

Mises expanded his 1940 *Nationalökonomie* into his English-language magnum opus, *Human Action* (1949, revised in 1963 and 1966). Extending his treatment of the epistemology and methods of the social sciences, this massive work covers the whole range of economics and beyond. *The Anti-Capitalistic Mentality* (1956) explores the psychological sources of hostility to markets and the profit motive. Although a complete survey of Mises's writings and collections of articles is not possible here, one also should mention *Profit and Loss* (1951), *Planning for Freedom* (1952), *The Historical Setting of the Austrian School of Economics* (1969), and *Money, Method, and the Market Process* (1990). German and translated versions of Mises's *Notes and Recollections*, not published until 1978, reflect the globally and personally stressful time when he actually wrote them—1940.

One need not agree with every detail of Mises's economic teachings to be awed by his accomplishment. He presented economic theory in a comprehensive and integrated way as but one aspect, although the major aspect, of the broader science of human action that he called *praxeology*. Mises championed reason against mere intuition and emotion and unmasked the absurdity of polylogism, which is the notion that different brands of logic and rationality and truth exist for different nations, races, and classes (and genders, as we might nowadays add). He resisted the trivialization of academic economics into mathematical descriptions of imaginary static equilibria or optimal positions corresponding to the maximization of known functions subject to known restraints. He recognized that economics for the real world deals with uncertainty, change, saving, capital formation, entrepreneurial discovery and the creation of opportunities, and the constructive discipline of profit and loss. Economics explains the harmonious coordination of radically decentralized decisions and actions taken by individuals pursuing their own diverse goals. *Social cooperation* is Mises's term for the framework of peaceful and productive interaction that enables individuals to reap gains from trade in the broadest sense of the term. Its requirements serve as the basis of Mises's ethical theory, which is a version of utilitarianism immune to standard criticisms.

In policy, Mises championed *laissez-faire* and hard money. He showed that misconceived, but perennially popular, economic interventions tend to work against their avowed purposes, creating disorders that seem to call for still further interventions. He warned against excessive government power and imperialistic nationalism. But he was no anarchist: He recognized the necessity of government, properly restrained. Nor was he an apologist for big business or the wealthy and the privileged. On the contrary, the sincerity of his overriding concern for the interests of ordinary people shines through his writings.

Mises continues to inspire new generations of Austrian economists and scholars associated with several institutes

and journals. He would be appalled by the efforts of some of his disciples—fortunately, only a small minority—to drive a posthumous wedge between him and F. A. Hayek, who, after all, had learned much from him, respected him, and worked creatively in the same tradition.

Finally, Mises deserves honor for his courage, even at heavy cost to his own career, in pursuing research, teaching, and writing with uncompromising concern that correct understanding should prevail in the long run. Although he did not live to fully see the outcome of his efforts, he and his ideas are beginning to win the recognition they deserve.

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See also Böhm-Bawerk, Eugen von; Economics, Austrian School of; Hayek, Friedrich A.; Hazlitt, Henry; Kirzner, Israel M.; Money and Banking; Rothbard, Murray; Socialist Calculation Debate

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MOLINARI, GUSTAVE DE (1819–1912)

Gustave de Molinari, the leading representative of the *laissez-faire* school of classical liberalism in France in the second half of the 19th century, continued to campaign against protectionism, statism, militarism, colonialism, and socialism into his 90s on the eve of the First World War. As he said shortly before his death, his classical liberal views had remained the same throughout his long life,

but the world around him had managed to turn full circle in the meanwhile.

Molinari became active in liberal circles when he moved to Paris from his native Belgium in the 1840s to pursue a career as a journalist and political economist. He quickly became active in promoting free trade, peace, and the abolition of slavery. His liberalism was based on a theory of natural rights, especially the right to property and individual liberty, and he advocated a completely laissez-faire economic policy and an ultraminimal state. During the 1840s, he joined the Society for Political Economy and was active in the Association for Free Trade, which was inspired by Richard Cobden and supported by Frédéric Bastiat. During the 1848 revolution, he vigorously opposed the rise of socialism and shortly thereafter published two rigorous defenses of individual liberty, in which he pushed to its ultimate limits his opposition to all state intervention in the economy, including the state's monopoly of security. He published a small book called *Les Soirées de la rue Saint-Lazare* in 1849, in which he defended the free market and private property through a dialogue among a free-market political economist, a conservative, and a socialist. He extended his radical anti-statist ideas, which he had first presented in his "Eleventh Soirée," in an even more controversial article "De la Production de la Sécurité" in the *Journal des Économistes* in October 1849, where he argued that private companies, such as insurance companies, could provide police and even national security services more cheaply, more efficiently, and more in keeping with acceptable morality than could the state.

During the 1850s, he contributed a number of significant articles on free trade, peace, colonization, and slavery to the *Dictionnaire de l'économie politique* (1852–1853) before going into exile in his native Belgium to escape the authoritarian regime of Napoleon III. He became a professor of political economy at the Musée royale de l'industrie belge and published a significant treatise on political economy, the *Cours d'économie politique* (2nd ed., 1863). He also wrote a number of articles opposing state education at this time. In the 1860s, Molinari returned to Paris to work on the *Journal des Débats*, becoming editor from 1871 to 1876. Between 1878 and 1883, Molinari published two of his most significant historical works in the *Journal des Économistes* in serial and then in book form. *L'Évolution économique du dix-neuvième siècle: Théorie du progrès* (1880) and *L'Évolution politique et la révolution* (1884) were works of historical synthesis that attempted to show how modern free-market industrial societies emerged from societies in which class exploitation and economic privilege predominated and what role the French Revolution had played in this process.

Toward the end of his long life, Molinari was appointed editor of the leading journal of political economy in France, the *Journal des Économistes* (1881–1909). Here

he continued his crusade against all forms of economic interventionism, publishing numerous articles on natural law, moral theory, religion, and current economic policy. At the end of the century, he wrote a prognosis of the direction in which society was heading. In *The Society of the Future* (1899), he still defended the free market in all its forms, conceding only that the private protection companies he had advocated 50 years earlier might not prove viable. Nevertheless, he continued to maintain that privatized, local geographic monopolies might still be preferable to nation-wide, state-run monopolies. Perhaps it was fortunate that he died just before the First World War broke out, and thus he was spared from seeing just how destructive such national monopolies of coercion could be.

In the 20 or so years before his death, between 1893 and 1912, Molinari published numerous works attacking the resurgence of protectionism, imperialism, militarism, and socialism, which he believed would hamper economic development, severely restrict individual liberty, and ultimately lead to war and revolution. The key works from this period of his life are *Grandeur et décadence de la guerre* (1898), *Ésquisse de l'organisation politique et économique de la Société future* (1899), *Les Problèmes du XXe siècle* (1901), *Théorie de l'évolution: Économie de l'histoire* (1908), and his aptly titled last work *Ultima Verba: Mon dernier ouvrage* (1911), which appeared when he was 92 years of age.

Molinari's death in 1912 severely weakened the classical liberal movement in France, and only a few members of the "old school" remained to teach and write—including the economist Yves Guyot and the antiwar campaigner Frédéric Passy, who both survived into the 1920s. By the time of Molinari's death, the academic posts and editorships of the major journals had fallen into the hands of the "new liberals," socialists who spurned the laissez-faire liberalism of the 19th century.

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See also Anarcho-Capitalism; Free Trade; Imperialism; Liberalism, Classical; Nationalism; Peace and Pacifism; Socialism; War

Further Readings

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