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Author(s): Henry M. Oliver, Jr.

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VON MISES ON THE HARMONY OF INTERESTS¹

HENRY M. OLIVER, JR.

LUDWIG VON MISES' claims to distinction include: (1) Among prominent contemporary economists he has been perhaps the most thorough advocate of laissez-faire capitalism, the most uncompromising opponent of socialism, the "welfare state," and governmental intervention in the market.² "There is," he writes, "no such thing as 'excessive' advocacy of economic freedom,"³ and by "freedom" he means an "unhampered market economy," devoid of monetary management, anti-trust laws, progressive taxation, and social insurance as well as "interferences" in commodity and resource markets. (2) Throughout much of his work he bases his laissez-faire teachings upon a doctrine of "the harmony of rightly understood interests."

This paper discusses the role of the harmony doctrine in Von Mises' thought, the meanings which he explicitly and implicitly assigns "harmony," and the general nature of the argument which he advances to show that laissez-faire capitalism is harmoniously helpful to all (or nearly all). It touches only very briefly on the third of these topics, however, since a critical discussion of his harmony doctrine could include most of the body of economic analysis plus much of the subject matter of political science.

THE DOCTRINE'S ROLE IN VON MISES' THOUGHT

Von Mises' harmony doctrine is part of his general utilitarianism. He expressly repudiates all non-utilitarian

ethics, whether they be Kantian idealism, the natural-rights libertarianism of the Enlightenment, or any other variety.⁴ The utilitarian teaching which he expounds is explicitly quite broad and does not exalt sensual pleasure above other satisfactions; rather, it calls for men to achieve their ends, whatever they may be⁵ (with certain exceptions).⁶ His broad interpretation of "satisfaction," however, does not alter the general nature of the problem which he poses. For Von Mises, as well as for utilitarians defining their central term less broadly, policy is successful only if it increases the satisfaction of wants. Moreover, his beliefs concerning what most men desire and how they can fulfil their desires make his policy recommendations almost those of a utilitarian hedonist. Thus: regardless of declarations to the contrary, "the immense majority of men" concentrate primarily on improving their "material conditions of well being." Economic life is "the pith of civilization and of men's existence." Indeed, the most effective way to advance humanistic aims is to fight poverty. "Wisdom and science and the arts" fare better in a prosperous society than among needy people.⁷

Having explicitly repudiated all non-utilitarian ethics, Von Mises logically must, in order to support his policy conclusions, propose some method of comparing different persons' satisfactions, so that different aggregate utilities can be computed, or attempt to show that, under laissez-faire capitalism, different persons' interests do not truly conflict.

By expounding his harmony doctrine he chooses the latter alternative. Although the chronological development of the doctrine in his writings indicates that Von Mises did not initially turn to harmony as a substitute for interpersonal comparisons, but rather thought that earlier utilitarian economics revealed an approximate harmony,⁸ the logical role of harmony in his over-all theory is clear. In his later writings this role is quite explicit. He expressly denies the possibility of comparing different persons' satisfactions and thus of arriving at estimates of aggregate utility.⁹

None of his writings gives the impression, however, that he fully realizes the significance of this denial, that he has systematically thought through the requirements of a harmony of interests thoroughgoing enough to take the place of the utilitarian calculus. Not even the precise meaning which he attaches to "harmony of interests" appears to be fixed; frequently the definition employed in a particular passage is not clear; and his reasoning often implicitly embodies the interpersonal comparisons and aggregate computations which he explicitly rejects.

THE MEANING OF "HARMONY OF INTERESTS" IN VON MISES' WRITINGS

Definitions of "harmony of interests" found in Von Mises' sentences i, ii, and vii of the following list), implied by his reasoning (iii and v), or perhaps implied by his reasoning (iv and vi) include:

i) Everyone gains from the division of labor and the maintenance of civilized society.

ii) No great group, such as a social class or a nation, can gain at the expense of another great group in the same category (another social class or another nation).

iii) Laissez-faire capitalism is a natural order. Thus, by definition, no action creating, maintaining, or in consonance with this order can be responsible for injury to anyone. If a person suffers weakness within the natural order, his own weakness must be assigned the responsibility.

iv) If laissez-faire policies prevail, if no departure from them is possible, no man (or very few men) can gain at the expense of others.

v) Harmony may be said to prevail when calculations of aggregate welfare involve only *intra-class* interpersonal comparisons, not *inter-class* interpersonal comparisons as well.

vi) Harmony may be said to prevail if an overwhelming majority gain and lose together.

vii) No man (or very few men) can gain at the expense of others.

Some of these definitions clearly involve the interpersonal comparisons which Von Mises explicitly rules out.¹⁰

Definition i.—Passages appearing to define "harmony of interests" quite modestly, include: only a theory of "the solidarity of the interests of all members of society" shows how "society is possible." As soon as one perceives that "the division of labor is the essence of society," he realizes that there is no "antithesis between individual and society."¹¹ When the classical economists stated that there was a "harmony of rightly understood interests," they were making two points: first, that everyone has an interest in "the preservation of the social division of labor"; next, that in a free market economy consumers' demand "ultimately directs all production activities." Even the very bottom social classes are much better off than they would be in the absence of social cooperation."¹²

This degree of harmony, of course, falls far short of that required to provide a utilitarian answer to specific policy questions—unless one believes that, when alternative economic policies are considered, the wrong choice will always put an end to the division of labor and civilization.¹³

Definition ii.—Another, more ambitious meaning which Von Mises seems often to assign to “harmony of interests,” is harmony among great groups, such as social classes and peoples. Thus, *Human Action*’s chapter entitled “Harmony and Conflict of Interests” begins with the statement that the mercantilist fallacy “is at the bottom of all modern doctrines” teaching that within a market economy there is an irreconcilable conflict among the interests of social classes and of nations. The truth, argues Von Mises, is rather that “social development is always a collaboration for joint action.”¹⁴

The same concept of intergroup harmony, and not a concept of universal, interpersonal harmony, also clearly shows in his statement that in the long run “the community of interests among the members of a group and the contrast between their interests and the interests of other groups” can arise only from “limitations of the right of ownership, of the freedom of trade, of the choice of occupation.”¹⁵ Other arguments stressing intergroup harmony include his protest against interpreting classical distribution theory as evidence of interclass conflict,¹⁶ his many appeals to distribution and capital theory to show that “labor legislation” hurts workers and capitalists alike,¹⁷ his contention that European investment and European colonial policy (even though the latter was bloody) helped Asian peoples by raising their productivity and bringing

them into the world market,¹⁸ and his rather sweeping statement that a property owner “takes nothing away from anyone,” that no one “goes short because of another’s abundance.”¹⁹

Intergroup harmony, although not the most thoroughgoing which Von Mises claims is secured by laissez-faire capitalism, is the strongest which he appears consistently to assert throughout his writings, the variety which he stresses most. This stress is easy to understand, since belief in interclass and international conflict has been perhaps the most effective force behind socialist and interventionist movements. But unless he can demonstrate *intragroup* harmony, Von Mises cannot even logically raise the question of whether liberal capitalism does or does not create *intergroup* harmony, as long as he repudiates interpersonal comparisons and the aggregate utilities derived therefrom. Aggregations of class utilities require interpersonal comparisons just as logically as do aggregations of utility for a more inclusive body.

In a passage quoted shortly above and still other passages, Von Mises himself argues that laissez-faire capitalism does *not* produce thoroughgoing intraclass harmony: In the long run “the community of interests among the members of a group” doesn’t exist in the absence of economic controls. Although the great majority lose, some people gain from credit expansion. Some British manufacturers suffered when their country abandoned protectionism for free trade. Immigration barriers serve domestic workers’ comparatively high wage rates. Employed workers must accept lower wages if the unemployed are to find jobs. Restrictions always help the privileged group and hurt those excluded from the market.²⁰

Definition iii.—If restrictive action helps the favored group, obviously *laissez-faire* does not help them; the “unhampered market economy” is not harmoniously beneficial to all. The only way to escape this conclusion is to insert escape-valves into definitions. Thus, one may slip a concept of a “natural” or “just” order into the analysis and argue that no action maintaining, creating, or in consonance with this order can be harmful; the “cause” or injury to anyone within such an order must be sought in the injured person’s own weaknesses. Von Mises seems to have some such concept in mind in a passage, cited above, stating that a property owner “takes nothing away from anyone,” that no one is poor because of another man’s wealth. Likewise, the concept seems to enter a passage dealing with sellers’ losses. Not successful firms’ actions, comments Von Mises, but the losing firms’ poor foresight is the cause of business failure.²¹ He does not ask whether some persons might not be better off if they acquired some other persons’ property, or whether some unfortunate sellers’ market insights would not turn out to be more nearly accurate if direct and indirect competitors were legally excluded, or benevolently left them a clearer field.

Definition iv.—A related choice of definitions that would logically enable talk of harmony via *laissez-faire* capitalism, yet not rule out a conclusion that intervention can help some people, is to restrict the meaning of harmony to the condition that prevails when *laissez-faire* reigns and intervention is impossible. Within a *laissez-faire* economy, the argument might go, no one can gain through action which injures others. Very possibly Von Mises has this particular concept of harmony in mind

much of the time when he refers to classical theory as showing that harmony prevails within a *laissez-faire* system, and when he insists that his is an institutionally established rather than a “pre-determined” harmony.²² Certainly this is the concept sometimes read into Adam Smith’s famous remark likening the play of market forces to a benevolent guiding hand. If *laissez-faire* policies did create such a thorough harmony, this could be a decisive argument for persons who treasure harmony and dislike conflict, either because of some non-utilitarian ethic or because of a belief that conflict decreases aggregate satisfaction. But even if, *within* a *laissez-faire* economy, no one could gain through action which injured others, this conclusion could not logically be decisive for a utilitarian who rejects interpersonal comparisons and therefore must seek policies which injure no one. He must ask whether intervention may not help—and *laissez-faire* therefore hurt—some people.

Definition v.—Still a third definitional shift that could save Von Mises’ argument from logical contradiction, when he simultaneously rules out interpersonal comparisons, states that some workers can gain by excluding others, and yet concludes that intervention hurts the working class as a whole, is a shift in the definition of “interpersonal comparison.” If one argues that merely *interclass* interpersonal comparisons are impossible, not also *intra*class interpersonal comparisons, he may then simultaneously allow estimates of aggregate class utility and disallow estimates of aggregate social utility. He may also logically talk of international harmony, if, after deriving aggregate utilities for all classes in all nations, he concludes that policies move all such aggregates in the same direction. Indeed, throughout much of

his work, Von Mises seems implicitly to make this distinction between intra-class and interclass distribution of income. When he draws utilitarian conclusions, the only major effect of his explicitly repudiating interpersonal comparisons seems to be a refusal to ask whether rich men may not, on the average, be farther down the scale of diminishing marginal utility than poor men. Implicit aggregations of utility abound.²³

Definition vi.—Perhaps what Von Mises frequently has in mind when he explicitly rules out interpersonal comparisons, states that some persons may gain at the expense of others, and yet draws utilitarian policy conclusions, is a conservative interpretation of Bentham's famous slogan, "the greatest good of the greatest number." In other words, he perhaps believes that, even though all estimates of aggregate utility are invalid, policies which help most people and hurt comparatively few, are bad. Not "the greatest good," but the "the greatest number," is the crucial expression—provided that the number be sufficiently great.²⁴ But presumably he would not endorse such a rule without any qualification concerning degree of help and hurt—that is, without some sort of interpersonal comparison—unless the number injured were a truly miniscule fraction.

Definition vii.—Throughout much of his work Von Mises seems to have in mind a genuinely thoroughgoing, interclass-plus-intra-class-plus-international, non-tautological harmony; in other words, he argues that "the unhampered market economy" is best for (almost) all persons, that interventionism in the long run hurts (nearly) everybody. Thus: *Laissez-faire* is "the policy of subjecting particular interest to the public welfare," but requires of each individual

"not so much a renunciation of his own interests as a perception of the harmony of all individual interests."²⁵ Classical political economy taught that the "correctly understood" interests of individuals are "never incompatible." Earlier belief in conflicts of interest really sprang from ignorance of the laws of social life. The classical economists' harmony teachings were defective only because "in some instances of minor importance, even in the unhampered market economy, monopoly prices may appear."²⁶

If harmony of interest were indeed so complete, obviously there would be no need of interpersonal comparisons. If interests conflicted only "in some instances of minor importance" probably no utilitarian who recognized this would be so finicky as to object that those instances prevented policy conclusions. Even most non-utilitarians probably would not oppose policies which they believed would help 99-plus per cent of the people, unless they believed the policies to be intrinsically and seriously immoral—and they probably would not believe that liberal policies which were so harmoniously helpful could be *very* immoral.²⁷ To get almost unanimous agreement on policy, all that would be required would be educating people into "rightly understanding" their own interests—a conclusion that Von Mises draws or implies time and again.²⁸

Does Von Mises truly believe that such a magnificent harmony prevails? Does he consistently believe it? Passages cited above seem to show that he does not,²⁹ although *Liberalism* and *Human Action* argue respectively that not even immigration barriers and commodity restrictions help the initially privileged persons in the long run.³⁰ Possibly the contradictions are only apparent;

possibly Von Mises' distinction between the short run and the long run implicitly prevents logical clash where such seems to occur, just as it explicitly prevents logical clash in many parts of his writings. But the impression which much of his wage analysis and a few other passages provide is that some types of restrictionist legislation can help quite a few privileged persons for a long, long time—perhaps until they enter Keynes's famous long run and are dead.³¹

Similarly, the proof of harmony which he offers does not, even when his factual assumptions are unchallenged, demonstrate a very thoroughgoing harmony, but rather some variety covered by definitions i–vi. Indeed, much of the time Von Mises' argument seems intended to prove that *laissez-faire* maximizes aggregate social utility.³² As is pointed out above, he often uses language that almost explicitly describes maximum aggregate satisfaction as the goal. Thus, to the seven definitions of harmony discussed above, perhaps an eighth should be added—achievement of the familiar, explicitly repudiated as incalculable, utilitarian optimum.

THE GENERAL NATURE OF VON MISES' HARMONY DOCTRINE

Definitional puzzles and contradictions by themselves make it difficult to identify many of the precise steps of reasoning which Von Mises employs in his argument for *laissez-faire* capitalism. Moreover, just as the meaning which he assigns to harmony appears both vague and shifting, so the proof which he presents for his harmony theory does not consist of a unified, step-by-step, logical demonstration, but instead of numerous scattered, discursive passages that by implication embody large parts of his complete economic, social, and political

theory. In general, his argument seems to boil down to:

1. The familiar economic thesis concerning the mutual gains from trade and the utilitarian merits of a distribution system which makes economic reward dependent upon economic accomplishments.³³ Even if intervention did not have fatal political repercussions, it would injure (almost) everyone—or the vast majority of people, or every social class.

2. The politico-economic thesis that intervention does have fatal political repercussions: Initial special privilege breeds other special privilege, so that the final result is a multitude of restrictionist measures hurting (nearly) everybody.³⁴ Moreover, since interventionist measures are even more directly self-defeating, their results cause governments to intervene again and again, until the final result is a completely state-controlled economy.³⁵

3. The now well-known thesis, first thoroughly developed by Von Mises, that a state-controlled economy cannot rationally allocate resources, hence cannot provide nearly as high incomes for the masses as a market economy. Indeed, argues Von Mises, in the absence of guide light furnished by market prices in other countries, such an economy must be so inefficient as to lead to economic "chaos" and the disintegration of society.³⁶

The first of these lines of argument involves what might be called "the statics of interventionism," that is, the effects which governmental intervention will produce even if it does not become cumulative. For the reasons mentioned above, Von Mises' writings do not clearly show just how complete a harmony he believes that his theory of interventionism's statics demonstrates. For rea-

sons which economists have long stressed, his theory does not and cannot demonstrate a very thorough harmony. Specifically, the theory of mutual gain from trade does not demonstrate a general harmony of interests because it does not show either that trade benefiting direct participants does not injure outside parties, or that the buyer or seller himself could not gain more if the terms of trade were different. The thesis that only pay tied to productivity can provide an adequate incentive does not show that favored persons do not gain when *their* incomes are raised above *their* productivity. Although some of Von Mises' arguments appear to attempt rebuttals of these familiar points, what he seems usually to have in mind is not a thoroughgoing harmony of interest, but rather one of the lesser kind described above under i–vi, especially a harmony of class interests.³⁷ The emphasis which he places on long-period growth shows that he is quite willing to make interpersonal (and intertemporal) comparisons.³⁸

Presumably Von Mises believes that the politico-economic thesis summarized in (2) demonstrates a fairly thoroughgoing harmony, because of the sweeping conclusion reached in complementary thesis (3). In at least some passages, however, he does not argue that *all* mar-

ket interventions and redistributive policies must lead to a completely state-controlled economy.³⁹ Rather, he reaches the more moderate, more widely argued conclusion that many widely adopted patterns of governmental interference lead cumulatively to central planning.⁴⁰ Thus, with respect to the interventions not claimed to have this cumulative effect—and also with respect to an interim period in which some persons may gain more than they later lose under socialist “chaos”—thesis (2) is irrelevant as part of a harmony doctrine. With respect to these exceptions, only the static thesis described under (1) is significant.

Thesis (3), that a state-controlled economy cannot rationally allocate resources, is widely accepted among non-socialist economists, although few agree with Von Mises' extreme conclusions. In some passages its author writes as if this thesis were in itself a complete harmony-of-interests argument for laissez-faire.⁴¹ But, insofar as interventionist policies are concerned, it obviously is irrelevant unless intervention leads to central planning. It also, of course, says nothing about the net gains and losses experienced by persons who do not survive, or do not long survive, a transition period.

NOTES

1. This paper is part of a study, aided by a 1958–59 Ford Foundation fellowship, of liberalism in contemporary German economic thought. The Yale University Press has kindly permitted quotations from *Socialism and Human Action*.

2. See especially Ludwig von Mises, *Human Action* (New Haven: Yale University Press, 1949).

3. Ludwig von Mises, *Socialism* (New Haven: Yale University Press, 1951), p. 542.

4. *Socialism*, p. 400; *Human Action*, pp. 174, 688, 716, 837, 841; *Liberalismus* (Jena: Gustav Fischer, 1927), pp. 3, 20, 30.

5. *Socialism*, pp. 112, 396.

6. Although in various passages Von Mises states that his ethic calls for all men to achieve their ends, he clearly, and in some places explicitly, excludes such conceivable ends as the preservation of a caste system, suppression of a racial minority, military adventure, and possession of “arbitrary” power. Certainly when he argues that there prevails a harmony of interests, he does not include these “interests.” *Human Action* (p. 154) points out that liberalism as a political doctrine is not “neutral” with regard to values and ultimate ends but rather “assumes that all men or at least the majority of people” seek ends which liberalism will best en-

able them to achieve. *Socialism* (pp. 464, 571–72, 582) mentions certain possible “interests” which Von Mises clearly detests and does not believe to be harmonious with others.

7. *Human Action*, pp. 96, 154–55, 874. Also see *Liberalismus*, pp. 3–4, and *Nation, Staat und Wirtschaft* (Vienna: Manzschke Buchhandlung, 1919), pp. 175–77.

8. See *Nation, Staat und Wirtschaft*, pp. 149, 177; *Liberalismus*, p. 144; *Socialism*, pp. 328–29. (*Socialism* first appeared as *Die Gemeinwirtschaft* [Jena: Gustav Fischer, 1922 and 1932.])

Von Mises’ harmony doctrine long predates post-Pigou formal welfare economics, which also repudiates interpersonal comparisons, and there is no evidence that he has been influenced by Kaldor, Hicks, and their followers. The new welfare economics, of course, does not assert that there are no important conflicts of interest in a laissez-faire economy.

9. *Human Action*, pp. 243–44, 617.

10. Another contradiction in his analysis is perhaps unimportant. When he states that there is no way to compare and measure the happiness of the same people at different times (*Human Action*, p. 617), he logically rules out any utilitarian policy conclusions except those pertaining to a very short period; yet, as stated, his analysis stresses long-period effects. This particular statement clearly should be dismissed in any serious consideration of Von Mises’ recommended program since in all his policy analysis, from before World War I to the present time, he consistently and continually insists that policy makers must compare present and future happiness. Nowhere, in his actual discussion of policy, does he argue that inter-temporal comparisons are valid only when an individual makes them in plans concerning his own future.

11. *Socialism*, pp. 299, 339. Also see *Liberalismus*, pp. 91, 93.

12. *Human Action*, p. 670.

13. Von Mises’ theory of the long run approaches this extreme when he argues that intervention must lead cumulatively to complete state control, which in turn can only bring “chaos.” (See, *inter alia*, *Human Action*, pp. 851, 857.)

14. *Human Action*, p. 660; *Socialism*, p. 314.

15. *Socialism*, pp. 337–38.

16. *Socialism*, pp. 328–32.

17. *Inter alia*, *Human Action*, pp. 595 ff., 763–73; *Socialism*, pp. 469 ff.

18. *Human Action*, pp. 493–99; *Socialism*, pp. 233–36; *Liberalismus*, pp. 110–15.

19. *Socialism*, p. 311.

20. *Socialism*, pp. 337–38; *Human Action*, pp. 81, 374, 595 ff., 763–73.

21. *Socialism*, p. 311; *Human Action*, p. 661.

22. Among such references to classical theory are *Socialism*, pp. 328–29; *Human Action*, pp. 173–75, 240, 670, 678; *Liberalismus*, pp. 1, 144. On institu-

tionally established vs. “predetermined” harmony see *inter alia*, *Human Action*, p. 240; *Kritik des Interventionismus* (Jena: Gustav Fischer, 1929), p. 46.

23. Thus: Protective tariffs lower “the nations’ standard of living.” Supply restrictions make people “poorer and less satisfied.” Taxes which cut heavily into profits decrease welfare by preventing optimum service to consumers. Governmental interferences in the market’s allocation of resources “can only impair satisfaction,” can “never improve it.” Consumers suffer when laws prevent efficient big business from expanding (*Human Action*, pp. 736, 738, 804, 805, 836, 837; *Socialism*, p. 532; *Kritik des Interventionismus*, p. 9).

24. *Human Action*, p. 183, states that all political parties “pretend to aim at the highest material welfare for the majority of citizens.” Also see p. 562 on the effects of credit expansion.

25. *Socialism*, p. 504. Also see *Theory and History* (New Haven: Yale University Press, 1957), pp. 54–55.

26. *Socialism*, p. 329; *Human Action*, p. 678. Also see *Liberalismus*, p. 144.

27. As is pointed out above, Von Mises explicitly does not argue that laissez-faire capitalism will best serve all conceivable interests: for instance, preservation of a caste system or suppression of a racial minority. His harmony theory defines “interest” more narrowly. See n. 5.

28. When Von Mises refers to “rightly understood” interests, he does not employ the term as a psychiatrist or theologian might, but merely refers to “the long run.” See *Human Action*, pp. 146, 563, 670 (esp.); *Socialism*, pp. 397–98; *Omnipotent Government* (New Haven: Yale University Press, 1944), pp. 115, 282; *The Theory of Money and Credit* (New Haven: Yale University Press, 1953), pp. 426–27.

29. See n. 20.

30. *Liberalismus*, pp. 122–24; *Human Action*, pp. 742–43.

31. See n. 20 above.

32. See n. 23 above.

33. See *inter alia*: concerning the gains from trade: *Human Action*, pp. 353 ff., 384, 507, 591, 650–53, 661, 669–70, 677, 742–43, 759–60; *Socialism*, pp. 385–92, 533–34.

Concerning productivity pay and fiscal redistribution: *Human Action*, pp. 285, 303, 803, 806, 835, 841; *Socialism*, pp. 51, 200, 475–78, 484–87, 493.

34. *Socialism*, pp. 229–30.

35. *Socialism*, pp. 533–34; *Human Action*, pp. 363–64, 752–73, 851–57.

36. *Socialism*, p. 585; *Human Action*, pp. 856–57.

37. In some places Von Mises explicitly bases his laissez-faire program on the teaching that interventionist policies must defeat their authors’ purposes, instead of on the harmony doctrine which he usually stresses. (See, *inter alia*, *Socialism*, p. 530;

Human Action, p. 854; *Kritik des Interventionismus*, pp. 2, 27; *Liberalismus*, p. 69.) This doctrine resembles, but is not so ambitious as, a thoroughgoing harmony theory. It can almost be derived from such a theory, since presumably governments do not wish to injure everyone; but the harmony theory cannot even approximately be derived from it, since policy makers may not respect everyone's interests; they may knowingly injure some in order to favor others.

A central question here is whether Von Mises can, even conceivably, show that all governments must move away from their goals when they move away from laissez-faire, unless he can also demonstrate a complete harmony of interests. If he cannot demonstrate such a harmony, his contention that interventionist policies defeat themselves rests on his ability to recognize the purposes which governments have in mind and to show that those particular purposes are defeated.

38. The combination of a great emphasis on intergenerational comparison and explicit repudiation of interpersonal comparison may imply a certain non-utilitarian political ethic: i.e., a teach-

ing that policy makers may legitimately sacrifice the present to the future (even though some of the present generation object) but may not legitimately sacrifice one present group to another present group (even though the overwhelming majority may approve). Von Mises, however, explicitly and almost contemptuously rejects all non-utilitarian ethics. (See above, n. 3.)

39. See, *inter alia*, *Kritik des Interventionismus*, p. 19, and *Human Action*, p. 733. In the former Von Mises explicitly argues that the market economy is a tough, resilient system that can stand much interventionist abuse. In the latter he merely argues that consumption taxes, corporation taxes, capital levies, death taxes, and income taxes are "self-defeating if carried to extremes."

40. For a neoliberal's brief discussion of the types of intervention which are and are not compatible with the continued existence of a market economy, see Wilhelm Röpke, *The Social Crisis of Our Time* (Chicago: University of Chicago Press, 1950), pp. 159–60.

41. See *Human Action*, p. 678.