



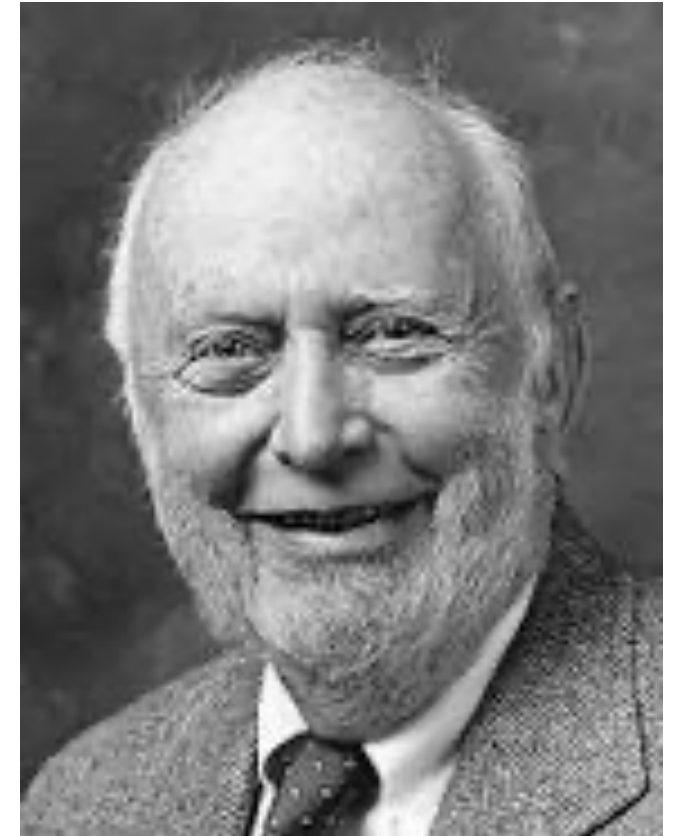
# Common Sense Economics and Human Flourishing

YOUR NAME  
LINKEDIN  
CAREER FIELD  
COUNTRY

Institutions matter.

(Here identify your mentor.)

- ▶ *Institutions, Institutional Change and Economic Performance* (1990)
- ▶ Douglass North argues you get the institutions right, humans flourish, and countries grow.



Douglass C. North  
1993 Nobel Laureate

The science of  
decision-  
making in a  
world of  
scarcity.

Incentives matter.

The decisions of  
today have  
consequence that  
lie in the future.

Every decision has  
a cost, an  
opportunity cost.

Voluntary  
exchange creates  
wealth and  
improves health.

People respond to  
changes in  
predictable ways.

Institutions matter.

# Economics of the Constitution

- ▶ Limited government serves its people.
  - ▶ It defends the natural rights of people, their right to life, liberty, and pursuit of happiness; and prevents aggressions on the people.
  - ▶ In other words, it is the administration of justice.
- ▶ U.S. Constitution and our Founding Fathers based much of what is written in the Constitution on Lockean principles with the role of government clearly outlined.



# Articles of Confederation

## A perfect storm

Without any element of a central government under the Articles,

- ✓ States erected trade barriers.
- ✓ Free-riding occurred where some states paid taxes to cover war debt and administrative costs while others did not.
- ✓ Conflict between states over internal affairs and between the U.S. and foreign countries became increasingly difficult to resolve.
- ✓ Inflation ran rampant in a country buried in debt.

# From the Articles to the Constitution

- By correcting the deficiencies of the Articles, the U.S. Constitution and Bill of Rights (Amendments 1-10) set the stage for economic growth and prosperity.
- The Constitution established the rules within which the people across the U.S. economy would break from the world's impoverished past and successfully lift themselves and their trading partners around the world to new standards of living.

# U.S. Government

- The powers delegated to the federal government are explicitly listed and all others are left to the state or the people.
- Specifically, of interest are the economic incentives in the following clauses of Article I:
  - Spending Clause (Article I, Section 8, Clause 1)
  - Commerce Clause\* (Article I, Section 8, Clause 3)
  - Coinage or Mint Clause\* (Article I, Section 8, Clause 5)
  - Patent and Copyright Clause (Article I, Section 8, Clause 8)
  - Contract Clause (Article I, Section 10, Clause 1)
- The Bill of Rights protects the basic principles of human liberty and explicitly limits government interference in private lives.

# Sherman Anti-trust Act of 1890

- ▶ Movement in the direction of using government to tamper industry.
- ▶ The boundaries of government expanded.
- ▶ This expansion endangered liberty.



# Not-So-Roaring 20s and Great Depression

- ▶ Installment credit
- ▶ Margin trading in the stock market
- ▶ Smoot-Hawley Tariff bill
  - ▶ What history books don't tell you:
    - ▶ Smoot-Hawley Tariff went from majority Senate opposition to majority Senate support
    - ▶ 30 governments warned Congress that they would retaliate in Sept 1929
    - ▶ Stock market crashes in Oct 1929, moderately recovers, and drops again after it passes in Jun 1930
  - ▶ *The Midas Paradox* (2015), by Scott Sumner

# Solutions of the Era

- ▶ Government policies, interventions, and regulations emerge to correct failures in markets
  - ▶ Tariffs
  - ▶ Taxes (high)
  - ▶ Subsidies
  - ▶ Other interventions
- ▶ Central bank intervenes
  - ▶ Restrictive monetary policy

## Markets fail: This we know

Market Failure is a concept in economic theory where in the allocation of goods and resources by a *free market* is not efficient.

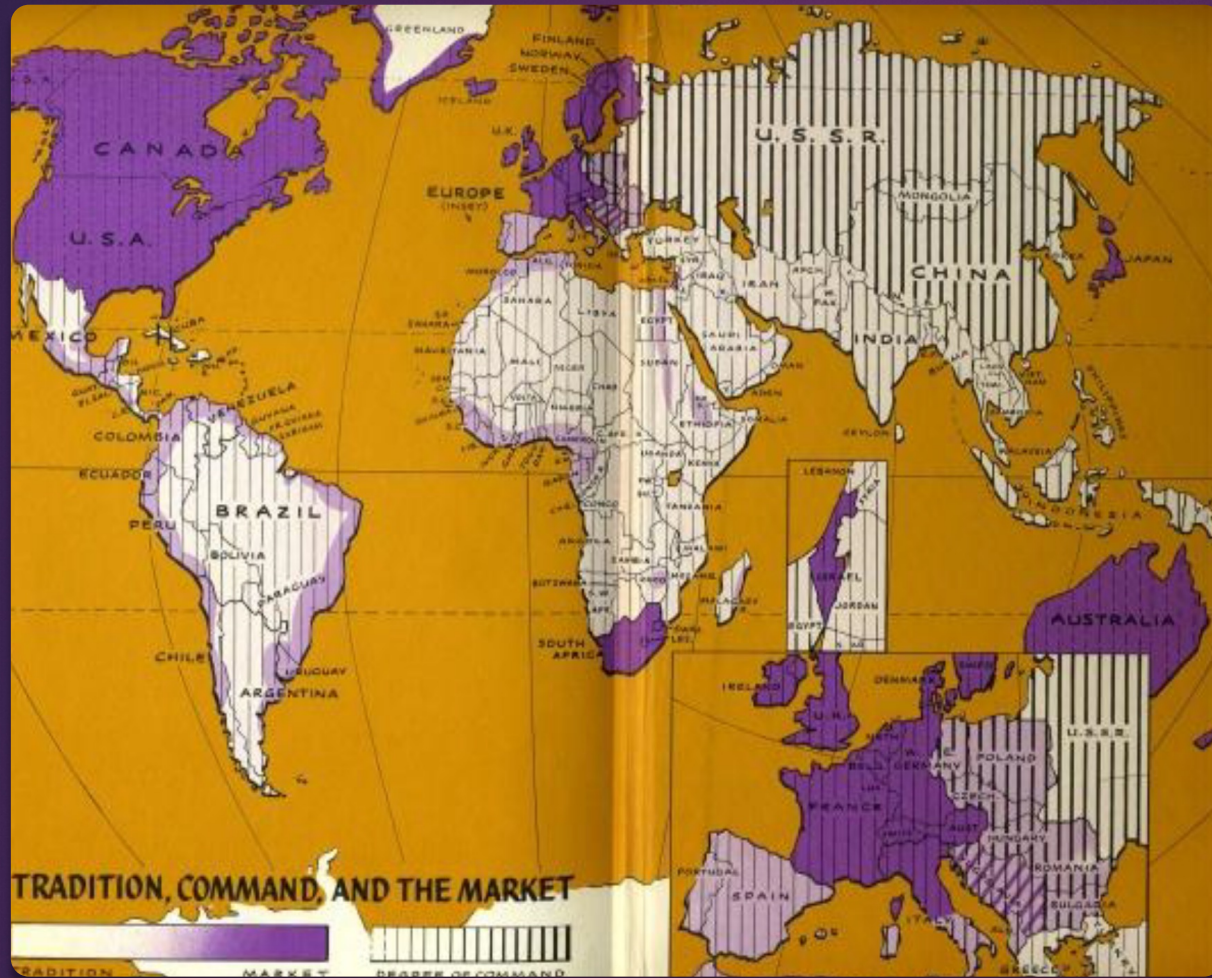
- Public Goods
- Externalities
- Lack of Property Rights
- Asymmetric Information



GOVERNMENT FAILS!

But so does  
government!





Resources:  
Allocate them  
strategically for  
growth and  
prosperity



# Textbook confessions

- ▶ Levy, David M. and Peart, Sandra J., Soviet Growth & American Textbooks (December 3, 2009). Available at SSRN: <https://ssrn.com/abstract=1517983> or <http://dx.doi.org/10.2139/ssrn.1517983>

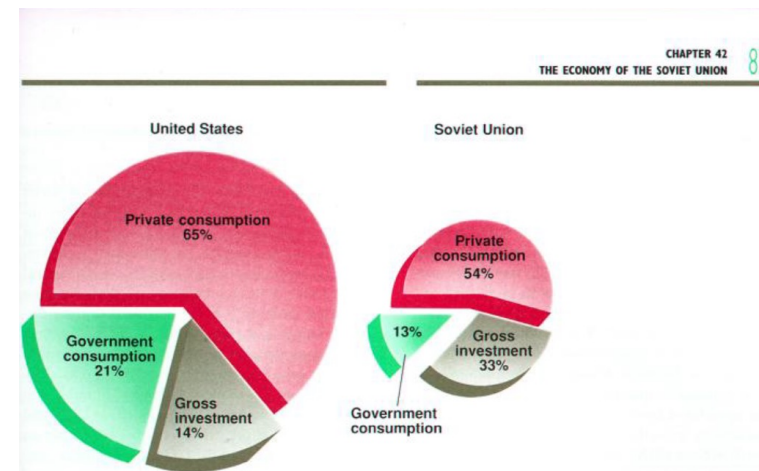
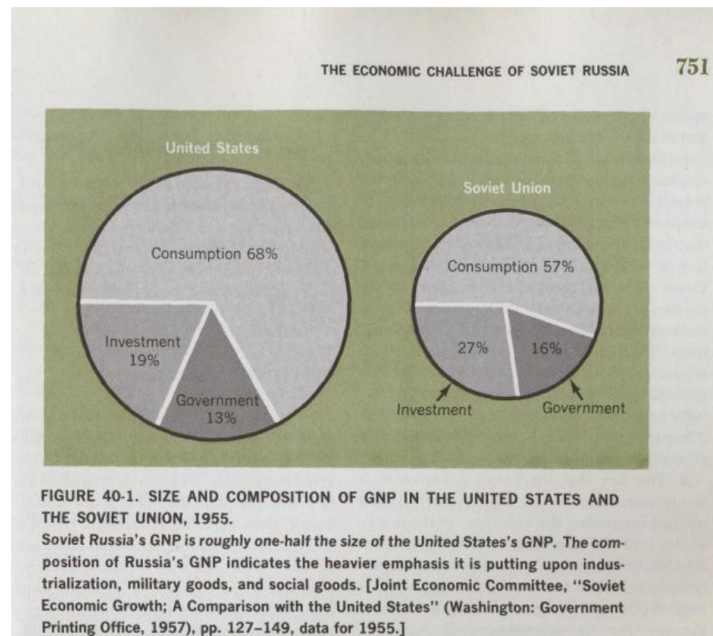


FIGURE 42-1

### Size and composition of GNP in the United States and the Soviet Union

The Soviet Union's GNP is about 50 percent the size of the United States' GNP. As compared with the United States, the Soviet Union puts relatively greater emphasis on investment goods than on consumer goods. [Joint Economic Committee, *USSR: Measures of Economic Growth and Development, 1950-1980* (Washington, 1982), p. 67, and *Economic Report of the President*.]

# USSR vs US

- ▶ USSR growth rates projected to be greater than US, leading to higher real GDP and income in the future.

TABLE VI · 1-1 *Relative Size and Growth Rates*

	U.S.S.R. GNP as Per Cent of U.S. GNP (1958)	Growth Rates (1950-1958)	
		U.S.	U.S.S.R.
Weights correspond to U.S. prices	65	2.9	6.0
Weights correspond to U.S.S.R. prices	33	2.9	7.5

Source: M. Bornstein, "A Comparison of Soviet and United States National Product" in Bornstein and Fusfield, *The Soviet Economy: A Book of Readings*, 1962.

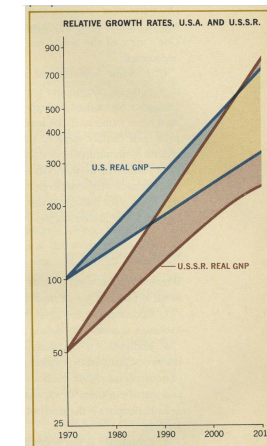


FIG. 1-1. The art of judgment, as well as scientific analysis, is involved in determining reasonable projections of growth rates free of either wishful or paranoid thinking. Not only are Americans and Russians concerned with the outcome of this economic sweepstakes, but so are Asians and Africans interested in choosing that form of economic organization which will move them most rapidly along the road of development. (Source: Fig. 42-1.)

# Resources vs institutions

- ▶ Institutions are the rules and regulations that guide behaviors in a variety of settings.
- ▶ Investigate how different institutions lead to different outcomes.



# Inspired by the Levy and Peart study

- ▶ Eyzaguirre, H., Ferrarini, T.H., O'Roark, J.B. (2019). "Textbook Confessions: Government Policies and Market Outcomes." Eds. Hall, Joshua and Lawson, Kerianne (Eds.) in Teaching Economics.
- ▶ Eyzaguirre, H., Ferrarini, T.H., O'Roark, J.B. (2016). "Textbook Confessions: Of Failures, Markets, and Government. Journal of Economics and Finance Education. 15(2): 60-71.
- ▶ Eyzaguirre, H., Ferrarini, T.H. and O'Roark, J.B. (2014). "Textbook Confessions: Government Failure." The Journal of Private Enterprise 29(3): 159-175.






POLITICAL VS MARKET  
ALLOCATION  
EXPERIMENT

INTO YOUR  
LIVES



**You now have \$75!**








Spending \$\$ on item generates which emotion??				
-10 Upset	-5 Dissatisfied	0 Neutral	+5 Happy	+10 Ecstatic
				


Cart 1

	Cart 1	Price	Value
1.	Pantene Pro-V shampoo - 13 oz.	\$3	-10*-5*0*+5*+10
2.	Avatar on DVD	\$15	-10*-5*0*+5*+10
3.	Any laundry detergent - 24 oz.	\$5	-10*-5*0*+5*+10
4.	Johnson's baby formula - 26 oz.	\$8	-10*-5*0*+5*+10
5.	Fixodent denture cleanser	\$6	-10*-5*0*+5*+10
6.	Skittles candy - king size	\$1	-10*-5*0*+5*+10
7.	Tampax tampons - 1 box (24 ct)	\$7	-10*-5*0*+5*+10
8.	Electric beard trimmer	\$24	-10*-5*0*+5*+10
9.	Kellogg's Frosted Flakes cereal - 1 box	\$3	-10*-5*0*+5*+10
10.	Almonds (6 oz. can)	\$3	-10*-5*0*+5*+10
	TOTALS:	\$75	

Spending \$\$ on item generates which emotion??

-10 Upset	-5 Dissatisfied	0 Neutral	+5 Happy	+10 Ecstatic
				

Cart 2

	Cart 2	Price	Value
1.	Crest Toothpaste - 3 oz.	\$2	-10*-5*0*+5*+10
2.	<i>Titanic</i> on DVD	\$14	-10*-5*0*+5*+10
3.	Downy fabric softener - 20 oz.	\$3	-10*-5*0*+5*+10
4.	Huggies diapers - jumbo pack (31 ct.)	\$13	-10*-5*0*+5*+10
5.	Adjustable heating pad	\$26	-10*-5*0*+5*+10
6.	Snickers candy bar - king size	\$1	-10*-5*0*+5*+10
7.	Revlon lipstick - one tube	\$6	-10*-5*0*+5*+10
8.	Protein bars - 1 box (6 ct.)	\$6	-10*-5*0*+5*+10
9.	Kellogg's Strawberry Pop- Tarts - 1 box	\$3	-10*-5*0*+5*+10
10.	Gum 1 regular pack (15 ct.)	\$1	-10*-5*0*+5*+10
	TOTALS:	\$75	

How can  
we choose  
between  
cart 1 and  
cart 2?

Tradition

Contest

Drawing

Equal share

Command and control

Voting

# Voting by a simple majority

- ▶ Based on the highest positive value (+) or lowest negative value (-), let's have a show of hands for Cart 1.
- ▶ Now, Cart 2.
- ▶ The winner is ??????????
- ▶ CART 2!!!!



Anyone have two carts, both with negative values?

- ▶ Many active, registered voters cast their ballots for the lesser of two evils in 2016.



# Thomas Sowell



- ▶ “The first lesson of economics is scarcity: there is never enough of anything to fully satisfy all those who want it. The first lesson of politics is to disregard the first lesson of economics.”

# Responsible

# and

# accountable individual and decision- making

Personal value > price → purchase or pass  
Personal value < price → pass





## SPEND UP TO \$75 OF YOUR OWN WAGES AND SALARIES

Y/N?		Price (in \$)	Value (0, 5, 10)
	Pantene Pro-V shampoo – 13 oz.	\$3	
	<i>Avatar</i> on DVD	\$15	
	Any laundry detergent – 24 oz.	\$5	
	Johnson's baby formula – 26 oz.	\$8	
	Fixodent denture cleanser	\$6	
	Skittles candy – king size	\$1	
	<u>Tampax</u> tampons – 1 box (24 ct)	\$7	
	Electric beard trimmer	\$24	
	Kellogg's Frosted Flakes cereal – 1 box	\$3	
	Almonds – 6 oz. can	\$3	

Cart 2		Price (in \$)	Value (0, 5, 10)
Y/N?	Crest Toothpaste – 3 oz.	\$2	
	<i>Titanic</i> on DVD	\$14	
	Downy fabric softener – 20 oz.	\$3	
	Huggies diapers – jumbo pack (31 ct.)	\$13	
	Adjustable heating pad	\$26	
	Snickers candy bar – king size	\$1	
	Revlon lipstick – one tube	\$6	
	Protein bars – 1 box (6 ct.)	\$6	
	Kellogg's Strawberry Pop-Tarts – 1 box	\$3	
	Extra sugar free gum – 1 pack (15 ct.)	\$1	

**Total invoice for all purchased goods:** \_\_\_\_\_

**Total value:** \_\_\_\_\_

**Total amount "saved":** \_\_\_\_\_

When individuals spend their earned income, they are:



MORE PURPOSEFUL IN SPENDING;



MORE LIKELY TO SAVE (AND  
INVEST);



ACTIVELY PARTICIPANTS IN  
GROWING THEIR ECONOMIES  
AND HELPING OTHERS PROSPER.



Initially, limited *popular* attention is drawn to the soundness of government intervention but it grows in Public Choice economics

John Maynard Keynes

J. Buchanan, G. Tullock, M. Olson...

Others

# Key issues

- ▶ Special interests
- ▶ Short-sightedness
- ▶ Rational ignorance or low information

Why this  
topic  
matters to  
you and  
your future

CSE 3.5 Guide to  
American Federal

Debt: *From Debt limit-A  
guide to American federal  
debt made easy (2011).*

U.S. National  
Debt Clock:  
Real Time

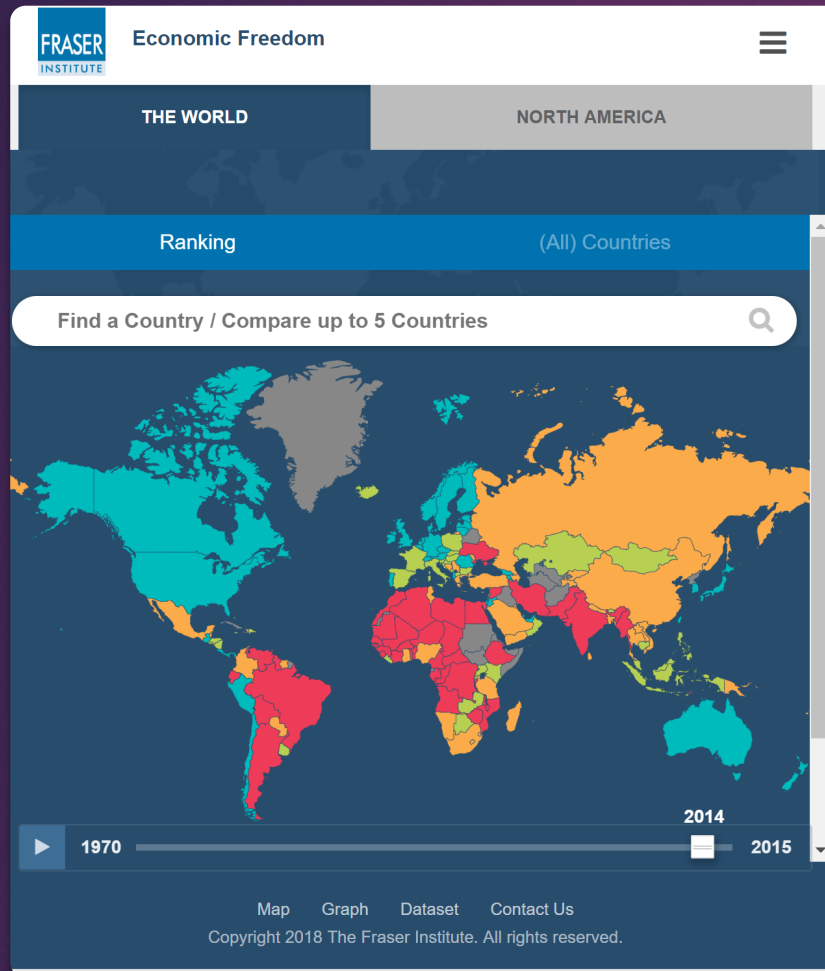
# Action items

- ▶ Earn a badge [Common Sense: The Economics of Government versus Markets](#) at Canvas.net. See the differences between the way in which the political process and markets made up of free and responsible individuals allocate resources and associate differences with different opportunities to live financially secure and rewarding lives.
- ▶ Share this with others.
- ▶ Make 2018-19 plans to advance your understanding of this topic.
- ▶ Identify ways to excite others with these ideas and better understand them, especially your legislators.
- ▶ Stay in touch! [Tawni.org](#)



# Economic freedom

- ▶ Responsible and accountable personal choice
- ▶ Rule of law
- ▶ Easy access to markets
- ▶ Low taxation
- ▶ Limited government regulation and stable money



# Fraser Institute Economic Freedom Map and Report, 2022

# GDP per capita and Income per capita

- ▶ GDP per capita measures the total value of goods and services produced in a country per person, it shows the total output of the economy divided amongst the population. Income per capita shows the money that individuals actually earn, from different sources: jobs, earnings etc. Income per person is the average income earned by each person in that country.
- ▶ The current life expectancy for Romania in 2023 is 76.50 years, a 0.18% increase from 2022.
- ▶ Life expectancy is influenced by various factors such as access to healthcare, lifestyle choices, advancements in medicine. Romania is one of the countries in the world with a standard level of "Average life expectancy".
- ▶ Living conditions in Romania have been steadily improving since the fall of communism. In the past 20 years, the average household income in Romania has increased by more than \$2,500, and the unemployment rate has been cut in half.

Sources:

<https://www.macrotrends.net/countries/ROU/romania/life-expectancy>

<https://borgenproject.org/10-facts-about-life-expectancy-in-romania/#:~:text=According%20to%20the%20CIA%2C%20Romania%20has%20a%20life,lowest%20overall%20life%20expectancies%20in%20the%20European%20Union.>

# Economic Freedom and Income Per Person

- ▶ Economic freedom is measured via different criteria that specify how much freedom people and businesses have to make their own economic choices without too much interference, is about the power to make decision without too many rules and regulations to hold one back.
- ▶ Real GDP per capita and greater degrees of economic freedom contribute to a favourable environment for economic growth, investment, entrepreneurship, innovation, market efficiency, and competition. These factors enhance the potential for individuals to earn higher incomes and improve their overall financial well-being. Increased economic freedom and higher real GDP per capita attract investors (local or external), which leads leads to new industries development, expansion of business, infrastructure, which in turn leads to new jobs creation with higher income per person. Also, economic freedom leads to entrepreneurship and innovation which in turn contributes to higher inome per person.



# Market Failures

- ▶ Market failure happens when there is imbalance in the supply and demand process, when buying and selling doesn't run smooth, the demand of products don't equate the supply of them.
- ▶ Markets fail when individuals acting in their own interest can harm the groups' wellbeing, e.g. pollution from companies that produce goods but they don't have to pay for the damage. Also market failure happens when education and healthcare aren't provided properly by the market.
- ▶ When markets fail each individual makes the correct decision for themselves, but those prove to be the wrong decisions for the group as a whole.
- ▶ One example of market failure is state intervention in having a higher minimum wage, which leads to higher costs for employers in certain industries, leading to lower employment rate and higher unemployment, thus social costs for the government and imbalance on labor market.
- ▶ Governments can reduce market failure via different means: taxation on certain external activities, subsidies to increase the demand curve for products that have hidden production costs, exceptions for low-skilled employees (after a minimum, wage increase).

Sources:

<https://commonsenseeconomics.com/>

<https://www.investopedia.com/terms/m/marketfailure.asp>

# Government Failures

- ▶ Government failure happens when the government intervenes in the economy to fix a problem, but ends up creating more problems. That means it harms social welfare and/or makes the market less efficient.
- ▶ Three sources of government failures in CSE:
  - ▶ Failing to provide government protective function for the individuals and protective property, leads to opportunity advancements through fraud, deception, corruption, theft, political favoritism.
  - ▶ Monopolies – government may favor certain group through licensing, taxes that favor one group over another, tariffs, quotas, and other grants of privilege reduce the competitiveness of markets.
  - ▶ Government policies to reduce the incidence of collusion and various practices that limit competition might have as a side effect creating barriers in new entry into markets, protect existing producers from rivals, and limit price competition
- ▶ Excessive bureaucracy is a big government failure in Romania. Even though the country has been trying hard to reduce these processes, it is still a very big problem for individuals and business alike.
- ▶ The digitalization of the public administration has not made much progress despite of being declared a priority and generously funded from European Union budgets

Sources:

<https://commonsenseeconomics.com/>

<https://bti-project.org/en/reports/country-report/ROU>

# Economic Freedom and Income Earned by the Poor

- ▶ Summarize the research on this topic and present two extreme rankings in economic freedom.
- ▶ Use Common Sense Economics (2016: Part 3) to identify the key differences in (1) property rights and (2) role of government in markets.

# Economic Freedom and Income Earned by the Poor

- ▶ Despite joining the EU region in 2007, Romania still faces many challenges regarding the independence and efficiency of the judicial system, corruption, bureaucracy, and political instability. The country still uses the local currency for foreign trade, which leads to increased transaction costs.
- ▶ Another failure relates to low infrastructure which impedes the development of foreign.
- ▶ Also, labor crisis in terms of skilled professional, since government intervention is quite high on the labour market, people have the tendency to emigrate to better paid and freer markets, especially on the western European markets. In almost three decades Romania has lost 23.3 % of its working-age population due to emigration.
- ▶ One in three Romanians is at risk of poverty and social exclusion. Poverty is one of the highest in the EU, affecting 23.6 % of the total population in 2017. 35.7% of the population and 41.7% of children are at risk of poverty or social exclusion. Causes of poverty include inactivity, low educational attainment, intergenerational transmission of poverty and lack of inter-regional mobility. Early leavers from school (18-24) is one of the highest in the EU region, leading to high functional illiteracy amongst children up to 15 years old.
- ▶ Poverty and social exclusion levels in rural areas are more than twice as high as those in cities.
- ▶ The income of the top 20 % of the population is 6.5 times greater than the income of the bottom 20%. Romania has one of the highest rate of in-work poverty in the EU. The rate of in-work poverty is five times higher for low-educated workers than for university graduates.
- ▶ Also, frequent legislative changes without prior private sector consultations are a big issue addressed by the private sector companies.

Sources:

<https://www.trade.gov/country-commercial-guides/romania-market-challenges>

[https://www.sdwatcheurope.org/wp-content/uploads/2019/06/13.3\\_a-report-RO.pdf](https://www.sdwatcheurope.org/wp-content/uploads/2019/06/13.3_a-report-RO.pdf)



# Economic Freedom and Life Expectancy

- ▶ Economic freedom increases life expectancy of both men and women in developing countries.
- ▶ Economic freedom promotes improvements in health care, better access to clean water, better systems to remove waste, healthier environments.
- ▶ Economic freedom leads to better education which leads to increased well being. Education provides individuals with the ability to think critically, acquire valuable skills, and compete more effectively in the marketplace.
  
- ▶ In Romania there are big concerns with the low birth rate and the upcoming retirement of the baby boomer generation ('50-'60s), because the three main components of the social safety net (pensions, health care, social protection) are funded entirely through taxes on labor.
- ▶ Early retirement was widely used in the first decade of transition from communism ('89) as an alternative to layoffs, which further reduced the number of contributors and increased the number of beneficiaries.
- ▶ Another effect of early retirements is that the employment rate in Romania is rather low and so is the effective retirement age (around 56). In general, the state is much better at distributing handouts than proactively assisting people to find work. In a legacy of communism, the system is overextended compared to the resources available and promises more than it can deliver, despite the recent budget increases.

Sources:

<https://www.heritage.org/economic-and-property-rights/commentary/3-ways-economic-freedom-improves-quality-life>

<https://bti-project.org/en/reports/country-report/ROU#pos13>

# Economic Freedom and Civil Liberties

- ▶ The five civil liberties are the right to a fair trial, the freedom of speech, the freedom of religion, the freedom to assemble and protest, and the freedom of the press.
- ▶ The most important civil liberty is the freedom to assembly and petition. This gives citizens the opportunity to speak their voices and opinions, and to criticize the actions of their government, which is essential in a free country without tyranny.
- ▶ True liberty requires economic freedom—the ability to profit from our own ideas and labour, to work, produce, consume, own, trade, and invest according to our own choices.
- ▶ The right to own property protects other freedoms. Congregations own churches where they practice religious freedom. Newspapers own printing presses, which facilitate the freedom of the press. Home ownership contributes to the financial well-being and security of families. Business property produces goods and services to trade in an open market, just as intellectual property protects ideas and innovation. The right to property guarantees the means to live in freedom and practice self-government.
- ▶ Economic freedom—free markets at home and free trade in the world—is essential to human liberty. Without it, people are unable to improve the conditions under which they and their posterity will live. Worse, they are vulnerable to oppression, especially by the state. Liberty is whole and universal: The world will not be free politically if it is not free economically.
- ▶ The Romanian constitution guarantees the usual political and civil liberties, including freedom of expression, association, and assembly. Rhetorical threats or attempts to discredit independent civil society have abated lately after the more authoritarian and nationalist Social Democratic Party lost power in 2019. The new concerns were about the restrictions related to the pandemic that were introduced in March 2020 and lasted throughout the year in various degrees, fluctuating with the severity of the pandemic in the whole of Europe. At the beginning of 2021, a state of alert was in place which allows authorities to declare quarantine in individual localities depending on the prevalence data. In retrospect, it turns out that the occasional mishaps (fines too high or without a sound legal basis) were more about lack of coordination than deliberate attempts to restrict democracy.
- ▶ The freedoms of opinion and of the press are protected by law, but the 2008-09 economic crisis and the emergence of social networks have affected mainstream media. Social media has proved to be an imperfect substitute. CNA, the audio-visual media regulator, is weak, politicized, and fails to perform its function: penalties applied for grossly distorted news programs are selective and biased against channels that criticize the ruling coalition. The general view is that the media is weaker and more clientelized now than before the crisis, with more undue influence exerted over it by parties or the groups controlling resources related to the fight against COVID-19, including the military-intelligence establishment. While there are no direct threats against media outlets or independent journalists, the economic and political situation favor self-censorship and obedient behavior of many mass-media actors. Politicization and mismanagement in public media have made them less relevant over time, negatively impacting citizens' capacity to get quality information and to protect themselves from fake news.

Sources:

<https://www.heritage.org/budget-and-spending/report/why-does-economic-freedom-matter>

<https://study.com/learn/lesson/civil-liberties-examples-importance.html>

<https://bti-project.org/en/reports/country-report/ROU#pos13>

# Communism, Socialism, and Capitalism

- ▶ The words capitalism, socialism, and communism describe different economic systems.
- ▶ In capitalism individuals and private businesses own everything and make economic decisions free from government regulation, keeping the profits and accepting the losses without intervention. Is known as Free market, in which the market decides where and how to allocate the scarce resources. Production and consumer prices are based on a free-market system of "supply and demand." Under capitalism, individuals contribute to the economy based on the needs of the market and are rewarded by the economy based on their personal wealth.
- ▶ Capitalist systems make little or no effort to prevent income inequality. Unemployment can increase during economic downturns.
- ▶ Disadvantages of capitalism include the unpredictable and unstable nature of capitalist growth, social harms, such as pollution and abusive treatment of workers, and forms of economic disparity.
- ▶ In socialism Government owns/regulates some parts of the economy for the benefit of the whole nation; Individuals and private businesses also make their own economic decisions, keeping the profits and accepting the losses. Is known as Mixed economy, in a sense, that the Government controls part of the allocation of scarce resources. Production and consumer prices are controlled by the government to best meet the needs of the people.
- ▶ Each person in society gets a share of the economy's collective production—goods and wealth—based on how much they have contributed to generating it. Workers are paid their share of production after a percentage has been deducted to help pay for social programs that serve "the common good." The main concern of socialism is to reduce the income inequality. To accomplish this, the socialist government controls the labor market, sometimes to the extent of being the primary employer
- ▶ In communism Government owns/regulates all aspects of the economy. Is known as Command economy, on the sense that the government controls the allocation of resources.
- ▶ Communism is equivalent in principle to the dictatorship of the proletariat and in practice to a dictatorship of communists.
- ▶ Because communist economies are not efficient and because of the Communist Party's desire to retain power, most economic resources were devoted to industrialization and to the military, depriving consumers of food and other necessary products, causing intense competition for these limited necessities, where many people had to wait in long lines for common consumer goods, such as toilet paper. Although the purpose of communism was to serve the needs of the proletariat, communist governments simply became repressive regimes that exploited their people to aggrandize their own power, exploiting the masses even more so than the capitalists.

Sources:

<https://www.socialstudies.com/blog/capitalism-socialism-communism-whats-the-difference/>

<https://www.thoughtco.com/socialism-vs-capitalism-4768969>

<https://thismatter.com/economics/economic-systems.htm>

Thomas  
Sowell

“Socialism in general has a record of failure so blatant that only an intellectual could ignore or evade it.”



F.A. Hayek

“The tragedy of collectivist thought is that, while it starts, out to make reason supreme, it ends by destroying reason because it misconceives the process on which the growth of reason depends.” ~ p180