

see much blue (representing “free” nations) on the maps. Only eight nations merit that designation. More than half (78) are classified as mostly unfree or repressed.

That most of the world has little or no freedom is unsettling if not startling news. Also disturbing is a trend identified by the authors: “Wealthy and economically free countries tend to reintroduce restrictions on economic freedom over time. As they become wealthy, countries begin adding welfare and other social programs that were not affordable when they were poorer. Thus, after they have become economically ‘liberated,’ countries like Germany and France tend to fall back down the scale of economic freedom, getting worse scores than newly emerging free economies like Hong Kong or Singapore” (p. xiv).

We know that this has been happening in the United States for many decades. (The United States now ranks fifth—tied with Switzerland—in the overall ranking. The pre-New Deal United States would certainly have been number one.) The authors are correct in saying, “the seeds of destruction can exist in the fruits of success.” Prosperity has usually brought along with it politicization of society that throws economic progress into reverse. Believers in freedom everywhere need to pay attention to this phenomenon and think ahead to the problem of preserving economic freedom once it is attained.

The major, inescapable conclusion of the *Index* is that there is a direct relationship between prosperity and the degree of economic freedom. The authors present the “Curve of Economic Freedom,” plotting nations on a graph, where the vertical axis is the degree of freedom and the horizontal axis is the per capita Gross Domestic Product. The resulting curve slopes upward to the right—that is, high income correlates with freedom, low income correlates with repression. You find *no* nations that are free, yet poor, and you find *no* nations that are repressed, yet wealthy. If anyone can think of a way to get this information into classrooms across America, please speak up.

The country-by-country analyses are very interesting. For example, which of the nations

that were formerly part of the Soviet Union’s “prison house of nations” have done the best at throwing off the yoke of statism and establishing the conditions necessary for economic growth? The Czech Republic has done the best (tied for 11th freest; the Slovak Republic, its former partner in nationhood, is much less free, at 75th), followed by Estonia, which at 25 is freer than France, at 31. Russia has done poorly in making the transition from communism (ranking 115th), but some of its old allies have done even worse. Ukraine, for example, ranks 123rd, Belarus 129th, and Azerbaijan a repressive 142nd.

I hope The Heritage Foundation and the *Wall Street Journal* will keep this project up to date. It will be useful to be able to look at changes over time. It might, I believe, help to demonstrate the Hayekian point that once governments start interfering with freedom, they are apt to continue to do so.

Someone should undertake a similar study of the United States. It would be nice to have an *Index of Freedom in the United States* on the shelf next to this excellent volume. □

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The Welfare State: No Mercy for the Middle Class

by John McKay

Liberty Books • 1995 • 298 pages • \$22.00

Reviewed by Murray Sabrin

If policymakers want to learn about the debilitating effects of the welfare state, John McKay’s readable and passionate defense of limited government is a good place to begin. McKay’s book is sprinkled with the kind of rhetoric that is bound to drive “liberals” (I prefer “statists”) up a wall. For example, on page three he states: “An entitlement beneficiary is a person or special interest group who didn’t earn your money, but demands the right to take your money because they *want* it” (original emphasis). On page 14, McKay puts a stake in the heart of so-called compassionate proponents of the

welfare state: "It's easy to be noble with other people's money" (original emphasis).

In *The Welfare State*, McKay tackles such issues as discrimination, regulation, health care, taxation, and entitlements. He shows how the free market has been hampered by government intervention, and makes the moral case for free enterprise an integral part of his argument. McKay sums up his case against the welfare state with the following: "Entitlement programs violate our property rights. They confiscate what we earn and give our money to total strangers without our consent. Government assumes it has the right to steal, because it does so by majority rule. It does not have that right. As individual citizens, we don't have the right to steal from our neighbors. We therefore can't delegate such a right to a government who is simply our agent."

To end the welfare state McKay proposes a constitutional amendment that would protect individual rights and restrict government depredations on the American people. In addition, he virtually calls for a tax-free America by advocating fees to be paid by citizens to maintain the courts, police, and armed forces.

Overall, *The Welfare State* is a welcome addition to the growing literature of freedom. However, some repetition of phrases and statements should have been edited for redundancy. In addition, the factual material is abundant, but one error stands out; the population of Canada is cited on page 123 as around 15 million. According to the latest data, our neighbor to the north has a population of approximately 25 million. Also, McKay blames the welfare state for higher prices. Yes, if we assume the monetary authorities crank up the printing presses. A brief overview of the welfare state's necessary ally, the central bank—our Federal Reserve—would have been welcome.

The welfare state is in retreat around the world—ideologically, financially, and culturally. Unfortunately, U.S. proponents of the entitlement philosophy will be fighting tooth and nail to postpone the inevitable. If the Berlin Wall can come down, if the Soviet Empire can disappear, then America's welfare state is living on borrowed time.

Leonard Read, Ludwig von Mises, Henry

Hazlitt, Murray Rothbard, and the other giants of liberty are not alive to see the vindication of their lifetime work. But today's cohort of conservatives and libertarians are gallantly carrying the torch of liberty into the 21st century. A free and prosperous America is on the horizon. John McKay's *The Welfare State* will help us reach that destination. □

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The Political Racket: Deceit, Self-Interest and Corruption in American Politics

by Martin L. Gross

Ballantine Books • 1996 • 263 pages • \$12.50 paperback

Reviewed by William H. Peterson

Martin Gross, whose title here tells it all, sifts through a lot of political dirt. He names names—including ethically challenged politicians and special-interest PAC contributors.

Mr. Gross also devotes many pages to the problem of pork—Congressional vote-trading on federal spending projects for favored spots and favored Congresspeople, including:

- \$3 million for an Orlando, Florida, street-car project
- \$5 million for a *third* golf course at Andrews Air Force Base near Washington, D.C.
- \$96 million for a courthouse in Portland, Oregon
- \$120 million for a courthouse in Phoenix, Arizona

Impressive stuff all right, but if anything the Gross work is too parochial, too present-minded. Yes, smelly deals are cut all the time in that den of iniquity, Washington, D.C. But couldn't that charge also be levied against Ottawa, Rome, Moscow, Nairobi, Brasilia, and virtually all other capitals? Or, for that matter, against Ancient Athens and Ancient Rome?