

were hanged, not burned (p. 43). I shall not go on: to catalogue Wills's errors is decidedly not a necessary evil. ♦

WRESTLING REALITY FROM RAWLS

The Quest for Cosmic Justice

THOMAS SOWELL

THE FREE PRESS, 1999, ix + 214 PGS.

Thomas Sowell is an excellent economist, but unfortunately this is not enough for him. He imagines himself a philosopher and an expert on foreign policy as well. As he strays farther and farther from the area he knows, he loses his footing. By the time he reaches his account of the origins of World War II, his book becomes useless.

But he is a fine economist. In a few brief and brilliant pages, he demolishes Lenin's theory of imperialism. Marx claimed in *Das Kapital* that workers in the advanced industrial countries would rise in rebellion as the capitalist juggernaut, unable to cope with cycles of depression, reduced them to ever greater misery.

Marx's predictions were of course belied by the facts, but so trivial a matter did not disturb the faithful. Lenin, following the British radical J.A. Hobson, discovered an escape from

destruction for the Marxist system. The harried capitalists could stave off disaster by investing their surpluses abroad. Overproduction, at least for a time, would no longer menace the



CALENDAR

SCHLARBAUM PRIZE AND
ANNUAL SUPPORTERS SUMMIT

"The History of Liberty"

January 28-29, 2000

Auburn, Alabama

AUSTRIAN SCHOLARS
CONFERENCE 6

March 24-25, 2000

ROTHBARD GRADUATE
SEMINAR

June 18-24, 2000

15th ANNUAL
MISES UNIVERSITY
August 6-12, 2000

For information contact
the Mises Institute
334-321-2100
fax: 334-321-2119
email: info@mises.org
web: www.mises.org

economy, and capitalist and worker in the developed countries could happily join in exploitation of the backward nations.

Our author demolishes this farrago with a devastating point. The advanced capitalist countries directed the bulk of their foreign investment to other advanced countries. "The idea that the non-industrial world offered a safety valve outlet for the 'surplus' capital of the industrial world cannot stand up if the industrial nations are investing primarily in each other. This would be adding to their economic and social pressures rather than relieving them, if the Marxian theory of excess capital accumulation were correct" (p. 125).


I have devoted space to this topic in order to show Sowell at his best. It is always my policy to emphasize an author's strong points. The bulk of this book addresses other themes, however; and our author does not always fare so well. Fortunately, Professor Sowell's principal concern in the book stands sufficiently close to economics for his treatment to be valuable.

Professor Sowell has rightly identified a central preoccupation of current moral philosophy. People vary widely in wealth and access to the good things in life; and these inequalities, theorists such as John Rawls inform us, are undeserved. Bill Gates has vastly more money than I; but this does not stem from superior moral merit on his part.

Quite the contrary, he has been lucky and I unfortunate. He does not deserve to benefit from the advantages that nature and nurture have together

given him. (Incidentally, would it not be very self-serving of me to adopt this convenient explanation for my failure to do as well as I would like?) The principal task of social policy, Rawls and his followers tell us, is to remedy the unfair results of the natural lottery.

Professor Sowell declines to challenge this position head-on. Quite the contrary, he finds in it considerable merit, albeit only as an ideal. He informs us that "[w]hile a few conservative writers here and there have tried to justify inequalities on grounds of 'merit,' most have not" (p. 4). Virtually everyone admits that inequality, as such, is undesirable and needs justification. But, our author maintains, egalitarians like Rawls make a crucial error. In their zeal to eradicate the malign effects of inequality, they go too far. They strike against inequalities that result from "the way the world is" rather than from collective social decision. "[T]his collective action is not limited to correcting the consequences of social decision...[but] seeks to mitigate and make more just the undeserved misfortunes arising from the cosmos, as well as from society. It seeks



MISES REVIEW

ROTHBARD'S
INTELLECTUAL POWER

Subscription
to *The Mises Review* is
\$15.95 U.S.
(\$25.00 Intl.)
for four issues.

Program in Economics
1988
May 1988 • Fall 1988 • Winter 1988 • Spring 1988

Rothbard's Intellectual Power is a quarterly journal of essays, reviews, and news items on the subjects of economics, politics, and culture. The journal is published by the Mises Institute, a non-profit organization dedicated to the promotion of the ideas of Ludwig von Mises and Friedrich von Hayek. The journal is published in English and is available to subscribers in the United States and abroad. The subscription price is \$15.95 U.S. per year for four issues. The price for subscribers outside the United States is \$25.00 U.S. per year for four issues. The journal is published by the Mises Institute, a non-profit organization dedicated to the promotion of the ideas of Ludwig von Mises and Friedrich von Hayek. The journal is published in English and is available to subscribers in the United States and abroad. The subscription price is \$15.95 U.S. per year for four issues. The price for subscribers outside the United States is \$25.00 U.S. per year for four issues.

to produce cosmic justice, going beyond strictly social justice, which becomes just one aspect of cosmic justice" (p. 5).

Given that undeserved inequality is bad, why should the extension of social to cosmic justice be resisted? Why not try to counteract inequality whatever its source? Here Sowell's skill as an economist shows to good advantage.

Social policies
often have
untoward
consequences
that policymakers
do not intend.

Economists are trained to consider choices among limited alternatives. Not all goods can be obtained simultaneously; and the "opportunity cost," the value of the best alternative not chosen, must always be kept in mind. Further, as F.A. Hayek famously stressed, social policies often have untoward consequences that policymakers do not intend.

Our author applies these considerations to the egalitarian prescriptions, often with fatal effect. Suppose, e.g., that a law forbids delivery companies from refusing to serve neighborhoods

with high crime rates. Is it not "unfair," in the cosmic sense, that law-abiding residents of these areas do not get equal treatment?

Perhaps so; but those who wish to compel equal access neglect a vital fact. "We cannot simply 'do something' whenever we are morally indignant, while disdaining to consider the costs entailed.... Once we begin to consider how many deliveries are worth how many dead truck drivers, we have abandoned the quest for cosmic justice and reduced our choices to the more human scale of weighing costs versus benefits" (p. 8).

Sowell is on the mark; likewise important is his stress on the importance of differences in pay to promote greater productivity. But his acquaintance with philosophy often proves inadequate to the job. He rightly takes John Rawls, that most influential of contemporary social philosophers, as his principal target; but his grasp of Rawls's view is problematic.

It is simply false that in Rawls's theory, "no matter how much any given policy might make vast millions of people better off, any small fraction of people at the bottom were in effect to have a veto over that policy. Even if those at the bottom were not made any worse off, no one else could be allowed to become better off without their participation" (p. 82).

Rawls says just the opposite of what our author attributes to him: "It is clearly conceivable," he writes, "that the least advantaged are not affected one way or the other by some changes in expectations of the best off although

these changes benefit others” (John Rawls, *A Theory of Justice*, Harvard University Press, 1971, p. 82). In this circumstance, Rawls modifies his difference principle to take account of just the inequalities he is alleged to ignore.

But why does it matter if Sowell has neglected an epicycle of Rawls’s theory? Am I not, in my usual fashion, grasping any stick with which to flail an author consigned to my tender mercies?

Our author’s misleading account of Rawls is symptomatic of a much larger failing. Professor Sowell seeks to avoid direct engagement with philosophy by adducing certain principles of economics which, he alleges, these theories neglect. But Rawls could reply to him: “I don’t ignore the principles you correctly emphasize. Incentives are vital, just as you say. The difference principle in fact makes room for incentives. More generally, my theory properly balances concern with productivity with the demands of egalitarian principle.”

In my view, the Rawlsian response to Sowell fails. But Sowell lacks the resources to show this. To do so, he would need to confront directly the egalitarian principles he detours around. Does justice ideally demand equality? Are differences in abilities among people in some sense unfair? Unless you are willing to face these questions directly, it is open to the egalitarian to respond in the way I have indicated. Why should we not temper economic efficiency with measures to correct “unfair” inequalities? Rothbard

and Nozick have attempted such a confrontation: they deny that the inequalities Rawls complains about are unfair. Sowell ignores their work and thus leaves his case against cosmic justice incomplete.

Sowell ignores
the work of
Rothbard and Nozick
and thus leaves his
case against cosmic
justice incomplete.

If our author were to flesh out his case in the way suggested, he would in my judgment be vindicated: Rawls and his followers would indeed subject the economy to crippling restraints in pursuit of egalitarian dogmas. Professor Sowell’s sin, then, is venial. He arrives at a correct conclusion without adequate basis.

Unfortunately, the same cannot be said of our author’s remarks about foreign policy. In pursuit of his theme that cosmic visionaries promote social disaster, our author offers us an account of the origins of World War II. As he tells the tale, realists such as Winston Churchill recognized in the 1930s that British national security depended on a massive arms buildup. By contrast, pacifists and appeasers, foremost

Sowell could have
made a case for
his view; in fact
he did not.

among them Neville Chamberlain, sought to remedy the injustices of Versailles. These cosmic questers disdained armaments. Like the egalitarians previously considered, they ignored the costs of their principles of justice. In doing so, they almost lost the world to Hitler.

Professor Sowell has ignored the detailed study of his Chicago School colleague, Burton Klein. In his *Germany's Economic Preparations for War* (Harvard, 1959). Klein showed that British armaments were in many categories superior to Germany's. Churchill, apparently accepted by Sowell as a supreme source of wisdom, grossly inflated German rearmament statistics. Further, Sowell's account of Chamberlain is at best one-dimensional. Was Chamberlain's guarantee to Poland in 1939 the act of a starry-eyed pacifist? Our author shows no acquaintance with works by John Charmley and Simon Newman which paint a very different picture of the British prime minister from the caricature he offers.

There is, further, a deeper failing in Sowell's account of the war's onset.

He might respond to me that some historians support the interpretation he has given. Have I not begged the question against him by citing only scholars who oppose him?

But that is just the point. Sowell could have made a case for his view; in fact he did not. He shows no acquaintance with the historical literature on prewar diplomacy. Instead, he merely invents a narrative that backs the position he has already adopted. Our protestor against those whose visions lead them to ignore reality is not above a little confabulation of his own. ♦

THE REVISIONIST PROVOCATEUR

*A Republic, Not an Empire:
Reclaiming America's Destiny*

PATRICK J. BUCHANAN
REGNERY, 1999, XIII + 437 PGS.

I opened Mr. Buchanan's book with trepidation. According to press accounts, Pat Buchanan had shed his cloak as a noted conservative commentator to reveal himself as a sympathizer with the Third Reich and its Führer. A recent issue of the *Weekly Standard* (September 27, 1999), that paragon of objective journalism, demands that the Republican Party