

the Austrian

A PUBLICATION OF THE MISES INSTITUTE

Vol. 6, No. 1

January – February 2020

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Jeff Deist: The Tom Woods Interview





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From the publisher

Jeff Deist

“The uncertainty of the future is already implied in the very notion of action. That man acts and that the future is uncertain are by no means two independent matters. They are only two different modes of establishing one thing.”

Ludwig von Mises, *Human Action*

2020 already promises to be a year of turmoil and uncertainty, intensified by what is sure to be an acrimonious and divisive presidential election.

At this writing in early January, Mr. Trump awaits an impeachment trial in the US Senate. It is uncertain whether an airstrike by US forces near Baghdad that killed a high-ranking Iranian general will lead to wider war in the Middle East or be contained to a skirmish. A Ukrainian jetliner lies smoldering near Tehran; it remains unclear whether the Iranian government had anything to do with it. The US economy—fragile in our view—remains wholly under the direction of the Fed, with Chairman Jerome Powell promising whatever it takes for repo markets and former bank boss Ben Bernanke arguing for negative interest rates on US Treasury debt. Hollywood is so bad even the host of its own self-congratulatory Golden Globes show feels compelled to attack it. Tom Brady can’t win a playoff game at home, while Prince Harry wants to give up royal life to spend more time in...Canada.

The world feels upside down.


But by the time you read this, of course, everything written above will have changed or come into clarity. America, and Americans, will be on to the next thing. In fact it’s almost a full-time job to keep up with the latest outrage, Twitter broadside from Trump, political brouhaha, or celebrity scandal. It’s the nature of life with instant digital communication: we know about everyone and everything, everywhere, all the time.

But is this information overload healthy? Is information wisdom? As Mises explained, uncertainty is the defining feature of our lives. Time and energy are finite for all of us. We all face choices, and we all have to act. We choose whether to spend our lives following the bouncing ball of current events, or focus on higher pursuits. The Mises Institute is here to help you with the latter, in terms of education, encouragement, and a lifetime’s worth of content. We certainly hope you will avail yourself of everything available via mises.org in the coming year.

We also hope you enjoy Tom Woods’s interview of me, focused on my time with Dr. Ron Paul. I’m fortunate to call the former congressman a friend, and especially fortunate to have worked with him during the days of his 2012 campaign for president. The interview is a fun look back at the Ron Paul Revolution, and hopefully provides insight into how he crafted a populist message for ordinary people across the country tired of top-down bureaucratic control from DC.

Speaking of populism and elites, David Gordon tackles the urban-rural divide in his review of *Why Cities Lose*, by Stanford professor Jonathan Rodden. The author favors a system of proportional voting in US national elections, to give more numerous but concentrated urban voters greater representation in Congress. Democracy, he argues, requires equal force for each and every vote—as opposed to the excess, “wasted” franchise of those who live in heavily Democratic districts. But Dr. Gordon reminds us of Rothbard’s view of democracy, namely as a means rather than a value or end unto itself. Viewed from the libertarian perspective rather than Rodden’s progressive one, decentralization and gridlock produced by geographic representation might well be *desired* ends. In sum, Rodden’s proposal simply serves his own political preferences, rather than any noble purpose like protecting rights. As always, Dr. Gordon is clear and cutting in his analysis.

Finally, we mourn the loss of our great friend Butler Shaffer. Professor Shaffer was a great friend of the Mises Institute, a benefactor to many of his law students over the years, and a brilliant theorist who could bring clarity to esoterica. His work on intellectual property, trade, and political philosophy—in particular his great book *Boundaries of Order*—demonstrated a mind at ease both with complexity and the natural order of liberty. Butler was “his own man” in the truest sense, and we miss him even as we mourn him. Our thoughts go out to his wife, his wife, Jane, daughters Bretigne, Gretchen, and Heidi and their families.

We wish all of you the best in 2020, and ask that you stay connected with the Mises Institute. 

Jeff Deist is president of the Mises Institute.

Jeff Deist: The Tom Woods Interview



Jeff Deist is president of the Mises Institute, where he serves as a writer, public speaker, and advocate for property, markets, and civil society. He previously worked as a longtime advisor and chief of staff to Congressman Ron Paul, for whom he wrote hundreds of articles and speeches. In his years with Dr. Paul he worked with countless grassroots activists and organizations dedicated to reducing the size and scope of government.

Jeff also spent many years as a tax attorney advising private equity clients on mergers and acquisitions.

TOM WOODS: This is the *Tom Woods Show*, and today I welcome Jeff Deist.

Everybody wants to know the sheer nuts and bolts of how somebody becomes Ron Paul's chief of staff. I'll tell a little story most people don't know. About ten years ago, Dr. Paul was approached about doing an autobiography; he would have gotten a huge advance. There was big demand for it! But he just couldn't believe people were interested in the details of his life. His heart wasn't in it, so he decided to say no. I know you're kind of the same way, but doggone it, Jeff Deist, there are some details I want to wring out of you!

You start off as a lawyer in California and have a successful career in the financial world, and then, somehow, you're Ron Paul's chief of staff, and somewhere along the line, you become an Austro-libertarian. This is not the normal career path for most people, so we are curious: what were you reading, who were your influences, who the heck were you?

JEFF DEIST: My background is pretty straightforward, although very lucky. I never went through a conservative or “liberal” phase. That is attributable to my father and my older brother. My dad had books like (F. A. Hayek’s) *The Road to Serfdom* in the house, which I read in high school. My brother Steve subscribed to *Reason* magazine way back in the 1980s, so I had his influence. Of course, some Ayn Rand books came into my possession, which I still have today in dog-eared condition. My mom was not so thrilled about my reading *Atlas Shrugged* due to Rand’s vocal atheism, worried it would rub off on me!

But my real love was literature, and I thought I would become an English professor.

TW: Oh my gosh, thank God we saved you from that.

JD: Ha! I particularly liked twentieth-century British satire—Evelyn Waugh, Graham Greene, Kingsley Amis. My plan was to become a university professor and teach literature. But at that point, in the early 1990s, I started to become aware of a PhD glut, especially in California. I was in graduate school in San Diego at the time and started to rethink my path. The idea of being a professor appealed to me, but I didn’t want to be poor or face dim job prospects.

So, at that point I decided to go to law school, which dovetailed with my interests in writing, rhetoric, and libertarianism. I thought I might defend people against the state. Regardless of whether a person is factually guilty of the acts they are alleged to have committed, the state has no moral, ethical, or truly legal right to prosecute them. And I ultimately chose tax law simply because I thought the taxpayer was always in the right. There is no such thing as a just tax. There is no such thing as cheating on your taxes, because the state has no defensible right to demand your money in the first place.

Luckily for me, during the same period in the early 1990s, I had a good friend, Joe Becker. Joe was a graduate student in the economics program at UNLV (University of Nevada, Las Vegas) because Murray Rothbard and Hans Hoppe taught there at the time. He had enrolled at UNLV entirely to study under them. So he invited me to drive up from San Diego occasionally to sit in on classes with Murray Rothbard, his professor. I drove up a few different times; Rothbard’s courses were always at night. He was very much a night owl, so he taught his graduate sessions and afterward they would



Jeff speaking at the Ron Paul Symposium, April 2017.

I decided to go to law school, which dovetailed with my interests in writing, rhetoric, and libertarianism. I thought I might defend people against the state. ...I ultimately chose tax law.

all go to a little place way off the Las Vegas strip—I think it was on Maryland Parkway—a place called The Stake Out. It was a downscale, video-poker burger joint for the locals, and I think it’s still there, actually. Murray would come and talk to his students socially, and Hoppe would too.

I didn’t truly realize, the one or two times I met Rothbard, who and what he was. I knew he was a libertarian economist, but I

was new to the term “Austrian economics.” At that time I was still very much a generic libertarian; ideas like legalizing pot and getting rid of taxpayer-funded stadiums were considered edgy. We still find that level of libertarianism today, and for the most part libertarians who aren’t rooted in economics are bad libertarians! They lack the framework and knowledge to truly understand the state, and I was no different.

Thankfully, through my friend I learned more about Rothbard and the Austrian school, and started reading heavier, denser material. In retrospect this was quite fortunate.

But Rothbard was not my first libertarian luminary; in fact, I met Ron Paul a few years earlier, in 1988. I was an undergraduate student when he ran for president on the Libertarian Party ticket. Dr. Paul had a campaign stop at a little Ramada Inn in Santa Ana, California. Back then it was not so easy to know about libertarian events, but I think my local San Diego group had a bulletin about it. The great activist Richard Rider was our leader, by the way. So I went and saw Ron Paul, and made some friends that I would stay in contact with for years. And I’ve known Dr. Paul since then.

But once I decided on law school, my intention was to be a lawyer and I never imagined doing anything else with my life. I fell into mergers and acquisitions (M&A), which is a very particular area of tax law—all the tax ramifications from buying and selling companies. There are a lot of complex tax structuring, due diligence, and cross-border international elements, and the Fed helped turn private equity M&A from a cottage industry into a behemoth. Starting in the 1990s with Alan Greenspan, and into the 2000s with Ben Bernanke, M&A activity went through the roof. Right up until the Crash of ’08, and of course with the reinflation of the debt bubble since then, M&A has been very active and lucrative. It was easy to have a job. You got a lot of calls from recruiters.

But I kept my old contacts from the Ron Paul world, and eventually a friend convinced me to come work in Dr. Paul’s congressional office. And when he left office in 2012, I prepared to go back to the M&A world. But having come to know Lew Rockwell I ended up coming to the Mises Institute instead. So that is the quick and dirty explanation of how I came to be sitting here, talking to you from Auburn today.



Paula Deist, Ron and Carol Paul, and Jeff Deist at the Mises Institute’s 35th Anniversary Celebration in New York City, October 2017.

TW: I want to elaborate on your offhand remark that people who are not rooted in economics tend to be bad libertarians. Some people in the audience here might think, *That can't be right*. Economics isn't for everybody. But there are very few exceptions to this rule, and I have a theory why. When I think of people who are squishy in their libertarianism or more interested in appearing chic than being really principled, almost none of them are rooted in economics. In economics, we are looking at private property and the division of labor, and all these clear-cut things. It's fundamentally nonaggression and peace, and these things flow naturally from economics. But some of the people sniping from the sidelines never talk about the Fed, for example. It's always the same three or four lifestyle issues that won't get them in trouble with the *New York Times*. It's almost like they're embarrassed to talk about the Fed because mainstream respectability is what these people crave. I think there's something to what you said.

Economics is not just your job and your finances and your bank account and your stocks. It's everything. Human action encompasses everything we do. There are choices and scarcity and trade-offs and incentives in everything we do; all of these concepts suffuse our lives.

JD: First of all, in a sense, economics is everything. We're talking about human action, so that encompasses things like family and relationships and charity. Economics is not just your job and your finances and your bank account and your stocks. It's everything. Human action encompasses everything we do. There are choices and scarcity and trade-offs and incentives in everything we do; all of these concepts suffuse our lives. I think that unless you're rooted in economics you tend to be malleable. You tend to flail around conceptually.

Take our current situation with Iraq and Iran. There is no fully rational distinction between foreign and domestic policy, for example. The same sorts of choices are involved in each. There is force or potential force involved in each, taxpayer funds involved in each—bureaucratic inefficiency, perverse political incentives, and so forth. So when we consider someone like Congresswoman Tulsi Gabbard, for example, well, she sounds good on war. She's bad on issues like Medicare for All. But Medicare for All just means war at home. It requires aggression against domestic Americans. And the same analysis applies to cultural or social issues across the board. Libertarians who don't have a firm grip on economics tend to be flighty and infirm in their understanding of many issues.

TW: What was it like to work in Ron Paul's office, as compared to the office of Congressman Nobody down the hall? What can you share with us that people haven't heard before?

JD: With Ron Paul what you see is what you get. Ron is not different behind the scenes. Most members of Congress are laughably mediocre in terms of what they've done in their lives; they're mostly just self-important. It's unbelievable. Even some of the staffers become self-important. They say DC is Hollywood for ugly people, where connections and status



Ron Paul, Tom Woods, and Jeff Deist, Houston Mises Circle, January 2015.

and hierarchy are so important. Who is the ranking member of which committee, who is the third assistant majority whip—these sorts of trivial things matter very much. It's just endless.

[Ron] wasn't worried because he thought that whatever they asked him, he would have a straightforward answer. He wasn't going to shade his answers for a CNN audience any more than he would for a constituent in his office or speaking in front of a church group. It just didn't matter.

Of course, Ron had no interest in any of that. His career was medicine, obstetrics, and he'd never run for office or held office before he was first elected to Congress in the 1970s. Most members of Congress started in local or state politics. They went to Tuesday-evening zoning meetings in their county for five years and then became a state rep. It's all to build name ID and prepare to run for Congress. They are Tracy Flick types, for people who have seen the great '90s movie *Election*. Members of Congress are the Tracy Flicks of the world, and Ron is nothing like that. He is just a genuinely nice, warm guy. He is very salt of the earth, and so is his wife, Carol.

Lots of moments stick out from his presidential campaign in 2012. Mind you, I didn't work on his campaigns; I worked in his congressional office, two very separate things. But nonetheless, there was a CNN debate in the fall of 2011 held at Constitution Hall, which is owned by the Daughters of the American Revolution. It's a very nice venue in DC. Ron was in town for congressional votes and attended this Republican primary debate. Of course, Mitt Romney was riding high at this point as the frontrunner in the primary. Wolf Blitzer happened to be the host, and this was going to be a big debate. I'm sure Romney arrived several days in advance and checked into some giant hotel suite with about twenty handlers. I'm sure he sat there in front of a mirror, testing out different phrases and figuring out which necktie he was going to wear.

Now contrast this with Ron: we're still in the office about four o'clock. He says, "Well, I'm going to run home to my condo and then we'll come back over. Why don't you come with me?" Of course, Ron is wearing his same old suit and whatever tie; he doesn't worry about these sorts of things. We go over to his condo in northern Virginia, which was very modest. He had bought this condo in the '70s during his first time in Congress, and it just matched his unassuming demeanor. An hour or so before the debate starts, he is heating up some Campbell's soup. He wasn't worried because he thought that whatever they asked him, he would have a straightforward answer. He wasn't going to shade his answers for a CNN audience any more than he would for a

constituent in his office or speaking in front of a church group. It just didn't matter. And for some reason I remember that night as an example of his lack of pretense.

People forget that he suffered professionally in a sense. He had to give up being a medical doctor. He ultimately sold the building he owned for his medical practice. He certainly made less money as a member of Congress than he did in his practice. And of course he was away from home most weeks, which he disliked. Family meant so much to him, and still does. So even when he disagrees with Rand (Paul's son, Kentucky senator Rand Paul), the criticisms bother him a bit. He is protective of his family.

He probably won't read this, and I won't embarrass him, but his eldest daughter Lori, had some cancer scares over the last few years and happily is in remission. But her illness has been very tough for Ron and Carol, and drives home to me how much family and loyalty mean to him. The Pauls have five children, twenty-five grandchildren, ten great-grandchildren, and counting. Three of his five children are medical doctors, and I remember his son Robert explaining how their father insisted they all graduate without college



Hans-Hermann Hoppe and Jeff Deist, AERC 2019.

People forget that [Ron] suffered professionally in a sense. He had to give up being a medical doctor. He ultimately sold the building he owned for his medical practice. He certainly made less money as a member of Congress than he did in his practice.

debt. Ron's story really is tremendous, and his family is his biggest legacy.

And along the way he managed to deliver four thousand babies, sometimes at three in the morning. His is quite a remarkable life, and it's probably too bad he didn't take someone up on that idea of doing a biography. Ron Paul's life is an American story.

One more thing: people don't understand his inadvertent skill as a politician. His country doctor personality and plainspokenness served him very well politically. It was hard for opponents to paint him as a radical, because he conducted his personal life as he did. He stayed married to the same woman for decades, didn't much drink and never smoked, and focused on family and bicycling and his tomato plants. Carol came up with the idea of a cookbook for supporters, and it wasn't calculating at all, but rather something she simply wanted to do. It became a great political tool. Texans responded to the Pauls as natural people, even if DC didn't. He was, and is, disliked by the DC libertarians for precisely this, I think. He's a natural, nonjudgmental person, and it shines through.

What we can learn from Ron Paul is some things can't be faked. It's important to be a kind and loyal person first. This problem is rife through the libertarian world—all politics, really—these sleazy people who aren't very accomplished or



Jeff recording The Human Action Podcast.

loyal. Many things matter far more than whether someone has libertarian views. Personal relationships are infinitely more important.

TW: Here's what I want to know about your time in Ron Paul's office. Did anything ever make him truly angry, where he slammed down the phone or said "son of a..." Did you ever see that?

JD: Not really. I will say, he hates to wait. He's an impatient person. He walks fast, he wants to get on to the next thing. He really hated when someone was late for a call or an interview. I think it comes from years of being a busy OB/GYN. He was used to going from patient to patient and sometimes driving backcountry roads in south Texas in the middle of the night to deliver a baby at some small hospital. There weren't many OBs around. He was a very busy doctor and is used to being busy. This is not a man who slows down. He is in absolutely remarkable shape, turning eighty-five this year. In typical Ron Paul fashion, he had both knees replaced at the same time over a Christmas recess in the early 2000s. Stairs used to give him a little trouble before the knee replacements. But he's in great shape now, still walking and biking vigorously. Some people are just wired that way, with a thinner body type and high energy. I've never seen him truly angry, but I've certainly seen him impatient.

TW: Was there anybody else in Congress you were able to work with somewhat cordially, so that it wasn't entirely just enemy territory?

JD: Sure. Jimmy Duncan from Tennessee, now retired from Congress.

TW: Who, by the way, has been a guest on the *Tom Woods Show* a couple times.

JD: He represented Knoxville, Tennessee, including the University of Tennessee. His father held the seat before him. Mr. Duncan is a great and thoughtful guy, very antiwar. I remember him saying in his Southern drawl how he liked to read Antiwar.com and Justin Raimondo first thing every morning! And this is a conservative red-state guy. And the late Congressman Walter Jones was just an absolute sweetheart, a very kind and genuine guy. He was in the Pat Buchanan protectionist mode, but ultimately came around to be a very strong noninterventionist with regard to foreign policy. I would say Mr. Jones from North Carolina was Dr. Paul's closest ally on the Hill, but he had lots of personal friends. People in Congress generally liked him, because I think they didn't see him as competition for their committee assignments or whatever it might be, because Ron didn't care. So, he had

[Ron's] a natural, nonjudgmental person, and it shines through. What we can learn from Ron Paul is some things can't be faked. It's important to be a kind and loyal person first.

plenty of friends. Lobbyists left Ron alone and leadership left Ron alone more than in most offices. Most offices faced a lot of pressure to vote a certain way on amendments or procedural matters or appropriations when the outcome was uncertain.

But they knew Ron would vote a certain way regardless of pressure.

So, for our office it was not an acrimonious or combative atmosphere. It was just a stupid atmosphere. Congress is not like *House of Cards* with Kevin Spacey. People want to think it is. It's really just a bunch of self-important dullards. I mean, there are smart people in Congress, don't get me wrong. But they are mediocrities for the most part.

Let me say something controversial. From the statist perspective there might be an argument for paying members of Congress \$500,000 or \$1 million so that you'd actually entice some accomplished or talented people. People who could actually make that kind of money, or much more, in another career. Don't get me wrong. I don't want better and smarter people in Congress, and I don't want government run like a business! I do find it curious that the congressional salary—I think it's \$175,000 these days—is far and away the highest pay that average members ever made. They are not high-achieving people for the most part, and they certainly are not sacrificing more lucrative careers for the most part.

And of course, it's gotten way worse since Ron Paul left at the end of 2012, both in terms of partisanship and the rise of

social media. Today I see House and Senate staffers tweeting acrimonious things about a representative or senator. And that is definitely a change. Just five or ten years ago no staffer would have done that. The first rule is never get your boss in trouble. So the environment is even more political and poisoned today, with impeachment and celebrities like AOC (Alexandria Ocasio-Cortez), and the rancor surrounding Trump. I know Dr. Paul is glad to be out of DC.

TW: As we wrap up for today, give me your elevator pitch for why Ron Paul mattered in politics, even when his critics say he didn't get many bills passed.

JD: First, I'm sure we don't need any more bills passed in this country. Ron Paul saw politics as a platform, as a seat at the table of public opinion. He saw Congress as an opportunity to educate people and hopefully inspire them. Ron thought his job was to reach young people, not members of Congress. It was never a majority game or a legislative game. Political liberty may never carry 51 percent of the electorate. But a vanguard of 5 or 10 percent in any society can make sweeping changes and move things toward a tipping point. It's a long game, not a game of electoral success or instant gratification. The state is a powerful thing—its allure and the arguments for it are powerful in a certain way. We shouldn't kid ourselves.



Jeff with wife, Paula, and children, Katie and Charlie, 70th Anniversary of Human Action Celebration, Vienna, Austria, 2019.

The Ron Paul Revolution brought the argument for political liberty to the fore....For that reason alone...we owe him a tremendous debt of gratitude. He was a great recruiter.

I do think the Ron Paul Revolution brought the argument for political liberty to the fore, and to a degree, we've lost ground in recent years. For that reason alone, I think we owe him a tremendous debt of gratitude. He was a great recruiter.

But people don't understand all the years he spent in the wilderness, being treated terribly by both parties and by the media. Sure, in 2012 he could go to the UC Berkeley campus and speak to five thousand kids, and he could go to the BYU campus and give the same talk to five thousand kids there. He had some great moments reaching people in 2008 and 2012 even though it didn't translate into direct electoral success (although let's not forget that he won a majority of 2012's delegates in Iowa). He was touched by the support he received; it made him think the whole effort was worthwhile. But there were decades before, beginning in the 1970s, when Ron was alone in the wilderness. He was working to build connections in the sound money, Austrian economics, and libertarian communities. He was flying cheap Southwest flights and staying in cheap motels, hoping the local contact would meet him at the airport when there was no email or cell phones. He spent a lot of years speaking to small groups of ten or fifteen people, and he spent a lot of time away from home, before he ever became the Ron Paul we think of today. Obviously I'm biased, but Dr. Paul put a lot of blood, sweat, and tears into this idea of liberty over the years—and I think that we owe him for that.

TW: Yes, simple gratitude is in such short supply in so much of the libertarian movement. Simple gratitude. I agree with your point: when all is said and done at the end of your life, were you a good person? That's more important than whether you were a doctrinaire libertarian. Thanks so much, Jeff. ■■■

Tom Woods, a Senior Fellow of the Mises Institute, is the author of a dozen books, most recently *Real Dissent: A Libertarian Sets Fire to the Index Card of Allowable Opinion*. His other books include the *New York Times* bestsellers *The Politically Incorrect Guide to American History* and *Meltdown* (on the financial crisis, featuring a foreword by Ron Paul). He hosts the *Tom Woods Show*, a libertarian podcast that releases a new episode every weekday—check it out at TomsPodcast.com. With Bob Murphy he co-hosts *Contra Krugman*, a weekly podcast that refutes Paul Krugman's *New York Times* column.



Lew Rockwell and Jeff Deist speaking at Mises University 2016.



REMEMBERING Butler Shaffer (1935–2019)

At the end of the year, the Mises Institute lost a dear friend and an important thinker, Butler Shaffer.

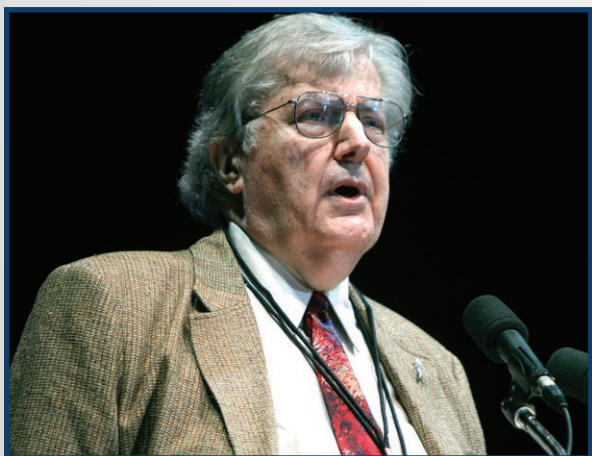
A law professor and prolific author, his libertarian scholarship often focused on individual rights and legal theory. It included the books *A Libertarian Critique of Intellectual Property*, *Boundaries of Order*, and *The Wizards of Ozymandias: Reflections on the Decline and Fall*.

“Butler belongs in the pantheon of genuine heroes, along with his friends Murray Rothbard and Burt Blumert. Wherever people value liberty, Butler Shaffer will be remembered with respect and admiration.”

—LEW ROCKWELL



Butler Shaffer with Lew Rockwell after receiving the 2012 Gary G. Schlarbaum Prize for Lifetime Defense of Liberty.



Butler Shaffer speaking at Ron Paul's "We Are the Future" rally in Tampa, Florida, 2012. Photo Credit: Gage Skidmore.

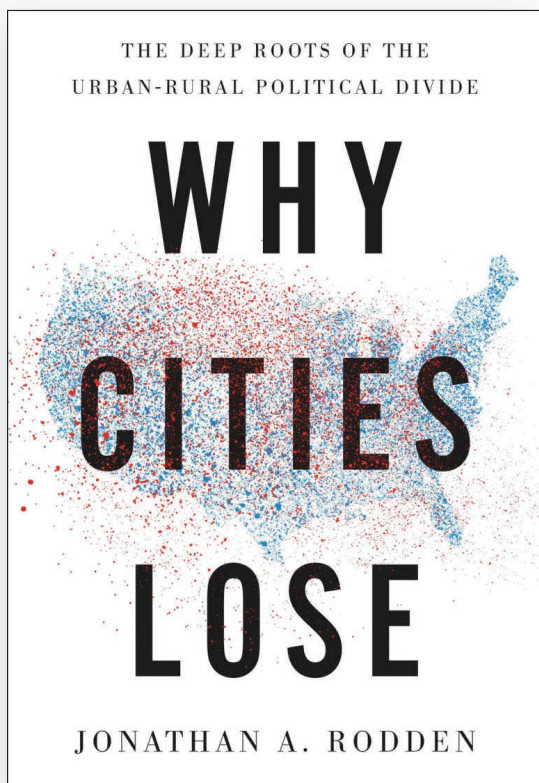
“Butler was my dear friend for many years, and now that he is gone what comes most to my mind is his sense of humor. He loved words and was a master of puns. Few things in my life brought me as much joy as a conversation with Butler.”

—DAVID GORDON

THE LEFT'S PLAN TO MAKE CITIES MORE POWERFUL

DAVID GORDON REVIEWS

Why Cities Lose: The Deep Roots
of the Urban-Rural Political Divide
By Jonathan Rodden
Basic Books, 2019
313 pages



Jonathan Rodden is unhappy. In American elections, Democrats often receive a larger number of votes than their Republican rivals, but they nevertheless frequently fail to win elections. “In most democracies, the path to victory is simple: win more votes than your competitors. For the Democratic Party in the United States, however, this is often not good enough.... Democrats must win big in the overall popular vote, as they did in the ‘blue wave’ elections of 2018 and 2006, in order to win a majority of seats in the House. The Democrats’ problem with votes and seats is even more pronounced in state legislatures.”

Rodden, who is a professor of political science at Stanford, specializes in political geography. In *Why Cities Lose*, he devotes enormous effort to finding out the reasons the situation just described has come about, but the gist of his answer is simple. Democrats are highly concentrated in cities, but Republicans are spread out in the suburbs and rural areas. As a result, a Democrat who wins in a city will likely gain a large majority. In our “first-past-the-post” electoral system, a large majority is no better than a narrow victory. The winner of a seat in Congress, for example, gets one seat regardless of the margin of his victory. “Surplus” votes do him no good. Republicans in rural areas are more spread out. Their votes tend to be more “efficient,” as Rodden puts it, than the wasted votes of the concentrated Democrats. They win by narrower margins but gain more seats. Rodden spends a great deal of time showing that partisan gerrymandering does not bear exclusive responsibility for the situation. Through careful comparison with Britain and the Commonwealth nations that have a “first-past-the-post” system but no gerrymandering, he shows that cities still suffer from “wasted” votes.

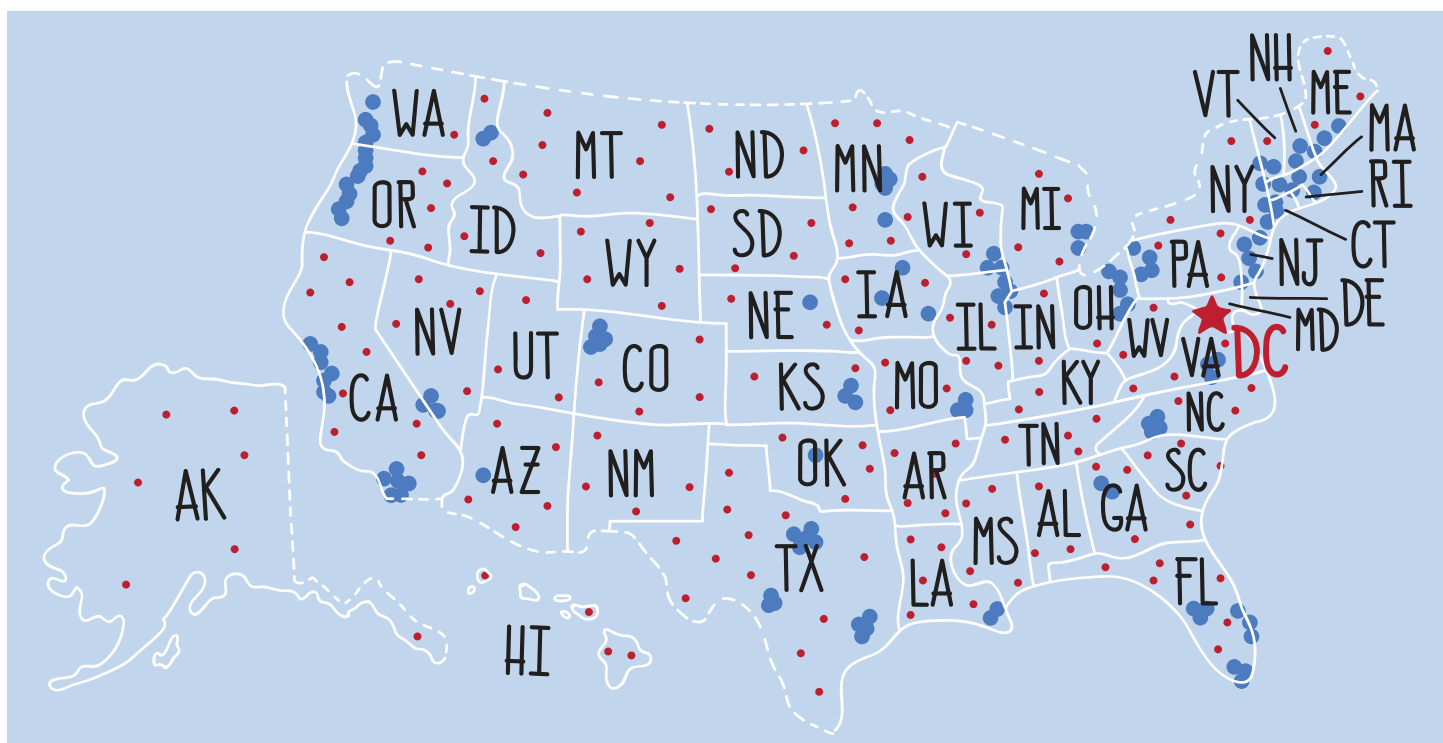
Rodden argues that proportional representation would change matters. Under this system, votes are not wasted. “There are important variations from one country to another, but in most cases, the country is divided up into a series of multimember districts, and within each district, every party receives a number of seats that is proportionate to its share of the vote....In highly proportional systems with large districts, like those in northern Europe, the geography of a party’s support is largely irrelevant for the transformation of votes to seats. It is just as useful to have 30 percent of the vote that is highly concentrated in cities as to have 30 percent of the vote evenly dispersed throughout the country.”

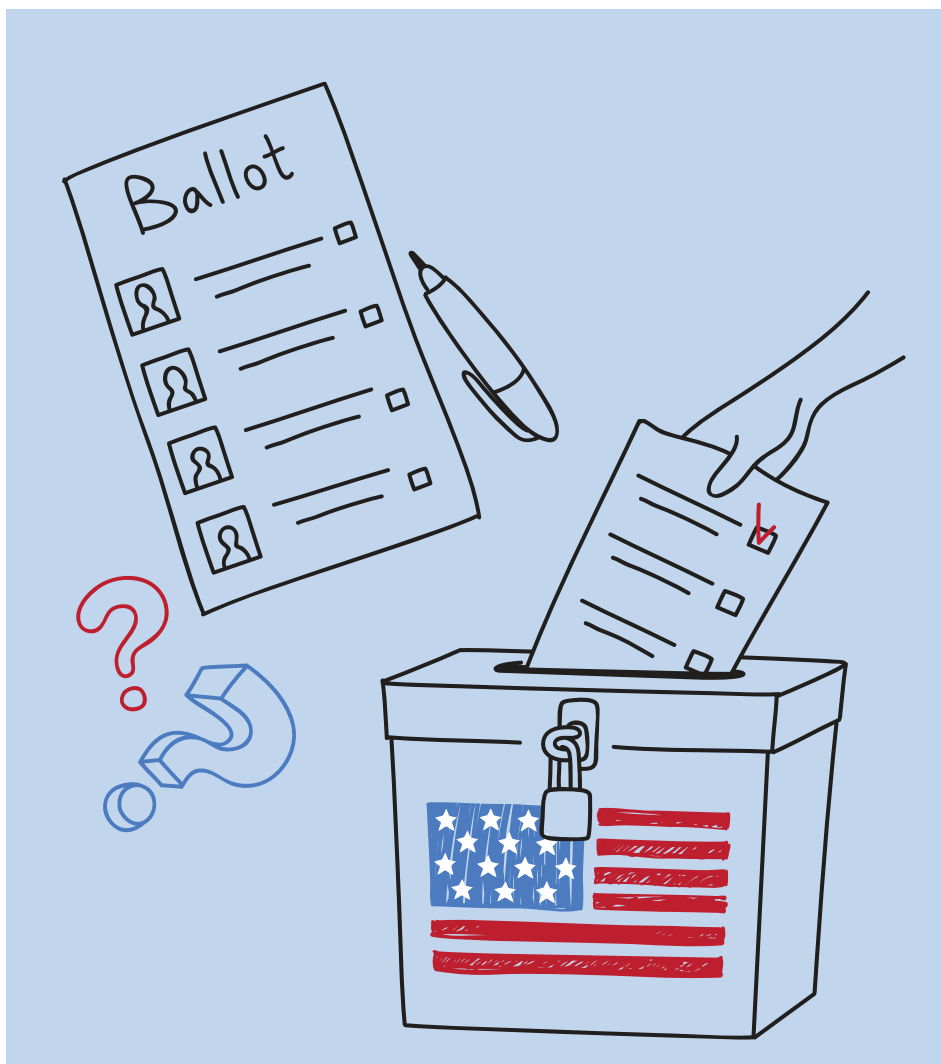
I have said that Rodden is unhappy with the dilution of votes in American cities, but why does he regard this situation as bad? (One might object that this misreads him; he is simply an objective political scientist describing and analyzing an important trend in voting patterns. But his dismay is unmistakable.) Speaking of countries in northern Europe with proportional representation, he says: “Above all, the proportional systems of Europe have developed

larger public sectors, more generous social expenditure, higher levels of redistribution, and more stringent efforts at environmental protection.”

These are the measures Rodden favors, but then the question arises, what is so good about them? Not only does Rodden fail to tell us, but his way of looking at political values prevents him from doing so. He never discusses the reasons in favor of and against any “progressive” legislation. Instead, he amalgamates all political values into “objective” scales. “In joint work with Aina Gallego, I [Rodden] have selected a series of questions about abortion, homosexuality, and other social issues....We used these questions to generate a scale measuring how liberal or conservative each respondent is on this set of social issues. We have done the same thing for classic economic issues related to the role of the government in the economy.”

Rodden might reply that he has done this purely as a way to analyze trends, and that he has not claimed to have shown that progressive measures are good and conservative ones bad. But if that is so, he has not given us any reason to





A similar point applies to the proportional representation that Rodden favors. It is true that voters have more choices than they do in a system with only two parties, but whether this is good or bad depends on the nature of the choices. More choices for socialism are not a good thing.

endeavor to alter the urban-rural disparity in voting about which he spends so much time complaining.

One might object to what I have so far contended in this way: “Even if you are not an urban progressive, we do after all live in a democracy. Shouldn’t people be equally represented, rather than have fewer representatives than others? Isn’t it unfair that some votes pack more electoral ‘power’ than others?” To which our answer must be, “No, not at all. It depends on aims sought by those voting. People cannot legitimately invade the rights of others, and to the extent they try to do so, a weakening of their voting power is to be welcomed.”

As Murray Rothbard, writing in *Power and Market*, noted with characteristic wisdom: “Democracy may be

thought of, not so much as a value *in itself*, but as a possible method for achieving other desired ends. The end may be either to put a certain political leader into power or to attain desired governmental policies. Democracy, after all, is simply a method of choosing governors and issues, and it is not so surprising that it might have value largely to the extent that it serves as a *means* to other political ends. The socialist and the libertarian, for example, while recognizing the inherent instability of the democratic form, may favor democracy as a means of *arriving* at a socialist or a libertarian society. The libertarian might thus consider democracy as a useful way of protecting people against government or of advancing individual liberty.” Like democracy, equal voting power isn’t an end itself, but valuable only to the extent it protects people’s rights.

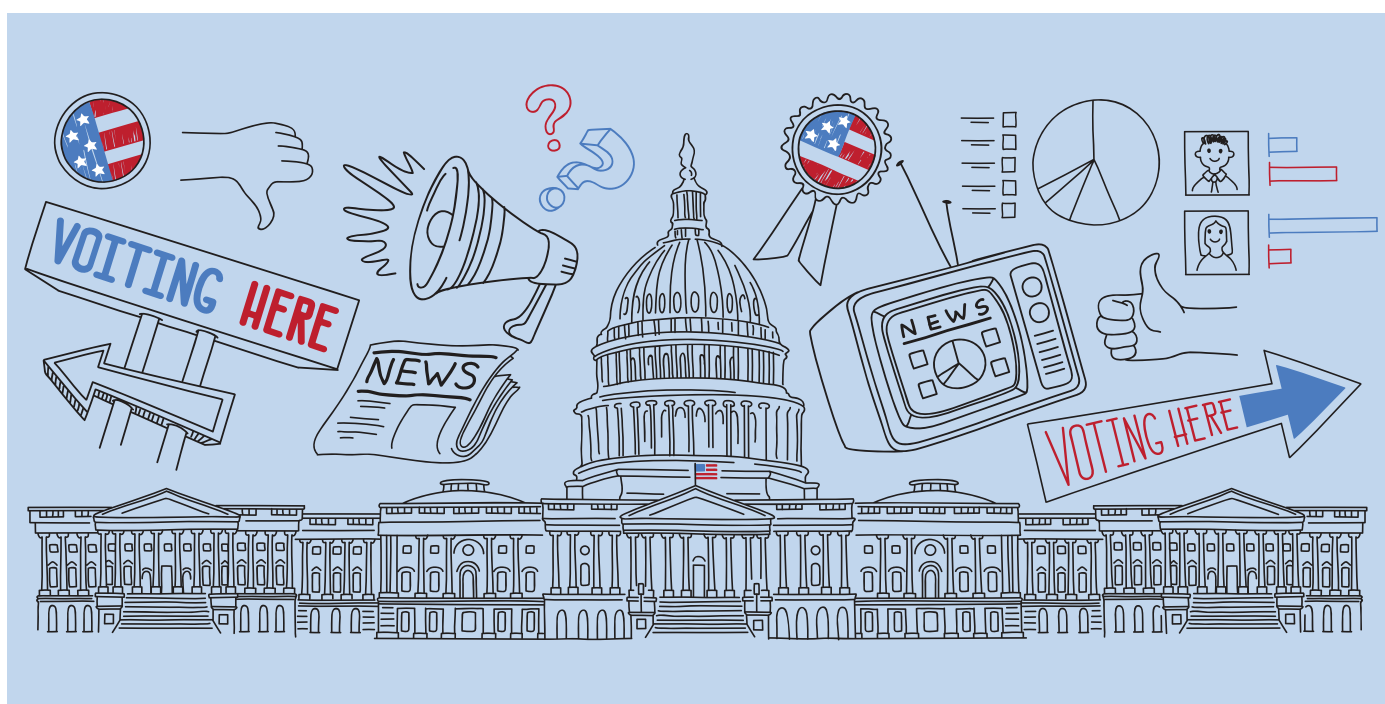
A similar point applies to the proportional representation that Rodden favors. It is true that voters have more choices than they do in a system with only two parties, but whether this is good or bad depends on the nature of the choices. More choices for socialism are *not* a good thing. Further, European political parties in proportional systems are often rigidly controlled by the central party organization. Those who vote against the party's dictates will be expelled from the party. Voters have a choice only between ideological platforms, not persons.

Rodden at one point adopts a more sensible position. Given the unalterable fact that people differ so widely in their political preferences, is it not desirable to deal with problems at the state or, even better, local level rather than to engage in a futile effort to impose the same policies on diverse regions? "As federal politics becomes increasingly mired in gridlock, investigations, and partisan posturing, voters come to rely on state and municipal governments for practical policy solutions to everyday problems....As long as people with strong preferences are clustered conveniently into different jurisdictions, decentralization can, at least in theory, increase the number of people who are satisfied with government policy."

But decentralization from his perspective is of limited value. "A broad constraint on decentralization as a way of managing polarization is the fact that local governments must often compete with one another....Wasteful taxes and regulation and poor governance can lead to capital flight, which forces local governments to be prudent. For the left, this has always been a liability, not an asset of decentralization. Strong labor unions and protections for workers were hard to maintain in the North when southern states began competing for investment, and today, intergovernmental competition makes it difficult for blue cities and states to enact generous welfare policies or costly regulations." (Possibly, though, what Rodden calls the "third industrial revolution" may brighten the prospects for a leftist local government, at least in the wealthiest cities.)

Contrary to Rodden, the path to progress does not lie in tinkering with our political system to make it easier for the Left to enact its political and social agenda. Instead, we need a free people living in a free market. ■■■

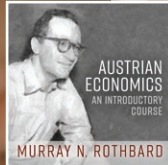
David Gordon is Senior Fellow at the Mises Institute, and editor of *The Mises Review*.



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