot initiatives tell us that some people, somewhere, are having some kind of problem—and that we can vote to make it better. It’ll cost you nothing (at least nothing you can see at the moment), so why not?

Not only voters, but also the regulators, enforcers, and drafters of such propositions are so far removed from the issue at hand and have no personal stake in the outcome that it is impossible for them to make decisions or draft policies without unintended consequences.

ONCE CONTROL BY
FORCE IS AN OPTION,
A GREAT DEAL OF
OTHERWISE PRODUCTIVE
ENERGY AND OTHERWISE
CREATIVE PEOPLE ARE
DRAWN INTO THE CROOKED
CRAFT OF POLITICS.

2. INFORMATION ISSUES

Proposition F is ridiculously complex. To cast a fully informed vote, one would need to begin by reading all 21 pages of legal text. What’s more, the costs of obtaining the information far exceed the probability that your informed vote will be decisive. The result is what economists call “rational ignorance.”

Customers, employees, managers, and investors of Airbnb are best suited to optimize the service. Even the company’s competitors are in an excellent position to curb it or force it to improve if they channel their efforts where the information matters, namely in the markets where they stand to lose or gain.


3. SIGNALING FOR SURVIVAL

Most political action is signaling. It’s not so much that people want to buy American or recycle everything—we know this because when their own money is on the line in the real world of trade-offs, they mostly don’t. But people want to be *seen as* the kind of person who buys American or supports recycling. There is tremendous pressure in the political sphere to prove to everyone that you support all the right things—especially things that come at a direct personal cost to you. This proves you care about that abstraction called “society.”

The best thing a rich person can do in the political sphere is vote for higher taxes on the rich. The best thing an Airbnb investor can do is claim to support regulations that restrict Airbnb. You’ll get lots of cheap signal points, even if what you support would actually be bad for everyone.

4. BINARY CHOICES

Voting is a yes or no affair. The political sphere is incapable of genuine pluralism. Imagine if markets worked

- 
- YES
 - NO
 - MAYBE

MOST POLITICAL ACTION IS SIGNALING.

the same way. What if your local grocery store sent out a survey asking you to vote on which kind of wine you wanted them to stock, or how much, or at what price (with any losses to be made up by adjusting other prices)?

Can Airbnb be improved? Of course. Can a bunch of people with no control over the outcome and little skin in the game be given an up or down vote on a single policy proposal and make it better? Don't be silly.

The adaptability, nuance, and diversity of options, offerings, and solutions in a market are the greatest strength and the very stuff on which the startup scene was built. Cramming broad society-wide solutions into binary choices is absurd.

5. THE PROBLEM OF POWER

The infamous Stanford prison experiment didn't go horribly wrong because the wrong batch of subjects was chosen: it was a case of dangerous institutions and incentives. When rules are enforced by raw power, the person who wields that power has more control than any human being can responsibly handle.

Contrary to Thomas Hobbes, it is not the "state of nature" that is a war of all against all; it is Leviathan that rewards force over cooperation and cultivates the worst traits. Once control by force is an option, a great deal of otherwise productive energy and otherwise creative people are drawn into the crooked craft of politics.

F.A. Hayek wrote at length in *The Road to Serfdom* about why, in the political sphere, the worst get on top. It's a predictable outcome of a powerful state.

Democracy doesn't keep this tendency in check so much as it directs the power toward those who are best able to appeal to the desire of rationally ignorant voters to signal the trendy positions on the latest issues.

FOCUS ON FREEDOM

The innovative startup founders on the San Francisco scene are an amazing force for good when they are pursuing their own interests within the incentive structure of civil society. Not one of them would remain a positive influence if they were granted monopoly power through the ballot box. Nor would their customers: even the most forward-thinking minds in the most innovative city in the world become petty and stagnant when operating within the confines of the political sphere.

When you act as a consumer and choose which kind of vacation housing to purchase, your action sends information and incentives rippling through the market price system, helping entrepreneurs guide resources to their highest valued use. When you act as a voter to support or reject a policy, you create losers and enemies, and your vote generates a host of destructive effects.

If you want a freer, better world, you've got to build it in the private sphere. ■

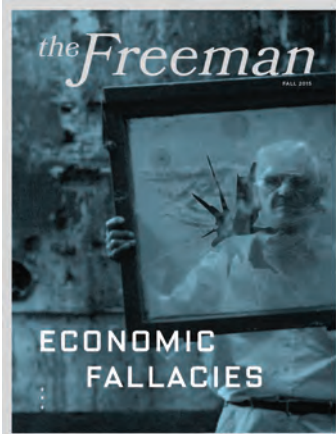
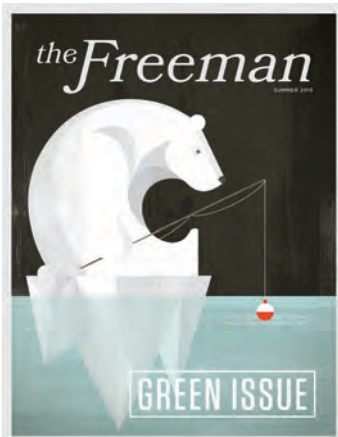
Isaac M. Morehouse is the founder and CEO of Praxis. See DiscoverPraxis.com. Read more at FEE.org/Morehouse.

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THE SCIENCE FICTION OF SCARCITY

WE HAVE SUCH ABUNDANCE THAT WE FANTASIZE ABOUT HAVING LESS

By Sarah Skwire

We all know the scene. The urbane starship captain steps up to the console and requests, “Tea. Earl Grey. Hot.” He waits a second or two until a steaming, perfectly brewed cup shimmers into existence.

From medieval dreams of the Land of Cockaigne, where roofs are shingled with pastries and roasted chickens fly into our waiting mouths, to the Big Rock Candy Mountain’s “cigarette trees” and “lemonade springs,” to *Star Trek*’s replicator, we have imagined the bright futures and the glorious new worlds that would give us instant abundance.

The “Tea. Earl Grey. Hot” type of scene is such a standby it even has its own parodies, where instant preference satisfaction is not exactly ... satisfying.

He had found a Nutri-Matic machine which had provided him with a plastic cup filled with a liquid that was almost, but not quite, entirely unlike tea.

The way it functioned was very interesting. When the Drink button was pressed it made an instant but highly detailed examination of the subject’s taste buds, a spectroscopic analysis of the subject’s metabolism, and then sent tiny experimental signals down the neural pathways to the taste centers of the subject’s brain to see what was likely to go down well. However, no one knew quite why it did this because it invariably delivered a cupful of liquid that was almost, but not quite, entirely unlike tea. (Douglas Adams, *Restaurant at the End of the Universe*)

If we didn’t know what was supposed to happen, and if we didn’t fully expect the future to fulfill our fantasies, and if we didn’t have a certain amount of frustrated experience with modern machines that promise wonders but deliver things that are almost, but not quite, entirely unlike them, the scene wouldn’t be funny.

But I find science fiction most compelling when it goes in the other direction—when, instead of imagining the end of scarcity, it imagines the end of abundance. The movie *Total Recall* imagines life on Mars, where even the air is rationed. The gritty reboot of the television series *Battlestar Galactica*

puts us in a world where fewer than 50,000 humans have survived and escaped from an enemy attack. The survivors spend much of their time trying to subsist in space amid constant and growing shortages of food, water, fuel, ammunition, and pretty much everything else.

In works like these—and yes, I know their imaginings are as romantic as the imaginings of *Star Trek*—we get to watch human beings pushed to their limits, using every bit of their ingenuity in order to survive. It was no accident, after all, that Gene Roddenberry called space “the final frontier.”

The latest iteration of this kind of scarcity science fiction is Andy Weir’s novel *The Martian*, the movie version of which premiered last fall. I first learned about *The Martian* through the *xkcd* webcomic describing the plot as made out of “the scene in *Apollo 13* where the guy says ‘we have to figure out how to connect *this* thing to *this* thing using *this* table of parts or the astronauts will all die.’”

I was sold.

And it’s no spoiler to say that this is precisely the plot of *The Martian*. Astronaut Mark Watney is one of the first people to visit Mars. When the mission goes awry, his crew has to evacuate, and Mark is left behind. Everyone thinks he’s dead.

He’s not, though, and the remainder of the book is caught up in the details of the scarcities he faces, his creative attempts to overcome them, and our nail-biting suspense over whether he can survive one more hour, one more day, and maybe long enough to be rescued. Mark describes his situation like this:

I’m stranded on Mars. I have no way to communicate with Hermes or Earth. Everyone thinks I’m dead. I’m in a Hab [the atmosphere-controlled habitat in which astronauts from his mission could live without wearing spacesuits] designed to last thirty-one days. If the oxygenator breaks down, I’ll suffocate. If the water reclaimer breaks down, I’ll die of thirst. If the Hab breaches, I’ll just kind of explode. If none of these things happen, I’ll eventually run out of food and starve to death.

Mark's assessment of his situation, which ends with, "I'm f—ed," appears on page 7 of the novel. We spend 360 more pages following his solitary attempts to science his way out of the problem. And if you're at all like me, you won't be able to put the book down until you find out what happens.

The Martian, and scarcity science fiction in general, is a good reminder to all of us that the real miracle of the market is not the great individual with the great idea, bringing it to fruition and selling it to all of us. The real miracle of the market is that it reliably supplies us, every day, with all the necessities that Mark Watney has to work for so desperately. And it does that by allowing us to cooperate, and to broaden that cooperation beyond our immediate context, to the extended and anonymous world. That long-distance cooperation allows us to access so many different human skills, strengths, and abilities.

With only himself to rely on, Mark (who is primarily a botanist) is painfully aware of the skills he lacks, skills he relied on in his crewmembers who specialize in chemistry, or engineering, or other sciences. While it becomes clear

that his botany skills will be a crucial part of his survival, so are all these others, and without any possibility of cooperating, he has to go it alone. He's in the position of the folks who try to build a toaster entirely from scratch, or make a sandwich all on their own.

I loved reading *The Martian*, and I can't wait to see the movie. Stories like this, and like *Battlestar Galactica* and others, allow me to explore the limits of the human ability to survive. I'm happy to visit those worlds and to entertain myself with their emotional and suspenseful visions of life on the narrowest of possible margins.

But the world I want to live in is the one where cooperation, through the mechanisms of the market, brings us books and movies about scarcity and survival, while in our daily lives we enjoy real-life abundance. And also, maybe one day, a replicator that will allow my own cup of "Tea. Earl Grey. Hot" to shimmer miraculously into being. ■

Sarah Skwire is a senior fellow at Liberty Fund, Inc. Read more at FEE.org/Skwire.

THE REAL MIRACLE
OF THE MARKET IS THAT
IT RELIABLY SUPPLIES
US, EVERY DAY, WITH ALL
THE NECESSITIES.



SERIOUS TV DEBATES ARE IMPOSSIBLE

THE FORUM PRECLUDES RATIONAL DISCUSSION

By David Bier and Daniel Bier

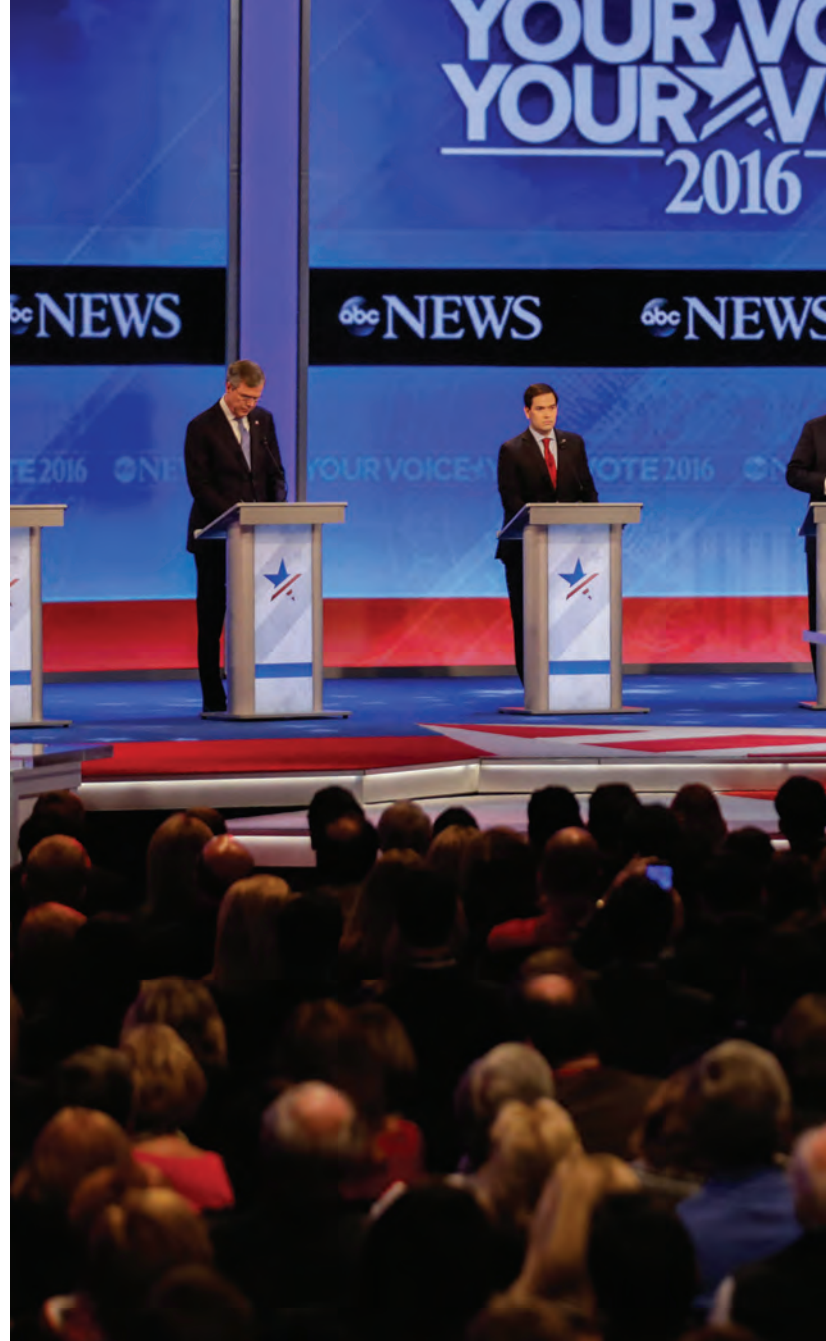
If you're looking for a sober intellectual dialogue on the state of American public policy, don't watch presidential debates.

They repudiate every requirement for such a discussion. They remove serious ethical questions from their philosophical foundations and offer answers fit only for bumper stickers and 30-second sound bites. They teach us one lesson: that no economic or moral issue is so important or complex that we can't solve it with a slogan. There are hocus-pocus campaign cure-alls for every social ill.

The blame lies partly with a political class devoid of substance, but it is impossible to ignore the forum in which the country has chosen to discuss the fate of its government.

"The medium is the message," Marshall McLuhan asserted in his 1964 book *Understanding Media*. McLuhan may have overstated his case, but it is true that certain media lend themselves to some kinds of messages more readily than others. And, much like trying to send a sonnet via smoke signals, television's form precludes certain content.

The kind of message that TV transmits most easily is *entertainment*. There's nothing wrong with entertainment, but it is not a substitute for sober, rational analysis. The medium of television imposes almost insurmountable constraints on thoughtful conversation, and that's why even if candidates with serious ideas were allowed into the debate, it would do little to help them.



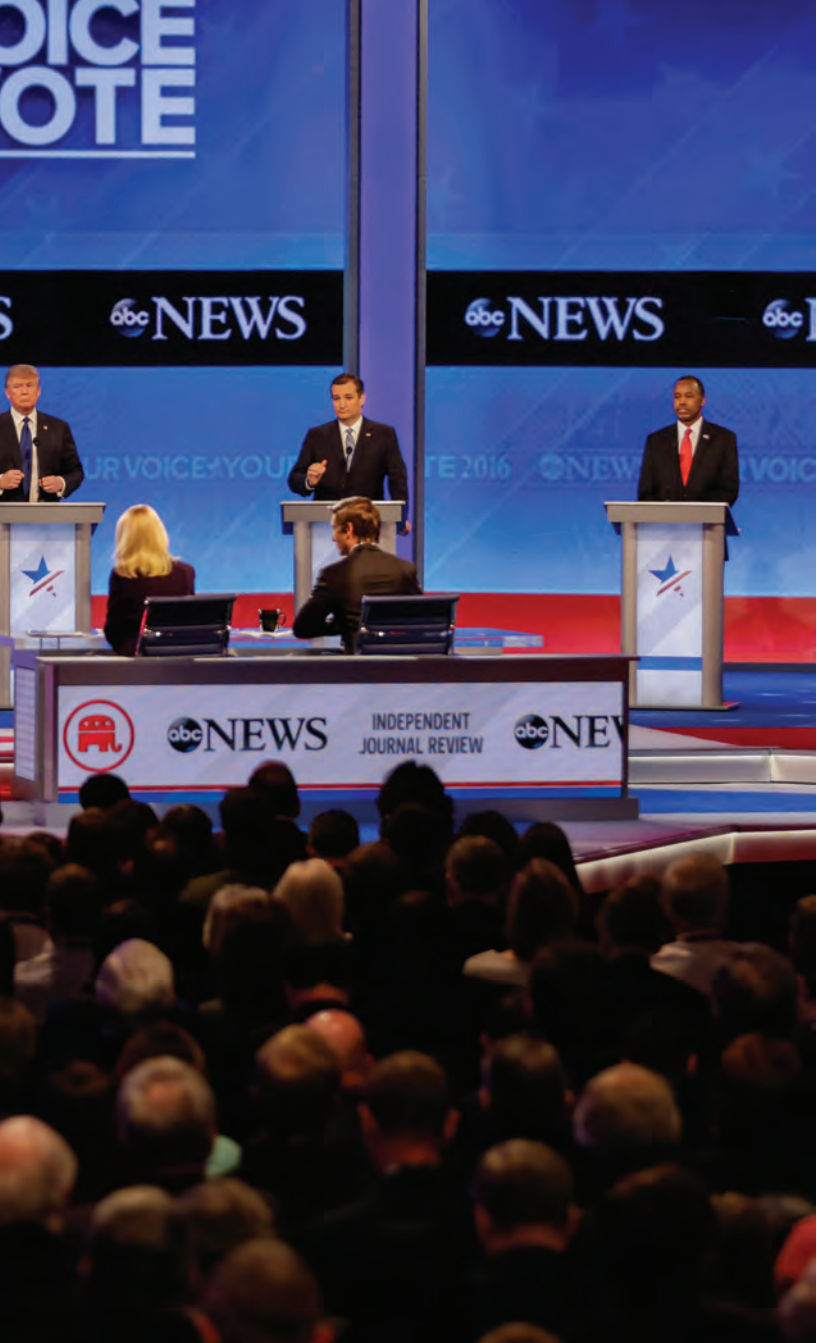
Serious TV debates are impossible for at least five reasons:

1. TELEVISION IS ENTERTAINMENT.

Almost by definition, television is not serious—it's entertainment. It is where the vast majority of people go to turn off their brains and relax. If you invite friends over to watch the debate, we're sure you won't forget the chips and beer.

The TV debate setting invites citizens to join the challengers for America's highest political office at a location that is the political equivalent of a circus, a movie theater, a ballpark, a clown show, a strip club, or a porn studio.

Even worse, it's as if they are all going on simultaneously in other rooms. Upset your audience—talk about children being burned alive by US bombs overseas—and the burlesque is always just one click away.



MUCH LIKE TRYING TO SEND
A SONNET VIA SMOKE SIGNALS,
TELEVISION'S FORM PRECLUDES
CERTAIN CONTENT.

Everything about television debates screams diversion, not rational discussion. Commercials reduce any candidate to the level of a Cialis ad, minus the disclaimers. The flashy promo and the upbeat intro music transform political discourse into reality TV. Its not-so-subtle message is “This is going to be fun!”

TV’s demand is that debaters be more amusing, not more intellectual. It’s why CNN runs stories on “Hollywood Debate Advice.” What does Hollywood know about public policy? Nothing, but in the age of TV, “politics is show business,” as Ronald Reagan put it.

Reagan excelled at both. After his 1984 debate with Walter Mondale, a single joke by Reagan about Mondale’s age was replayed over and over again in post-debate coverage. Even today, that joke lives on as the most successful debate moment ever.

2. TELEVISION IS ABOUT IMAGE.

Books—the media of lengthy, intelligent discourse—have substance: words, sentences, paragraphs, and chapters that form propositions about the world. They have meaning that takes real intellectual effort to grasp.

By contrast, images appeal to our eyes, not our minds. Images lack propositional content, so they can be viewed without any mental effort. Their appeal is mainly emotional (fast moving = exciting). The appeal of constant visual stimulation is why director Michael Bay kept the average length of any shot in the action movie *Transformers* to about one second. People are absorbing views on the candidates (“Trump looks more presidential”) that have no intellectual content whatsoever. They might as well be choosing new drapes.

As Michael Shermer explains in *Scientific American*, when voters are given the choice between an educated, experienced, and ideologically aligned candidate and a good-looking one, they overwhelmingly choose looks. Famously, Nixon won the first televised debate with John F. Kennedy among radio listeners, but lost it among television viewers. Lighting and makeup might have changed history.

Dozens of academic papers have been published on how TV viewers can believe they are learning material while they watch, but can’t correctly answer even basic questions about the show’s content.

Because books force people to think and create abstract ideas from concrete shapes, readers do much better at holding information. TV debates create the illusion of informing the public, but as many talk shows and opinion polls demonstrate, most Americans lack even elementary information about the candidates—and the political system in which they operate.

To most Americans, Hillary Clinton and Donald Trump are two faces, not two sets of ideas, and the content of their



speeches reflects that reality. Rand Paul and Carly Fiorina have “less-presidential” faces, so they get less face time on cable news.

3. TELEVISION PRECLUDES LENGTHY EXPOSITION.

Any candidate who refuses to dutifully repeat conventional beliefs confronts an insurmountable hurdle: time constraints.

“The beauty of concision—saying a couple of sentences between two commercials—is that you can only repeat conventional thoughts,” notes linguist Noam Chomsky.

Suppose you say anything the least bit controversial. People will quite reasonably expect to know what you mean.... If you say that, you better have some evidence. In fact, you better have a lot of evidence because that’s a pretty startling comment. But you can’t give evidence if you’re stuck with concision.

In a TV debate, anything that requires more than two minutes to explain will never be explained. This makes debates ripe ground for platitudes about “cutting red tape,” “eliminating waste,” “investing in America,” and “fixing the tax code.”

Anything complicated or controversial—a serious conversation about the causes of terrorism, for example, or the adverse consequences of drug prohibition—is out of the question. *They hate America, bomb their countries; drugs are evil, save the children.* Now for a word from our sponsors.

Almost as bad for skeptics of political power, concision presupposes every problem can be solved not just in two minutes but in two minutes *by the president*. Before Rand Paul finishes explaining why it’s not the president’s job to create jobs, his time is up.

The workings of voluntary society never figure prominently in presidential debates, because every single social problem, real or imagined, is being posed to a politician. One can’t simply say, “The president can’t do anything about recessions” or “Curing drug addiction isn’t my job”—the presumption is that it *is* your job, since you’re *here* and we’re *asking you*.

4. TELEVISION FORBIDS COMPLEXITY.

Debate success leaves no viewer behind. Complexity is banned, not just because of time constraints, but because the TV waits for no one. There is no time for pondering or digesting. The riptide of sounds and images drags you along.

It's no wonder typical debate transcripts read on a sixth-grade level. *Reason's* Matt Welch says of last fall's Republican front-runner, "Trump's real adversary is the full-length transcript. These aren't speeches, they're seizures."

And audiences love them.

5. TELEVISION IS ANTI-INTELLECTUAL.

Television forbids complexity and exposition, and it exalts entertainment and image. It is, in other words, a fundamentally anti-intellectual medium. It communicates emotions, not ideas.

EVERYTHING ABOUT TELEVISION DEBATES SCREAMS DIVERSION, NOT RATIONAL DISCUSSION.

The first 2016 debate allowed 60 seconds for candidates' answers, but, even if it had given them 5 minutes, it still allowed *zero* seconds for audiences to think about those answers before the next sound bite—and so that is the maximum amount of thought candidates can require of viewers.

Successful candidates make sure to require nothing of viewers, because a viewer who is confused will change the channel or miss the punch line. A person lost in thought ceases to watch, which is the whole point of TV.

Further, knowledge of history is irrelevant on TV—the only thing that matters is *now*. Books are written in past tense: history is their domain. TV is made in the present. Who cares what led to 9/11 or the recession or the rise of ISIS: what will you do *now*?

The late cultural critic Neil Postman wrote in his 1985 book *Amusing Ourselves to Death* that after being entertaining, TV's central commandments are "thou shalt have no prerequisites, no perplexity, and no exposition."

Nothing should go over the head of a single potential voter, so preach to the lowest common denominator. You can't expect your viewer to bring any prior knowledge of issues with them—and you can't provide them with any—so just appeal to common emotions and conventional wisdom.

Consider the most famous moment from the Bill Clinton–George H.W. Bush debates. During the "town hall" debate, a woman asked a barely coherent question about how the national debt *personally* affected the candidates.

Bush launched into a discussion of interest rates, only to be interrupted, and told to "make it personal." He responded defensively and staggered through his answer. But Clinton understood his medium, and rather than answering the question, he simply said, "Tell me how it has affected *you*."

That's what a debate is really about: *us*. Just as commercials aren't really about products but rather the desires of their consumers ("beer will make you attractive to women," "shampoo will make you sexy," "Rogaine will get you a promotion"), debates are really about candidates emotionally connecting with voters: reassurance, not uncertainty; strength, not weakness; understanding, not disinterest; warmth, not distance.

TV debates aren't about the truth; they're about verbal reassurance—in the moment, with a calm look and a steady voice. Rationality has no part in this world. ■

David Bier is director of immigration policy at the Niskanen Center. Read more at FEE.org/DavidBier.

Daniel Bier is editor of *FEE.org*. Read more at FEE.org/DanielBier.

THE MAZE

A POEM BY KRISTINE ONG MUSLIM

It is never quite empty on the other side.

So, always leave the door unlocked

to allow strangers passage into your world.

Do something about the boarded-up windows.

They should frame the outdoors. They should

track the landscape until the landscape has grown

slack along the ragged edges, ready to be peeled off.

If you have time, head to the ruins of Gortyn in Crete.

Find the narrow crack that leads to the expansive system

of subterranean tunnels. Then you'll know impermanence.

Then you'll know about this undying engine of flux.

There is no way out of this maze. That's not hope for escape

you're seeing in the distance. It is only the rickety harbor

looking strange in the daylight that lifts the mist.





TEA

A PROSE POEM BY SU-YEE LIN

The tea seller sits in the tea shop and pours us liquid amber in cups tiny as a nestling, a ping-pong ball, the acorns that fall from trees. The taste is of fresh grown grass and dirt, camellia flowers and smoke. She refills our cups over and over; the pot is never empty. We sip and sip until we cannot see straight. We beg her to stop, we cannot stop our hands from bringing tea cup to mouth, our throats from swallowing. She shakes her head, she says "This is tradition. This is your culture." The tea fills us, it drowns us, we cannot stop drinking.

THIRST

A POEM BY DENTON LOVING

This is the longest winter, the lengthiest my own memory can recall, the coldest, snowiest, loneliest

meaning

I've had more time to marvel how the three years stretch since we've shared conversation

(or you've smiled at me without malice,

asked about my life)

or that we could exist in the same room, at the same table, without what smolders between us relighting, drawing perilously close to the fuse that waits

for the bomb

(tick tick)

(will it live always between us? tick tick);

three years—a thousand days—since I've heard your kind voice,

pondered why you hum

slightly out of key

though I know you sing so well—

I've been wondering about you. Are you troubled

by the ice storm that came last night?

Did you feed the birds as I did,

watch them from the bedroom window?

Three years later, my dread of cardinals has lessened though they will always remind me of you.

It was only rain here (so much farther South), a few pellets of sleet, not enough accumulation

to amount to anything,

not worth mentioning

if we were speaking, but we don't,

so I return to my reading, which is all about water: poems, stories, essays, even my emails are about

streams and rivers

lakes and oceans

liquid bodies unending,

sometimes swelling, sometimes deceiving. I read about this water all day

though the water at my house has frozen down in the

ground, where the plumbing lies buried between

the deep well and my faucets. I shower at friends', carry

bottles home to drink until my pipes thaw.

Is this irony enough for you?

These are the thoughts that occupy my mind today—not the dream of you that jolted me

awake in the middle of the cold night,

not the prayers for you I whispered in half sleep

again and always

whenever your specter visits

in dreams—I think how it's only January and the worst of winter still to come,

how it turns out when you don't have water,

you thirst and thirst, and

it's all you think about.

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Pilecki accomplished what only 143
other people in the history of Auschwitz
ever could. He escaped...*

— LAWRENCE W. REED