



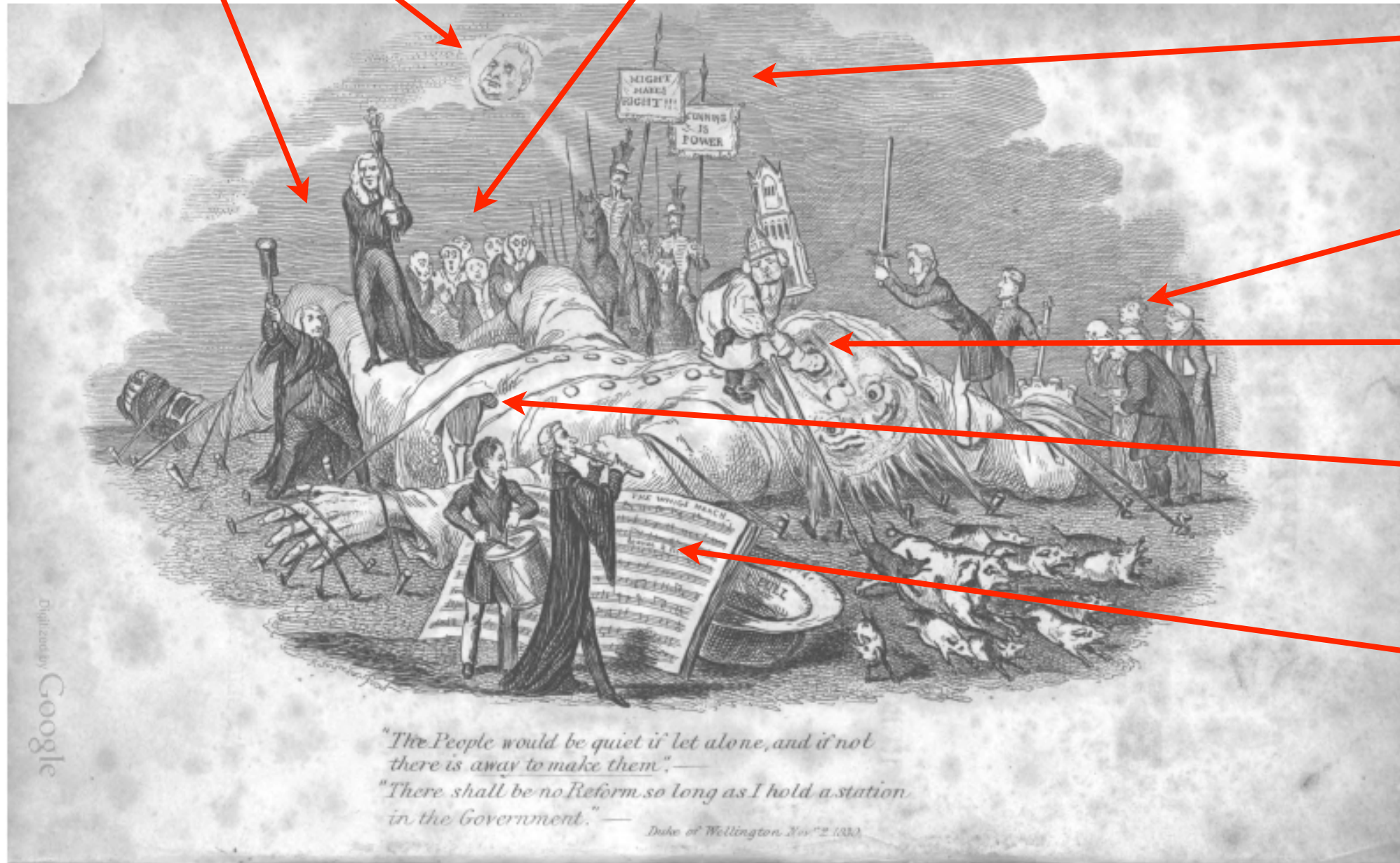
**CIS 2010: “Ideas and the Internet: The Prospects for Liberty”**  
**Dr. David M. Hart**







- Judges with the symbols of their office; - ordinary people looking on with horror
- the author illuminating the problem?



- the military with banners  
“Might makes Right” &  
“Cunning is Power”
- Politicians with the  
Sceptre & Sword
- Church bishop pulling  
out his tongue
- John Bull’s pockets are  
being rifled while he is  
pinned to the ground
- a politician playing “The  
Wig March”

“The people would be quiet if let alone, and if not there is a way to make them. There shall be no Reform so long as I hold a station in the Government” Duke of Wellington Nov. 1830.

**Illustration to John Wade, *The Extraordinary Black Book, Or Corruption Unmasked* (1834)**

# OVERVIEW

- Liberty Fund's 50th Anniversary - 1960-2010
- The 30 Years War of the 20thC (1914-1945)
- The Classical Liberal Reaction to the Rise of Statism
- Hayek/Mises on the Structure of Production of Goods & Ideas
- Assessing our Progress to Date
- The Opportunities offered by the Internet for Spreading Ideas about Liberty



Pierre F. Goodrich  
(1894-1973)



LE  
FIFTY  
YEARS

**Liberty Fund's 50th Anniversary (1960-2010)**



## LIBERTY FUND'S CONTRIBUTION TO THE PRODUCTION OF IDEAS



### ACADEMIC CONFERENCES

- Academics engaged in research
- practicing Judges
- business leaders
- school teachers

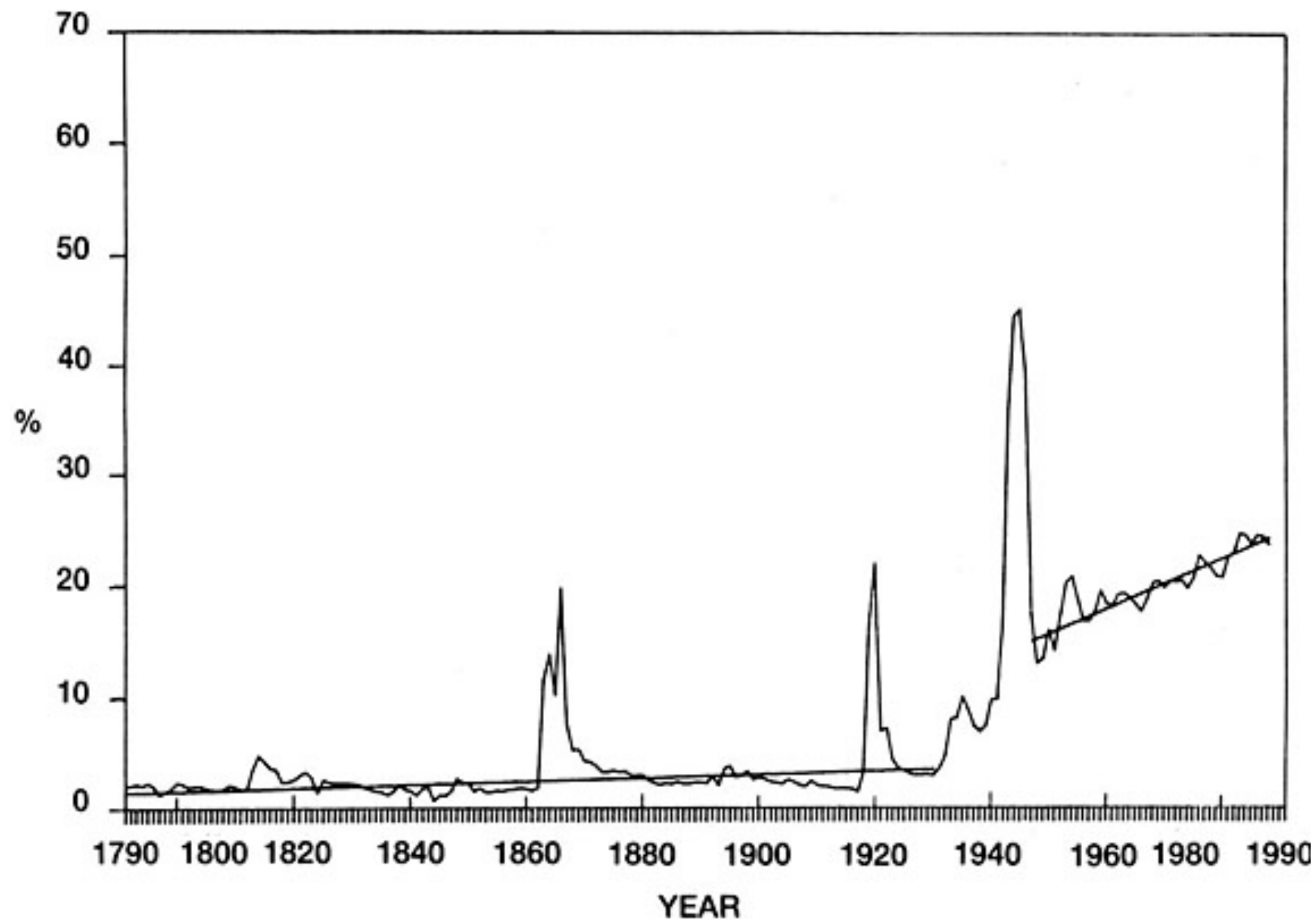
### PUBLICATION OF BOOKS

- Reprint classic works
- Collected works of major thinkers
- anthologies of primary sources

### WEBSITES

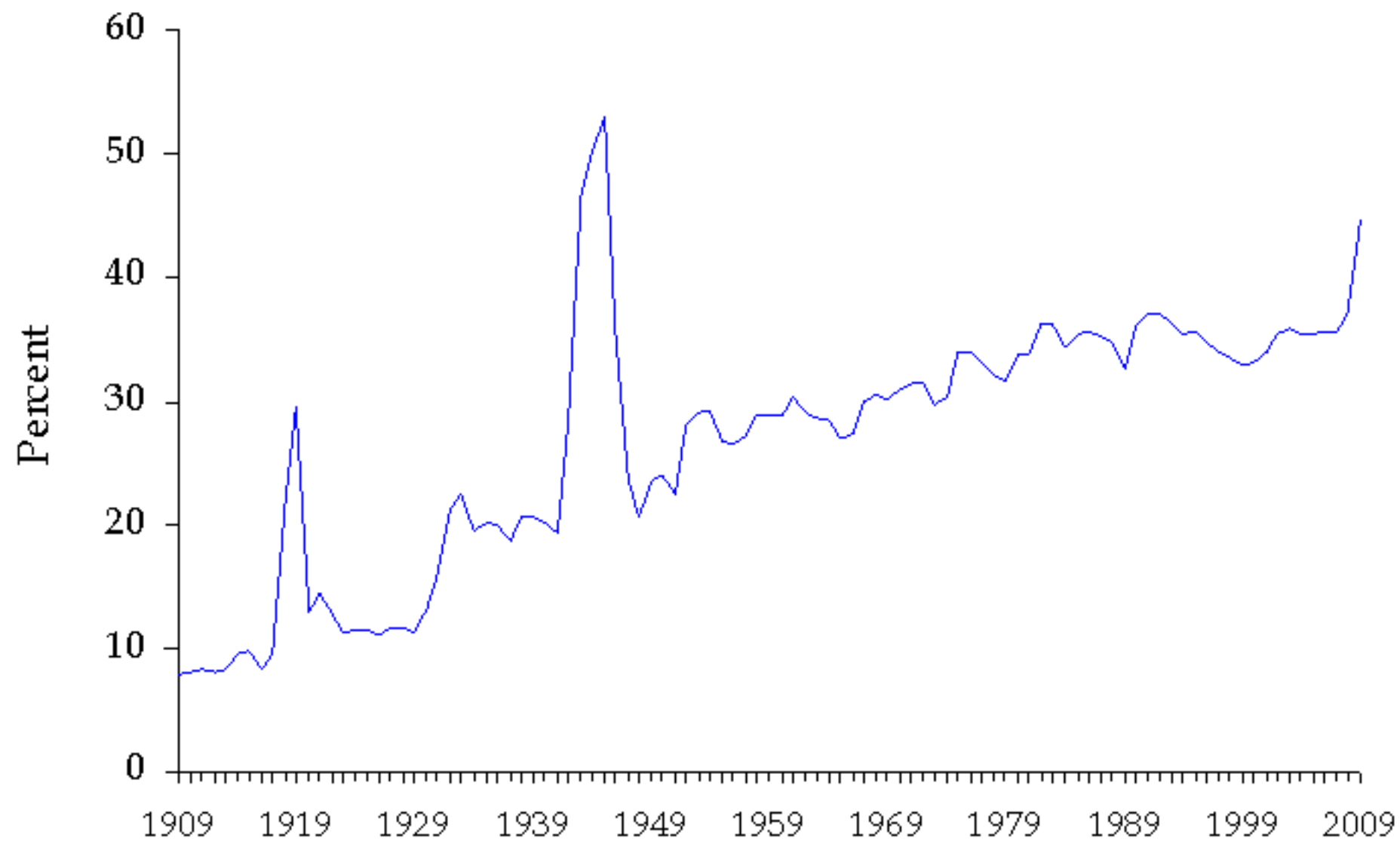
- free resources for academics, students, & general public
- teaching aids & study guides
- international audience

**Liberty Fund's Contribution to the Production of Ideas**



**US Government Expenditure from Founding**

## Government Spending as a Percent of GDP\*



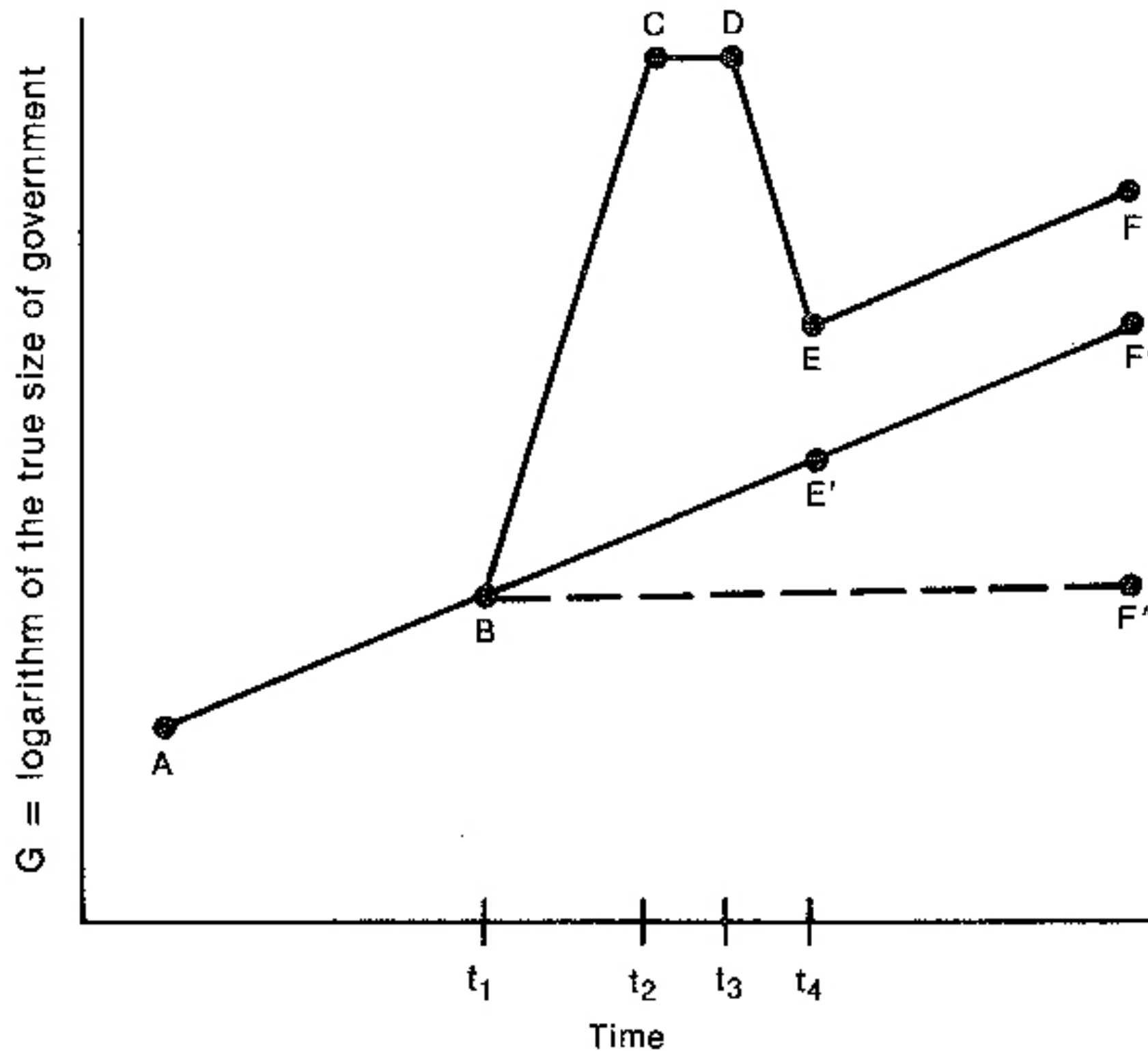
\* Includes Federal, State, and Local

ECONOMICDATA

**The 30 Years War of the 20thC - Government Expenditure**



Figure 4.1 Schematic Representation of the Ratchet

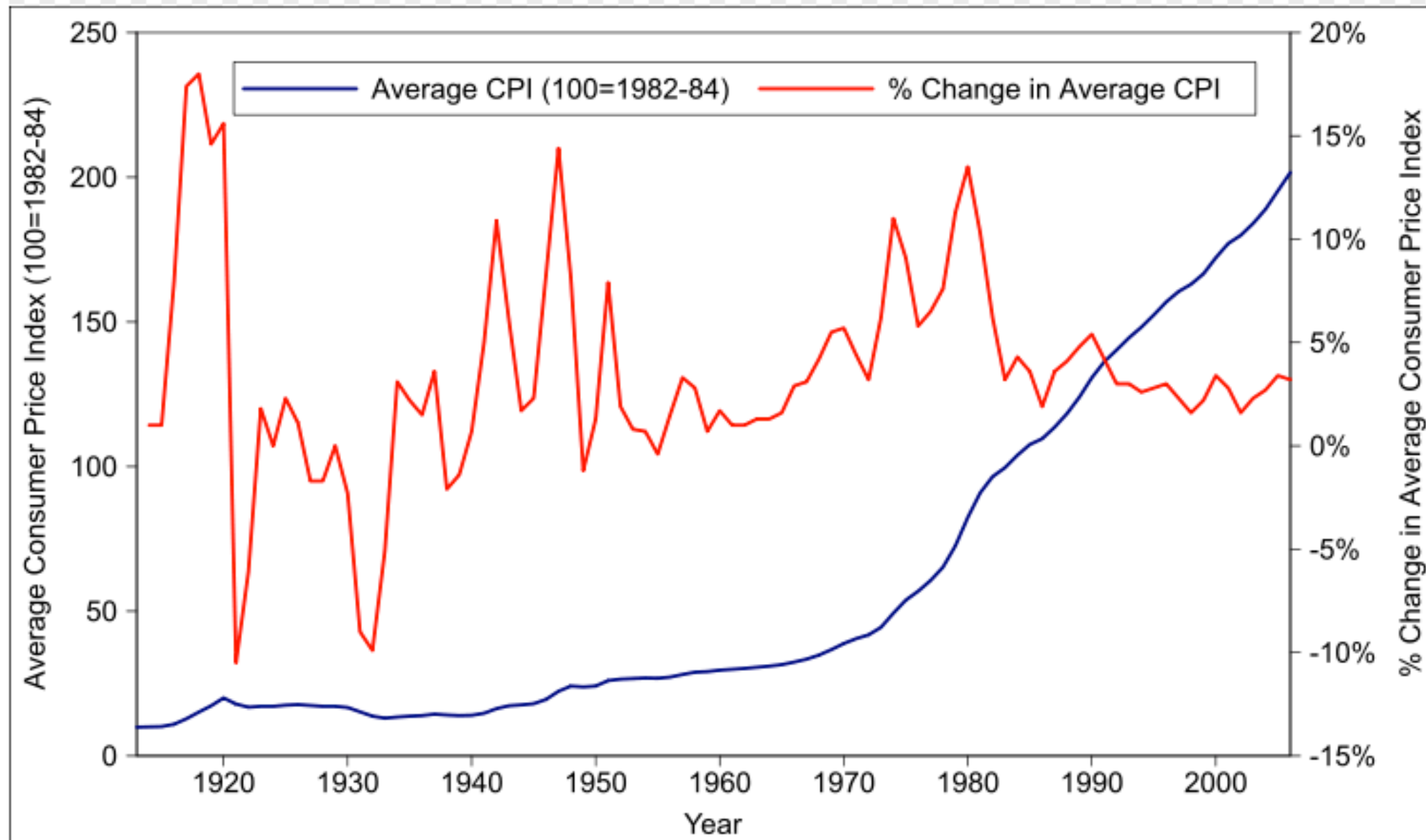


**Robert Higgs and the “Ratchet Effect” of Government Growth**

# File:US Consumer Price Index Graph.svg

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United States Consumer Price Index 1913-2006

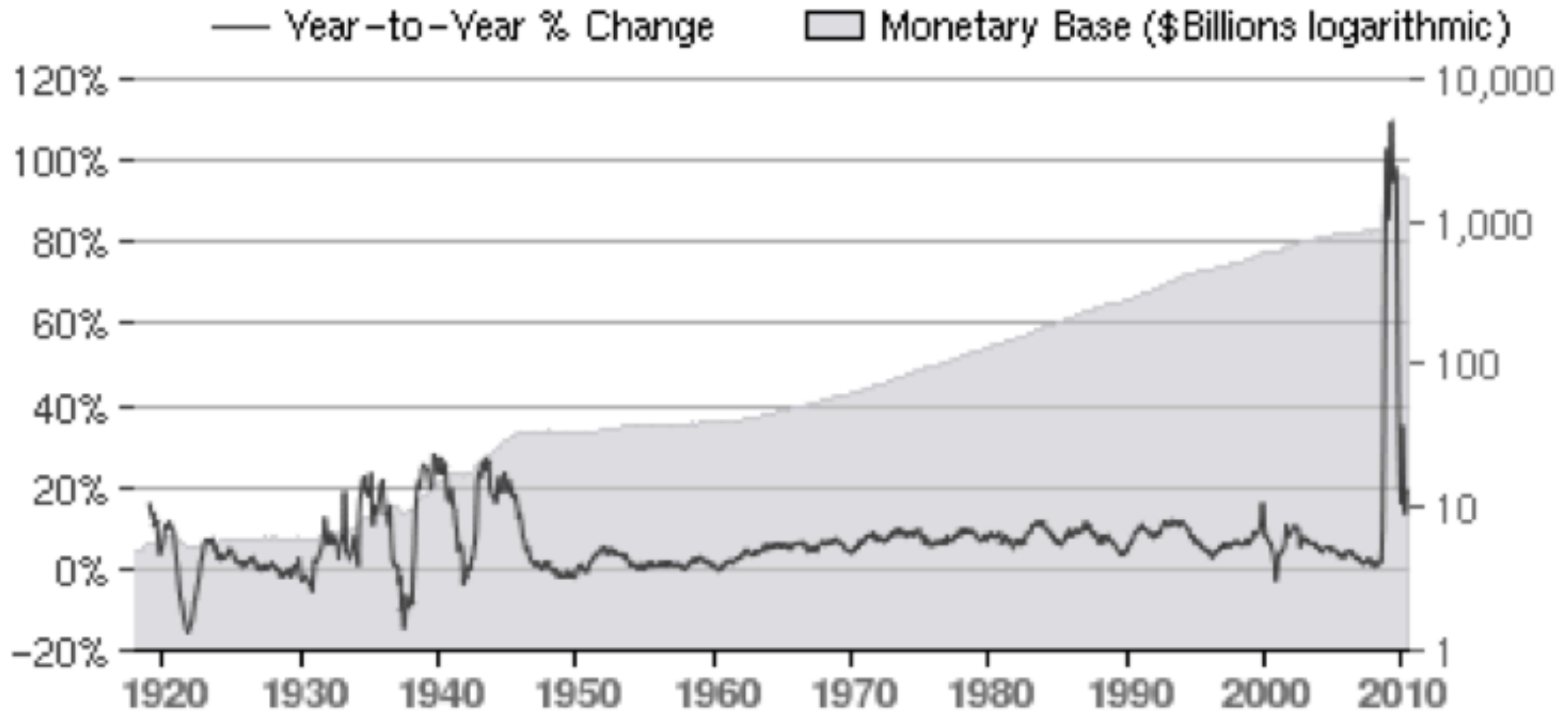


**The 30 Years War of the 20thC - Inflation (CPI)**



## Monetary Base

Mthly Avg. Seasonally Adj. Jan. 1918 - July 2010 (Source: St. Louis Fed)

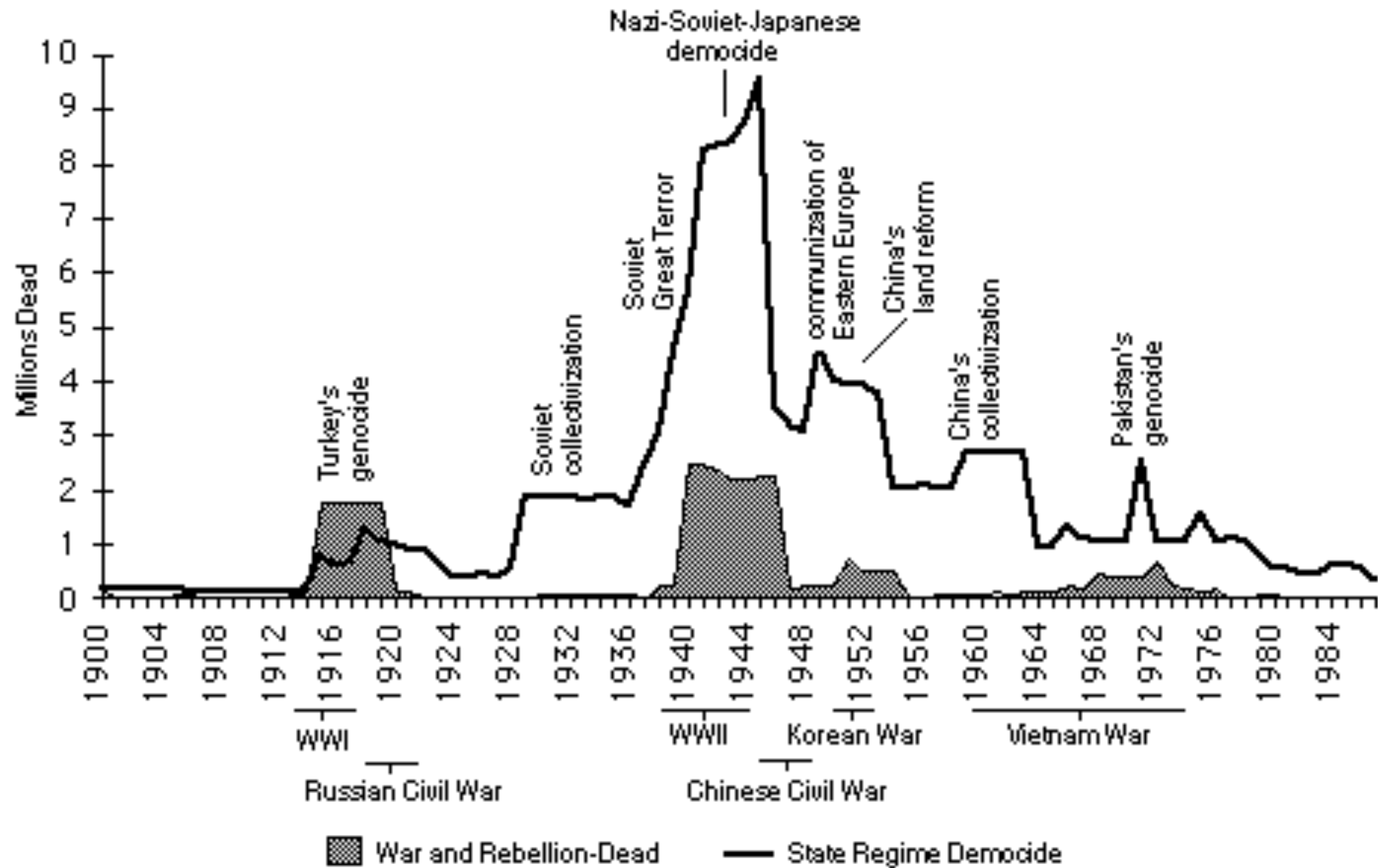


Published: Aug. 6, 2010

shadowstats.com

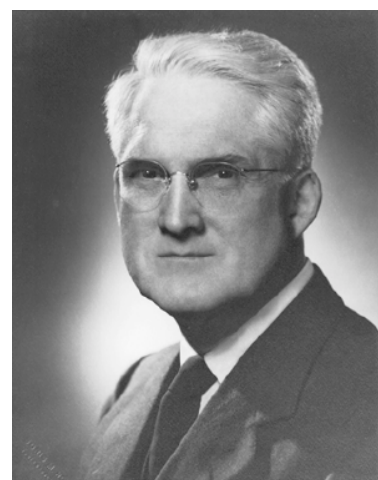
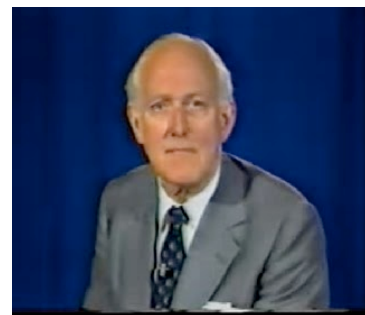
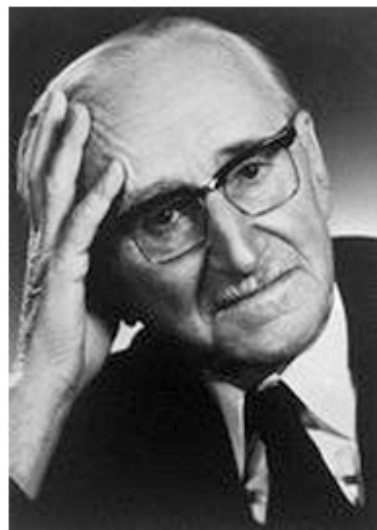
**The 30 Years War of the 20thC - Inflation (Monetary Base)**

**FIGURE 23.2**  
**Plot of State Regimes Democide**  
**and War and Rebellion-Dead**



**The 30 Years War of the 20thC -  
 “Democide” (Death by Government - 250m+)**





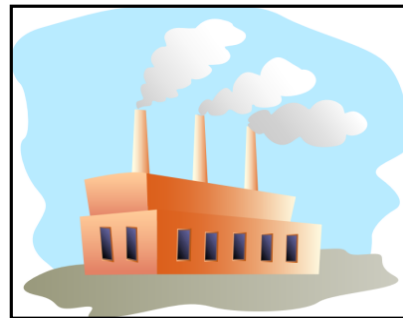
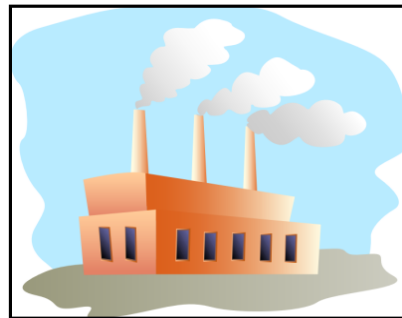
**1st Generation: Hayek,  
FEE (Read, 1946), Mont  
Pelerin (1947)**

**2nd Generation: IEA  
(Fisher, 1955), LF  
(Goodrich, 1960), IHS  
(Harper, 1961)**

**3rd Generation: Fraser  
(Walker, 1974); CIS (Lindsay,  
1976), Cato (Crane, 1977),  
Atlas (Fisher, 1981)**

## **The Classical Liberal Reaction to the Rise of Statism**

## THE STRUCTURE OF PRODUCTION OF GOODS



Raw materials

1st Order Factory  
Production

2nd Order Factory  
Production

Distribution

Consumers

**The Austrian Theory of the Structure of  
Production of Goods (Hayek & Mises)**



## THE STRUCTURE OF PRODUCTION OF IDEAS 1



### THE PRODUCTION OF IDEAS

1st Order - original research

3rd Order - popularization

2nd Order - broadening

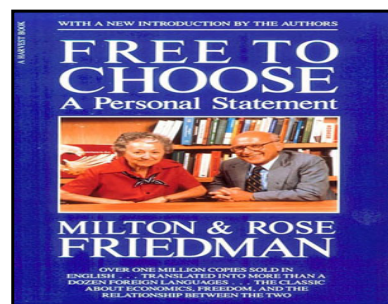
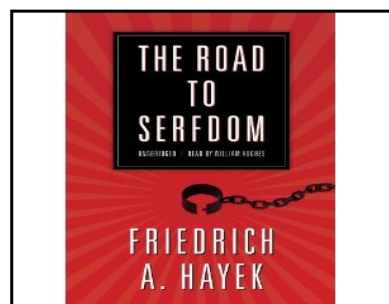
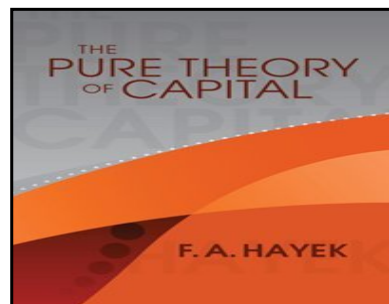
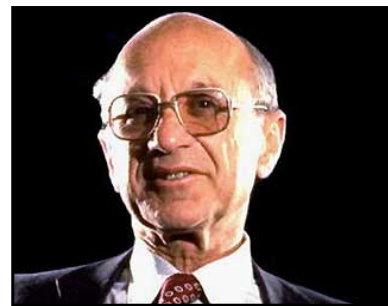
### THE CONSUMPTION OF IDEAS

Politicians/  
Lobbyists/  
Vested Interests

Citizens/  
Voters

**A Hayekian Theory of the Structure of  
Production of Ideas**

## THE STRUCTURE OF PRODUCTION OF IDEAS 2



1st Order - original research

3rd Order - popularization

Free Market  
Think Tanks

Politicians/  
Policy Makers

2nd Order - broadening

**A Hayekian Theory of the Structure of  
Production of Ideas**



## LIBERTY FUND'S CONTRIBUTION TO THE PRODUCTION OF IDEAS



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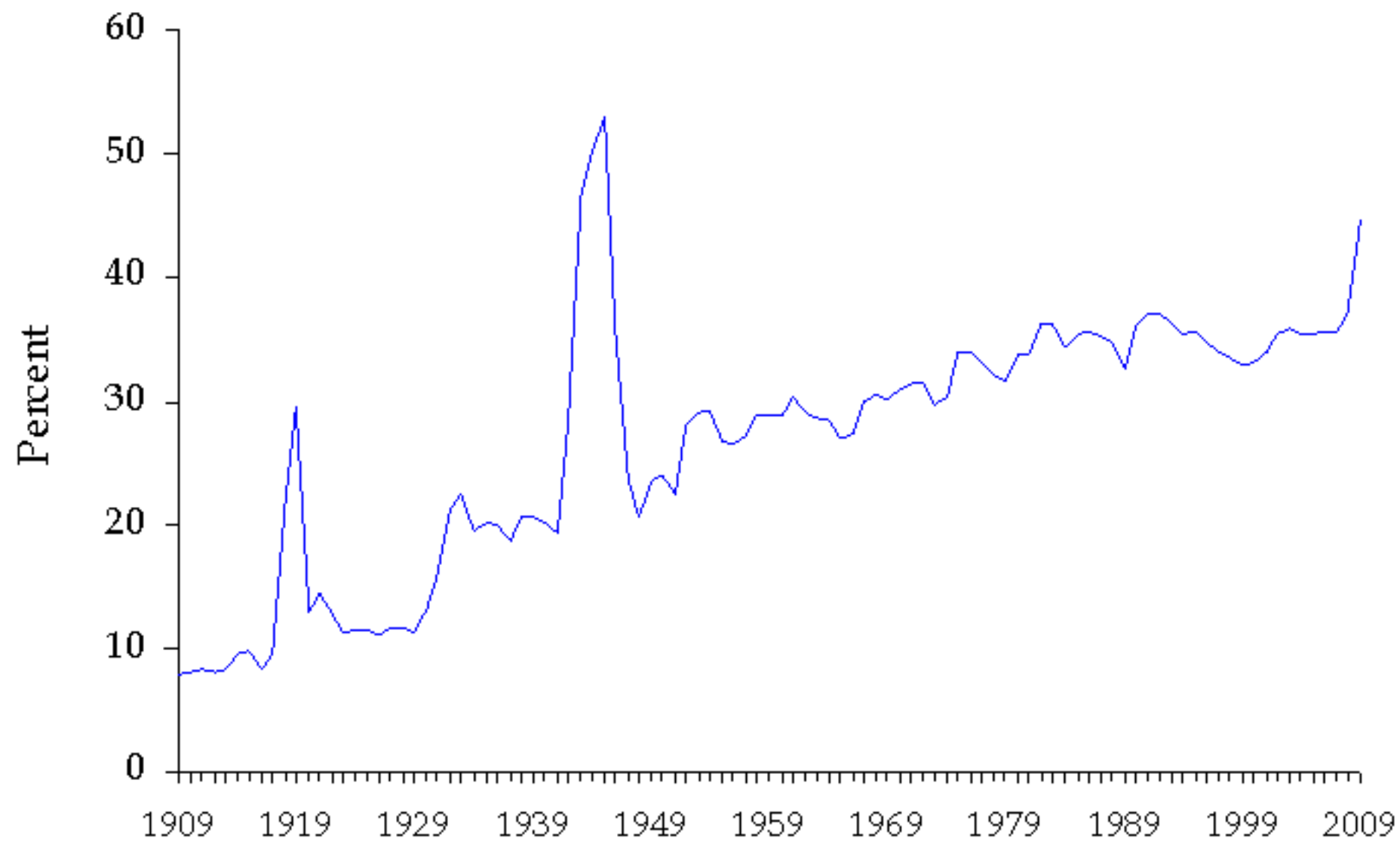
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**Liberty Fund's Contribution to the Production of Ideas**

## Government Spending as a Percent of GDP\*



\* Includes Federal, State, and Local

ECONOMICDATA

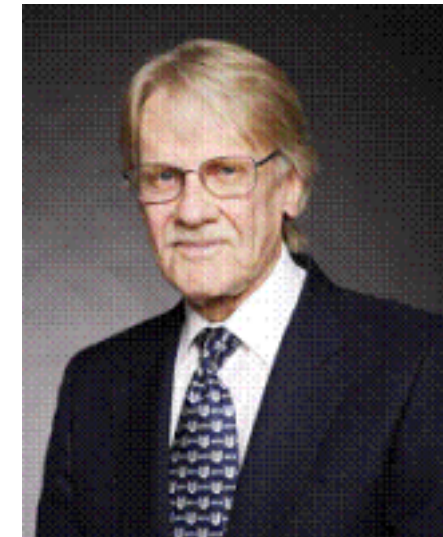
**The 30 Years War of the 20thC - Government Expenditure**



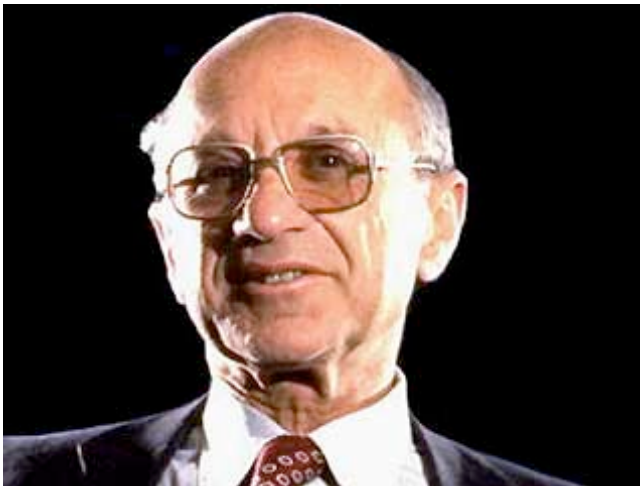
**Friedrich Hayek (1974)**



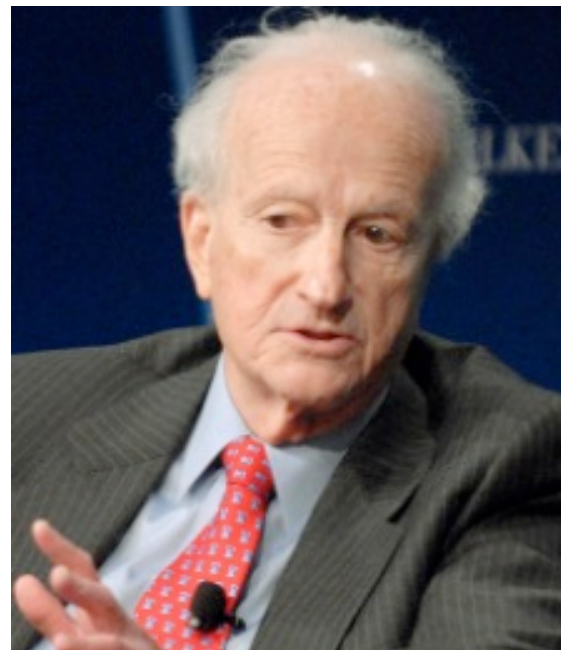
**James M. Buchanan (1986)**



**Vernon L. Smith (2002)**



**Milton Friedman (1976)**



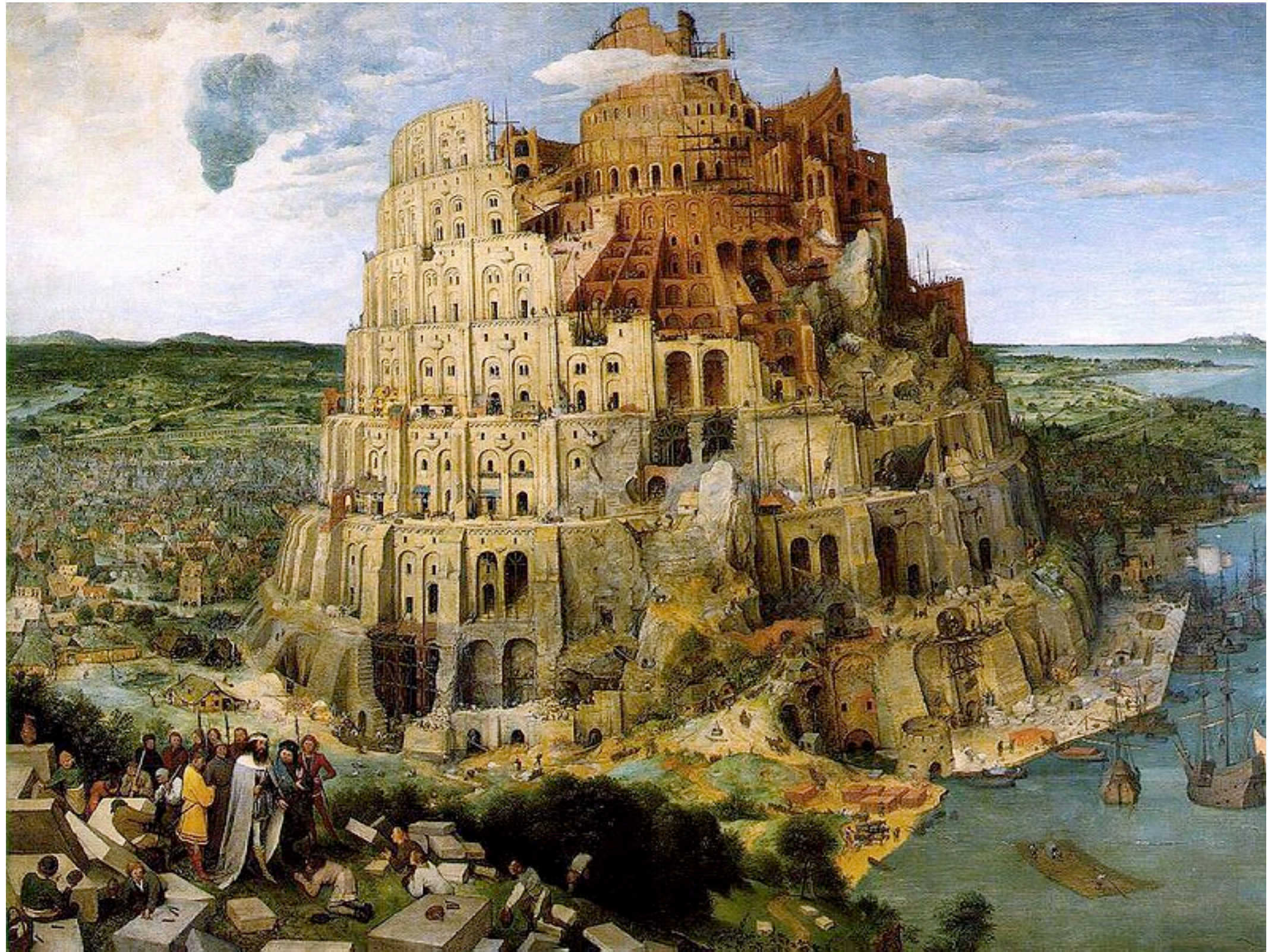
**Gary Becker (1992)**



**Elinor Ostrom (2009)**

## **Free Market Nobel Laureates in Economics**





**Is the Internet a New Tower of Babel?**





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### Quotations about Liberty and Power



Sumner criticizes the competing vested interests and the role of legislators in the "new democratic State" (1887)



In an essay on "State Interference" (1887) the American sociologist William Graham Sumner (1840–1910) notes a number of important aspects of the "new democratic State", one of which is that it unleashes a struggle between competing interests for larger shares of the product of industry, and secondly, that the legislators become experts at appearing to satisfy the clamor that inevitably arises because of this:

### Items of Note



Manuel Ayau  
(1925–2010)  
Champion of  
Liberty

Manuel Ayau (1925–2010) died on Wednesday August 4, 2010. He was the founder and former rector and teacher of economics at Universidad Francisco Marroquin. Begun as an alternative to the prevailing statist views of higher education in Guatemala, Francisco Marroquin is now regarded as that country's finest university. In addition to being a successful businessman, Ayau is a former Chairman of the Guatemala Stock

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AUGUST 9, 2010

### Laughlin on the Future of Carbon and Climate

Robert Laughlin

Hosted by Russ Roberts

**Robert Laughlin** of Stanford University and the 1998 co-recipient of the Nobel Prize in Physics talks with EconTalk host **Russ Roberts** about energy use and the future of the earth's climate. Drawing on his forthcoming book on energy, Laughlin predicts that we will continue to use cars and planes and electricity long after coal and petroleum are exhausted and speculates as to how that might play out in the future. The conversation concludes with discussions of other concerns of Laughlin's--the outlawing via legislation and taboo of certain forms of knowledge, and the practice of reductionism rather than emergence in the physical sciences.

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AUGUST 2, 2010

### Brady on the State of the Electorate

David Brady

Hosted by Russ Roberts

**David Brady** of Stanford University talks with EconTalk host **Russ Roberts** about the state of the electorate and what current and past political science has to say about

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## Where to now for Liberty?