
Ludwig von Mises and The Vienna of His Time

PART II

BY RICHARD M. EBELING

From the time of World War I, Ludwig von Mises's writings expressed the classical-liberal cosmopolitan conception of man, society, and freedom. Throughout the interwar period his works on the general principles of the liberal market order, the dangerous dead end to which socialist society would lead, and the contradictions and corrupting influences of economic interventionism all represented attempts to stem the tide of anti-Enlightenment thought—to hold back what he referred to as the “revolt against reason.”¹

For Mises, classical liberalism is the worldview that liberates mankind from the *ancien régime*, with its systems of caste and class, favors and privileges, inequalities and injustices.² If groups of individuals wish to cling to their traditional identities and their longing for custom, tradition, and rituals, they are free to do so in the liberal society. But they are prevented, or at least greatly hindered, from imposing them on others, since the agency of government is limited to securing peaceful cooperation through a rule of law with equal treatment for all. Under limited-government liberalism, the resentment, envy, and anger of some cannot be transformed into political malice and abuse toward others.

In the face of the ascending influence of socialist ideas, liberalism is the worldview and economic system, in Mises's eyes, that can forestall the establishment of a terrible collectivist tyranny, which can only produce stagnation and poverty. Socialism is merely the old petty resentments and personal envy now cloaked in the rhetoric of a grandiose theory of economic and

institutional exploitation and injustice. Worse, the triumph of socialism would introduce an economic system without a rational method for economic calculation. Thus socialism also would lead to waste, inefficiency, and a standard of living far below that of the market order it would replace.

All of these anti-liberal forces were set loose by World War I: socialism, nationalism, racism, and fascism. Together they cumulatively represented a counterrevolution against all that classical liberalism had advocated and succeeded in creating in the eighteenth and nineteenth centuries. They were man's return to the master and to chains. They heralded the end of the free man.

Behind the anti-Semitic aspect of collectivism's counterrevolution, Mises believed, were envy and resentment against those who had succeeded socially and economically in the arena of free-market opportunity. While Mises did not discount the role of non-economic factors in generating anti-Jewish sentiments, especially in earlier ages, he was persuaded that the most important factor behind them in modern times was the frustration of those who had failed against competitors who happened to be Jewish or of Jewish ancestry.

Nazi race doctrine was unable to define and classify scientifically the incontestable characteristics of a “Jew” or an “Aryan.” Indeed, in the context of Europe's long history of conquest and mixings of mul-



Ludwig von Mises

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titudes of ethnic and racial groups, there was no scientific meaning to a “pure” race in virtually any part of the continent. And after enumerating the many negative meanings that had been given to “Jewish” culture, attitudes, behavior, and influence on German society, Mises concluded that the only thing that could be found in common in them was that the critic did not like them. For example, the Jews were criticized for being either economic liberals in favor of rugged individualism or communists desiring the nationalization of the individual; for being either warmongers for profits or dangerous pacifists unwilling to fight for their country; for being either Zionist nationalists or rootless cosmopolitans with loyalty to no one; for being either crude materialists or utopian idealists; for being either advocates of democracy or agents of dictatorship. “Jew” was simply the covering term for whatever was disliked or considered undesirable in society.³

Pivotal Role

Yet it was a fact, as Mises pointed out, and as mentioned in part one, that the Jews played a pivotal role in the cultural and economic development of Central and Eastern Europe in the second half of the nineteenth century and the early decades of the twentieth century. Those who resented the passing of older and more traditional forms of social order or who were unable to adapt as easily to the rising currents of market competition saw the Jew as the cause of their “misfortune.” The Jews were central to industrialization, modern commerce, railway infrastructure, and raw-material and resource development, especially in Imperial Germany and Austria-Hungary—even though at no time did the Jews represent more than 1 percent of the population of the German Empire, and scarcely 5 percent of the population of the Austro-Hungarian Empire.

For traditionalist Germans, the Jews represented “modernity” and secularization—especially in its free-market manifestation. For the various non-German

nationalities in eastern Germany and Austria-Hungary, the Jews represented “German” cultural and economic domination, especially since the German and Austrian Jews saw German “culture” as the most enlightened and progressive force, something into which a large majority of them wanted to assimilate.⁴

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But the fact remained that in the market, individuals continued to patronize the suppliers who could provide better and/or less-expensive products and services. People demonstrated their preferences and voted with their money for those with whom they found it advantageous to do business. As Mises explained it:

Many decades of intensive anti-Semitic propaganda did not succeed in preventing German “Aryans” from buying in shops owned by Jews, from consulting Jewish doctors and lawyers, and from reading books by Jewish authors. They did not patronize the Jews unawares—“Aryan” competitors were careful to tell them again and again that these people were Jews. Whoever wanted to get rid of his Jewish competitors could not rely on an alleged hatred of Jews; he was under the necessity of asking for legal discrimination against them. Such discrimination is not the result of nationalism or of racism. It is basically—like nationalism—a result of interventionism and the policy of favoring the less efficient producer to the disadvantage of the consumer.⁵

And if the Jews were to be blamed for bringing anti-Semitism on themselves it would have to be for their most meritorious qualities:

But if the cause of anti-Semitism were really to be found in distinctive features of the Jews, these properties would have to be extraordinary virtues and merits which would qualify the Jews as the elite of mankind. If the Jews themselves are to blame for the fact that those whose ideal is perpetual war and bloodshed, who worship violence and are eager to destroy freedom, consider them the most dangerous

opponents of their endeavors, it must be because the Jews are foremost among the champions of freedom, justice, and peaceful cooperation among nations. If the Jews incurred the Nazis' hatred through their conduct, it is no doubt because what was great and noble in the German nation, all the immortal achievements of Germany's past, were either accomplished by the Jews or congenial to the Jewish mind. As the parties seeking to destroy modern civilization and return to barbarism have put anti-Semitism at the top of their programs, this civilization is apparently a creation of the Jews. Nothing more flattering could be said of an individual or a group than that the deadly foes of civilization have well-founded reasons to persecute them.⁶

Contributions Exaggerated

Mises did not assert that civilization was the result of the Jews. He pointed out that the anti-Semites greatly exaggerated the contribution of the Jews to modern society and its accomplishments. What was distinct about the German and Austrian Jews was that they were small minorities in the greater society who could easily be targeted for economic discrimination through interventionism, with no ability to politically prevent more powerful special-interest groups from using the state at their expense. And "the Jews" were able to serve as a convenient hook on which could be hung all the excuses for individual disappointment and national humiliation, especially in the wake of defeat in World War I.⁷

What the Vienna of Mises's time demonstrated, especially in the decades before the war, is that classical liberalism in practice means the protection of freedom in reality. The reawakening of Jewish life in Germany and Austria was made possible by the Enlightenment culture of reason, experience, and individualism in place of superstition, blind faith, and cultural collectivism. The spirit of individualism fostered a growing environment of self-education and self-improvement in the Jewish community. However, that spiritual individualism would have been stymied if it had not coincided with the new epoch of political and economic liberalism in which the individual could apply his liberated mind to the external world.

But it was the ideology of interventionism and socialism put into practice in the period between the two world wars that enabled the prejudices of the envious and the resentful to be applied against their more successful competitors. Mises explained the methods by which the power of the interventionist state could be turned against a minority group such as the Jews:

If, for instance, members of the minority are alone engaged in a specific branch of business, the government can ruin them by means of customs provisions. In other words, they can raise the price of raw materials and machinery. In these countries [in post-World War I Central and Eastern Europe], every measure of government interference—taxes, tariffs, freight rates, labor policy, monopoly and price control, foreign exchange regulations—were used against minorities. If you wish to build a house or use the services of an architect from the minority group, then you find yourself beset by difficulties raised by the departments of building, of health, of fire. You will wait longer to receive your telephone, gas, electric, and water connections from the municipal authorities. The department of sanitation will discover some irregularities in your building. If members of your minority group are injured or even killed for political reasons, the police are slow in finding the culprit. Against such obstacles all provisions of minority protection are useless. Think of the assessment of taxes. In those countries, Chief Justice Marshall's dictum "The power to tax is the power to destroy" was practiced against the minorities. Or think of the power that [occupational] licensing gives to a government.⁸

In the two decades following World War I the governments of Central and Eastern Europe, especially in countries such as Poland, Lithuania, Hungary, and Romania, used these types of interventionist policies to prohibit and restrict economic opportunities for the Jewish populations. This was often accompanied with brutal acts of violence against the lives and property of Jews.⁹

It was precisely through such interventionist policies that the Jews were excluded from German social

and economic life in the years following the triumph of Hitler's National Socialist movement in 1933. During the first five years of the Nazi regime, restrictions, regulations, and prohibitions were imposed on the German Jewish community that completely reversed the previous hundred years of economic and social liberalization. Step by step Jews were legally banned from the professions, academia, the arts and sciences, and commerce, industry, and trade. This was matched by savage physical attacks on Jews throughout the country, in which thousands were killed, beaten, or arrested and imprisoned in the new system of concentration camps.¹⁰

What had taken five years to accomplish in Nazi Germany itself was achieved within weeks and months in Austria following its annexation to the Third Reich in March of 1938. The following, admittedly lengthy, passages from Bruce Pauley's book on the history of Austrian anti-Semitism gives a chilling sense of the tragedy that befell the Jews of Vienna in the days and months after the *Anschluss*:

The night of 11–12 March 1938 marked the dramatic end of a thousand years of Austro-Jewish history. On Friday, 11 March, all the Jewish newspapers of Vienna published their usual weekly editions. By the next day their offices and those of other Jewish organizations had been seized by Nazis. Within a matter of days, or at most a few months, nearly all Austrian Jews had lost their means of livelihood and in many cases their homes as well. . . .

Gangs of Nazis invaded Jewish department stores, humble Jewish shops in the Leopoldstadt, the homes of Jewish bankers, as well as the apartments of middle-class Jews, and stole money, art treasures, furs, jewelry, and even furniture. Some Jews were robbed of their money on the street. All automobiles owned by Jews were confiscated immediately. Jews who complained to the police

about the thefts were lucky if they escaped arrest or physical violence. . . .

SA men stood at the entrances of Jewish shops; Christians who entered the stores were arrested and forced to wear signs saying they were "Christian pigs." . . . Within a few hours or at most a few days all Jewish actors, musicians and journalists lost their jobs. By mid-June 1938, just three months after the Anschluss, Jews had already been more thoroughly purged from public life in Austria than in the five years following Hitler's takeover of power in Germany. Tens of thousands of Jewish employees had lost their jobs. Only rarely were they given any warning or severance pay. Among those dismissed were all state and municipal employees (what few there were), including 183 public

schools teachers, and employees of banks, insurance companies, theaters, and concert halls. Meanwhile, private Jewish businesses large and small were either confiscated outright or their owners were paid only a small fraction of the property's true value. Jews were also excluded from most areas of public entertainment and to some extent even public transportation by the early summer of 1938; similar rules were not imposed on German Jews until November. Austrian Jews were also subjected to all kinds of personal insults and indignities that were not the result of official Nazi legislation. If a gentile streetcar passenger did not like the looks of a Jewish fellow passenger in the summer of 1938, he could have the trolley stopped and the Jew thrown off. The number of coffeehouses and restaurants that would not serve Jews grew from day to day. All of the public baths and swimming pools were closed to the Jews. Park benches all over the city had the words "Juden verboten" stenciled on them. Jews were not admitted to theater performances, concerts, or the opera. Numerous cinemas had notices saying that Jewish patronage was not wanted. Sometimes Jews were ejected from a motion picture

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theater in the middle of a performance if gentiles complained about them. SA men at times even stood at the last tramway stop in the suburb of Neuwaldegg in order to prevent Jews from strolling in the nearby Vienna Woods. . . .

After 2 July Jews were not allowed to enter certain public gardens and parks, and none at all after September 1939. At the end of September 1938 both Jewish physicians and Jewish lawyers lost their right to serve gentile clients. Only about fifty Jewish lawyers were able to make a living even briefly under these circumstances. After 5 October Jews were not permitted to enter sports stadiums as spectators. Shortly after the November Pogrom the Jews were not even allowed to appear in public during certain times of the day. After January 1939 they could not use sleeping or dining cars on railroad trains. . . .

The confiscation of Jewish homes and other kinds of wealth by Austrian Nazis both before and after Kristallnacht probably had less to do with Nazi ideology than it did with economic self-aggrandizement—that is, pure old-fashioned greed.

. . . Already by December 1938, 44,000 Jewish apartments had been Aryanized out of a total of about 70,000 [in Vienna]. . . . Jews were sometimes notified by a piece of paper on their front door that they had only a few days or even hours to move out of their apartments. . . . Likewise, the confiscation of Jewish jobs was also an answer to Viennese unemployment, which had been endemic during the entire interwar period, and especially in the 1930s.¹¹

Illusory Gains

In the spring of 1940, shortly before Mises left Geneva to come to the United States, he pointed out that Austria had had a thousand outstanding entrepreneurs before the *Anschluss* in 1938. Of these at least two-thirds had been Jews. Now, two years later, all of these Jews either had been tortured and murdered, or sent off to concentration camps, or expelled from the country. The supposed gains to the remaining Austrian population through confiscation and expulsion of their Jewish neighbors were all illusionary, Mises insisted, based on the crudest of Marxian fallacies:

The so-called Aryanization of firms was based on the Marxist idea that capital (machinery and raw material) and the labor input of workers were the only vital ingredients of an enterprise, whereas the entrepreneur was an “exploiter.” An enterprise without entrepreneurial spirit and creativity, however, is nothing more than a pile of rubbish and iron. Today the Aryanized firms, one and all, contribute nothing to exports. They are either working for the military or they have been liquidated. Commercial ties abroad, built up by more than one hundred years of unrelenting effort, have been broken. The core of skilled workers have been dispersed and displaced from its traditional skills.¹²

Thus the ideology of envy and the interventionist policies of discrimination under German National Socialism brought to a disastrous close the liberal epoch of freedom for the Jews in Austria. In 1938, Austria’s Jewish population had numbered around 250,000. By May 1939 only 121,000 were still in Austria, with most of the rest having emigrated. Those who were not able to leave ended up in the inferno of the Holocaust.¹³ According to one estimate, fewer than 300 survived the war in hiding in Austria.

Among those who left before or immediately after Germany’s annexation of Austria were many members of the Austrian school of economics or Mises’s private seminar circle (both Jews and non-Jews): Martha Steffy Browne, Gottfried Haberler, Friedrich A. Hayek, Felix Kaufmann, Fritz Machlup, Ilse Mintz, Oscar Morgenstern, Paul N. Rosenstein-Rodan, Alfred Schutz, Erich Voegelin, to name just a few.

Mises had departed in the autumn of 1934 for a teaching position at the Graduate Institute of International Studies in Geneva when it was clear that the collectivist darkness was starting to fall over the center of Europe. He made a new life for himself after 1940 in the United States, as did many of his Austrian colleagues and friends, where the spirit of freedom was not yet in the same shadow of tyranny as in their native country. America, for them, was still a land where Austrian Jews such as Mises could breathe the air of liberty.

For many Austrians, and especially Austrian Jews,

there long remained a nostalgia for the old Vienna before World War I. It represented peace, freedom, security, and certainty with its liberal values and apparent tolerant atmosphere in which a vast diversity of peoples lived and worked, and culturally gained from each other. As the Austrian writer Stefan Zweig expressed it, “It was sweet to live here, in this atmosphere of spiritual conciliation, and subconsciously every citizen became supernational, cosmopolitan, a citizen of the world.”¹⁴

Yet this appearance was deceiving. Beneath the surface, anti-liberal currents were at work that brought this idyllic epoch to an end. In too many people’s hearts and minds, collectivist attitudes and sentiments dominated their conduct and desires. Ludwig von Mises explained the problem and danger in the years immediately after World War I. The mentality of people had lagged behind the political and economic changes in nineteenth-century society. Institutions had been transformed more rapidly than the everyday psychology of men. And a counterrevolution against freedom had emerged. It was characterized by the migrations of a growing multitude of people from the countryside to the cities, from traditional society to urban life, Mises argued:

Immigrants soon find their place in urban life, they soon adopt, externally, town manners and opinions, but for a long time they remain foreign to civic thought. One cannot make a social philosophy one’s own as easily as a new costume. It must be earned—earned with the effort of thought. . . . The growth of the towns and of the town life was too rapid. It was more extensive than intensive. The new inhabitants of the towns had become citizens superficially, but not in ways of thought. . . . More menacing than barbarians storming the walls from without are the seeming citizens within—those who are citizens in gesture, but not in thought.¹⁵

Classical liberalism requires not only a political and economic philosophy. Its survivability is also dependent on an attitude and a philosophy of life: the accepting of self-responsibility for both successes and failures; a respect for others as individuals; a realization

that peace of mind comes only from within, and that purpose and meaning cannot be bought at others’ expense; and an understanding that one’s own freedom, and that of others, should not be traded away for a few pieces of silver and a false sense of security through political paternalism.

Men’s unwillingness or inability to adopt this wider and deeper sense of a true citizenship of liberty brought all the ruin of the last 100 years, including the barbaric extermination of the Jews of Europe and the destruction of an entire continent in World War II. After analyzing the collectivist roots of Nazism and the anti-Jewish attitudes of both Germans and many others at that time, Mises concluded: “Mankind has paid a high price indeed for anti-Semitism.”¹⁶



1. Mises’s monumental work on *Socialism: An Economic and Sociological Analysis* (Indianapolis: Liberty Classics, 1981), originally published in 1922, is not merely a logical argument against the possibility of socialist central planning—which of course is a centerpiece of the book. It is also a sweeping and majestic analysis of the social, cultural, and political potential of a free and classical-liberal community, and the poverty and destructive tendencies of all forms of collectivism. His 1927 volume, *Liberalism* (Irvington-on-Hudson, N.Y.: Foundation for Economic Education, 1985) presents an integrated and coherent exposition of the truly humane world that a liberal society can bring mankind. All these themes on the nature of the free society were brought together in his masterful treatise, *Human Action* (Irvington-on-Hudson, N.Y.: Foundation for Economic Education, 1996). On Mises as social and political philosopher, see Richard M. Ebeling, “Planning for Freedom: Ludwig von Mises as Political Economist and Policy Analyst” in Richard M. Ebeling, ed., *Competition or Compulsion? The Market Economy versus the New Social Engineering* (Hillsdale, Mich.: Hillsdale College Press, 2001), pp. 1–85.

2. See Ludwig von Mises, “The Clash of Group Interests” [1945] in Richard M. Ebeling, ed., *Money, Method and the Market Process: Essays by Ludwig von Mises* (Norwell, Mass.: Kluwer Academic Press, 1990), pp. 202–14; and Ludwig von Mises, *Theory and History: An Interpretation of Social and Economic Evolution* (New Haven, Conn.: Yale University Press, 1957), pp. 112–22.

3. Ludwig von Mises, *Omnipotent Government: The Rise of the Total State and Total War* (New Haven, Conn.: Yale University Press, 1944), pp. 171–77.

4. Many of these assimilated Jews were embarrassed and ashamed of their “eastern cousins” who continued to follow more traditional Jewish cultural and religious forms. Their physical appearance and religious practices seemed a reminder of what they had chosen to escape from. And the arrival of these more orthodox Jews in Berlin and Vienna in the years both before and after the first World War was viewed with great unease. Indeed, the assim-

lated Jews were fearful that their country orthodox cousins would make them look “bad” in the eyes of their non-Jewish neighbors. They would be tarred with the negative impressions these orthodox Jews would (and did often) create in the minds of non-Jewish Germans and Austrians. See Jack Wertheimer, *Unwelcome Strangers: Eastern European Jews in Imperial Germany* (New York: Oxford University Press, 1987); Derek J. Penslar, *Shylock’s Children: Economics and Jewish Identity in Modern Europe* (Berkeley: University of California Press, 2001), pp. 195–205; and Amos Elon, *The Pity of It All: A History of the Jews in Germany, 1743–1933* (New York: Metropolitan Books, 2002), pp. 231–57.

5. Mises, *Omnipotent Government*, p. 184.

6. *Ibid.*, pp. 184–85.

7. Indeed, though Mises does not draw attention to this point, what most German and Austrian Jews shared with their non-Jewish countrymen was an enthusiasm for German imperialism on the eve of World War I, and they served in the German army in a proportion far in excess of their percentage in the general population. They also shared the same resentments and feelings of humiliation with the defeat of the German and Austrian armies at the end of the war, especially in the wake of the peace terms imposed by the Allied powers in 1919. See Elon, *The Pity of It All*, pp. 297–354; Howard M. Sachar, *Dreamland: Europeans and Jews in the Aftermath of the Great War* (New York: Alfred A. Knopf, 2002), pp. 205–82; and Marsha L. Rozenblit, *Reconstructing a National Identity: The Jews of Habsburg Austria During World War I* (New York: Oxford University Press, 2001). The perversity, as Mises does point out, is that many of the non-Jews in Germany tried to maintain their mental equilibrium in the face of German’s defeat by looking for a scapegoat for the humiliation of 1919 and found it in a Jewish “stab in the back.” See Mises, *Omnipotent Government*, p. 187: “It was salvation for the self-esteem of all these disheartened souls when some generals and nationalist leaders found a justification and an excuse: it had been the work of the Jews. Germany was victorious by land and sea and air, but the Jews had stabbed the victorious forces in the back. Whoever ventured to refute this legend was himself denounced as a Jew or a bribed servant of the Jews. No rational argument could shake the legend. . . . It must be realized that German nationalism managed to survive the defeat in the First World War only by means of the legend of the stab in the back.” Mises later developed the theme of envy and resentment as the foundation for anti-capitalist attitudes; see Ludwig von Mises, *The Anti-Capitalistic Mentality* (Princeton, N.J.: D. Van Nostrand, 1956).

8. Ludwig von Mises, “Postwar Reconstruction” [1941] in Richard M. Ebeling, ed., *Selected Writings of Ludwig von Mises*, Vol. 3: *The Political Economy of International Reform and Reconstruction* (Indianapolis: Liberty Fund, 2000), p. 13.

9. On how such interventionist policies were used against the Jews in the countries of Central and Eastern Europe in the period between the two World Wars, see Sachar, *Dreamland*, and Ezra Mendelsohn, *The Jews of East Central Europe Between the World Wars* (Bloomington, Ind.: Indiana University Press, 1983); see also P. G. J. Pulzer, “The Development of Political Antisemitism in Austria” in Josef Fraenkel, ed., *The Jews of Austria: Essays on*

Their Life, History and Destruction (London: Vallentine, Mitchell, 1967), pp. 429–43.

10. For detailed accounts of the growing political and interventionist discrimination and prohibition on the social, civil and economic liberties of the Jews in Nazi Germany during the 1930s, see Raul Hilberg, *The Destruction of the European Jews* (Chicago: Quadrangle Books, 1967), pp. 43–105; Lucy S. Dawidowicz, *The War Against the Jews, 1933–1945* (New York: Bantam Books), pp. 48–69; J. Noakes and G. Pridham, *Nazism, 1933–1945*, Vol. 2: *State, Economy and Society, 1933–1939* (Exeter: University of Exeter Press, 1984), pp. 521–67; Arno J. Mayer, *Why Did the Heavens Not Darken? The “Final Solution” in History* (New York: Pantheon, 1988), pp. 113–158; Avraham Barkai, *From Boycott to Annihilation: The Economic Struggle of German Jews, 1933–1943* (Hanover, N.H.: University Press of New England, 1989); Saul Friedlander, *Nazi Germany and the Jews*, Vol. 1: *The Years of Persecution, 1933–1939* (New York: Harper/Collins, 1997); Deborah Dwork and Robert Jan van Pelt, *Holocaust: A History* (New York: Norton, 2002), pp. 82–102; also, Stephen Roberts, *The House that Hitler Built* (New York: Harper & Brothers, 1938), pp. 258–67; and Marvin Lowenthal, *The Jews of Germany: A Story of Sixteen Centuries* (Philadelphia: The Jewish Publications Society of America, 1938), pp. 392–421; on anti-Semitism in Germany in the 1920s, see, Donald L. Niewyk, *The Jews in Weimar Germany* (New Brunswick, N.J.: Transaction Books, 2001), pp. 43–81. And on the response of the Jews in Germany to mounting interventionist discrimination and violence in the 1930s, see John V. P. Dippel, *Bound Upon a Wheel of Fire: Why So Many German Jews Made the Tragic Decision to Remain in Nazi Germany* (New York: Basic Books, 1996).

11. Bruce F. Pauley, *From Prejudice to Persecution: A History of Austrian Anti-Semitism* (Chapel Hill: University of North Carolina Press, 1992), pp. 275, 280–84, 288–90.

12. Ludwig von Mises, “A Draft of Guidelines for the Reconstruction of Austria” [1940] in Richard M. Ebeling, ed., *Selected Writings of Ludwig von Mises*, Vol. 3: *The Political Economy of International Reform and Reconstruction*, pp. 135–36.

13. For an account of how it was the rise of immigration barriers across Europe and North America in the post-World War I period that closed the door and determined the fate of many German and Austrian Jews who therefore had no route of escape from the Nazis, see Dwork and van Pelt, *Holocaust*, pp. 103–32; also Arthur D. Morse, *While Six Million Died: A Chronicle of American Apathy* (New York: Random House, 1967); and David S. Wyman, *Paper Walls: America and the Refugee Crisis, 1938–1941* (New York: Pantheon Books, 1968). On the general development and effects of immigration restrictions, see, John Torpey, *The Invention of the Passport: Surveillance, Citizenship and the State* (Cambridge, Mass.: Cambridge University Press, 2000).

14. Stefan Zweig, *The World of Yesterday* [1943] (Lincoln: University of Nebraska Press, 1964), p. 13.

15. Mises, *Socialism*, p. 38.

16. Mises, *Omnipotent Government*, p. 192.

The documents that Ludwig von Mises's great-grandfather, Mayer Rachmiel Mises, prepared as background for his ennoblement by the Austrian Emperor Franz Joseph in June 1881 (just a few months before Ludwig was born) record the history of the Mises family in Lemberg going back to the 1700s. Mayer's father, Fischel Mises, had been a wholesaler and real estate owner who had received permission to live and conduct business in the so-called "restricted district" reserved for non-Jews. At the age of 18, Mayer married a daughter of Hirsch Halberstamm, the leading Russian-German export trader in the Ga