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Phone: 800 960 4333 | freeman@FEE.org
www.FEE.org

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FEE

FROM THE EDITOR

With 14 minutes left in 2015, an angular man in a bowtie stood in Times Square and talked with webcast correspondent Maggie Rulli about what the future promised—and how viewers could help him get us there.

“I am so excited to be here tonight with America’s favorite scientist: Bill Nye the Science Guy!” Rulli bubbled. “Bill, you’re joining us tonight because you have some important thoughts for the future.”

After a nod to his affiliation with the National Science Teachers Association and the Planetary Society, Nye laid out a list of goals that he, and by implication other scientists and science educators, holds for the future: “What we want is renewable energy, clean water, and electricity for everyone in the world. And this starts with raising the standard of living for women and girls, which starts with education.”

Rulli asked him to suggest New Year’s resolutions, steps we can all take in 2016 to help achieve those goals.

Nye’s answer: “Vote! And if you don’t want to vote, just shut up. And let the people who are engaged run things.”

Thus spake the science guy.

You might expect America’s favorite scientist to explain the physics behind the ball drop, or what the tilt of the planet’s axis has to do with the longest night of the year, or why it was already 2016 in Samoa while it was still 2015 in New York. Instead, what we got was a simplistic political agenda and some harsh words for nonvoters, all somehow under the aegis of science.

We shouldn’t expect depth or precision in a few minutes of pro forma banter on camera, but self-styled spokesmen of science are increasingly communicating in sound bites, substituting a posture of incontestable authority for the humility more appropriate to a discipline supposedly founded on skepticism.

Bill Nye the Science Guy—a public television show from the mid-1990s—taught kids more than basic science facts; it taught them how to think scientifically, how to test hypotheses and draw tentative conclusions. Bill Nye the political activist tells us what conclusions we should draw, and he implies (and even states explicitly on occasion) that there’s something antiscientific about disagreeing with him.

“Economics is haunted by more fallacies than any other study known to man,” FEE’s Henry Hazlitt warned in his 1946 book *Economics in One Lesson*. This is because, unlike “say, physics, mathematics, or medicine,” economics is afflicted by “the special pleading of selfish interests.”

Sadly, since Hazlitt’s time, not only has that special pleading infected even the harder sciences, but it increasingly looks less like pleading and more like bullying.

In this issue of the *Freeman*, we look past the sound bites of self-appointed scientific authorities to the dark past of policy science and to a brighter future where peer-to-peer networks of knowledge give us a less politicized, less hierarchical, more liberated world.

— B.K. MARCUS

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DO YOU BELIEVE IN witches?

SPONTANEOUS ORDER
CAN LOOK LIKE SCARY MAGIC

BY MIKE REID

If a building were to collapse and crush a man, would you blame a witch?

In the early 20th century, the Azande people of what was then British-controlled Sudan believed that witches or sorcerers caused almost every misfortune in life. And they believed that almost every death—whether due apparently to a falling building, a rampaging elephant, or a simple disease—was in fact a murder by magic.

Indeed, they believed that a witch's spite and jealousy could inflict bad luck, harm, and death on other people—without the witch needing to cast any spells or even be aware that he or she was a witch.

You and I might be tempted to sneer at such “primitive” superstition. Certainly, the Azande represented an extreme case. But beliefs along the same general line—that our misfortunes are somehow caused by the ill will of our jealous enemies—are still exceedingly common.

Consider the price at the pump. Whenever oil prices rise, progressive commentators decry the greed of capitalists or speculators.

NATURAL CAUSATION, HUMAN DESIGN, AND SPONTANEOUS ORDER

All over the world, in every culture, from time immemorial, humans have looked for a human or humanlike will or meaning behind everything from falling buildings to rising gas prices.

But over the last few centuries, the natural sciences have made enormous strides in changing the way humans think about physical events.

Even though no one knows for certain today whether it will rain in New York a week from now, practically everyone believes that the precipitation (or lack thereof) will be *caused* in a mechanical sense by something impersonal: convection currents, atmospheric humidity, and so on. Hardly anyone thinks they can explain, predict, or control the rain by appealing to the jealousy of witches or the actions of spirits.

Meanwhile, the sciences of human behavior have not been so successful. True, many scholars now understand that social phenomena such as prices are, in 18th-century Scottish philosopher Adam Ferguson's words, “the result of human action, but not the execution of any human design.” But many ordinary humans still think that prices (and immigration, and drug use, and practically all other social phenomena) arise directly from the actions of capitalists or legislators, and thus that the ill will or goodwill of such people shapes the world directly.

In other words, we humans have largely succeeded in adopting the mechanistic worldview as a method of understanding natural phenomena, but we have not much succeeded in adopting the spontaneous-order worldview for understanding social phenomena. Instead, we keep falling for the appeal of essentially magical explanations that rely on the power of good or bad intentions.

In “3 Policies with Good Intentions and Tragic Consequences” (FEE.org, January 21, 2016), Corey Iacono points out some of the disastrous consequences of this faith in intentions: laws intended to decrease child labor end up increasing it; laws intended to save people from



addictive drugs end up subjecting them to increasing violence; and food-aid programs intended to feed starving people in developing countries end up prompting or prolonging civil wars.

GREEDY BASTARD ECONOMICS

One of the most persistent manifestations of this problem is what economist Gary Galles, in his book *Faulty Premises, Faulty Policies*, calls “greedy bastard economics”:

Rather than tracing their understanding of something they dislike back to its ultimate source, people only trace it back until they get to someone they can demonize as a greedy bastard.

Now, to be sure, our world has many greedy people. But in a market framework, any person of dubious parentage whose desire it really is to part you from your money will actually tend to give you things you want.

If you have children, a greedy bastard will try to get your money by offering free cookies in his grocery store, so you can shop in peace while your children snack.

If you are blind, there is a greedy bastard out there right now trying to take your money by creating a car you can drive with voice commands.

Within the market, the best way for the bastard to get what *he* wants is to give you something that *you* want—better, faster, and cheaper than anybody else can. So anonymous strangers can and do help you every day in order to pursue their own selfish desires, regardless of whether or not they like you.

And in general, at every level of social interaction beyond the immediate, personal one, the good or ill will of other people has only indirect effects.

A FRAMEWORK OF MEANING AND VENGEANCE

The Azande were fully aware that physical events led to injury and death. If a building collapsed, it was entirely likely that it had been weakened by termites.

But in a sense, this would be only the *how* of a death. There remained a mystery as to *why* the termites caused

the collapse at that particular moment when that particular man was present to be harmed.

The Azande solved this mystery by finding out, via magical oracles, what person with ill will toward the victim was indeed a witch—a witch whom they could punish.

And thus, says E.E. Evans-Pritchard, the anthropologist who made the Azande famous in the West, witchcraft was “the ideological pivot around which swings the lengthy social procedure from death to vengeance.”

The purpose of the concept of witchcraft, in other words, was not to explain the world in a physical sense but to give people a way to act on the world in a social sense—to avenge otherwise anonymous harms.

It may be that the theater of modern democratic politics serves a similar symbolic function. Each politician tries to demonstrate his own goodwill and personal power while promising vengeance on his voters’ various scapegoat enemies—be they foreigners, oil speculators, or just politicians from the opposing party.

A WORLD FULL OF UNKNOWN ALLIES

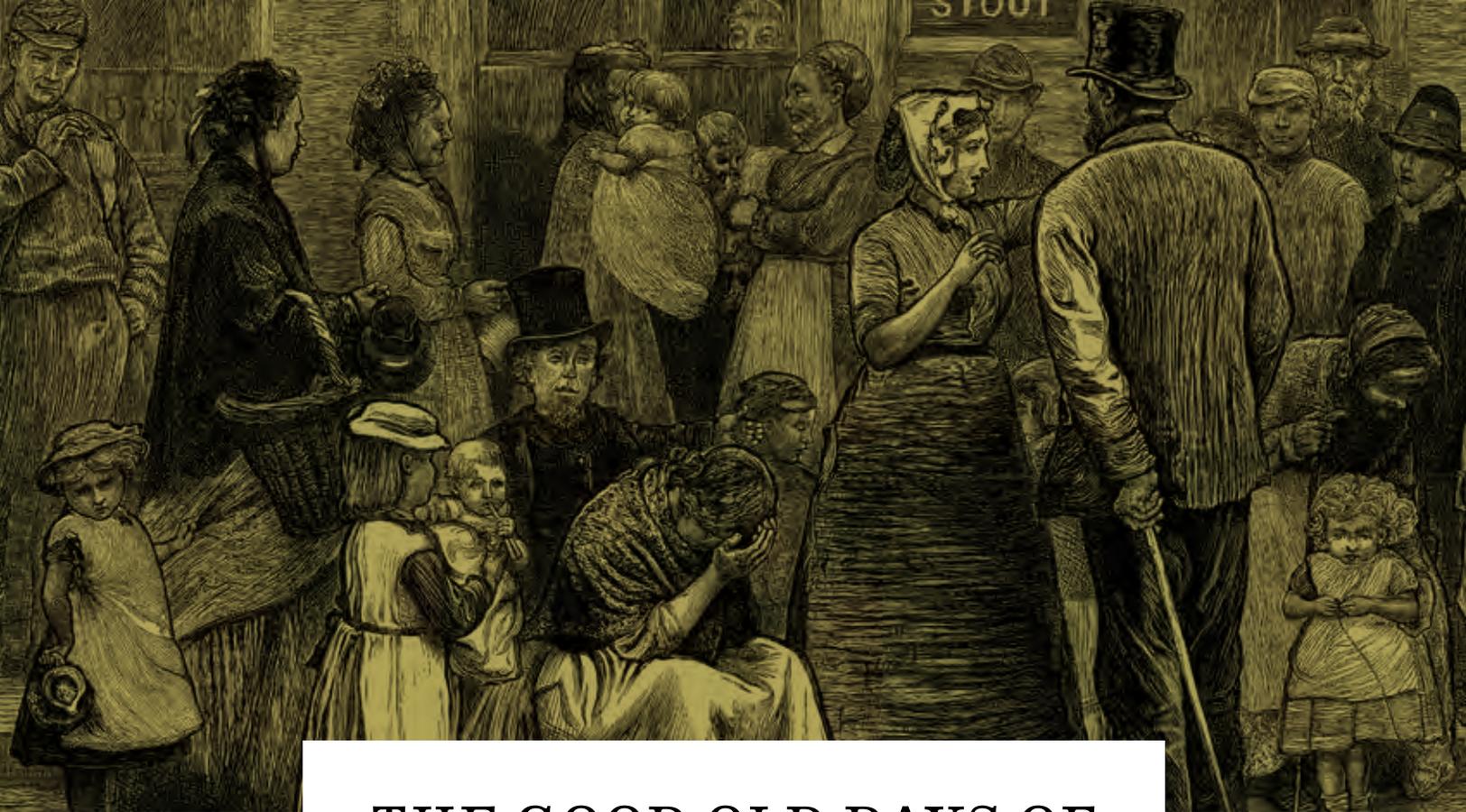
The vast majority of people all over the world are actually helping one another, though usually indirectly. Meanwhile, well-meaning laws—like those that restrict drug use or regulate employment or mandate transfers of grain to developing countries—often backfire. And these effects occur regardless of how kind-hearted the voters or politicians or bureaucrats may be.

The good news is that, despite our human intuitions to the contrary, we can cooperate without intending to. We can save each other without loving each other. All we need to do is pursue our self-interest (or altruism) peacefully—and stop looking for witches to punish for our setbacks.

There is no necessary conflict between rich and poor or oil tycoons and car owners. We are impersonal partners in a world-spanning spontaneous order of increasing peace and prosperity for everyone. ■

Mike Reid teaches anthropology at the University of Winnipeg. Read more at FEE.org/Reid.

WE KEEP FALLING FOR THE APPEAL OF ESSENTIALLY MAGICAL EXPLANATIONS THAT RELY ON THE POWER OF GOOD OR BAD INTENTIONS.



THE GOOD OLD DAYS OF POVERTY AND FILTH

BY SARAH SKWIRE

Standing in a luxury hotel, cultural historian Luc Sante daydreams about the good old days of homeless alcoholics lighting trash fires in the streets of Manhattan's Skid Row.

"Over there, next to the flophouse hotel," Sante reminisced to the *Guardian*, "is where Nan Goldin lived and worked. Forty years ago there were still lots of vacant lofts here that had been burlesque and vaudeville theatres during the era when storefronts were saloons. There were bars solely inhabited by bums, their heads down on the counter. At night they'd be lined up outside the missions and Salvation Army hostels—veterans from World War Two, from the Korean War, from the Vietnam War. At night, trash fires would be lit in oil drums."

The French have an elegant phrase for what Sante is doing. They call it *nostalgie de la boue*, "longing for the mud," which means a romantic yearning for a primitive or degraded behavior or condition.

The phrase, which was coined by a French dramatist in 1855, has been around for a while and usefully describes the very real way in which the wealthier and healthier inhabitants of modernity look back at the past through a misty, romantic haze.

While it annoys historians when we put a soft-focus filter on history, it doesn't generally do a lot of damage. We don't need every medieval romance novel to remind us that the heroine's breath didn't smell like cool mint Listerine. It's probably for the best that the historical reenactors at Colonial Williamsburg don't actually use authentic colonial medical remedies for their health problems, and visiting tourists are certainly grateful for modern plumbing and street sanitation. Even the BBC's determinedly authentic *1900 House* had a phone and modern fire protection in case of emergencies.

Any lover of history will occasionally find him or herself dreaming about attending a performance in the pit at Shakespeare's Globe, or roughing it in the saloons and shacks of a gold rush town. Some of us may even have spent an entranced hour or two playing with the Victoria and Albert Museum's "Design-a-Wig" website. But a good student of history will acknowledge that the Globe was undoubtedly loud, smelly, crowded, and occasionally even dangerous for playgoers. And the rugged romance of the gold rush town is offset by the knowledge that you were far more likely to die of gangrene or cholera than

you were to strike it even moderately rich. And those glorious 18th-century wigs? Heavy, hot, smelly, and prone to harboring bugs.

But a real case of *nostalgie de la boue* goes further than the soft-focus filter that ignores the unpleasantness of the past. Rather than ignoring the historical “mud,” *nostalgie de la boue* actively longs for that kind of unpleasantness and insists that without it, life is less authentic, less meaningful, and altogether worse.

And that is where Sante seems to be. While he is quite correct to note that the ribaldry of Paris has long been a desirable antidote to the humorless Puritanism of American cities, Sante goes entirely off the rails when he insists that his praise for the “materially poor but ... imaginatively free and creatively rich” inhabitants of Paris is not a romantic vision.

According to Sante, people ask him, “How can you be promoting the life of the poor in the 19th century when so many of them didn’t eat every day?”

Sante concedes, “Well yeah, it’s bad, but is it really any worse than the situation today when everybody’s fed but you have an incredible percentage of New Yorkers who live in the shelter system—including people who have regular jobs?”

*There’s a great deal
to be said for a world where
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are fed better every year.*

The horrors of the shelter system aside, there’s a great deal to be said for a world where more and more people are fed better every year, and my guess is that a great number of the imaginatively free Parisians that Sante dreams of would have enjoyed the occasional extra baguette. It is possible to value historical creativity and intellectual independence without also having to praise historical dietary deficits. (And it is worth noting, should Sante happen to read this, that the feeding of all those extra people is not due entirely, or even primarily, to “the shelter system.” It’s the market economy and all that goes with it that is making the world better fed every year.)

Sante continues his nostalgia for the mud when he argues, “In the Paris I write about, people ran businesses to make a living, not to make a profit. Cafes, bars: they’re no longer public institutions or part of a community. There’s no possibility for eccentric self-determination amongst the shopkeepers.”

The distinction Sante draws between “making a living” and “making a profit” is not particularly clear to me. It suggests, perhaps, an unstated assumption that there is such a thing as an agreed-upon “correct” amount of profit for a business or businessperson to make—beyond which all profit becomes filthy lucre. Possibly he is making an equally indefensible assumption that businesspeople in the past weren’t interested in being as successful as they could be and that it is only our post-modern cynicism that has unleashed the drive for profit.

Maybe Sante means to say that, unlike today’s businesses, the businesses of years ago “made a living” by helping to create a community among their customers rather than just “making a profit” by selling stuff. I think that thousands of today’s small business owners and their Facebook pages, Etsy stores, and farmers market stands would beg to differ with his assessment of their importance to their communities.

There’s not necessarily always a problem with *nostalgie de la boue*. It’s how we got the historical-based crime TV show *Peaky Blinders*, the renewed interest in home canning, restaurants that serve bone marrow, and the great revival of folk music spurred by the film *O Brother, Where Art Thou?*, after all.

Sante, though, has so much mud in his eyes that he is blind to the tangible and important progress that has been made in human wealth and welfare. His mucky nostalgia leads him to claim that our increasing wealth—which has given us more health, more discretionary income, more food, and more free time—is a danger more pernicious than terrorism. “Money, for me, may not immediately kill people in the way terrorism does, but it does certainly change the fabric of daily life in much deeper and more insidious ways,” Sante says.

That is a statement of such offensive ignorance that it could only be made by a man standing high above the former Skid Row, looking down through glass, with room service and maid service only a phone call away. I wonder if the men and women in the photographs that Sante treasures would have said the same. ■

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

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LIFE BEFORE DEATH

THE NURSING HOME
IS AN EXPERIMENT IN CENTRAL PLANNING

BY DANIEL BIER

If you live long enough, much will go wrong with your body. As you age, you will lose your teeth, your hair will turn gray, your brain will shrink, and your eyes will see less and less. Your joints, skeleton, heart, muscles, veins, and arteries will all gradually soften, harden, swell, or shrink in ways that degrade their function. It's both inescapable and irreversible.

Harvard medical professor and best-selling author Atul Gawande wants us to stop deceiving ourselves with the endless parade of feel-good anecdotes about 90-year-old marathon runners and reports about long-lived lab mice, stories that seem to promise a magic pill or a genetic potion that will save us from our inevitable decline.

In his book *Being Mortal*, Gawande quotes an expert on aging who says there is “no single, common cellular mechanism to the aging process.... We just fall apart.”

Yet, *Being Mortal* does offer important and practical advice for a better life before death.

Falling apart has consequences for how we live during old age. Gawande praises geriatric medicine, but he also points out that most of what the elderly need isn't medical intervention. They need to carefully manage life on the decline.

INSTITUTIONALIZING THE ELDERLY

Gawande is particularly critical of the institutions that care for the aged and infirm. The nursing home's failures are partly a result of people's own unwillingness to acknowledge what's coming and to plan for it, but its problems also derive from how the institution evolved.

Nursing homes were never primarily designed to help solve old people's problems—to help them continue to live their lives and pursue their goals with more limited abilities. Rather, they arose to solve *other* problems created by a large population of elderly people that increasingly did not live out their final years with their children.





NURSING HOMES
WERE NEVER
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TO HELP SOLVE
OLD PEOPLE'S
PROBLEMS.

Abuse and terrible conditions in poorhouses led many states to try to force their closure in the early and mid-20th century. Combined with an explosion of hospital construction across the country in the 1950s, these closures led to many former poorhouse inmates being offloaded to the new hospitals. Overcrowding then caused hospital administrators to establish special wards for elderly patients with chronic, nonemergency problems; thus were “nursing homes” born.

Nursing homes solved the states’ and the hospitals’ problem of what to do with old people. But, even though safety conditions and quality of care at nursing homes have hugely improved since their creation, they have never satisfied the elderly themselves. That’s not surprising: their wishes and desires were never the point.

This dissatisfaction doesn’t imply that nursing staff are bad people—on the contrary, they are usually exceptionally dedicated. But, however benevolent, the



institution's goals are fundamentally different from the goals of the individuals who reside in it—and the institution always wins in the end. This system inevitably leads to conflict and unhappiness for adults who find their desires are no longer what matters most—who, for the first time since childhood, find they lack the ability to direct their own lives.

Gawande tells the story of a woman who, after several falls, refused to relocate to the intensive nursing floor of her home. Finally, another fall snapped her femur, and she had no choice but to move upstairs.

All privacy and control were gone. She was put in hospital clothes most of the time. She woke when they told her, bathed and dressed when they told her, ate when they told her. She lived with whomever they said she had to.... She felt incarcerated, like she was in prison for being old.

Comparing nursing home life to prison is not mere hyperbole.

The sociologist Erving Goffman noted the likeness between prisons and nursing homes half a century ago in his book *Asylums*. They were, along with military training camps, orphanages, and mental hospitals, “total institutions”—places largely cut off from wider society.

“A basic social arrangement in modern society,” Goffman pointed out, “is that the individual tends to sleep, play, and work in different places, with different co-participants, under different authorities, and without an over-all rational plan.”

Total institutions, in contrast, destroy the boundaries that let us order our lives. Residents live under a central authority, their daily activities dictated by a tight schedule and pursued with the same batch of fellow residents based not on free association but assigned by the central plan.

“The various enforced activities,” Goffman wrote, “are brought together into a single plan purportedly designed to fulfill the official aims of the institution.”

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QUALITY OF LATE LIFE

Being assiduously “cared for” is not what is good about life; it’s just passively treading water until you wear out. Unfortunately, most nursing homes focus on the preservation, not the quality, of residents’ lives. Institutional “priorities are matters like avoiding bedsores and maintaining residents’ weight,” writes Gawande: “important medical goals, to be sure, but they are means, not ends.”

Safety is a necessary but not sufficient condition for personal fulfillment.

The nursing home is an experiment with centrally planned society—a well-intentioned, watchful, and above all *safe* society, but one that is missing most of what we love about adult life: to have an open-ended day, to be spontaneous, to try new things, to choose our friends, to set and pursue goals, to create value and contribute, to have private time, and especially *to act without permission*.

At some point, we forget what life was like as a child—we scoff about surly kids, ungrateful that everything is being done for them—and overlook why we were desperate to escape the cocoon of dependency and authority that shaped our early lives.

To have our desires respected as meaningful by others, to make our own choices, was the first intoxicating high of freedom. There’s something uniquely horrible about doing this in reverse—experiencing independence for six decades and then having it taken away with no possibility of ever getting it back.

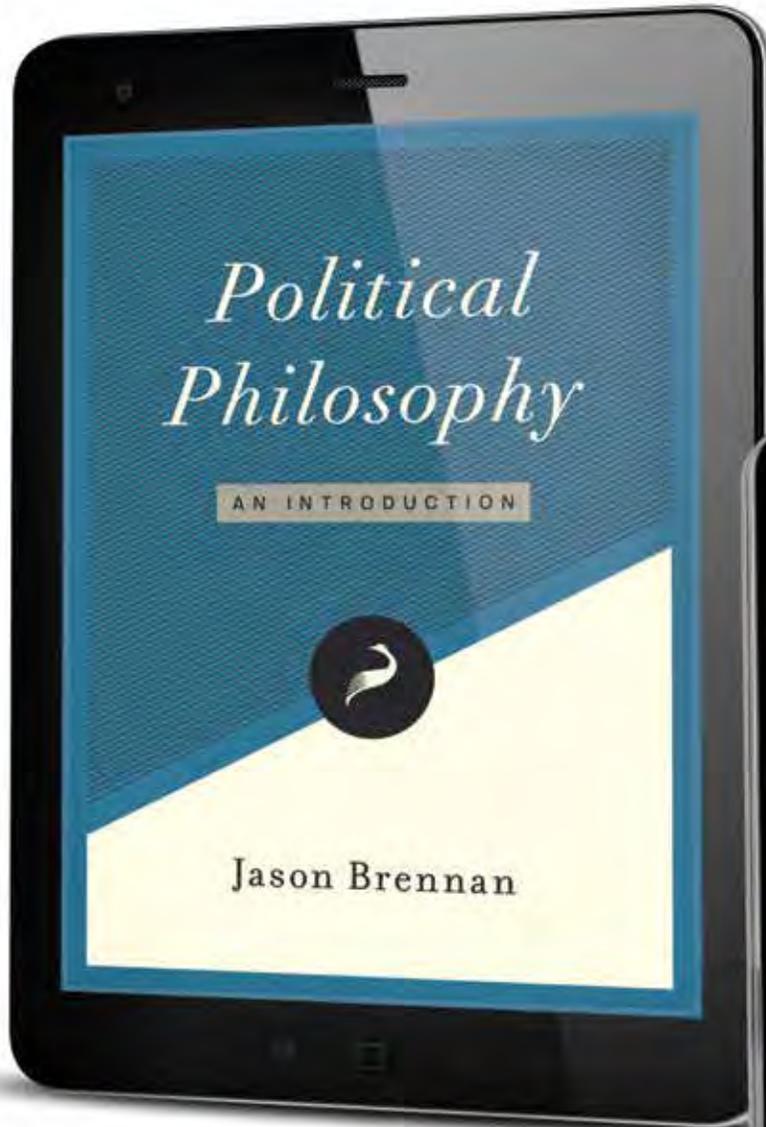
This isn’t some sinister plot, of course. Many old people really shouldn’t drive or control their own finances, and in the end, most of us will be flatly unable to continue the basic tasks we have performed since childhood. But that reality doesn’t make the prospect of losing our autonomy any less tragic.

When we contemplate our mortality, we should consider that there is quite a bit that we won’t be able to do while we are still alive. We have less time than we think: unless we die suddenly from an accident or acute illness, we will lose much of our freedom and independence before we lose our lives.

How we handle that decline—how we plan or fail to plan for our own infirmity and loss of control—will help determine our happiness in the end. How well we absorb the lessons of life before death will also influence the health of our society and its ability to encourage human flourishing. ■

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

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THREE KINDS OF ECONOMIC IGNORANCE

BY STEVEN HORWITZ

Nothing gets me going more than overt economic ignorance.

I know I'm not alone. Consider the justified roasting that Bernie Sanders got on social media for wondering why student loans come with interest rates of 6 or 8 or 10 percent while a mortgage can be taken out for only 3 percent. (The answer, of course, is that a mortgage has

collateral in the form of a house, so it is a lower-risk loan to the lender than a student loan, which has no collateral and therefore requires a higher interest rate to cover the higher risk.)

When it comes to economic ignorance, libertarians are quick to repeat Murray Rothbard's famous observation on the subject:



It is no crime to be ignorant of economics, which is, after all, a specialized discipline and one that most people consider to be a “dismal science.” But it is totally irresponsible to have a loud and vociferous opinion on economic subjects while remaining in this state of ignorance.

Economic ignorance comes in different forms, and some types of economic ignorance are less excusable than others. But the most important implication of Rothbard’s point is that the worst sort of economic ignorance is ignorance about your economic ignorance. There are varying degrees of blameworthiness for not knowing certain things about economics, but what is always unacceptable is not to recognize that you may not know enough to be speaking with authority, nor to understand the limits of economic knowledge.

Let’s explore three different types of economic ignorance before we return to the pervasive problem of not knowing what you don’t know.

1. WHAT ISN’T DEBATED

The least excusable type of economic ignorance is not knowing agreed-upon theories or results in economics.

There may not be a lot of these, but there are more than nonspecialists sometimes believe. Sanders’s inability to understand why uncollateralized loans have higher interest rates would fall into this category, as this is an agreed-upon claim in financial economics. Donald Trump’s bashing of free trade (and Sanders’s, too) would be another example, as the idea that free trade benefits the trading countries on the whole and over time is another strongly agreed-upon result in economics.

Trump and Sanders (and plenty of others), who make claims about economics while remaining ignorant of basic teachings such as these, should be seen as highly blameworthy for that ignorance. But the deeper failing of many who make such errors is that *they are ignorant of their ignorance*. Often, they don’t even know that there are agreed-upon results in economics of which they are unaware.

2. INTERPRETING THE DATA

A second type of economic ignorance that is, in my view, less blameworthy is ignorance of economic data. As Rothbard observed, economics is a specialized discipline, and nonspecialists can’t be expected to know all the relevant theories and facts. There are a lot of economic

WHAT IS MISSING FROM
ALL THESE TYPES OF ECONOMIC
IGNORANCE IS WHAT WE MIGHT
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OR A WILLINGNESS TO ADMIT
HOW LITTLE WE KNOW.

data out there to be searched through, and often those data require careful *statistical* interpretation to be easily applied to questions of public policy. Economic data sources also require *theoretical* interpretation. Data do not speak for themselves—they must be integrated into a story of cause and effect through the framework of economic theory.

That said, in the world of the Internet, a lot of basic economic data are available and not that hard to find. The problem is that many people believe that certain empirical facts are true and don't see the need to verify them by actually checking the data. For example, Sanders recently claimed that Americans are routinely working 50- and 60-hour workweeks. No doubt *some* Americans are, but the long-term direction of the average workweek is down, with the current average being about 34 hours per week. Longer lives and fewer working years between school and retirement have also meant a reduction in lifetime working hours and an increase in leisure time for the average American. These data are easily available at a variety of websites.

The problem of statistical interpretation can be seen with data on economic inequality, where people wrongly take snapshots of the shares of national income held by the rich and poor to be evidence of the decline of the poor's standard of living or their ability to move up and out of poverty.

People who wish to opine on such matters can, again, be forgiven for not knowing all the data in a specialized discipline, but if they choose to engage with the topic, they should be aware of their own limitations, including their ability to interpret the data they are discussing.

3. DIFFERENT SCHOOLS OF THOUGHT

The third type of economic ignorance, and the least blameworthy, is ignorance of the multiple perspectives within the discipline of economics. There are multiple schools of thought in economics, and many empirical questions and historical facts have a variety of explanations. So a movie like *The Big Short*, which clearly suggests that the financial crisis and Great Recession were caused by a lack of regulation, might be persuasive to people who have never heard an alternative explanation that blames the combination of Federal Reserve policy and misguided government intervention in the housing market for the problems. One can make similar points about the Great Depression and the difference between Hayekian and Keynesian explanations of business cycles more generally.

These issues involving schools of thought are excellent examples of Rothbard's point about the specialized nature of economics and what the nonspecialist can and cannot be expected to know. It is, in fact, unrealistic to expect nonexperts to know all of the arguments by the various schools of thought.

COMBINING IGNORANCE AND ARROGANCE

What is missing from all these types of economic ignorance—and what is often missing from knowledgeable economists themselves—is what we might call “epistemic humility,” or a willingness to admit how little we know. Noneconomists are often unable to recognize how little they know about economics, and economists are often unable to admit how little they know about the economy.

Real economic “expertise” is not just mastery of theories and facts. It is a deeper understanding of the variety of interpretations of those theories and facts—and humility in the face of our limits in applying that knowledge in attempting to manage an economy. The smartest economists are the ones who know the limits of economic expertise.

Commentators with opinions on economic matters, whether presidential candidates or Facebook friends, could, at the very least, indicate that they may have biases or blind spots that lead to uses of data or interpretive frameworks with which experts might disagree.

The worst type of economic ignorance is the type that is the worst in all fields: being ignorant of your own ignorance. ■

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

MAD

SCIENCE



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01

HOW NETWORKS TOPPLE SCIENTIFIC DOGMAS

By Max Borders

Science is undergoing a wrenching evolutionary change.

In fact, most of what we consider to be carried out in the name of science is dubious at best, flat wrong at worst. It appears we're putting too much faith in science—particularly the kind of science that relies on reproducibility.

In a University of Virginia meta-study, half of 100 psychology study results could not be reproduced.

Experts making social science prognostications turned out to be mostly wrong, according to political science writer Philip Tetlock's decades-long review of expert forecasts.

But there is perhaps no more egregious example of bad expert advice than in the area of health and nutrition. As I wrote last year for VoiceAndExit.com:



For most of our lives, we've been taught some variation on the food pyramid. The advice? Eat mostly breads and cereals, then fruits and vegetables, and very little fat and protein. Do so and you'll be thinner and healthier. Animal fat and butter were considered unhealthy. Certain carbohydrate-rich foods were good for you as long as they were whole grain. Most of us anchored our understanding about food to that idea. ("How Networks Bring Down Experts [The Paleo Example]," March 12, 2015)

The US surgeon general supported the so-called "lipid hypothesis," which said that lowering blood cholesterol through measures such as consuming less saturated fat would reduce heart attacks. Doctors everywhere fell in line behind the advice. Foods like butter and bacon became public enemy number one. People flocked to the supermarket to buy up "heart healthy" margarines. And yet Americans were getting fatter.

But early in the 21st century, something interesting happened: people began to go against the grain (no pun),

and they started talking about their small experiments eating saturated fat. By 2010, the lipid hypothesis—not to mention the USDA food pyramid—was dead. Forty years of nutrition orthodoxy had been upended. Now, the experts are joining the chorus from the rear.

THE PROBLEM GOES DEEPER

But the problem doesn't just affect the soft sciences, according to *Reason* science writer Ron Bailey:

The Stanford statistician John Ioannidis sounded the alarm about our science crisis 10 years ago. "Most published research findings are false," Ioannidis boldly declared in a seminal 2005 *PLOS Medicine* article. What's worse, he found that in most fields of research, including biomedicine, genetics, and epidemiology, the research community has been terrible at weeding out the shoddy work largely due to perfunctory peer review and a paucity of attempts at experimental replication.

Most of what we consider to be carried out in the name of science is dubious at best, flat wrong at worst.

Richard Horton of the *Lancet* writes, “The case against science is straightforward: much of the scientific literature, perhaps half, may simply be untrue.” And according to health reporter Julia Belluz and health lawyer Steven Hoffman, writing in *Vox*,

Another review found that researchers at Amgen were unable to reproduce 89 percent of landmark cancer research findings for potential drug targets. (The problem even inspired a satirical publication called the *Journal of Irreproducible Results*.)

Contrast the progress of science in these areas with that of applied sciences such as computer science and engineering, which have more market feedback mechanisms. It’s the difference between Moore’s Law and Murphy’s Law.

So what’s happening?

SCIENCE’S EVOLUTION

Three major catalysts are responsible for the current upheaval in the sciences. First, a few intrepid experts have started looking around to see whether studies in their respective fields are holding up. Second, competition among scientists to grab headlines is becoming more intense. Third, informal networks of checkers—“amateurs”—have started questioning expert opinion and talking to each other. And the real action is in this third catalyst, creating as it does a kind of evolutionary fitness landscape for scientific claims.

In other words, for the first time, the cost of checking science is going down as the price of being wrong is going up.

Now, let’s be clear. Experts don’t like having their expertise checked and rechecked, because their dogmas get called into question. When dogmas are challenged, fame, funding, and cushy jobs are at stake. Most will fight tooth and nail to stay on the gravy train, which can translate into coming under the sway of certain biases. It could mean they’re more likely to cherry-pick their data, exaggerate their results, or ignore counterexamples. Far more rarely, it can mean they’re motivated to engage in outright fraud.

METHOD AND MADNESS

Not all of the fault for scientific error lies with scientists. Some of it lies with methodologies and assumptions most of us have taken for granted for years. Social and research scientists have far too much faith in data aggregation, a process that can drop the important circumstances of time and place. Many researchers make inappropriate inferences and predictions based on a narrow band of observed data points that are plucked from wider phenomena in a complex system. And, of course, scientists are notoriously good at getting statistics to paint a picture that looks like their pet theories.

Some sciences even have their own holy scriptures, like psychology’s *Diagnostic and Statistical Manual of Mental Disorders*. These guidelines, when married with government funding, lobbyist influence, or insurance payouts, can protect incomes but corrupt practice.

But perhaps the most significant methodological problem with science is overreliance on the peer-review process. Peer review can perpetuate groupthink, the cartelization of knowledge, and the compounding of biases.

THE PROBLEM WITH EXPERT OPINION

The problem with expert opinion is that it is often cloistered and restrictive. When science starts to seem like a walled system built around a small group of elites (many of whom are only sharing ideas with each other)—hubris can take hold. No amount of training or smarts can keep up with an expansive network of people who have a bigger stake in finding the truth than in shoring up the walls of a guild or cartel.

It's true that, to some degree, we have to rely on experts and scientists. It's a perfectly natural part of specialization and division of labor that some people will know more about some things than you, and that you are likely to need their help at some point. (I try to stay away from accounting, and I am probably no good at brain surgery, either.) But that doesn't mean we shouldn't question authority, even when the authorities know more about their field than we do.

THE POWER OF NETWORKS

But when you get an army of networked people—sometimes amateurs—thinking, talking, tinkering, and toying with ideas—you can hasten a proverbial paradigm shift. And this is exactly what we are seeing.

It's becoming harder for experts to count on the vagaries and denseness of their disciplines to keep their power. But it's in cross-disciplinary pollination of the network that so many different good ideas can sprout and be tested.

The best thing that can happen to science is that it opens itself up to everyone, even people who are not credentialed experts. Then, let the checkers start to talk to each other. Leaders, influencers, and force-multipliers will emerge. You might think of them as communications hubs or bigger nodes in a network. Some will be cranks and hacks. But the best will emerge, and the cranks will be worked out of the system in time.

The network might include a million amateurs willing to give a pair of eyes or a different perspective. Most in this army of experimenters get results and share their experiences with others in the network. What follows is a wisdom-of-crowds phenomenon. Millions of people not only share results but challenge the orthodoxy.

HOW NETWORKS CONTRIBUTE TO THE REPUBLIC OF SCIENCE

In his legendary 1962 essay, "The Republic of Science," scientist and philosopher Michael Polanyi wrote the following passage. It beautifully illustrates the problems of science and of society, and it explains how they will be solved in the peer-to-peer age:

Imagine that we are given the pieces of a very large jigsaw puzzle, and suppose that for some reason it is important that our giant puzzle be put together in the shortest possible time. We would naturally try to speed this up by engaging a number of helpers; the question is in what manner these could be best employed.

Polanyi says you could progress through multiple parallel-but-individual processes. But the way to cooperate more effectively

is to let them work on putting the puzzle together in sight of the others so that every time a piece of it is fitted in by one helper, all the others will immediately watch out for the next step that becomes possible in consequence. Under this system, each helper will act on his own initiative, by responding to the latest achievements of the others, and the completion of their joint task will be greatly accelerated. We have here in a nutshell the way in which a series of independent initiatives are organized to a joint achievement by mutually adjusting themselves at every successive stage to the situation created by all the others who are acting likewise.

*When dogmas are
challenged,
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cushy jobs are at stake.*

Just imagine if Polanyi had lived to see the Internet.

This is the Republic of Science. This is how smart people with different interests and skill sets can help put together life's great puzzles.

In the Republic of Science, there is certainly room for experts. But they are hubs among nodes. And in this network, leadership is earned not by sitting atop an institutional hierarchy with the plumage of a postdoc, but by contributing, experimenting, communicating, and learning with the rest of a larger hive mind. This is science in the peer-to-peer age. ■

Max Borders is cofounder of the event experience *Voice & Exit*. Read more at FEE.org/Borders.



02

POLICY SCIENCE KILLS: THE CASE OF EUGENICS

By Jeffrey A. Tucker

The climate-change debate has many people wondering whether we should really turn over public policy—which deals with fundamental matters of human freedom—to a state-appointed scientific establishment. Must moral imperatives give way to the judgment of technical experts in the natural sciences? Should we trust their authority? Their power?

There is a real history here to consult. The integration of government policy and scientific establishments has reinforced bad science and yielded ghastly policies.

There's no better case study than the use of eugenics: the science, so called, of breeding a better race of human beings. It was popular in the Progressive Era and following, and it heavily informed US government policy. Back then, the scientific consensus was all in for public policy founded on high claims of perfect knowledge

based on expert research. There was a cultural atmosphere of panic (“race suicide!”) and a clamor for the experts to put together a plan to deal with it. That plan included segregation, sterilization, and labor-market exclusion of the “unfit.”

Ironically, climatology had something to do with it. Harvard professor Robert DeCourcy Ward (1867–1931) is credited with holding the first chair of climatology in the United States. He was a consummate member of the academic establishment. He was editor of the *American Meteorological Journal*, president of the Association of American Geographers, and a member of both the American Academy of Arts and Sciences and the Royal Meteorological Society of London.

He also had an avocation. He was a founder of the American Restriction League. It was one of the first organizations to advocate reversing the traditional American

policy of free immigration and replacing it with a “scientific” approach rooted in Darwinian evolutionary theory and the policy of eugenics. Centered in Boston, the league eventually expanded to New York, Chicago, and San Francisco. Its science inspired a dramatic change in US policy over labor law, marriage policy, city planning, and, its greatest achievements, the 1921 Emergency Quota Act and the 1924 Immigration Act. These were the first-ever legislated limits on the number of immigrants who could come to the United States.

NOTHING LEFT TO CHANCE

“Darwin and his followers laid the foundation of the science of eugenics,” Ward alleged in his manifesto published in the *North American Review* in July 1910. “They have shown us the methods and possibilities of the product of new species of plants and animals.... In fact, artificial selection has been applied to almost every living thing with which man has close relations except man himself.”

“Why,” Ward demanded, “should the breeding of man, the most important animal of all, alone be left to chance?”

By “chance,” of course, he meant *choice*.

“Chance” is how the scientific establishment of the Progressive Era regarded the free society. Freedom was considered to be unplanned, anarchic, chaotic, and potentially deadly for the race. To the Progressives, freedom needed to be replaced by a planned society administered by experts in their fields. It would be another 100 years before climatologists themselves became part of the policy-planning apparatus of the state, so Professor Ward busied himself in racial science and the advocacy of immigration restrictions.

Ward explained that the United States had a “remarkably favorable opportunity for practising eugenic principles.” And there was a desperate need to do so, because “already we have not hundreds of thousands, but millions of Italians and Slavs and Jews whose blood is going into the new American race.” This trend could cause Anglo-Saxon America to “disappear.” Without eugenic policy, the “new American race” will not be a “better, stronger, more intelligent race” but rather a “weak and possibly degenerate mongrel.”

Citing a report from the New York Immigration Commission, Ward was particularly worried about mixing American Anglo-Saxon blood with “long-headed Sicilians and those of the round-headed east European Hebrews.”

KEEP THEM OUT

“We certainly ought to begin at once to segregate, far more than we now do, all our native and foreign-born population which is unfit for parenthood,” Ward wrote. “They must be prevented from breeding.”

But even more effective, Ward wrote, would be strict quotas on immigration. While “our surgeons are doing a wonderful work,” he wrote, they can’t keep up in filtering out people with physical and mental disabilities pouring into the country and diluting the racial stock of Americans, turning us into “degenerate mongrels.”

Such were the policies dictated by eugenic science, which, far from being seen as quackery from the fringe, was in the mainstream of academic opinion. President Woodrow Wilson, America’s first professorial president, embraced eugenic policy. So did Supreme Court Justice Oliver Wendell Holmes Jr., who, in upholding Virginia’s sterilization law, wrote, “Three generations of imbeciles are enough.”

Looking through the literature of the era, I am struck by the near absence of dissenting voices on the topic. Popular books advocating eugenics and white supremacy, such as *The Passing of the Great Race* by Madison Grant, became immediate bestsellers. The opinions in these books—which are not for the faint of heart—were expressed long before the Nazis discredited such policies. They reflect the thinking of an entire generation and are much more frank than one would expect to read now.

It’s crucial to understand that these opinions were not just about pushing racism as an aesthetic or personal preference. Eugenics was about politics: using the state to plan the population. It should not be surprising, then, that the entire anti-immigration movement was steeped in eugenic ideology. Indeed, the more I look into this history, the less I am able to separate the anti-immigrant movement of the Progressive Era from white supremacy in its rawest form.

Shortly after Ward’s article appeared, the climatologist called on his friends to influence legislation. Restriction League president Prescott Hall and Charles Davenport of the Eugenics Record Office began the effort to pass a new law with specific eugenic intent. It sought to limit the immigration of southern Italians and Jews in particular. And immigration from Eastern Europe, Italy, and Asia did indeed plummet.

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politics: using the state
to plan the population.*

THE POLITICS OF EUGENICS

Immigration wasn't the only policy affected by eugenic ideology. Edwin Black's *War Against the Weak: Eugenics and America's Campaign to Create a Master Race* (2003, 2012) documents how eugenics was central to Progressive Era politics. An entire generation of academics, politicians, and philanthropists used bad science to plot the extermination of undesirables. Laws requiring sterilization claimed 60,000 victims. Given the attitudes of the time, it's surprising that the carnage in the United States was so low. Europe, however, was not as fortunate.

Eugenics became part of the standard curriculum in biology, with William Castle's 1916 *Genetics and Eugenics* commonly used for over 15 years, with four iterative editions.

Literature and the arts were not immune. John Carey's *The Intellectuals and the Masses: Pride and Prejudice Among the Literary Intelligentsia, 1880–1939* (2005) shows how the eugenics mania affected the entire modernist literary movement of the United Kingdom, with such famed minds as T.S. Eliot and D.H. Lawrence getting wrapped up in it.

ECONOMICS GETS IN ON THE ACT

Remarkably, even economists fell under the sway of eugenic pseudoscience. Thomas Leonard's explosively brilliant *Illiberal Reformers: Race, Eugenics, and American Economics in the Progressive Era* (2016) documents in excruciating detail how eugenic ideology corrupted the entire economics profession in the first two decades of the 20th century. Across the board, in the books and articles of the profession, you find all the usual concerns about race suicide, the poisoning of the national bloodstream by inferiors, and the desperate need for state planning to breed people the way ranchers breed animals. Here we find the template for the first-ever large-scale implementation of scientific social and economic policy.

Students of the history of economic thought will recognize the names of these advocates: Richard T. Ely, John R. Commons, Irving Fisher, Henry Rogers Seager, Arthur N. Holcombe, Simon Patten, John Bates Clark, Edwin R.A. Seligman, and Frank Taussig. They were the leading members of the professional associations, the editors of journals, and the high-prestige faculty members of the top universities. It was a given among these men that classical political economy had to be rejected. There was a strong element of self-interest at work. As Leonard puts it, "laissez-faire was inimical to economic expertise and thus an impediment to the vocational imperatives of American economics."

Irving Fisher, whom Joseph Schumpeter described as "the greatest economist the United States has ever produced" (an assessment later repeated by Milton Friedman), urged Americans to "make of eugenics a religion."

Speaking at the Race Betterment Conference in 1915, Fisher said eugenics was "the foremost plan of human redemption." The American Economic Association (AEA) (which is still today the most prestigious trade association of economists) published openly racist tracts such as the chilling *Race Traits and Tendencies of the American Negro* by Frederick Hoffman. It was a blueprint for the segregation, exclusion, dehumanization, and eventual extermination of the black race.

Hoffman's book called American blacks "lazy, thriftless, and unreliable," and well on their way to a condition of "total depravity and utter worthlessness." Hoffman contrasted them with the "Aryan race," which is "possessed of all the essential characteristics that make for success in the struggle for the higher life."

Even as Jim Crow restrictions were tightening against blacks, and the full weight of state power was being deployed to wreck their economic prospects, the AEA's tract said that the white race "will not hesitate to make war upon those races who prove themselves useless factors in the progress of mankind."

Richard T. Ely, a founder of the AEA, advocated segregation of nonwhites (he seemed to have a special loathing of the Chinese) and state measures to prohibit their propagation. He took issue with the very "existence of these feeble persons." He also supported state-mandated sterilization, segregation, and labor-market exclusion.

That such views were not considered shocking tells us so much about the intellectual climate of the time.

If your main concern is who is bearing whose children, and how many, it makes sense to focus on labor and income. Only the fit should be admitted to the workplace, the eugenicists argued. The unfit should be excluded so

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as to discourage their immigration and, once here, their propagation. This was the origin of the minimum wage, a policy designed to erect a high wall to the “unemployables.”

WOMEN, TOO

Another implication follows from eugenic policy: government must control women.

It must control their comings and goings. It must control their work hours—or whether they work at all. As Leonard documents, here we find the origin of the maximum-hour workweek and many other interventions against the free market. Women had been pouring into the workforce for the last quarter of the 19th century, gaining the economic power to make their own choices. Minimum wages, maximum hours, safety regulations, and so on passed in state after state during the first two decades of the 20th century and were carefully targeted to exclude women from the workforce. The purpose was to control contact, manage breeding, and reserve the use of women’s bodies for the production of the master race.

Leonard explains:

American labor reformers found eugenic dangers nearly everywhere women worked, from urban piers to home kitchens, from the tenement block to the respectable lodging house, and from factory floors to leafy college campuses. The privileged alumna, the middle-class boarder, and the factory girl were all accused of threatening Americans’ racial health.

Paternalists pointed to women’s health. Social purity moralists worried about women’s sexual virtue. Family-wage proponents wanted to protect men from the economic competition of women. Maternalists warned that employment was incompatible with motherhood. Eugenicists feared for the health of the race.

“Motley and contradictory as they were,” Leonard adds, “all these progressive justifications for regulating the employment of women shared two things in common. They were directed at women only. And they were designed to remove at least some women from employment.”

THE LESSON WE HAVEN’T LEARNED

Today, we find eugenic aspirations to be appalling. We rightly value the freedom of association. We understand that permitting people free choice over reproductive decisions does not threaten racial suicide but rather

points to the strength of a social and economic system. We don’t want scientists using the state to cobble together a master race at the expense of freedom. For the most part, we trust the “invisible hand” to govern demographic trajectories, and we recoil at those who don’t.

But back then, eugenic ideology was conventional scientific wisdom, and hardly ever questioned except by a handful of old-fashioned advocates of *laissez-faire*. The eugenicists’ books sold in the millions, and their concerns became primary in the public mind. Dissenting scientists—and there were some—were excluded by the profession and

dismissed as cranks attached to a bygone era.

Eugenic views had a monstrous influence over government policy, and they ended free association in labor, marriage, and migration. Indeed, the more you look at this history, the more it becomes clear that white supremacy, misogyny, and eugenic pseudoscience were the intellectual foundations of modern statecraft.

Why is there so little public knowledge of this period and the motivations behind its progress? Why has it taken so long for scholars to blow the lid off this history of racism, misogyny, and the state? The partisans of the state regulation of society have no reason to talk about it, and today’s successors of the Progressive movement and its eugenic views want to distance themselves from the past as much as possible. The result has been a conspiracy of silence.

There are, however, lessons to be learned. When you hear of some impending crisis that can only be solved by scientists working with public officials to force people into a new pattern that is contrary to their free will, there is reason to raise an eyebrow. Science is a process of discovery, not an end state, and its consensus of the moment should not be enshrined in the law and imposed at gunpoint.

We’ve been there and done that, and the world is rightly repulsed by the results. ■

Jeffrey A. Tucker is director of digital development for FEE. Read more at FEE.org/Tucker.

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03

A SCIENTIFIC CONSENSUS ON WHAT NOW?

By Robert P. Murphy

When it comes to the climate change debate, many of the loudest voices are confidently making assertions that are not backed up by the actual evidence—and in this respect, they are behaving very *unscientifically*.

One obvious sign that many people in the climate change debate are appealing to emotions rather than facts is their reliance on pejorative terminology. For example, rather than make an informative statement that they support subsidies for wind and solar, and taxes on coal and oil, they may instead say they support “clean energy” while their opponents favor “dirty energy.”

The coup de grace, of course, occurs when partisans in the debate refer to their opponents as “climate deniers.” This is a nonsensical slur that would have impressed George Orwell. Obviously, nobody denies *climate*. Furthermore, nobody denies that the climate is changing. And, when it comes to the serious debate among published climate scientists, people on both sides agree that human activities are contributing to warmer temperatures; the dispute is simply over *how much*. (Those who think the change is mild have embraced the label “lukewarmers.”)

To label critics of a carbon tax or EPA regulations on power plants as “climate deniers” is utterly destructive of rational inquiry and tries to link legitimate skepticism to Holocaust denial. Those who use this term without irony have no interest in scientific discovery.

Related to this lack of nuance, and the appeal to an exaggerated consensus, is the oft-repeated claim that “97 percent of climate scientists agree” on the state of human-generated climate change. Physicist-turned-economist David Friedman (among others) has investigated the methods used to generate such claims and has found them seriously lacking.

Using the very data (on abstracts from published papers) that form the basis of these headline announcements, Friedman reckons that more like *1.6 percent* of the surveyed papers explicitly endorse humans as the *main* cause of global warming since the 1800s. Friedman further argues that this confusion—where the media misinterpreted the paper’s actual findings—appears to have been deliberately produced by the survey’s authors.

“THE HOTTEST YEAR ON RECORD” AND “THE PAUSE”

A January 2016 *New York Times* article epitomizes the advocacy disguised as reporting in the climate change debate. The very title lets you know that a serious case of scientism is coming, for it announces, “2015 Was Hottest Year in Historical Record, Scientists Say.”

Now, we must inquire, what is the purpose of adding “Scientists Say” at the end? Does any reader think that the *Times* would be quoting plumbers or accountants on whether 2015 was the hottest year on record? The obvious purpose is to contrast what *scientists* say about global warming with what those *nonscientist deniers* are saying. The article goes on to let us know exactly what “the scientists” think about global warming and manmade activities:

Scientists started predicting a global temperature record months ago, in part because an El Niño weather pattern, one of the largest in a century, is releasing an immense amount of heat from the Pacific Ocean into the atmosphere. But the bulk of the record-setting heat, they say, is a consequence of the long-term planetary warming caused by human emissions of greenhouse gases.

“The whole system is warming up, relentlessly,” said Gerald A. Meehl, a scientist at the National Center for Atmospheric Research in Boulder, Colo.

It will take a few more years to know for certain, but the back-to-back records of 2014 and 2015 may have put the world back onto a trajectory of rapid global warming, after a period of relatively slow warming dating to the last powerful El Niño, in 1998.

Politicians attempting to claim that greenhouse gases are not a problem seized on that slow period to argue that “global warming stopped in 1998,” with these claims and similar statements reappearing recently on the Republican presidential campaign trail.

Statistical analysis suggested all along that the claims were false, and that the slowdown was, at most, a minor blip in an inexorable trend, perhaps caused by a temporary increase in the absorption of heat by the Pacific Ocean.



Those who use the term “climate denier” without irony demonstrate that they have no interest in scientific discovery.

This excerpt is fascinating. We have something reported as undeniable fact when it actually relies on assumptions of what *might* happen in the future (“may have put the world back onto a trajectory of rapid global warming”) and offers conjectures to explain why the measured warming suddenly slowed down (“perhaps caused by a temporary increase in the absorption of heat”).

The “statistical analysis” did *not* establish that the critics’ claims were false. It is undeniably *true* that the official NASA GISS records showed, for example, that the average annual global temperature in 2008 was lower than the annual temperature in 1998, and that’s why people at the time were saying, “There has been no global warming in the last 10 years.”

Perhaps the more political claims about the “pause” were misleading, but it is similarly misleading to turn around and claim that the pause didn’t exist.

If you asked a bunch of Americans whether they gained weight over the last 10 years, their natural interpretation of that question would be, “Do I weigh more *now* than I weighed 10 years ago?” They would not

think it involved construction of moving averages since birth. In that sense, the people referring to the pause were not acting dishonestly; they were pointing out to the public a fact about the temperature record that would definitely be news to them, in light of the rhetoric of runaway climate change.

The more substantive point here is that the popular climate models predicted much *more* warming than has in fact occurred. The question isn’t whether the 2000s were warmer than the 1990s. Rather, the issue is *given how much concentrations of greenhouse gases have risen*, is the *actual* temperature trend consistent with the *predicted* temperature trend?

To answer this, consider a December 2015 Cato Institute working paper from two climate scientists, Pat Michaels and Paul Knappenberger: “Climate Models and Climate Reality: A Closer Look at a Lukewarming World.” They avoid the accusation of cherry-picking by running through trend lengths of varying durations,

To label critics of a carbon tax or EPA regulations on power plants as “climate deniers” is utterly destructive of rational inquiry and tries to link legitimate skepticism to Holocaust denial.

and they compare 108 model runs with the various data sets on observed temperatures. They conclude, “During all periods from 10 years (2006–2015) to 65 (1951–2015) years in length, the observed temperature trend lies in the lower half of the collection of climate model simulations, and for several periods it lies very close [to] (or even below) the 2.5th percentile of all the model runs.”

The critics arguing about the model projections aren’t simply picking the very warm 1998 as a starting point in order to game the results. The standard models produced warming projections well above what has happened in reality, and for some periods the observed warming was so low (relative to the prediction) that there is less than a 2.5 percent chance that this could be explained by natural volatility. This is the sense in which the current suite of climate models is on the verge of being “rejected” in the statistician’s sense.

To be sure, I am not a climate scientist, and others would no doubt dispute the interpretation of the data that Michaels and Knappenberger give. My point is to show how utterly misleading the *New York Times* piece is when it leads readers to believe that “scientists” were never troubled by lackluster warming and that only politicians were trying to confuse the public on the matter.

CLIMATE ECONOMISTS DON’T BELIEVE THEIR MODELS?

Finally, consider a December 2015 *Vox* piece, “Economists Agree: Economic Models Underestimate Climate Change,” whose URL contains the phrase “economists-climate-consensus.” We see the same appeal to authority here as in the natural sciences when it comes to climate policy.

The *Vox* article refers to a survey of 365 economists who had published in the field of climate economics. Here is the takeaway: “Like scientists, economists agree that climate change is a serious threat and that *immediate action is needed to address it*” (emphasis added).

Yet, in several respects, the survey reveals facts at odds with the alarmist rhetoric the public hears on the issue. For example, one question asked, “During what time period do you believe the net effects of climate change will first have a negative impact on the global economy?” With President Obama and other important officials discussing the ravages of climate change (allegedly) before our very eyes, one might have expected the vast majority of the survey respondents to say that climate change is having a negative impact *right now*.

In fact, only 41 percent said that. Twenty-two percent thought the negative impact would be felt by 2025, while an additional 26 percent would only say climate change would have net negative economic effects by 2050. Would anyone have expected that result when reading *Vox*’s summary that immediate action is needed to address climate change?

To be clear, the *Vox* statement is not a lie; it can be justified by the responses to two of the other questions. Yet the actual views of these economists are much more nuanced than the pithy summary statements suggest.

AUTHORITY VERSUS SCIENCE

On this particular survey, I personally encountered the height of absurdity in the context of scientism and appeal to authority. For years, in my capacity as an economist for the Institute for Energy Research, I have pointed out that the published results in the United Nations’ official “consensus” documents do *not* justify even a standard goal of limiting global warming to 2 degrees Celsius, let alone the over-the-top rhetoric of people like Paul Krugman.

To push back against my claim, economist Noah Smith pointed to the survey discussed earlier, proudly declaring, “Apparently most climate economists don’t believe their own models.” Thus, we have reached the point where partisans on one side of a policy debate rely on surveys of what “the experts say” in order to knock down the other side who rely on *the published results of those very experts*.

This is the epitome of elevating appeals to scientific authority over the underlying science itself.

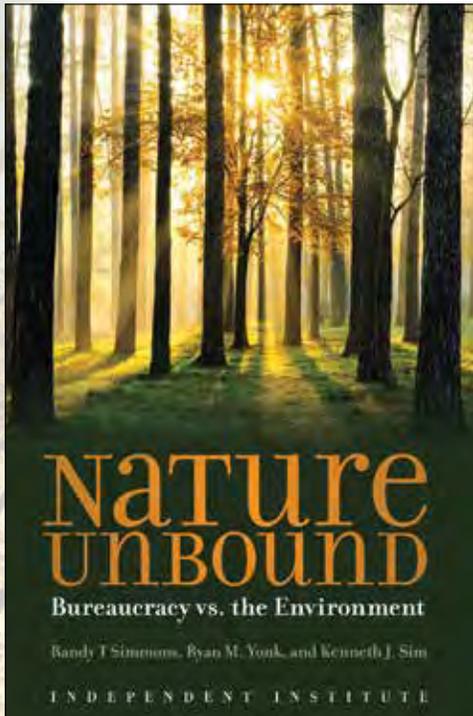
In the climate change debate, legitimate disputes are transformed into a battle between Noble Seekers of Truth versus Unscientific Liars Who Hate Humanity. Time and again, references to “the consensus” are greatly exaggerated, while people pointing out enormous problems with the case for policy action are dismissed as “deniers.” ■

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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Randy T Simmons, Ryan M. Yonk, and Kenneth J. Sim



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Randy T Simmons is Senior Fellow at the Independent Institute and Professor of Economics, Utah State University.

Ryan M. Yonk is Research Fellow at the Independent Institute.

Kenneth J. Sim is Director of the Reliable Energy Education Network.

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A hand in a white sleeve is holding a large red sign with white text. The sign is tilted slightly to the right. The text on the sign is in a bold, sans-serif font.

**GIVE THE
NAZIS
WHAT THEY
WANT**

**CALL THEM
NATIONAL SOCIALISTS**

BY B.K. MARCUS

the **Freeman**



If you called Donald Trump a Nazi, he'd probably take offense, even though his nationalism is socialistic. If you called Bernie Sanders a Nazi, you'd be dismissed out of hand, though his socialism is avowedly nationalistic. But did you know that Adolf Hitler himself took offense when the word was applied to him and his political party?

"He would have considered himself a National Socialist," writes word nerd Mark Forsyth in *The Etymologicon*.

Sure, but as economist Steve Horwitz reminds us in "Why the Candidates Keep Giving Us Reasons to Use the 'F' Word" (*Freeman*, winter 2015), "Nazi is short for National Socialist German Workers Party [*Nationalsozialistische Deutsche Arbeiterpartei*]." So why would even Hitler be offended by the epithet?

Because "Nazi is, and always has been, an insult," according to Forsyth.

Hitler's "opponents realised that you could shorten *Nationalsozialistische* to *Nazi*. Why would they do this? Because Nazi was already an (utterly unrelated) term of abuse. It had been for years."

The standard butt of German jokes at the beginning of the twentieth century were stupid Bavarian peasants. And just as Irish jokes always involve a man called Paddy, so Bavarian jokes always involved a peasant called Nazi. That's because Nazi was a shortening of the very common Bavarian name Ignatius. This meant that Hitler's opponents had an open goal. He had a party filled with Bavarian hicks and the name of that party could be shortened to the standard joke name for hicks.

Something similar has been happening in the Middle East, with opponents of the self-described Islamic State deciding that the group should be called instead *Daesh*.

Freeman contributor Sarah Skwire explains:

ISIS does not want to be called *Daesh*. The group considers the acronym insulting and dismissive. An increasing number of its opponents do not want it to be called the "Islamic State." They fear that this shorthand reifies the terrorist group's claims to be a legitimate government. ("The Islamic State by Any Other Name," FEE.org, December 8, 2015)

Like the National Socialists, the Islamic Statists would rather we not abbreviate their full name. Unlike *Nazi*, the word *Daesh* is not an old insult, although the group's adversaries can take some delight in how appropriately similar it is to the Arabic word *Daes*, which means "one who crushes or tramples."

Totalitarians and terrorists shouldn't get to bully us into using the terminology they prefer, especially when

their preferred terms smuggle semantic baggage past our defenses, but neither should we reflexively refuse to apply accurately descriptive names just because it's what the bad guys say they want.

Whether you consider "Islamic State" to be an appropriate moniker hinges on how you feel about both the nature of Islam and the nature of the state.

ADOLF HITLER
HIMSELF TOOK
OFFENSE WHEN
THE WORD "NAZI"
WAS APPLIED
TO HIM AND HIS
POLITICAL PARTY.



But how appropriate was Hitler's preferred appellation? No one denies that *nationalism* was central to his ideology, but whether or not he deserved to call himself a *socialist* depends on how you feel about individual liberty, private property, central planning, and state ownership of industry. It also depends on how much you want the word *socialism* to carry a connotation of internationalism and social liberalism.

Horwitz writes, "The Nazis were undoubtedly socialist ... as even a quick glance at their 1920 platform will tell you." And those of us who associate private property with public welfare will tend to agree. But ours was not the dominant perspective in the countries that received National Socialism's exiles.

As Forsyth tells it,

Refugees started turning up elsewhere complaining about the Nazis, and non-Germans of course assumed that this was the official name of the party.... To this day, most of us happily go about believing that the Nazis called themselves Nazis, when, in fact, they would probably have beaten you up for saying the word.

I suspect, however, that the confusion Forsyth describes was less innocent than his story implies. Those who fled east to get out of Germany would have found themselves under the authority of self-described socialists of the Soviet variety. Those who fled west landed among social democrats who, whether or not they were comfortable with the term "democratic socialism," certainly didn't want to give weight to the growing association between *socialism* and *totalitarianism*.

In the United States, the *S*-word was never as popular with the general public as it was in Europe, but many in the American intelligentsia did and still do seek to defang socialism in the popular imagination. The more we use the old Bavarian insult as if it were the National Socialists' name for themselves, the more we cooperate with that agenda.

But you don't have to oppose socialism to call the German fascists by their party's proper name. You need only prefer historical accuracy and semantic precision to linguistic confusion—or politically motivated obfuscation. ■

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



COLLECTIVISM IS A DISEASE

AN INTERVIEW WITH DR. JOHN HUNT

John Hunt, MD, is an author, an entrepreneur, and a physician who refuses to practice medicine in the United States. He is also, as you will soon see, an ardent individualist.

He is the author of two novels, *Higher Cause* and *Assume the Physician*, and is currently collaborating with famed speculator and *New York Times* bestselling author Doug Casey on a series of politically incorrect adventure novels. His most recent book is nonfiction: *Your Child's Asthma: A Guide for Parents*.

Dr. Hunt is a fellow of the American Academy of Allergy, Asthma, and Immunology and both a pediatric pulmonologist and an allergist/immunologist. He is cofounder of Trusted Angels Foundation, which works in West Africa to enhance health care, education, and entrepreneurial undertakings.

The Freeman: You put in a lot of years to become a medical specialist. Why did you quit?

Hunt: Yes, after 27 years of education, I quit the practice of medicine in the US because, well, the system is so profoundly broken and immoral now that I had to pay heed to brilliant modern philosopher Paul Rosenberg, who recently modified the quote attributed to Edmund Burke. Rosenberg says, "The only thing necessary for evil to succeed is for good men to obey."

So I stopped obeying.

The Freeman: But you still practice outside the United States?

Hunt: I needed to do something with those decades of education. I'm a doctor through and through, and just because the cronies in the USA subsidized this foolish system of health insurance—and Obama made the foolishness compulsory and therefore immoral—doesn't take away the fact that I'm a doctor and love being one.

In Liberia, patients come to you with their medical record in hand. What a concept: individual responsibility! There is no need for electronic medical records and all their hassles. There are very few doctors in Liberia, so health care is truly valued as somewhat more than an oil change, and that is rather nice, actually.

The Freeman: Liberia is where you started a nonprofit. Please tell us about that.

Hunt: Trusted Angels Foundation, which I cofounded with artist Kimberly Johnson, focuses on education and health care arbitrage, moving resources from where they are undervalued—as in the US, where physicians are now indentured servants—to where they are better valued.

The national motto of Liberia is "The Love of Liberty Brought Us Here." It brought me to Liberia as well.

The Freeman: What is the connection between individualism and the practice of medicine?

Hunt: There is a small but growing concept in medicine now called "personalized care" focused on individualization of health care. Now, please spend a moment to be shocked that there needs to be a movement that is focused on individualization of health care.

Health care is *supposed* to be entirely individualized! But there needs to be a movement to fight against the collectivist perversion of evidence-based medicine. Patients are individual human beings with an array of millions of measurable and unmeasurable health-related variables that can never be represented by the average of a statistical data set. For this reason and many, many others, medicine is an art. Aspirations of treating medicine as a science are fine to have, but only if those who aspire to do so don't try to accomplish their goal by banning or inhibiting the art. The *art* is the reality, and the science is the fiction.

The Freeman: What is evidence-based medicine?

Hunt: EBM was initially developed in Canada and is focused on using group statistics to identify whether something in medicine is effective or not. And it was created for a good purpose: to help obviate anecdotal medicine, in which a doctor has success one time with a therapy in a patient and subsequently applies that therapy thoughtlessly and lazily to every other patient who walks through the door with that problem.

EBM was originally focused on taking the best available evidence and using it to help advise the management of individual patients. But over time, the EBM

advocates—who were made ill as a result of the collectivist contagion—dropped the *individual* part of EBM. So it turns out that now both EBM and anecdotal medicine are forms of collectivist groupthink. Whereas in anecdotal medicine, individual differences are ignored because of physician laziness, in EBM, individual differences are subsumed by group data, and thereby also ignored.

The Freeman: So you consider EBM dangerous?

Hunt: Yes, in part because it is now compulsory. And the danger goes beyond the doctor's office.

Insurance companies twist irrelevant EBM reports to justify defiance of their contractual duty to their subscribers.

Pharmaceutical companies know how to lie by using EBM to make people believe that a drug works for everyone with a particular disease, when it really only works in 7 percent of the people with that disease. They expand their market with fraudulent use of statistics.

What we need is to go back to honest, nongroup-thinky individualization of health care. EBM needs the collectivist cancer resected from itself.

MEDICINE IS AN ART, NOT A SCIENCE.

The Freeman: Do you consider most doctors to be collectivists?

Hunt: About 40 percent of doctors define themselves as socially liberal and economically conservative, suggesting that those with some libertarian leanings actually concentrate in the medical profession, which is encouraging. But doctors aren't immune to having internal contradictions. A doctor, as is true for people in other professions, can have a collectivist notion in one area and an individualist notion in another.

The Freeman: Other than EBM, what are some of the collectivist notions in modern medicine?

Hunt: One sign of collectivism in medicine is the expansion of the concept of public health. Public health can be reasonably considered to involve contagious diseases that spread through the population in

normal day-to-day commerce. But the collectivists have expanded the concept dangerously.

Now, obesity is considered a public health epidemic, as is hypercholesterolemia. Heart disease, asthma, and diabetes are considered public health diseases now. Teenage pregnancy, depression, and melanoma are "epidemic." Those are all deceptions. These aren't public at all. They are all private, individual health matters.

The use of the term "public health" for private diseases results from the collectivist contagion: the mindset that people are human resources to be kept fed and fit to optimally serve the public good—meaning the politicians and their crony buddies. As Doug Casey would say, we are supposed to be milk cows ... until they decide they need beef.

The Freeman: Collectivist contagion, you say?

Hunt: The collectivist contagion is a fanciful hypothesis Doug and I came up with while writing our series of novels together. In medicine, the infectious agents, from large to small, include parasites, fungi, bacteria, viruses, and the tiny prions—the small polypeptide fragments responsible for mad cow disease and possibly some of Alzheimer's.

But smaller even than prions are *ideas*. No one doubts that *ideas* change neuronal connections and biochemical activities. Ideas certainly alter our brain function and affect our hormones. Think what happens to your adrenal glands when you hear politicians speak!

Although ideas can be passed from one host to another without direct contact, they, like infectious diseases, spread fastest when lots of people are together, such as at political rallies or where concepts go viral in crowded online communities.

When an idea is evil or destructive, it should be considered a contagious *disease*. Collectivism is an outright epidemic now, and comes in several different strains infecting both major political parties. Talk about a public health disaster! It's a zombie apocalypse.

The Freeman: So you honestly consider collectivism a disease?

Hunt: Yes, and for good reason. Depression is a disease, as are psychosis and alcoholism. Collectivism makes everybody sick. The concept of collectivism as a cancer is one apt disease analogy. A cancer cell invades the innocent tissue that surrounds it, forces its way through, stealing resources from other cells. Cancer kills the host, the same way collectivism kills the host. Most importantly, cancer avoids the host's immune system. It lies to the host to make the host believe it is not dangerous. That's collectivism's modus operandi: deception.

The Freeman: There probably aren't too many MDs out there who would agree with this assessment.

Hunt: I doubt many have had the time or energy to think about it much. Doctors are kept very busy.

The Freeman: You are on the medical board of a health care-sharing ministry. Can you summarize what that's all about and help our readers consider whether such an alternative may be right for them?

Hunt: Sure. Liberty HealthShare. Members of health care-sharing ministries—those that existed or had their predecessors extant before January 1, 2000—are exempted from the Obamacare tax or fee or penalty or whatever that is imposed for not having health insurance. These ministries are religious based and have their roots in the Christian tradition of voluntary sharing. The ACA definition of a health care-sharing ministry includes having members with “common ethical or religious beliefs.”

Compared to insurance, health care sharing is a more honorable method of protecting one's finances from the assault of the out-of-control price hyperinflation caused by the medical-insurance-government complex.

The Freeman: Why is it more honorable?

Hunt: Health care sharing is cooperation instead of compulsion. It is not insurance. It is not contractual. It is based on trust and compassion and protected by religious freedom from the attacks of progressive insurance regulators seeking to enlarge their fiefdom. There are several of these ministries and some are branching out now. All are growing, exponentially, as people wake up to the destructive boondoggle of the health insurance paradigm and try to avoid it in whatever way the government overlords still allow us to.

The Freeman: What would you want to see happen to fix our health care system in the United States?

Hunt: One word: *freedom*.

More specifically, get the national government out of the way, entirely and completely. Castrate the FDA, and phase out Medicare. Leave Medicaid entirely to the states

to experiment with. Abolish the ACA. End the tax-preferred treatment of health insurance at all levels. Never allow the national government to ever say anything about individual health care again. Get a constitutional amendment to allow the CDC to exist, and then make sure it only deals with infectious and environmental diseases—those are the only true public health diseases.

The Freeman: You now spend most of your time writing books. Why is that your focus?

Hunt: Other people blow off steam on blog posts and Facebook, and by blowing it off, prevent the pressure from building. I don't want to blow off steam. Instead, I want to stoke the fires and explode the boiler that the collectivist-infected people have built. You know, the one that is cooking us all to death. It's more important than ever to write about good and evil.

The Freeman: What is your definition of good and evil?

Hunt: My recent writing efforts highlight what evil is, and who evil is, and contrast it with good. Doing what you say you are going to do (keeping your word) is good—as long as what you say you are going to do never encroaches on others or their property. Abidance by the nonaggression principle is good. Initiation of force and fraud is evil.

Libertarians, by living an ideology that is inherently good and inherently consistent with natural law, are the protagonists, the good guys, in all my narratives. The cosmic war between good and evil is essentially a war between libertarians and sociopaths, with collectivist ideology fully allied with the sociopaths. By the way, the newspeak academic term for sociopath is the wimpy “antisocial personality disorder,” a phrase that the collectivists have recently started twisting around so as to apply it to anyone who disagrees with them.

We need to disempower sociopaths and seek a cure for the disease of collectivism. As a doctor, I swore an oath to try to cure people of disease. I still put my focus on that task.

The Freeman: Dr. Hunt, thank you for talking with us. ■

WHEN AN IDEA IS EVIL OR DESTRUCTIVE, IT SHOULD BE CONSIDERED A CONTAGIOUS DISEASE.

“DEMOCRATIC SOCIALISM”
IS A
CONTRADICTION IN TERMS

BY SANDY IKEDA



Why are so many young Americans suddenly calling themselves democratic socialists? I think many of them simply want to distinguish themselves from socialists who might have supported dictatorial regimes such as the former USSR and Maoist China, or who today might support North Korea. They want to signal that, for them, political liberty is just as important as, say, economic justice.

But are the concepts of democracy and socialism even compatible?

No. While socialism's goals may be lofty, its means are inherently at odds with democracy. In the end, "democratic socialism" makes no more sense than "voluntary slavery."

DEMOCRACY

Democracy means different things to different people. To some, democracy is an end in itself, a goal that may be worth sacrificing lives for. To others, democracy is at best a means for making a small government somewhat responsive to its citizens or a means to transfer political power peacefully. Thus, as F.A. Hayek wrote in *The Road to Serfdom*, "Democracy is essentially ... a utilitarian device for safeguarding internal peace and individual freedom."

But I think most of us can agree that the ordinary meaning of democracy is at least tied to the concepts of political self-determination and freedom of expression. In this way, people tend to think of democracy as a shield against others more powerful than themselves.

SOCIALISM

As with democracy, you can interpret "socialism" as either an end or a means. Some people, for example, regard socialism as the next stage of Marx's "laws of motion of history" in which, under the authority of a proletarian dictatorship, each contributes and receives according to her ability. A more moderate version of socialism might envision a politico-economic system that places particular goals, such as "social justice," over any individual's profit-seeking plans.

Or, you can think of socialism as a form of collectivism that uses a particular set of means—political control over the means of labor, capital, and land—to implement a large-scale economic plan that directs people to do things they might not have chosen. In its use of collectivist

means, this kind of socialism has much in common with fascism, even if the two differ strongly in the ends they seek to achieve.

DEMOCRATIC SOCIALISM

What happens when you try to combine democracy with socialism?

Let's say a socialist government has to choose between only two ends: greater income equality or greater racial justice. Even in this simple, two-alternative case, it has to define clearly what equality and justice mean in terms that everyone can agree on. What counts as income? What constitutes racial justice? What constitutes more equal income or justice? At what point have we achieved perfect equality or perfect justice? If less than perfection, how much less?

These are a few of the tough questions government authorities would have to answer. And, of course, these authorities would be dealing not with a limited number of goals but with a multitude of ends and "priorities" that they would have to define, rank, implement, monitor, and so on. And when conditions change in unpredictable ways, as they always do, the authorities would have to adjust the plan continually. Under such circumstances, the fewer

the people who have input into the final plan, the better. That's why, if the idea of democracy embodies the liberal ideals of self-direction, of enabling ordinary people to meaningfully choose the policies that will rule them, and of self-expression, then democracy poses an insurmountable problem for socialism.

When government is small and limited to undertaking only those policies that almost everyone agrees on—for example, taxing to finance an effective territorial defense—then democracy might work relatively well, because the number of areas on which a majority of voters and decisions-makers need to agree is small. But when the scope of governmental authority expands into more and more areas of our daily lives—such as decisions about health care, nutrition, education, work, and housing—as it would under socialism, agreement among a majority of all eligible citizens on every issue becomes impracticable. The inevitable bickering and dissension among people in countless interest groups on the myriad pieces of legislation bog down the political process.

*Democratic socialists
want to signal that,
for them, political liberty
is just as important
as, say, economic justice.*

How much individual self-expression, how much self-determination, can a central authority tolerate, democratic or not, when it seeks to impose an overarching economic plan? Planning on this scale requires the suppression of the petty plans and personal aspirations of mere individuals, and the submission of personal values to those of the collective.

Alexis de Tocqueville said it well:

Democracy and socialism have nothing in common but one word: equality. But notice the difference: while democracy seeks equality in liberty, socialism seeks equality in restraint and servitude.

The system may grind along this way for a while, but the temptation to abandon true democracy—by transferring decision-making authority to smaller groups of experts in each field, for example—becomes harder and harder to resist. In such circumstances, making swift, effective decisions becomes more desirable and less possible. The lofty goals of theoretical socialism—the international brotherhood of workers and global economic justice—tend to be swept aside by local concerns of hunger and security, opening the door to (nonproletarian) dictatorship.

As F.A. Hayek eloquently put it,

That socialism so long as it remains theoretical is internationalist, while as soon as it is put into practice ... it becomes violently nationalist, is one of the reasons why “liberal socialism” as most people in the Western world imagine it is purely theoretical, while the practice of socialism is everywhere totalitarian.

THE TRADE-OFF

Someone might reply that while such problems might apply to full-fledged socialism, the kind of democratic socialism that today’s intelligentsia advocate is far less extreme. If so, the question becomes this: In a mixed capitalist economy—regulatory-state, welfare-state, or crony capitalism—to what extent do these consequences emerge? How robust is the trade-off I’m describing?

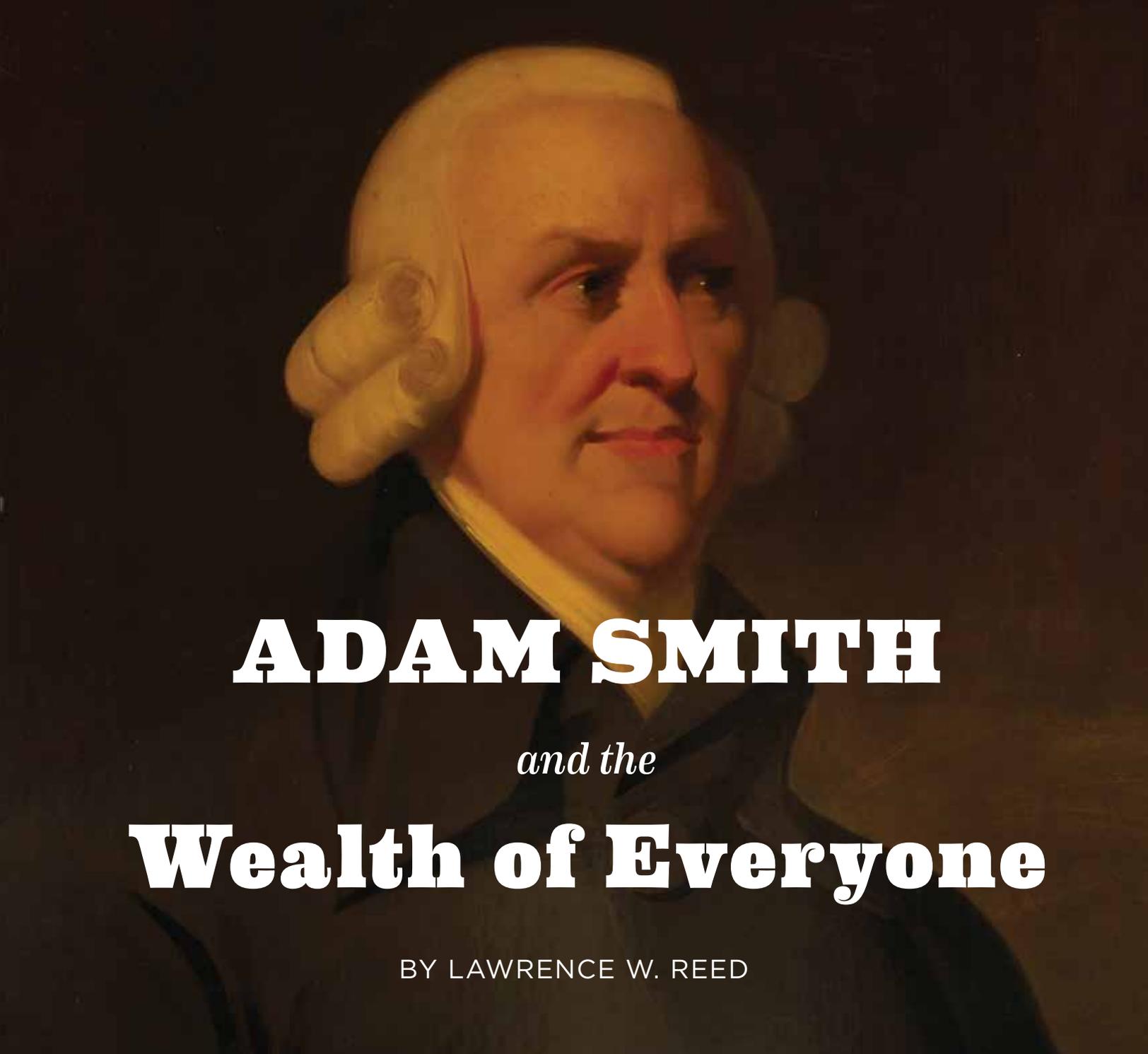
Clearly, it’s a matter of degree. The greater the degree of central planning, the less the authority can put up with deviation and individual dissent. I also realize that there is more than one dimension along which you can trade off self-direction for direction by others, and some of these dimensions do not involve physical coercion. For example, groups can use social or religious pressure to thwart a person’s plans or shrink her autonomy, without resorting to physical aggression.

But there is no denying that along the dimension of physical coercion, which is the dimension along which governments have traditionally operated, the more coercive control there is by an outside agency, the less self-direction there can be. Coercion and self-direction are mutually exclusive. And as government planning supplants personal planning, the sphere of personal autonomy weakens and shrinks and the sphere of governmental authority strengthens and grows. More socialism means less real democracy.

Democratic socialism, then, is not a doctrine designed to protect the liberal values of independence, autonomy, and self-direction that many on the left still value to some degree. It is, on the contrary, a doctrine that forces those of us who cherish those liberal values onto a slippery slope toward tyranny.

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



A portrait of Adam Smith, an 18th-century Scottish philosopher, economist, and sociologist. He is shown from the chest up, wearing a dark coat and a white cravat. He has a serious expression and is looking slightly to the right. The background is dark and out of focus.

ADAM SMITH

and the

Wealth of Everyone

BY LAWRENCE W. REED

Adam Smith entered a world that his reason and eloquence would later transform. He was baptized on June 5, 1723, in Kirkcaldy, Scotland. It's presumed that he was either born on that day or a day or two before. He would become the Father of Economics as well as one of history's most eloquent defenders of free markets.

The late British economist Kenneth E. Boulding paid this tribute to his intellectual predecessor: "Adam Smith, who has strong claim to being both the Adam and the Smith of systematic economics, was a professor of moral philosophy and it was at that forge that economics was made."

Economics in the late 18th century was not yet a focused subject of its own, but rather a poorly organized compartment of what was known as "moral philosophy." Smith's first of two books, *The Theory of Moral Sentiments*, was published in 1759 when he held the chair of moral philosophy at Glasgow University. He was the first moral philosopher to recognize that the business of enterprise—and all the motives and actions in the marketplace that give rise to it—deserved careful, full-time study as a modern discipline of social science.

The culmination of his thoughts in this regard came in 1776. As American colonists were declaring their

independence from Britain, Smith was publishing his own shot heard round the world, *An Inquiry into the Nature and Causes of the Wealth of Nations*, better known ever since as simply *The Wealth of Nations*. (One of my most prized possessions is the two-volume 1790 edition of the book, gifted to me by an old friend; it was the last edition to incorporate edits from Smith himself, just before he died in that same year.)

Smith's choice of the longer title is revealing. He didn't set out to explore the nature and causes of the *poverty* of nations. Poverty, in his mind, was what happens when nothing happens, when people are idle by choice or force, or when production is prevented or destroyed. He wanted to know what brings the things we call material wealth into being, and why. It was a searching examination that would make him a withering critic of the existing political and economic order.

For 300 years before Smith, Western Europe was dominated by an economic system known as "mercantilism." Though it provided for modest improvements in life and liberty over the feudalism that preceded it, it was a system rooted in error that stifled enterprise and treated individuals as pawns of the state.

Mercantilist thinkers believed that the world's wealth was a fixed pie, giving rise to endless conflict between nations. After all, if you think there's only so much and you want more of it, you've got to take it from someone else.

Mercantilists were economic nationalists. Foreign goods, they thought, were sufficiently harmful to the domestic economy that government policy should be marshaled to promote exports and restrict imports. They wanted their nations' exports to be paid for not with foreign goods but in gold and silver. To the mercantilist, the precious metals were the very definition of wealth, especially to the extent that they piled up in the monarch's coffers.

Because they had little sympathy for (or understanding of) self-interest, the profit motive, or the operation of prices, mercantilists wanted governments to bestow monopoly privileges on a favored few. In Britain, the king even granted a protected monopoly over the production of playing cards to a particular highly placed noble.

Nobel laureate Richard Stone explains:

Smith was passionately opposed to all laws and practices that tended to discourage production and increase prices.... He viewed with suspicion all trade associations, both formal and informal: as he says, "people of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the public, or in some contrivance to raise prices." And he devotes chapter after

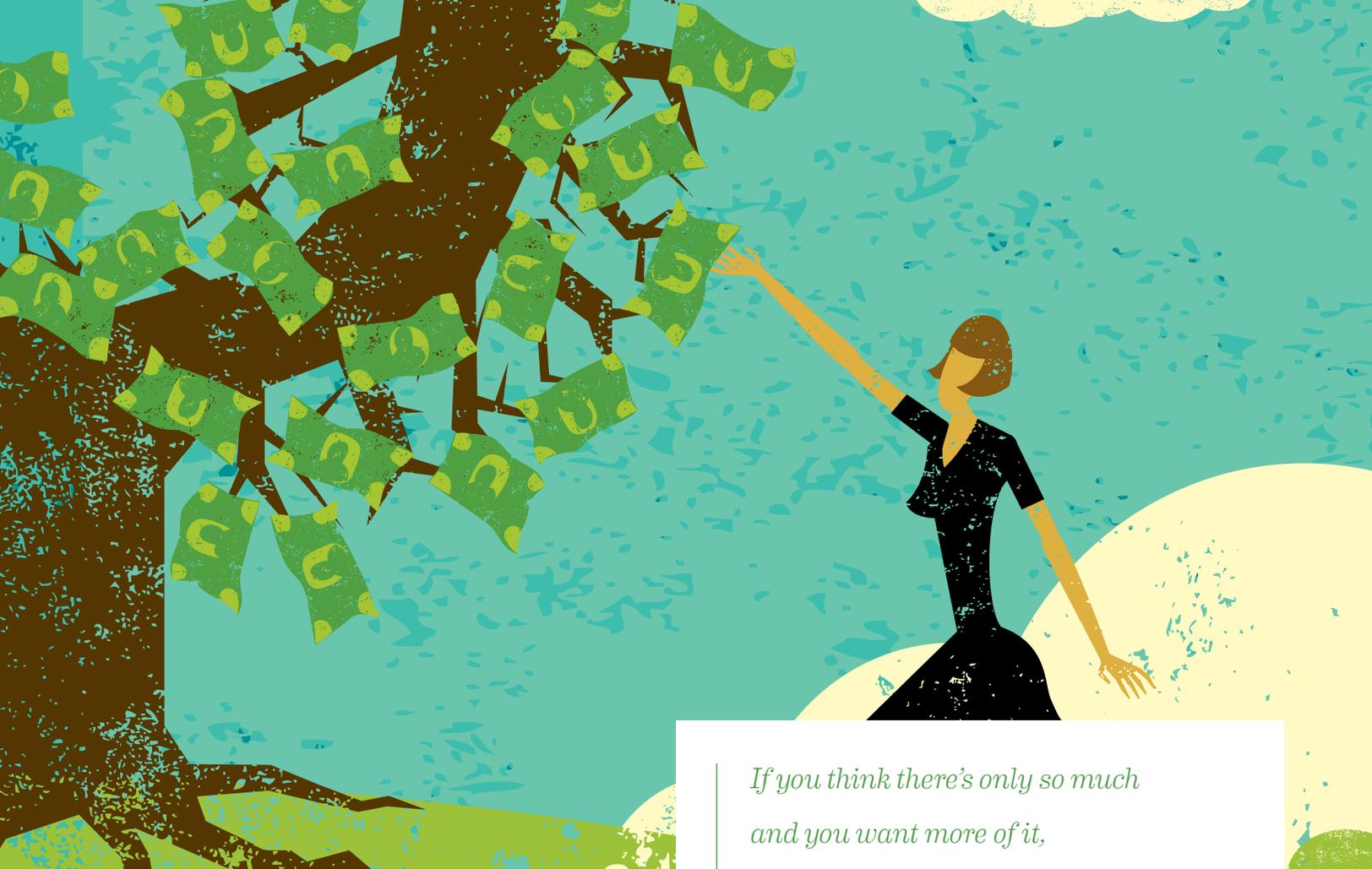


chapter to exposing the harm caused by the combination of two things he particularly disliked: monopoly interests and government intervention in private economic arrangements.

Critics of the market often seize on Smith's "conspiracy against the public" observation cited in the passage above. They conveniently ignore what he wrote immediately thereafter, which indicates that he saw government as a co-conspirator whose police power was indispensable for those conspiracies to thwart the otherwise potent forces of market competition:

It is impossible indeed to prevent such meetings, by any law which either could be executed, or would be consistent with liberty and justice. But though the law cannot hinder people of the same trade from sometimes assembling together, it ought to do nothing to facilitate such assemblies; much less to render them necessary.

Smith's view of competition was undoubtedly shaped by the way he saw the universities of his day, loaded as they were with coddled, tenured professors whose pay had little to do with their service to their pupils or the public at large. While a student at Oxford in the 1740s, he observed the lassitude of his professors, who "had given up altogether even the pretense of teaching."



*If you think there's only so much
and you want more of it,
you've got to take it from someone else.*

Wealth was not gold and silver, in Smith's contrarian view. Precious metals, though reliable as media of exchange and for their own industrial uses, were no more than claims against the real thing. All the gold and silver in the world would leave one starving and freezing if they couldn't be exchanged for food and clothing. Wealth, to the world's first economist, was plainly this: *goods and services*.

Whatever increased the supply and quality of goods and services, lowered their price, or enhanced their value made for greater wealth and higher standards of living. The "pie" of national wealth isn't fixed; you can bake a bigger one by producing more.

Baking that bigger pie, Smith showed, results from investments in capital and the division of labor. His famous example of the specialized tasks in a pin factory demonstrated how the division of labor works to produce far more than if each of us acted in isolation to produce everything himself. It was a principle that Smith showed works for nations precisely because it works for the individuals who make them up.

He was consequently an economic *internationalist*, one who believes in the widest possible cooperation between peoples irrespective of political boundaries. He was, in short, a consummate free trader at a time when trade was hampered by an endless roster of counterproductive tariffs, quotas, and prohibitions.

Smith wasn't hung up on the old mercantilist fallacy that more goods should be exported than imported. He exploded this "balance of trade" fallacy by arguing that, since goods and services constituted a nation's wealth, it made no sense for government to make sure that more left the country than came in.

Self-interest had been frowned upon for ages as acquisitive, antisocial behavior, but Smith celebrated it as an indispensable spur to economic progress. "It is not from the benevolence of the butcher, the brewer, or the baker, that we can expect our dinner," he wrote, "but from their regard to their own interest."

Moreover, he effectively argued that self-interest is an unsurpassed incentive: "The natural effort of every individual to better his own condition ... is so powerful, that it is alone, and without any assistance, not only capable of carrying on the society to wealth and prosperity, but of surmounting a hundred impertinent obstructions with which the folly of human laws too often encumbers its operations."

In a free economy, Smith reasoned, no one can put a crown on his head and command that others provide him with goods. To satisfy his own desires, he must produce what others want at a price they can afford. Prices send signals to producers so that they will know what to make more of and what to provide less of. It wasn't necessary

Wealth, to the world's first economist, was plainly this: goods and services.

for the king to assign tasks and bestow monopolies to see that things got done. Prices and profit would act as an “invisible hand” with far more efficiency than any monarch or parliament. And competition would see to it that quality is improved and prices are kept low. Austrian economist F.A. Hayek wrote in his book, *The Fatal Conceit*,

Adam Smith was the first to perceive that we have stumbled upon methods of ordering human economic cooperation that exceed the limits of our knowledge and perception. His “invisible hand” had perhaps better have been described as an invisible or unsurveyable pattern. We are led—for example by the pricing system in market exchange—to do things by circumstances of which we are largely unaware and which produce results that we do not intend. In our economic activities we do not know the needs which we satisfy nor the sources of the things which we get.

The Father of Economics placed much more faith in people and markets than in kings and edicts. With characteristic eloquence, he declared, “In the great chessboard of human society, every single piece has a principle of motion of its own, altogether different from that which the legislature might choose to impress upon it.”

Smith displayed an understanding of government that eclipses that of many citizens today when he wrote,

It is the highest impertinence and presumption ... in kings and ministers, to pretend to watch over the economy of private people, and to restrain their expense.... They are themselves always, and without any exception, the greatest spendthrifts in the society. Let them look well after their own expense, and they may safely trust private people with theirs. If their own extravagance does not ruin the state, that of their subjects never will.

Smith wasn't perfect. He left a little more room for government than many of us are comfortable with, especially in light of what we've learned of the political

process in the centuries since. Much of what we now know in economics he left to later scholars to correct or discover (the Austrian school's seminal contributions in the 1870s and later regarding the source of value and marginal utility being two of the most important). But Smith's books, as the great Austrian economist Ludwig von Mises noted, represented “the keystone of a marvelous system of ideas.”

The last formal job that Smith held in his life was, ironically, commissioner of customs in Scotland. How could such an eminent free trader preside over the collection of the very tariffs he had so eloquently debunked? He certainly evidenced no change of mind on the fundamental virtue of freer trade.

E.G. West, in his excellent 1969 biography of Smith, wrote,

To enter the service of the Customs would not be to compromise on his principles. On the contrary, he would be enabled more practically to study further ways of achieving economies.

And indeed, achieving economies is exactly what Smith did over seven years on the job. Net revenues to the Treasury, we learn in West's book, rose dramatically during Smith's tenure—and not from higher rates but from the reduction in collection costs that Smith had put in place.

Smith's ideas exerted enormous influence before he died in 1790 and especially in the 19th century. America's Founders were greatly affected by his insights. *The Wealth of Nations* became required reading among men and women of ideas the world over. Until his day, no one had more thoroughly and convincingly blown away the intellectual edifice of big government than the professor from Kirkaldy.

A tribute as much to him as to any other individual thinker, the world in 1900 was much freer and more prosperous than anyone imagined in 1776. The triumphs of trade and globalization in our own time are further testimony to his enduring legacy. A think tank in Britain bears his name and seeks to make his legacy better known.

Ideas really do matter. They can change the world. Adam Smith proved that in spades, and we are all immeasurably better off because of the ideas he shattered and the ones he set in motion. ■

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

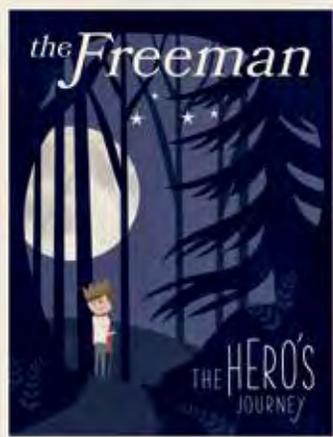
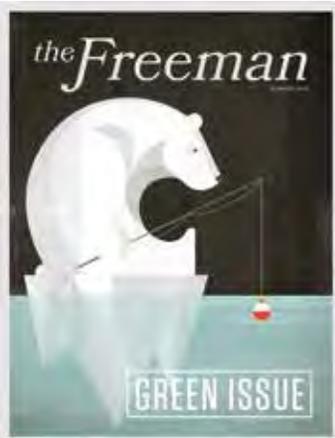
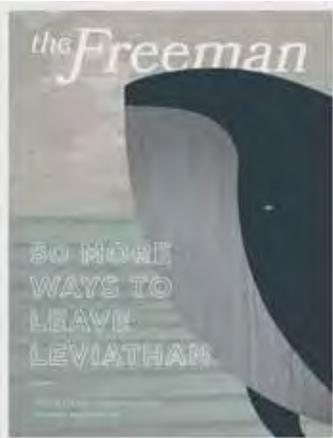
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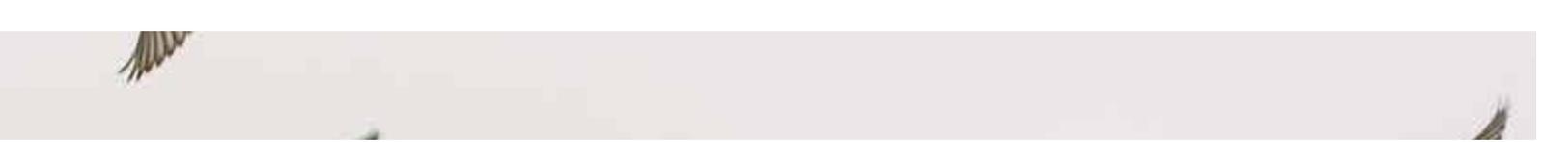
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A large flock of birds, possibly starlings, is captured in flight against a pale, overcast sky. The birds are scattered throughout the frame, with some in sharp focus and others blurred. Below the birds, a dense field of trees with vibrant autumn foliage in shades of orange, red, and brown is visible. The overall mood is serene and natural.

WHEN MY CHILDREN LAUGH

A POEM BY P.C. VANDALL



I thought I had heard everything
till the dark-eyed juncos, warbling
wrens and wood thrushes fell silent
as the ruby-throated leaves.

They were barely audible, soft
as bees humming over a white
froth of honeysuckles, a faint
tittering at the flaxen edge

of light. They peered into the cage
of my chest and my heart lifted
like a murmur of starlings
peppering the dove white sky.

Fluttering wings swooped and scaled
the bone rafters till tears darted
and flittered away. When night fell
in love with dark it composed songs

beneath a theatre of stars.
The birds refused to cry or chirp,
bull headed as frogs refraining
to be moved by the howling wind.

This is what laughter is like
when hatched and fledged from a nest.
They are swallows caught like frogs
with heart-shaped lumps in their throats.



road.pl

A POEM IN PERL

BY RACHEL LOMASKY

```
#!/usr/bin/perl

# The first need is to free ourselves of that worst form of contemporary obscurantism. -FAH
# Perl code can be treacherously obfuscated. -Larry Wall, inventor of Perl

for (each %western_democracies) {
    fork;

    if (require state) {
        FREEDOM::dump unless reverse;

        $socialism->$facism->$totalitarianism;
        $freedom=>$planning;

        while ($you != $me) {
            push @people, %minority_will;
            bind MEN, POLITICS;
            close $markets and unlink BUYER, SELLER;
            exit DEMOCRACY and bless SOCIALISM;
        };

        do not sleep; do not wait && wait && wait until time;
        do alarm; do join my $cause, %values; do split /power/;

        listen YOU, EVERYONE or "serfdom";
    }
}
```

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Science is a process of discovery, not an end state, and its consensus of the moment should not be enshrined in the law and imposed at gunpoint.

— JEFFREY A. TUCKER

