

BOOKS

America the Virtuous: The Crisis of Democracy and the Quest for Empire

by Claes G. Ryn

Transaction Publishers • 2003 • 221 pages
• \$34.95

Reviewed by Richard M. Ebeling

In 1988 Robert Nisbet, one of America's most prominent sociologists and conservative social philosophers, published *The Present Age: Progress and Anarchy in Modern America*. He critically evaluated how American society had come increasingly under the control of the central government in Washington, D.C. One of the main forces behind that trend, Nisbet argued, had been U.S. participation in the two world wars.

Before World War I, the American people had been predominantly local and regional in their loyalties and interests. Political decision-making was decentralized, and the federal government's activities were still, for the most part, limited to the narrow responsibilities originally assigned under the Constitution. But both the Woodrow Wilson and Franklin D. Roosevelt administrations expanded the power of the federal government over the states and the people. War played a crucial role in the process. Making the world safe for democracy in World War I, being the global arsenal of democracy in World War II, and acting as the policeman of the "free world" during the Cold War all required the sacrifice of liberty at home.

Taxation and regulation for the war efforts concentrated power, wealth, and decision-making in the federal government. The welfare state reinforced that trend as people grew increasingly dependent on largess from Washington. As a result, American society and culture became more and more "nationalized" in the twentieth century, Nisbet concluded. (See my review of *The Present Age* in *The Freeman*, January 1989, www.fee.org/vnews.php?nid=2019.)

In his new book, *America the Virtuous*, political scientist Claes G. Ryn explains why this trend has continued in the United States, in spite of the end of the Cold War following the demise of the Soviet Union in 1991. What has happened, Ryn argues, is that American foreign policy has been more or less captured by a group of policy analysts and policymakers he labels "the new Jacobins."

The original Jacobins were the radical ideologists of the French Revolution who declared the necessity of remaking man and society for the purpose of creating not merely a better but a perfect world. They waged intellectual and political war against the notion of an invariant human nature and against the historically evolved institutions of society, as well as the cultural and moral foundations on which Western civilization had developed over the centuries. The Jacobins believed in rationalistic blueprints for redesigning the social order. Anything that resisted this cleansing revolutionary reform had to be destroyed in the name of the future utopia.

The new Jacobins, who Ryn explains are better known as "neoconservatives," believe that America is called on to remake the world in the image of a particular conception of democracy and equality. In their view, "democracy" means the abstract god of a political institutional order that reflects the will of the majority, which is mistakenly taken to be synonymous with liberty. Equality means the reduction of all human distinctions to one standard of a national mass man, with all individual, local, and regional differences within the country submerged in a uniform pattern of life.

And just like the earlier Jacobins, the new American Jacobins believe that an intellectual and political elite is needed to educate and guide society to its egalitarian, democratic utopia. In addition, this means that many of the traditional constitutional restraints on the federal government must be set aside so the central government has the power and discretion to bring America to its domestic destiny.

The new Jacobins also insist that this

model of a perfected America is the ideal that the rest of the world should follow. The United States is called on to bring this ideal to the ignorant, backward, and corrupt nations around the globe. And with the same revolutionary zeal of the older Jacobins, this goal is to be accomplished through the force of arms if necessary.

Ryn argues that the tragic events of September 11, 2001, have served as the rationale and catalyst to set this global crusade in motion. The invasions and occupations of Afghanistan and Iraq are the opening military campaigns to bring the “American way of life” to one part of the world not enlightened enough to achieve it on its own. In other words, America’s new Jacobins are determined to socially engineer entire peoples and cultures according to the ideal to which they would aspire if only they had the wisdom to see what was good for them. Social bliss is to be brought to them through American bombs and bayonets and U.S.-designed ballot boxes.

But what if millions around the world do not want this gift from America? What if they resent and resist the overthrow and destruction of their own histories, cultures, and institutions—no matter how unenlightened or barbaric they may seem to the new Jacobin elite? Then America is faced with a future of endless wars in the name of creating a global empire of democracy and equality, as defined and dictated by the neoconservatives.

Ryn reminds his readers that the older tradition of freedom and reform in America was based on the idea that social and economic change cannot be imposed from the outside. It must grow within the individuals of other societies and nations. If America follows the path of empire for the supposed good of mankind, the American people will find that their own freedoms and fortunes will have to be sacrificed on the altar of global social engineering. □

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Reinventing the Bazaar: A Natural History of Markets

by John McMillan

W.W. Norton • 2003 • 388 pages
• \$15.95 paperback

Reviewed by Robert Batemarco

Libertarians and other consistent free-market advocates are often accused of being blinded by ideology. Maybe the shoe belongs on the other foot. According to my scorecard, John McMillan, author of *Reinventing the Bazaar*, cites over 80 cases either of markets solving problems or of governments thwarting consumers. This compares with roughly a dozen where government actions appear to have done more economic good than harm. Although a baseball game that one-sided would be called a laughter, McMillan, a professor of economics at Stanford, concludes with a straight face that we cannot make a general case for minimizing government’s role.

Despite this failure to draw conclusions consistent with his evidence, McMillan has written a book that contains much of value. He is a skilled writer who can take recent developments in economic theory and make them easily understandable, even for non-economists. He provides apt examples that bring these theories to life. There can be little argument with his central contention that how well markets are designed is of paramount importance in how well they work. His five conditions for making markets run properly—smooth information flows, well-protected property rights, trust, competition, and minimal third-party effects—are unexceptionable, although his understanding of them is distorted by a misperception all too prevalent in the economics profession, namely, that each condition calls for government action.

Reinventing the Bazaar is informative about the wide variety of auctions and how they work. Auctions are obviously an area of expertise for this author; he used his knowledge of economic theory to help design an auction selling off part of the electromag-

netic spectrum. This makes chapter 7 one of the best in the book. In it he explains why some goods are sold by auction while others simply have posted prices. He also describes the differences between open auctions, Dutch auctions, sealed-bid auctions, second-price auctions, simultaneous ascending auctions, reverse auctions, and package bidding, elucidating the strong and weak points of each. In so doing, he shows how entrepreneurs themselves redesign markets.

Also strong are chapters 12 and 15, which show, respectively, the havoc wreaked by socialistic central planning and the ability of markets, even when partly unfettered, to restore health to moribund economies. Alas, *Reinventing the Bazaar* implies we can only see with hindsight the debacle that was socialism, ignoring Ludwig von Mises and others like him who, through rigorous application of economic theory, foresaw that failure was inherent in socialism's nature. Nonetheless, this book's comparison of the attempts of China and Russia to move toward markets both piques our interest and lends support to McMillan's contention that the devil is in the details.

Toward the end of the book, the author tries to ensure that his qualified support of markets not be mistaken for libertarianism. He does this by holding up Ayn Rand as the apotheosis of market theorizing—as if no one else has grappled with these problems.

McMillan's chief target is Rand's philosophical rather than empirical approach. There are two things wrong with this line of attack. The implicit assumption that the facts would never support *laissez faire* is belied by much of the material in the book. The second error is the ready dismissal of the philosophical and ethical approach to policy questions. Although the author admits that principles can indeed trump costs and benefits, he never acts on that insight. Indeed, it appears to me that ignoring it leads him to struggle with issues like patents. The case-by-case, cost-benefit approach McMillan consistently employs permits him to arrive at no firmer conclusion on that issue than "whether . . . [intellectual property protection] . . . should be strong or weak varies

with the circumstances." This is because he never regards such fundamental questions as what constitutes theft of someone else's ideas as having any bearing on the point at hand. Murray Rothbard successfully used this very question to attach clear but defensible limits on the legal protection for intellectual property. (He accepted copyrights but not patents.) This shortcoming pervades McMillan's work, preventing him from drawing a sharp line between what government should and should not do.

Samuel Johnson called second marriages "the triumph of hope over experience." *Reinventing the Bazaar* shows an intimate acquaintance with the experience of government distortion of markets, yet clings to the hope that government can make markets function better. While the facts McMillan presents make this book well worth reading, I would advise readers to draw their own conclusions. □

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The Ideas That Conquered the World: Peace, Democracy, and Free Markets in the Twenty-First Century

by Michael Mandelbaum

PublicAffairs • 2002/2004 • 512 pages
• \$30.00 hardcover; \$18.00 paperback

Reviewed by Gene Callahan

The wonderful thing about Hegelianism as a "theory" of history is that it can be shaped to suit almost any particular political agenda one wishes. If you can formulate a thesis and antithesis so that your political program emerges as the synthesis of the two, then you can read all of history backwards: a story inevitably leading to its stirring climax, the triumph of your ideology.

The Ideas That Conquered the World is such a reading of the past, intended to support what Michael Mandelbaum, who teaches foreign policy at Johns Hopkins and is a senior fellow at the Council on Foreign Relations, calls "the liberal theory of his-

tory.” However, it is not so much a “theory of history” as a riffing through the last century or two to discover events that lend support to Wilsonian social democracy. Mandelbaum presents a “triad” of policies fundamental to his vision of liberalism: democracy, free markets, and disarmament/collective security. However, he does not coherently articulate the meaning of any one of these elements.

For instance, Mandelbaum asserts that the “liberal” approach to international relations is the “configuration of all . . . military forces so that they are suitable for defense but not for attack.” Such a policy has been adopted fully, he says, “only [by] the countries of Europe and North America.”

Does Mandelbaum really believe that the military forces of the United States currently are configured only for defense? Since World War II no foreign government has attacked American territory, yet the United States has intervened militarily in other countries over 60 times. One might applaud those interventions as necessary for the good of the liberal world order, but to call them “defensive” seems so to stretch that word as to render it meaningless. If the U.S. invasion of Panama in 1989 can be called “defensive,” what war cannot?

Nor does Mandelbaum offer any argument as to why democracy is inherently liberal. He asserts that democracy involves “restraints on the exercise of power by governments,” but he does not explain how or why that is so. If democracy simply means that a government should perform only those actions that are approved by the majority of its citizens, as Mandelbaum implies, then democracy only limits government to doing whatever the majority approves, however illiberal that might be.

Mandelbaum’s version of “free markets” is a sadly attenuated version of the classical-liberal policy of *laissez faire*. Rather than recognizing that free markets are what occur when coercion and central planning are absent, he believes that free markets must be “constructed” and “maintained,” and that such construction and maintenance are “far more difficult than had been imagined for

most of the modern era.” He holds that the “status and power” of the World Bank and the IMF are evidence of the triumph of “*laissez faire* capitalism,” despite the fact that their existence springs entirely from a perceived need for centrally planned intervention into the market economy.

Mandelbaum says “the rise of the welfare state . . . made popular sovereignty through universal suffrage compatible with the protection of private property by giving every citizen property in the form of an entitlement to benefits from the state.” In other words, “private property” is “protected” by being subject to arbitrary confiscation by the majority of voters. While Mandelbaum asserts that modern social democracies establish zones that are “off limits to the exercise of government power,” he gives no indication as to what the boundaries of such “zones” might be. He tries to calm the fears of classical liberals by contending: “In the twentieth century . . . liberty and political equality proved to be compatible in Britain and the United States and throughout the Western core.” However, many classical liberals might contend that mass democracy has led to precisely the diminution of liberty that they predicted it would.

While purportedly a supporter of free markets, Mandelbaum does not even seem to realize the fundamental flaw of socialism: the absence of any means by which to calculate economic success. He contends that while the command economy was “not necessarily superior to the market, [it] did work.” As evidence, he cites the facts that in socialist regimes “people migrated in large numbers from the countryside to the cities” and “governments built, owned, and managed huge industrial complexes.” It is hard to imagine why these are indicators that an economy is “working.”

The Ideas That Conquered the World is a salient example of the common tendency to herald whatever trends are currently ascendant, while ignoring any analysis of whether such trends are sustainable in the long run. □

Gene Callahan is the author of Economics for Real People (Mises Institute, 2002).

Liberation by Oppression: A Comparative Study of Slavery and Psychiatry

by Thomas Szasz

Transaction Publishers • 2002/2003 •
237 pages • \$39.95 hardcover; \$24.95 paperback

Reviewed by Brian Doherty

Freeman columnist Thomas Szasz, emeritus professor of psychiatry at the State University of New York Health Science Center in Syracuse, has tirelessly agitated for over four decades—in over 20 books and hundreds of speeches and even in occasional courtroom testimony—in defense of the rights of our culture’s most abused group: the so-called mentally ill.

Szasz maintains that mental illness is in fact a metaphorical illness: the illegitimate rhetorical medicalization of behaviors we find disturbing in order to excuse inhuman treatment of the “patient.” Turning his opponents’ weapon back on them, he embraces—but honestly, not covertly—the extended metaphor as a rhetorical technique. His 1970 classic, *The Manufacture of Madness*, compared our culture’s treatment of the mentally ill with the historical treatment of witches (while debunking the popular “liberal” notion that the witches of old were “really” mentally ill).

In *Liberation by Oppression* Szasz uses another illuminating metaphor to revisit his favorite topic, “mental illness” as an excuse for oppression. We now assume the inferiority and practical inhumanity of the mental patient; and this, he posits, can be profitably analogized to the old assumptions about the inferiority and inhumanity of blacks that underlay slavery.

The key idea linking both evils (though our culture sees only one as evil now) is what Szasz calls coercive paternalism. This is the idea that it is acceptable—indeed, admirable—to dominate a class of people because it is ultimately for their own good. Szasz traces the history of arguments for and against slavery and the oppression of the mentally ill and displays the analogous

thinking that has justified both tyrannies.

He shows how neither slaves nor mental patients have the freedom to come and go as they please, or have courts respect their rights. He convincingly compares fugitive-slave laws and the Interstate Compact on Mental Health. Defenders of slavery—chattel or psychiatric—depend, as Szasz relates, on frightening myths of the inherent dangerousness of the Negro or the mental patient.

Szasz’s choice of central analogy is wickedly incisive. It takes something the modern liberals believe in fervently—the necessity to care for mental patients by force if necessary—and compares it to a racist institution they profess to hate more than anything. If Szasz can make such a person see the similarities he rigorously points out, it will be a rhetorical grand slam indeed.

He does not spend the whole book hammering home that analogy. He also explains in depth how legal changes in the relationship of doctors and psychiatric patients irreparably corrupt any hope of a genuine therapeutic relationship. Now doctors can be held liable for not reporting any potential “danger” they divine from their patients, and patients can sue doctors for not giving them this season’s most popular psychiatric “medicines.” These legal complications, Szasz writes, transform psychotherapy “from a helping situation into a sting operation.”

But perhaps most fascinating for followers of Szasz’s career is his addressing the deinstitutionalization of the mentally ill—a public policy for which Szasz is frequently blamed, and whose effects are taken to be self-evidently bad. Szasz thinks that kicking people out of mental institutions after they have had their ability to cope with the outside world stripped by being trapped within them merely compounds the original injustice.

Here, Szasz doesn’t take a strict libertarian anti-welfare stance, which would say that if mental patients can’t pay for their keep in an asylum, then they have no right to stay there. Szasz thinks that true asylum is a function a civilized society should provide, and that “politicians and philanthropists would have to support it with the appropriate legislation and necessary funds.”

“Our society,” he adds, “provides no place of refuge for the individual who wants to escape from the world. Instead of offering asylum, the modern mental hospital offers only coercions called ‘treatments,’ intended to force the patient back into a society in which he cannot, or does not want to, find a place for himself.” He examines the current system of forced drugging, outpatient therapy, hospitals, halfway houses, and prisons that now dominates mental health care, and considers “deinstitutionalization” nothing more than “indefinite psychiatric probation.”

The book is the product of a man who has passed 80, with a long, courageous, and doubtless somewhat frustrating career of advocacy for liberty and responsibility behind him. Its epilogue ends on a sadly valedictory note that will especially touch long-time fans of Szasz and what he stands

for. He quotes Lord Acton, one of his favorite thinkers: “It takes a gentleman to live on terms of hearty friendship and kindness and intimacy with men whose ideas and conduct he abhors and when he well knows that they view with contempt and horror the principles on which he shapes his own character and life.”

Szasz then adds: “As I look back on my life, I pride myself on having been able to follow Acton’s example, at least in this regard.” This is as chilling a discussion of the social role of the advocate of unpopular ideas—such as libertarianism—as I’ve seen. Still, Szasz ultimately manages to cheer the liberty-loving reader with his sharp, witty polemic whose occasional acid cannot fully overwhelm the sweet love of humanity and freedom that motivates it. □

Brian Doherty is a senior editor of Reason magazine.

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