



Ludwig von Mises Institute
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November 21, 2011

Dear Friend,

Remember the promises of economic recovery? Two presidents have now made them and spent (and printed) many trillions to see them come true. There was QE1, QE2, Operation Twist, and thousands of other tricks.

And yet, the economy is sinking ever more. Incomes are falling more now than two years ago. Job prospects for young people are in the pits. This entire fiasco represents one of the great failures of the state and the economic theories the state tried. They promised a dream and delivered disaster.

The Mises Institute has been the one consistent voice of opposition from the very beginning of this crisis. We stood nearly alone against Bush's bailout schemes and continued that opposition through the Obama years. Not only that: our editorials and publications had warned of the crisis before it happened.

We've worked for this opportunity for thirty years with conferences, books, fellowships, and programs of every sort. We had every technology in place and many thousands of intellectuals around the world who have learned from what the Mises Institute does.

This is why this crisis has brought all new attention to the Austrian School of economics, as represented in the writings of Mises, Rothbard, Hayek, Hazlitt, and their entire tradition. This is the power of ideas at work—and good ideas are more effective than all the propaganda that the state can dish out.

This is why we hope we can count on your most generous donation going forward into next year. We cannot miss this opportunity. We want to do more than we've ever done before to flood the world with truth.

Truly, for the first time, the Austrians are leading the debate. We've seized the moment to educate the world about the economics of liberty. Mises's name and the Austrian School in general

are in the press. Even contenders for the GOP nomination are scrambling to identify with the Austrians so they can keep up with the intellectual appeal of Ron Paul.

What's more, the Keynesians are under fire. Chairman Ben Bernanke was supposed to be a world-renowned expert of the Great Depression. Only two years ago, he was TIME's man of the year. The politicians gave him a free hand to do what he needed to do.

What's the excuse now? We are told that the central bankers just haven't done enough yet. They just haven't pulled the right monetary lever or pushed the right liquidity button. The money masters will stumble onto the right equation soon. People just have not been cooperating with the models.

Who believes this anymore? Unemployment was supposed to end two years ago, and yet one in five people in this country are unemployed. Nearly 50 million Americans obtain their groceries with food stamps.

Even now, Washington is living high on the hog. There is plenty of money sloshing around Wall Street.

Who has the answers? The Chicago School isn't on the tip of anyone's tongue. Neoclassical economics isn't a part of the debate. No, it's all Austrian that matters this time. The Keynesians vs. The Austrians is the fight of the century, playing out day after day on television and in print media.

How could this be? Thirty years ago the Austrian School was nearly forgotten. As Murray Rothbard explained in an interview twenty years ago, an entire generation of Austrians had been wiped out by the New Deal. When Rothbard was writing *Man, Economy, and State*, he was a young man in his twenties and completely alone. At the same time, Mises was in his sixties, while Hayek and Hazlitt were in their fifties. There was no one in between.

Murray's work made the Austrian School survive through the 1980s and beyond. The same could have happened during Obama's Newer Deal, but it has not and will not: because of your support for the Mises Institute. The Institute will turn 30 next year. And for three decades Lew Rockwell and the Mises Institute have fought against the Keynesians and the statisticians that preach on college campuses and in Washington, D.C.

The Institute has stuck to its guns and it's paying off. The Austrian School isn't just part of the conversation; it *is* the conversation. Mises Institute staff and scholars are explaining the free market from the Austrian perspective on television, to congressional hearings, in academic journals, on films, and in articles that appear around the world every single day. Radio appearances and articles in mainstream print media by Institute staff, faculty and former Fellows are too numerous to count.

The Federal Reserve is under pressure like never before. Did you ever expect that in your lifetime there would be protest rallies in front of Federal Reserve offices? It's remarkable. And if you talk to the people behind them, they will tell you: their inspiration comes from the Mises Institute. Not since Andrew Jackson took down the Second Bank of the United States have America's central bankers felt such heat.

But we must keep the heat on. While the media is starting to pay attention, the Keynesian doctrine of more government spending, manipulated lower interest rates, and central planning of the economy is still the paradigm in the nation's classrooms and the back rooms where government policy is made.

The state and its apologists will not go away easily. The facts will not get in their way. More and cheaper money benefits those in government. The idea that academics can manage an economy appeals to campus Keynesians who have never run a business or made a payroll. The real economy of voluntary exchanges is foreign to them and fraught with danger. They are convinced that government must police the market, taking care of the weak and controlling the strong.

The donors to the Mises Institute know that it is actually the free market, with people spending their own money as they please, that makes for a prosperous and free world. Our supporters know that capital and savings cannot be created with a printing press. They know students must learn that only the forgoing of consumption creates the capital needed to finance future prosperity.

A recent study found that the majority of high-school students have no economics education at all. For example, they believe that the government sets the prices of all goods. They have never been introduced to the concept of supply and demand and the mutual satisfaction of trade. Public schools indoctrinate young people into believing that government is omnipotent and that their best options in life amount to jobs as government bureaucrats.

Sadly, this ignorance can continue through college and even graduate school, unless they are introduced to sound economics. Young people must be taught that it is entrepreneurs, like so many supporters of the Institute who own their own businesses, who create wealth and jobs for everyone. Those making a million dollars a year should be cheered and thanked, not slapped with surtaxes to decrease their incentive to produce.

Because of you, the Mises Institute has breathed life back into the Austrian School. And it is the Austrians who stand alone in the fight against Keynesian statism. If not for the Austrians there would be no answer to the Keynesians. Because the monetarists and neoclassicals are just Keynesian Light, believing their equations can predict and their government policies will work.

That's why it's left to us to educate young students in the Misesian and Rothbardian tradition. It is not enough to seek kinder, gentler bureaucrats and better monetary policy. What we need is free markets and sound money without compromise.

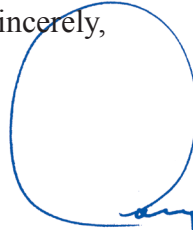
In 2011, we held more teaching events than ever, including our famous Mises University program. Our website hosted 1.4 million visitors every month. We published books and articles as never before. The media appearances were constant. Our offices were busier than ever, the very center of the global resistance to statism and the global font of economic truth.

We want to do this again in 2012 and even step it up. We cannot rest. But we also need resources to continue this pace. We've never faced this opportunity in our lifetimes, and we do not know how long it will last. This is the time to act. We hope we can have your highest possible level of support.

Gifts of \$100, \$500, \$1000 are fantastic. But consider making the biggest investment possible in the work of liberty with a more substantial gift. We need your help to achieve the dream of every great thinker who has ever worked for liberty.

The Mises Institute is the real thing: Not pulling any punches or backing away. Now is the time to strike a blow for liberty. We can't let this moment pass. We have the Keynesians on the run. Now is the time to deliver the knockout blow to every form of statism. We have the ideas that are needed to build a future of liberty.

Sincerely,

A large, blue, handwritten signature that is mostly circular in shape, with a small tail extending downwards and to the right.

Douglas E. French

President