

shoplift, or with a man who cannot repress an impulse to assault somebody.” Heaping praise on the book, the reviewer for *The New York Times* wrote: “As Dr. Menninger proves so searingly, criminals are surely ill, not evil.” The book made the *Times* best-seller list.

If crime is sickness and punishment is crime, then punishment too is a sickness. The self-contradictory character of Menninger’s thesis did not diminish its appeal to the liberal-psychiatric mind set, determined to replace penal sanctions with involuntary psychiatric “treatments.” Indifference to fundamental rights to liberty and property, rejection of personal responsibility, and a pervasive erosion of justice and order are just some of the obvious consequences of this wrongheaded view.

Actually, in *The Crime of Punishment* Menninger systematically articulated a set of ideas and policies that had long been integral to psychiatric doctrine, namely the proposition that crime is a mental illness that should be controlled by means of coercive psychiatric interventions (“hospitalization” and “treatment”), rather than penal sanctions. Menninger himself had advanced these ideas in his earlier writings.

I hope it does not violate the canons of modesty appropriate for this occasion to suggest that the best “antidotes” against *The Crime of Punishment* are my own writings, in which I defend the case for treating so-called mental patients as moral agents, entitled to liberty if they obey the law and deserving of punishment if they violate it. The books in which I present this view most fully are *Law, Liberty, and Psychiatry* (1963), *Ideology and Insanity* (1970), and *Insanity: The Idea and Its Consequences* (1987).

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Robert Higgs

Like most graduate students in economics during the last 40 years, I spent many painful hours plowing through Paul Samuelson’s *Foundations of Economic Analysis* (Harvard University Press, 1947). From that sacred text we novices learned how to prove many specific theorems. Far more important, we learned how neoclassical economics—“modern economic science”—was supposed to be done.

We built mathematically specified “models,” sets of equations describing the relations of selected economic variables. Model in hand, we proved that it had a stable equilibrium, then characterized the relations of the variables in that blessed state. Altering the “data” or the “parameters” of the model, we ascertained how a new equilibrium differed from an initial one. In its advanced form this protocol rendered most older economists instantly obsolete, but for young math wizards like Samuelson it opened up the prospect of “new realms of aesthetic delight.” Eventually most economists entered those realms. Playing increasingly clever mathematical tricks with the models constituted “scientific progress.”

Samuelson fashioned his models, which set the standard, after 19th-century physics. Functions were assumed to be smooth and continuous. Economics was reduced to various types of the same calculus problem: finding a constrained extremum. The economist’s job was to state the objective function and the constraints, then grind out the solutions. This required considerable mathematical ability and stomach for tedium but little imagination and no familiarity with economic reality.

By the 1960s, if not earlier, academic economists who quarreled with this way of doing the job were, as Roy Weintraub put it, “regarded by mainstream neoclassical economists as defenders of lost causes or as kooks, misguided critics, and anti-scientific oddballs.” By aping 19th-century physicists, neoclassical economists convinced themselves and others that they were doing science, but the effort was basically misguided, not so much scientific as, in F.A. Hayek’s term, “scientistic.” Human beings, purposeful and creative, are not like atoms; nor is a market analogous to a physical or chemical system. In the view of Hayek and his teacher Ludwig von Mises, neoclassical economics is, in critical respects, pseudo-science.

James Buchanan’s *What Should Economists Do?* (Liberty Press, 1979) presents a telling critique of mainstream economics. “Its flaw lies in its conversion of individual choice behavior from a social-institutional context to a physical-computational one,” he writes. Further, the obsession with equilibrium gives rise to “the most sophisticated fallacy in economic theory, the notion that because certain relationships hold in equilibrium the forced interferences designed to implement these relationships will, in fact, be desirable.” Mainstream economists cannot move the earth with a mathematical lever, because they have no place to stand—no “given” information about property rights, consumer preferences, resource availabilities, and technical possibilities. What neoclassical economics takes as given is, in reality, revealed only by competitive processes. “Most modern economists,” Buchanan aptly concludes, “are simply doing what other economists are doing while living off a form of dole that will simply not stand critical scrutiny.”

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Donald N. McCloskey

The brothers Polanyi, Karl (1886–1964) and Michael (1891–1976), raised in the sunset of the Austro-Hungarian Empire, cover the range of reasonable responses to the 20th century. One response is to think of the market as the problem and the government—reinvented, of course—as the solution. Thus Karl’s book published in 1944 about the rise and decline of modern capitalism, *The Great Transformation*.

People love it. Though hardly beach reading, it’s well written, a piece of higher journalism. The theme is that the market was a recent invention, a mere novelty that has spoiled life. “The origins of the cataclysm lay in the utopian endeavor of economic



liberalism to set up a self-regulating market system. ...Leaving the fate of soil and people to the market would be tantamount to annihilating them." That theme is an old one, of course, echoed by greens and reds down the decades since 1848. But Polanyi put it well, giving three generations of English-speaking intellectuals a story to warrant the welfare state.

In other words, you have to give the book its intellectual due. Most fields of history have gone through a (Karl) Polanyi Period, in which the master's notion that the market is new and nasty has been applied afresh. Someone in African history or Mesopotamian history or American colonial history or (I am not making this up) Viking history runs across Polanyi's book, from which he discovers that he does not have to learn economics to sneer at markets. Eventually a reaction sets in, when the historians realize that the market is forever. The cycle takes about 20 years. New fields keep falling into it, 50 years on.

The book has never gone out of print. Professors still assign it. Intellectuals who want to learn about economics, but are afraid to ask, still pick it up and devour it. No book on the half century past has had more influence on social thinking.

The antidote? Any of the books by Karl's smarter brother, Michael. Michael was a famous chemist before turning to philosophy and public policy and therefore knew that proving something about the world is tough. He was not a consistent libertarian and even on occasion sounds like Congressman Kelly of Florida: "The free enterprise system is absolutely too important to be left to the voluntary action of the marketplace." But by the standard of the time, and certainly by the standard of the Polanyi family, he was a veritable Hayek.

Like his brother, he wrote well in his adopted language. Find his book *Personal Knowledge* (1958), an exploration of how, really, we know. Or, directly after sipping Karl's book, take a long drink from Michael's *The Logic of Liberty* (1951). In *The Logic* he argues, for example, "there exists no fundamental alternative to the system of money-making and profit-seeking" and "the social management of polycentric tasks requires a set of free institutions." Michael's response to the 20th century was to think of government as the problem and the market as the solution. Neither brother so much as mentions the other in his writings. It's no wonder. Karl was the poison and Michael the cure.

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William H. Mellor III

John Wesley Powell's exploration of the Grand Canyon in 1869 required mental and physical heroism of Randian proportions. The one-armed Civil War veteran led expeditions down the uncharted Green and Colorado rivers, overcoming torrential rapids, near starvation, and hostile Indians. In the process, he mapped thousands of miles of unexplored territory and gained

dramatic insights into the challenges confronting the Western United States, challenges that remain today. Sadly, one of the best American writers of this century, Wallace Stegner, uses Powell's exploits as the foil to showcase his radiant defense of

Progressive Era policies as the way to meet these challenges.

The first half of *Beyond the Hundredth Meridian: John Wesley Powell and the Second Opening of the West* (Penguin, 1954) is devoted to the gripping account of Powell's two trips through the beautiful canyon country. Stegner chronicles the action and natural grandeur to potent effect. The excitement builds as one appreciates how the explorers confront disaster and death countless times. Yet Powell, with his quiet resolution to advance scientific understanding of the West, never wavers in the face of staggering adversity.

As a result, one begins the second half of the book with great admiration for Powell and his vision of the West. Stegner carefully plays on this to draw the reader into sympathetic agreement with Powell as he turns his vast energy into forming one of our first Progressive Era bureaucracies, the U.S. Geological Survey. Powell envisioned an agency run by well-informed, scientifically trained elites who would ensure that the fragile ecology of the West would be managed to provide the greatest public good for his and future generations. The USGS served as the model for many later government agencies and the training ground for countless bureaucrats who staffed these new agencies. Powell, "both the bureaucrat and the idealist knew that private interests, whether they dealt in cattle or sheep, oil, mineral, coal, timber, water, or land itself, could not be trusted or expected to take care of the land or conserve its resources for the use of future generations. They could be trusted or expected to protect neither the monetary nor the nonmonetary values of the land."

This book should be read by anyone concerned with liberty or the American West. Stegner writes with authority and sensitivity about real problems that to this day plague the West: water allocation, political control over resources that leads to exploitation or misuse, and the myths and realities of economic existence in this arid region. Though the book was written in 1954, it offers a persuasive case for why Powell's vision should still be pursued. Stegner subtly validates the basic premises of enlightened rule by scientific experts, premises all too popular in Washington today.

This book is an excellent example of how the case for activist government can be successfully advanced using romance, history, adventure, and human interest. Until classical liberals are able to bring similar forces to bear in support of our arguments, we will lose more often than we will win. With respect to the West, a good start has been made in *Free Market Environmentalism*, by Terry Anderson and Don Leal, and *Visions upon the Land*, by Karl Hess Jr. But the ultimate refutation of Stegner is yet to be written. ■

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