Austrian Economics (AE) state of the debate.

Documents objections to the economics of **Ludwig von Mises** and rebuttals. Branches end where I don't know of further anti-AE arguments.

by Elliot Temple, 2020

Keynes

The Failure of the 'New Economics' by Henry Hazlitt is a point-by-point, book-length refutation of Keynes' *General Theory*.

Although there are many other arguments re Keynes, for and against, considering them is unnecessary. This is an ***unanswered***, decisive, conclusive refutation.

Rebuttal: I grant that the *General Theory* is incoherent trash, not a masterpiece. But Keynes' followers nevertheless developed important insights.

In particular, where is your position written down, explaining which Keynesian stuff you admit is bad, which is good, what the separation is to differentiate the good and bad parts, what it has to say re Austrians and laissez-faire capitalism, etc? If Keynes didn't write down your position, then someone else better have.

Who developed what? And how do they address the criticisms of Mises, Reisman and other Austrians?

And if Keynes is a fool, how did people building on his system get things right? Did they understand Keynes' errors? Did they write down the errors and say what they disagree with Keynes about?

Voluntarist Anarchism

See also my voluntarist anarchism criticisms.

If it's the sort of anarchist utopia where everyone simply gives stuff away as others want it, then there's a further problem: how are scarce resources allocated? Two people want a better computer and there's one new computer. Two million people want steak instead of gruel, but there are only one million steaks. Who gets what when there isn't plenty for all? Imagining unanimous agreement and peace is not a method of acheiving it. What if they try to rationally discuss who should get what, but people disagree? Then what? Set up a government to have voting and elections, which has police to enforce the majority voting whatever they want for themselves at the expense of the minority? That'd be non-voluntarist statism.

Whether we can have a peaceful society with a minimal government, with no government, or either way (or neither), is not an economic question. So I won't comment on minarchism vs. anarcho-capitalism.

Communal societies that voluntarily share goods have the incentives and economic calculation problems of socialism. If the idea is "Socialism without violence", the criticisms of socialim in this diagram apply.

The public good problem.

See Public Goods by Elliot Temple.

Negative externalities.

This argument is favored by laymen who are often unaware that, under laissez-faire capitalism with minimal government, you can sue for damages if someone dumps nuclear waste on your property. Property rights address *at least* most major concerns.

Some summary of the literature is available in What is an Externality? by Gene Callahan.

Thomas Picketty

Piketty's Capital: Wrong Theory, Destructive Program by George Reisman.

Marx, Communism, Socialism

Economic Calculation in the Socialist Commonwealth by Mises. See also Socialism: An Economic and Sociological Analysis by Mises.

Market Socialism

Answered by Mises in Human Action. See *The Impossibility of Economic Calculation Under Socialism*.

Excerpt: *Nobody has ever suggested that the socialist commonwealth could invite the promoters and speculators to continue their speculations and then deliver their profits to the common chest. Those suggesting a quasi-market for the socialist system have never wanted to preserve the stock and commodity exchanges, the trading in futures, and the bankers and moneylenders as quasi-institutions. One cannot* play *speculation and investment. The speculators and investors expose their own wealth, their own destiny. This fact makes them responsible to the consumers, the ultimate bosses of the capitalist economy. If one relieves them of this responsibility, one deprives them of their very character. They are no longer businessmen, but just a group of men to whom the director has handed over his main task, the supreme direction of the conduct of affairs. Then they—and not the nominal director—become the true directors and have to face the same problem the nominal director could not solve: the problem of calculation.*

Covered in Capitalism: A Treatise on Economics by George Reisman.

The End of Socialism and the Calculation Debate Revisited by Murray Rothbard (1991) provides a summary of the state of the debate.

Excerpt: *Moreover, Mises's brilliant and devastating rebuttal to his Lange-Lerner-"market socialism" critics has virtually never been considered-neither by the economics establishment nor by the post–World War II Hayekians. In both cases, the writers were eager to dispose of Mises as having safely made his pioneering contribution in 1920, but being superseded later, either by Lange-Lerner or by Hayek, as the case may be. In both cases, it was inconvenient to ponder that Mises continued to elaborate his position with a penetrating critique of his critics, or that Mises's "extreme" formulation may, after all, have been correct.[10]*

Excerpt: *One time, during Mises's seminar at New York University, I asked him whether, considering the broad spectrum of economies from a purely free market economy to pure totalitarianism, he could single out one criterion according to which he could say that an economy was essentially "socialist" or whether it was a market economy. Somewhat to my surprise, he replied readily: "Yes, the key is whether the economy has a stock market." That is, if the economy has a full-scale market in titles to land and capital goods. In short: Is the allocation of capital basically determined by government or by private owners?*

More info: Market Socialism: A Subjectivist Evaluation by Robert L. Bradley Jr. (1981).

More info: Market Socialism and the Property Problem: Different Perspective of the Socialist Calculation Debate by Mateusz Machaj (2007).

Socialism, particularly price controls, is criticized in Capitalism: A Treatise on Economics by George Reisman.

See also: Marxism/Socialism, A Sociopathic Philosophy Conceived In Gross Error And Ignorance, Culminating In Economic Chaos, Enslavement, Terror, And Mass Murder: A Contribution To Its Death by George Reisman.

See also: Rectifying the Greatest Error in the History of Economic Thought: "Demand for Commodities Is Not Demand for Labor" Versus the Marxian Exploitation Theory by George Reisman.

Time Will Run Back by Henry Hazlitt refutes socialism and teaches economics. It's a novel suitable as an introduction for non-economists.

Incentives problem. Why work hard, or at all, or at a dirty job, if you're guaranteed equal income to everyone else or income according to your need?

Because of the *New socialist man*. People will be transformed to like toil and want to help their brothers instead of being selfish. And they'll be given moral instead of economic incentives.

Why? How? The detailed arguments about how morality works, and why altruism is good, are missing. And it hasn't worked in practice. Intellectual persuasion has never achieved this, nor has violence, fear, informers and secret police.