

The Declaration concludes: "We acknowledge that all too often we have allowed society to shape our views and actions and have failed to apply scriptural teaching in this crucial area of our lives, and we repent." Would that they had. □

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Getting It Right: Markets and Choices in a Free Society

by Robert J. Barro

MIT Press • 1996 • 191 pages • \$20.00

Reviewed by Chris Weinkopf

Despite serving on the faculty at Harvard, Robert J. Barro is judicious, discerning, and an unflinching champion of liberty. He is not scared to tackle taboo—blasting the faux science of "second-hand smoke" hysteria, and questioning the wisdom of "protecting" endangered species at the cost of untold millions. Such unconventional wisdom makes him eminently likable to conservatives and libertarians. They will no doubt rush to buy, read, and enjoy this book. But only the first task will come easy.

This is not to say that *Getting It Right* has nothing to offer; even valuable lessons can be hard to sit through, and on various subjects, most notably foreign policy, Professor Barro has much to teach. He spurns foreign aid and third-world-debt forgiveness schemes for subsidizing socialism and discouraging private-sector investment. Likewise, he dissects the notion that the United States can implement democracy in areas that don't protect property rights, let alone support functional markets. Even the war on drugs—an obvious domestic failure—has harmful international repercussions, providing an easy source of revenue for foreign guerrillas like Peru's Shining Path.

But Barro's greatest asset, his ability to demonstrate free-market truths empirically (often with charts and diagrams), becomes a liability when he places greater trust in tables and formulae than in common sense and

public knowledge. In the first chapter, Barro assigns numerical values to the economic freedom of various countries. He confidently forecasts that states with a capitalism quotient higher than a base minimum will be more democratic by the year 2000. Hong Kong ranks third in his list of nations on the fast track to political freedom—never mind that the tyrants of Peking take over in July.

His commitment to economic analysis sometimes supersedes even his own good instincts. Barro offers tortured reasoning to explain that Major League Baseball must impose caps on its players' "excessive" salaries because "the competitive wage for athletic skills reflects the benefit to an individual team . . . in contrast, the 'correct' wage from a social standpoint is the value of all teams having better players." But unregulated teams will never pay a player too much (more than what he can earn for them at the box office, concession and souvenir stands, or in TV revenues); Barro should know that.

This wonkish approach might be tolerable if it didn't also infuse the writing, but it does. *Getting It Right* is a collection of columns not published as separate essays, but strung together haphazardly in what fails to comprise a coherent whole. Barro's prose is drier than toasted rye, and not because it includes too much data or jargon, but because it lacks conviction. For example, Barro blithely dismisses the Civil War, saying slavery "would have been eliminated peacefully in not very many years." Perhaps, but this reasoning ignores the moral imperative, not to mention natural rights. His arguments for freedom are always strictly utilitarian; he never acknowledges that liberty has an innate value separate from its material benefits. That sort of sagacity doesn't show up in a graph. □

Mr. Weinkopf is the editor of National Review Online (<http://www.nationalreview.com>).



Classical Economics: An Austrian Perspective on the History of Economic Thought, Volume II

by Murray N. Rothbard

Edward Elgar Publishing Limited • 1995 •
528 + xvi pages • \$99.50

Reviewed by Douglas E. French

Years ago Murray Rothbard set out to write an Austrian answer to Robert Heilbroner's *The Worldly Philosophers*. Rothbard was much more ambitious than Heilbroner, whose 347 pages only (lightly) covers from Adam Smith to "The Modern World." Professor Rothbard kept finding more and more characters that influenced economic thought, resulting in a two-volume history of economic thought from the Austrian perspective. His death in 1995 kept him from finishing the third volume.

Volume II, entitled *Classical Economics*, picks up the story (which started with the Ancient Greeks in Volume I) with Frenchman J.B. Say. "Say's Law" is known to all Econ 101 students as "supply creates its own demand." But little else is taught about Say. Yet, Say's *Treatise on Political Economy* was the most popular economics text in the United States through the Civil War, going through 26 printings, after eight printings in French.

Rothbard next examines Jeremy Bentham, James Mill, and David Ricardo. Ricardo is known for "the law of comparative advantage," which makes the case for free trade. But, as Rothbard points out, Professor William O. Thweatt has demonstrated that Ricardo didn't originate the law of comparative advantage, didn't understand it, didn't even have much interest in it. It was in fact James Mill who first presented the law while defending free trade against Thomas Malthus's support of the Corn Laws.

The heart of *Classical Economics* revolves around the monetary and banking theories of the 1800s. With Great Britain suspending required specie payments, allowing the Bank of England to greatly inflate the supply of money, economic thinkers had to consider the

effects of a fiat paper money system. The "bullionists" contended that the increase in paper money caused the price inflation. The opposing "anti-bullionists" placed the blame for the higher prices on wartime disruptions, supply shortages, and any other cause that let the government and Bank of England off the hook.

The boom and subsequent bust of 1825 in Britain led to the currency versus banking school debate. The currency school advocates insisted that bank notes be backed 100 percent by specie. Unfortunately, they forgot about demand deposits. Thus, as Rothbard writes, "the banking system, led by the Bank of England, [shifted] their inflationary and expansionary attentions to deposits alone—a condition that still prevails throughout the world."

Next, Rothbard looks at Marxism with a religious slant: "Marx harked back to the apocalyptic, . . . who foresaw a bloody Armageddon at the Last Days, before the millennium could be established." "Violent, worldwide revolution, in Marx's version made by the oppressed proletariat, would be the instrument of the advent of his millennium, communism."

Rothbard uses poems that Marx penned to expose him as "mean, hard-core, [and] proto-Stalinist." The mantra of Marxists is that free-market capitalism oppresses the masses for the benefit of the wealthy bourgeoisie. In terms of sheer numbers, no system has oppressed its citizens in the twentieth century like the communist governments of Lenin, Stalin, Mao, and Pol Pot, whose regimes "can be considered the logical unfolding, the embodiment, of the nineteenth century vision of their master, Karl Marx."

Rothbard leaves Marx for the French *laissez-faire* school, led by Frederic Bastiat, and closes with the decline of *laissez-faire* thought during the late 1880s and into the early 1900s, spurred by a burgeoning number of Ph.D.'s who sang the praises of "modern and progressive" Big Government.

The book's final paragraph puts a lump in the throat of any Murray Rothbard fan, student, or friend. He writes that, "it is now clear that the revolution against the classical