

BOOK REVIEWS

Hayek: Economist and Social Philosopher

Stephen F. Frowen, ed.

New York: St. Martin's Press, 1997, 324 pp.

This book includes the contributions, papers, and comments to a "Memorial Conference on the occasion of the first anniversary of the death of Friedrich August Hayek," held at the University College London from April 28 to 30, 1993. As the editor notes, the volume is meant to "provide a critical assessment of the contributions made by Hayek in fields as diverse as economics, psychology, political philosophy, the philosophy of law and the history of ideas" (p. xxi). Even though the volume does not quite meet the ambitious goal of covering the broad range of Hayekian ideas, it includes contributions on a variety of topics, with a concentration on methodological themes and on Hayekian economic thought.

In a short chapter on "Hayek, Marx and Keynes," Meghnad Desai seeks to support the claim "that there are many parallels" between the three noted authors, a claim that I found and find equally implausible before and after reading the chapter. Some of Desai's observations are clearly perceptive and worthy of further exploration, such as, for instance, the remark that, in his portrayal of the market order, Hayek "veered between leaving the system alone and searching for frameworks of rules that would somehow ensure the Darwinian longevity of the system." But his principal message is no less obscure than his conclusion: "If we are to understand capitalism . . . it is to Hayek and Marx that we shall look. It is to Keynes that we shall look if capitalism is ever to fulfil the promise of being a liberal free system" (p. 6).

Under the title "The Connectionist Mind: A Study of Hayekian Psychology," Barry Smith discusses the parallels between Hayek's theory of knowledge and the mind and the connectionist paradigm in modern cognitive science. Smith notes that Hayek developed—in particular, in "The Sensory Order" (1952)—a theory that, like connectionist approaches, conceives the operation of the mind by analogy "with the massively parallel processing of electrical impulses by the billions of nerves distributed through the human brain, nerves bound together in

networks that are subject to a constant and subtle forming and reforming of connections” (p. 10). Smith points to the common thrust that unites Hayek’s theory of the mind and the “sensory order” with his theory of the market order. Both the mind and the market are described by Hayek as spontaneous orders, and both are explained as “products of thousands of years of evolution,” as the result of “a massive number of trials and errors” (p. 24). While recognizing the important insights that the Hayekian-connectionist approach provides, Smith sees certain shortcomings that, in his view, limit its suitability for providing a consistent theoretical foundation for Hayek’s social theory. According to Smith, the approach has “no way of dealing with deliberate, conscious thinking” and cannot provide an account of the “connection between reason, choice and action” (p. 22). Although he does not give us a detailed argument supporting his claim, and I would be inclined to doubt it, he certainly raises an issue that is worth pursuing.

In his contribution on “Constitutional Ignorance, Spontaneous Order and Rule-Oriented: Hayekian Paradigms from a Policy Perspective,” Manfred Streit argues that the “knowledge problem” is the central theme that unites (and gives coherence to) the various parts of Hayek’s work: his epistemology, his theory of the market order, his views on the function and evolution of rules and institutions, and his outlook on issues of economic policy. Concentrating on the latter, Streit discusses the implications of the Hayekian insight into the relation between our “constitutional ignorance” and the need for relying on rules in our efforts in problem-solving (“that, to make the best use of what knowledge we have, we must adhere to rules”) for such areas as competition policy, industrial policy, and the problems of “transition from plan to market” faced by post-communist countries. On the latter theme, Streit voices a somewhat skeptical view of the transition societies’ ability to reactivate or create the formal and informal rules and institutions needed for a market economy to work. Unfortunately, actual developments have largely confirmed his skepticism. In his comment on Streit, Norbert Klotten takes up the issue of the relation between Hayek’s approach to economic policy and the “Ordnungspolitik” approach of the “Freiburg School,” founded by Walter Eucken and Franz Bohm. He criticizes Streit for underrating the differences between the two approaches, and argues that the Freiburg emphasis on human design in economic constitutions is “basically incompatible” with the Hayekian emphasis on spontaneous evolution. I do not agree with Klotten’s incompatibility thesis. Nor do I feel much sympathy when Klotten, who for many years in Germany has played a prominent role in economic advisory councils, blames a Hayekian evolutionary approach for leaving “practically no room for economic advisors” (p. 60). Yet, I would readily acknowledge that, in order to make sense, the approach must recognize the proper role of deliberate institutional framing. Klotten no doubt is right in emphasizing that this is especially true with regard to the problems faced by transition countries. As he notes, notwithstanding

the working of evolutionary forces, “transition has to be shaped by political decisions and measures” (p. 61).

The essay “Hayek and the Limitations of Knowledge: Philosophical Aspects,” by Stephen Parsons also takes up Hayek’s “limited knowledge” thesis as a “unifying theme” of his work. Parsons examines what he considers to be “inconsistencies” in Hayek’s arguments on subjectivism and methodological individualism. The cue for clarifying the nature of Hayek’s methodological arguments is, according to Parsons, to be found in their “strong affinities with Kantian-inspired systems of thought” (p. 64). To explore those affinities, Parsons devotes his chapter to a “comparison between Hayek and Rickert, a leading neo-Kantian philosopher” (p. 64). Parsons is certainly right in pointing out that ambiguities and inconsistencies may be found in Hayek’s work. Yet, in his eagerness to make his case, he overrates the Kantian flavor of Hayek’s work and grossly overstates the significance of whatever ambiguities and inconsistencies are there.

In “A Note on Hayek’s Analysis of Scientism,” Karl Milford examines Hayek’s critique of “scientism” as, first, a critique of the misuse of the methods of the natural sciences in the social sciences and, second, a critique of historicism. Much of the ‘historicism part’ of Milford’s chapter focuses on Wilhelm Roscher, the initiator of the German historical school in economics.

Tony Lawson takes his chapter on “Development in Hayek’s Social Theorizing” as an opportunity to write about a favorite theme of his, “transcendental realism,” a methodological approach advanced by Roy Bhaskar. The central theme of Lawson’s contribution is that Hayek’s early critique of the “scientism of mainstream economics” was inadequate, and that it was only in his later work that he eventually advanced methodologically to a position “consistent with that recently elaborated as transcendental realism” (p. 136). Beginning with a discussion of Hayek’s “Scientism and the Study of Society,” published in the early 1940s, Lawson traces the development of Hayek’s methodological views from only a “partial break with the errors of positivism” to “a more sustainable account of social theorizing” compatible with “transcendental realism,” a position that, according to Lawson, began to emerge only much later in Hayek’s work. While there are, to be sure, numerous interesting thoughts and stimulating arguments to be found in this paper, it is not entirely clear what important purposes are served by the kind of “historicizing” or “periodizing” approach that Lawson takes, nor is it obvious why “transcendental realism” deserves to be promoted to being the universal yardstick against which the development and achievements of Hayek’s theoretical work are to be measured.

The “periodizing” flavor of Lawson’s essay permeates even more Steve Fleetwood’s article on “Hayek III: The Necessity of Social Rules of Conduct.” In addition to the distinction, introduced by Terence Hutchison, between Hayek I (pre-1936) and Hayek II, Fleetwood maintains

that one ought to draw a further distinction between Hayek II and Hayek III, the critical juncture being the publication of *The Constitution of Liberty* in 1960. The “basis for this sea change,” Fleetwood asserts, “lies in Hayek’s recognition of the necessity of agents following social rules of conduct” (p. 155). I am very much in agreement with Fleetwood’s *systematic* argument that in Hayek’s account of the nature of the market what he has to say about the role of rules in coordinating human interaction is an important and essential complement to what he says about the price mechanism as a “telecommunication system.” And there are a lot of interesting thoughts that Fleetwood puts forward on “the interaction between the network of social rules of conduct and the network of prices that constitute the telecom system” (p. 174). Much less appealing is his obsession with periodizing Hayek’s work to prove that “prior to 1960 Hayek has no understanding of real social structures” (p. 160), and that, supposedly, only “after 1960, Hayek has a clear understanding that rules are the embodiment of society’s collected wisdom” (p. 170). He assures us that “it is important to understand that prior to the 1960s Hayek’s understanding of tacit knowledge is at best nugatory” (p. 164). I do not think that, as far as Hayek’s understanding is concerned, that is actually correct, nor can I see why, if it were true, it would be of any real importance.

In “Hayek’s Suggestion for Currency Competition: A Central Banker’s View,” Otmar Issing takes a critical look at Hayek’s proposal for the *Denationalisation of Money*. While being in general agreement with Hayek’s views on the virtues of competition, Issing advances two key arguments against the transition to a Hayekian system of “comprehensive, private currency competition,” namely, first, that “we know very little about the outcome of such a revolution,” and, second, that “we can have a relatively high level of confidence in the national paper money standard with an independent central bank” (p. 188). The second argument may hardly be surprising coming from a member of the Board of the Deutsche Bundesbank, but what certainly deserves to be discussed is Issing’s warning that it would “be presumptuous to claim that one knows how currency competition will actually develop in practice” (p. 192).

Hayek’s monetary economics is also the subject of Hansjörg Klausinger’s article “From Neutral Money to Competing Currencies: Hayek on Monetary Policy.” Klausinger examines Hayek’s earlier work on monetary economics with the intention “to show that Hayek’s later monetary writings are firmly based upon foundations that were already in place in the 1920s and 1930s” (p. 195). In his comment, Roland Vaubel questions Klausinger’s continuity argument, claiming instead that Hayek’s advocacy of private currency competition and, thus, of “consumer sovereignty in the field of money” marked, in fact, “a radical departure from his earlier advocacy of the gold standard” (p. 218), a break that served to bring his views on money more in line with his overall philosophy. As Vaubel puts it: “The Hayek of the gold standard was a young and self-confident

conservative who—*ex cathedra*—advocated a specific monetary scheme. The Hayek of currency competition was an old and tolerant liberal who wanted to leave the choice to the individual. The mature Hayek recognized his earlier pretence of knowledge and confined himself to suggesting a discovery procedure. By making competition his overarching principle, he finally achieved consistency between his monetary position and his general philosophy” (p. 218).

In his chapter on “Hayek, the Purpose of the Market and American Institutionalism,” Mark Perlman provides an informative and perceptive account of the theory of the market contained in Hayek’s early essays on “The Trend of Economic Thinking” (1933) and “Economics and Knowledge” (1937). By contrasting Hayek’s views with those of the institutionalists—John Maurice Clark’s, in particular—Perlman raises an important and interesting issue; namely, whether Hayek’s evolutionary account of the market as a purposeless, “natural outgrowth” (p. 232) puts him necessarily in conflict with an instrumentalist outlook as stated by Clark (1949: 52): “An economic system is an instrument. . . . As an instrument, it is to be judged by how well it serves our ends.” Perlman does not give us his opinion on this issue, yet it seems obvious to me that a consistent Hayekian theory must accommodate such an instrumentalist perspective. Hayek rightly emphasized, time and again, that the market is not an organization, like a firm or some other corporate entity, set up to “do” specific things and to serve specific purposes. Rather, it is an arena of voluntary exchange and contracting, in which individuals are allowed to pursue their own ends, as long as they stay within the bounds of the “rules of the game of catallaxy.” However, this does not mean that existing markets, defined by particular sets of rules and institutions, cannot be meaningfully examined in their instrumental capacity as an arena for voluntary contracting within which individuals can successfully pursue their mutually compatible purposes. Hayek’s dictum that social rules can be looked at as “tools” for solving recurrent problems that arise in human interaction and cooperation clearly applies to the rules and institutions of the market no less than to other rules. As “tools” they are instruments that can be examined and compared to potential alternatives, in regard to their relative suitability for solving the problems that they are meant to address. Such an instrumentalist understanding of the market seems to be clearly implied when Hayek speaks of the need for “appropriate rules” that are required to give the spontaneous order of the market its desirable properties (Vanberg 1994: 79).

In “Hayek and Keynes on Capital,” G. R. Steele compares Hayek’s and Keynes’ respective theories of capital, arriving at the conclusion that, by contrast to Hayek, “Keynes’ treatment of capital is hopelessly inadequate” (p. 246). Steele is vigorously criticized for this attack on Keynes by his commentators, Jens Holscher and Victoria Chick. However, I did not find anything in their comments that would repudiate the substance of Steele’s specific argument.

In “Hayek on Trade Unions: Social Philosopher or Propagandist?” Ray Richardson takes a critical look at what Hayek had to say about trade unions. Richardson chooses as the target of his critique a quotation from a 1991 publication (where Hayek states that, in pre-1980 Britain, union power became “the biggest obstacle to raising the living standard of the working class as a whole . . . the prime source of unemployment . . . [and] . . . the main reason for the decline of the British economy in general”). In concentrating his critical assessment on the specific claim that the unions were “the *biggest* obstacle,” “the *prime* source,” and “the *main* reason” for the said consequences, Richardson assigns himself a fairly easy task, allowing him largely to bypass the question of whether, beyond these particular claims, Hayek has no insights to provide into the role of trade unions. But the same reasons that make Richardson’s self-assigned task easy also make his endeavor a rather uninteresting exercise. In his comment, B. C. Roberts puts things in perspective when he notes: “I would myself have qualified the unconditional claims that Hayek made, but if I had to choose between Hayek’s general analysis and that of labor economists, . . . I have to say that, on the basis of a lifetime spent studying unions, working with many enterprises as a consultant, as an arbitrator, and also with bodies such as ACAS and the ILO, I believe Hayek’s assessment of the general effect of unions is closer to the truth than that made by many of his critics” (p. 276).

The concluding chapter on “Whatever Happened to Hayek?” by E. F. M. Wubben examines the question of why, despite his enthusiastic reception at the London School of Economics in 1931 and his rise to prominence as J. M. Keynes’ main competitor, Hayek “was out of the running” by the end of the 1930s. Wubben traces, in an informative account, the development of Hayek’s thought during the 1930s, emphasizing the fundamental continuity of Hayek’s work over that period. His answer to the question raised is that it was Hayek’s genuine interest in fundamental theoretical issues of the evolution and the working of a market economy and “his consequent aversion to satisfying the crying need for prompt and useful policy prescriptions” (p. 282) that put him out of step with the mood prevailing among his contemporaries.

In addition to the papers and comments presented at the 1993 conference, the volume includes a short “Tribute to the Life and Work of Friedrich Hayek” by the late Sir Karl Popper. Apart from recounting the beginnings, in 1935, of their lifelong friendship, Popper points out that he may have had some influence in encouraging Hayek to develop his important contributions to our understanding of “the legal framework of a free society,” an understanding that Popper contrasts with Ludwig von Mises’ “free market” views. As he puts it: “In a complex society, anything approaching a free market could only exist if it enjoyed the protection of laws, and therefore the state. Thus the term ‘free market’ should always be placed in inverted commas, since it was always bound, or limited, by a legal framework and made possible only by this framework” (p. 312).

It should be apparent from the above summary that the volume under review contains a quite heterogeneous collection of contributions, thematically as well as in terms of quality. It is indeed rather difficult to discern any systematic organizing principle that may have guided the selection of articles or may have informed the order in which they are arranged in this volume. Readers who turn to the book expecting to find a balanced coverage of the various fields of inquiry explored by Hayek as an economist and social philosopher may well be disappointed. Yet, there is certainly enough insightful analysis and stimulating arguments in this book to make its reading rewarding.

Viktor Vanberg
Institute for Advanced Study, Berlin

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The Noblest Triumph: Property and Prosperity through the Ages

Tom Bethell

New York: St. Martin's Press, 1998, 378 pp.

Often the only time I find for reading is on airplanes, and so it was on a long flight from New Zealand that I opened Tom Bethell's book. The occasion was all the more fitting because I was returning from a conference on property rights where a government official told the audience that New Zealand had no tradition of property rights, but was founded on the notion of entitlements granted (and taken away) by the government. Boy, could that official learn something from Bethell!

The Noblest Triumph provides a history of property rights and delivers what the subtitle suggests by documenting how property rights are both necessary and sufficient for prosperity. Each section of the book contains two chapters preceded by a brief, but pithy introduction. The first three sections document the philosophical, economic, and legal foundations for property rights. Bethell walks the reader through the economic logic of incentives and the perils of the commons using both evidence and analogies to persuade the nonbeliever.

For those who do not need converting to the property rights paradigm, the book is worth the read simply for its numerous quotes and documentation. If political philosophers or political economists from Adam Smith to Jeremy Bentham, from Karl Marx to Friedrich Engels, or from Ronald Coase to Milton Friedman have said something important about the link between property rights and prosperity, Bethell has read and quoted it. Those of us less willing to do the dirty digging into original sources owe a great thanks to Bethell for his thorough research.

Having praised Bethell for his synthesis of the property rights literature and for providing evidence on the link between property and prosperity, let me do my duty as a reviewer and highlight the shortcomings of *The Noblest Triumph*. Perhaps because Bethell is a journalist and not an economist, the main weakness of the book is that it lacks keen analytical insights. By presenting private property as an all-or-nothing institution, Bethell ignores the importance of transaction costs and contracting. In Bethell's context, the existence of private property is good; the lack thereof is bad. For example, Bethell uses the example of metering electricity in his apartment complex of a bad property rights regime. But what about the costs and benefits of metering individual consumption? As University of California at Los Angeles economist Harold Demsetz (1967) has pointed out, defining and enforcing property rights only makes economic sense if the benefits exceed the costs. If an apartment house has central heating or cooling, it may be expensive to meter individuals even if the result is overuse of the energy commons.

In *The Noblest Triumph* any commons is a tragedy waiting to be corrected by privatization. Bethell follows economic logic to its extreme, believing that exploiters lurk behind every tree. But abundant examples of well-functioning commons are now well known thanks to people such as Elinor Ostrom (1990) who have examined the details of social organization in small collective groups. Just as family refrigerators usually don't have private shelves for each family member, American Indians did not have private property rights to the fruits of the communal hunt (see Anderson 1995) and Maine lobster fishers do not have private property rights to their fishing grounds (see Acheson 1993), but customs and culture and partial rights control access and restrict overuse of the commons. Reading *The Noblest Triumph*, one would think that each of those cases would result in tragedy.

Or take the case of the modern firm. As Coase (1937) has explained, capitalistic firms are mostly run by command-and-control. From reading Bethell, one would predict that the firm should fall by the wayside in deference to piece-rate contracting between many independent producers. But of course transaction costs matter, making it necessary to trade off the gains from piece-rate contracts with the costs of negotiating those contracts. In a world of positive transaction costs, property rights are not so black or white as Bethell describes them. In short, for the reader familiar with the rich literature on the interface between transaction costs and property rights, portions of *The Noblest Triumph* will be a disappointment.

The Noblest Triumph also falls short with its specific applications. For example, Bethell's chapter on the environment does not even do a good job of surveying the abundant example of free market environmentalism at work. Countering the idea that market failure runs rampant over the environment are hundreds of examples of property rights encouraging stewardship of natural resources. Bethell does present the well-known

case of the Audubon Society's Rainey Wildlife Sanctuary and the elephant programs in southern Africa. But the elephant example depends on communal rights that he generally shuns throughout the book. There are better data in support of Bethell's property rights thesis such as the fact that deforestation rates, pollution levels, and other environmental indicators are lower in countries with the rule of law and property rights. Around the world, envirocapitalists are using property rights to enhance stream flows, reduce overfishing, restore wildlife habitat, and save endangered species. Bethell could have added credibility to his argument if he had used these examples.

These criticisms notwithstanding, *The Noblest Triumph* is must reading for all serious property rights scholars. Though the book lacks analytical sophistication, Bethell's careful survey of the historical antecedents and contemporary fruits of private property ends with the hope that "governing classes come to see the domestic and institutional roots of their own difficulties" (p. 341). If the government officials at the conference referred to at the outset of this review do not get Bethell's important message, then New Zealand's economic revolution begun in the late 1980s will be short lived. Bethell is optimistic that "the hundred-year experiment in socialism is over" (p. 341). If it is not, it will be because people do not understand the essential link between secure property rights, what Bentham called "the noblest triumph of humanity over itself," and prosperity.

Terry L. Anderson
Political Economy Research Center

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The Story of American Freedom

Eric Foner

New York: W.W. Norton, 1998, 422 pp.

In the introduction to his new book *The Story of American Freedom*, Eric Foner, professor of history at Columbia University and past president of the Organization of American Historians, writes: "No idea is more

fundamental to Americans' sense of themselves as individuals and as a nation than freedom. The central term in our political vocabulary, 'freedom'—or 'liberty,' with which it is almost always used interchangeably—is deeply embedded in the documentary record of our history and the language of everyday life."

Indeed, who can doubt this? For evidence, just look to today's public policy debates. No matter the issue, both sides claim to be promoting freedom. Opponents of the Americans with Disabilities Act, for example, said the bill made a mockery of freedom of contract and association, while proponents said it enhanced the freedom of the wheelchair-bound, among others. Likewise, skeptics of the minimum wage say it violates the right of employers and employees to come to a mutually agreeable bargain without third-party intervention. But fans of such legislation say it enhances the freedom of laborers, by guaranteeing them a sum of money sufficient for basic necessities as well as, perhaps, some leisure.

Foner's goal is to chronicle how these different understandings of freedom came to pass—how, in other words, the term "freedom" has evolved in America since the colonial period. "Rather than discussing freedom in the abstract," he writes, "I attempt to locate it in particular historical circumstances, showing how at different periods of American history different ideas of freedom have been conceived and implemented, and how the clash between dominant and dissenting views has constantly reshaped the idea's meaning."

There can be little question, Foner argues, that the American colonists' notion of freedom was strongly influenced by their study of British history and by their own identification as British subjects. "Power and liberty were widely believed to be natural antagonists, and in their balanced constitution and the principle that no man, even the king, is above the law, Britons claimed to have devised the best means of preventing political absolutism," Foner writes.

These beliefs, combined with the idea of self-ownership, laid the intellectual groundwork for the revolution. "By the end of the revolutionary era, the concept of property had expanded to include rights and liberties as well as physical possessions," Foner notes. For instance, at the Constitutional Convention of 1787, Madison declared: "A man has property in his opinions and the free communication of them, he has property in . . . the safety and liberty of his person."

This understanding of freedom—the belief that freedom principally means the right not to be aggressed upon—led many, but not all, early American leaders to embrace the minimal state. Foner argues that remained the case until the mid-19th century, when a growing number of people became dismayed with what they saw as ever-rising income inequality. For freedom to be enjoyed by all, it was argued, a more egalitarian distribution of resources must be ensured.

What resulted was the rise of Owenite utopian communities—which aimed to fundamentally alter the relationship between the worker and

the employer—and less ambitious reform movements that championed state provision of social services and regulation of the workplace. The latter, Foner argues, were the precursors of the Progressive movement.

Foner's discussion of the late 19th and early 20th centuries is one of the most useful sections of the book. He does two things remarkably well. First, he debunks the notion—far too popular among some classical liberals—that the rise of the modern welfare-regulatory state can be traced back to the New Deal and no further. Second, he recounts the highly technocratic and often authoritarian views of the early Progressives, and shows how World War I and the Red Scare led them to rethink their unstinting faith in the goodness of the state.

Near the turn of the century, social scientists and public intellectuals such as Herbert Croly, John Dewey, and William Willoughby claimed that freedom had to be redefined. It was no longer useful to think in terms of "freedom from." Instead, society needed to frame the debate in terms of "freedom to."

Foner writes: "'Effective freedom,' wrote John Dewey, who pondered the question from the 1890s until his death in 1952, was far different from the 'highly formal and limited concept of liberty' as a preexisting possession of autonomous individuals that needed to be protected from outside restraint. It meant 'effective power to do specific things,' and as such was a function of 'the *distribution* of powers that exists at a given time.'" Similarly, Willoughby proclaimed that Progressivism "looks to state action as the . . . only practicable means now in sight of giving to the individual, all individuals, not merely a small economically strong class, real freedom."

At the federal level, these activists pushed for the creation of the Federal Trade Commission and the passage of the Pure Food and Drug Act, among other things. And they enjoyed even more legislative success at the state and municipal levels. Proof that Progressivism was becoming the dominant ideology of the period came in the 1912 election, when the four leading presidential contenders all called for a more activist state. The winner, of course, was Woodrow Wilson, who, foreshadowing FDR's Four Freedoms speech, argued that "freedom today is something more than being let alone. The program of a government of freedom must in these days be positive, not negative merely."

Who was to guide this new beefed-up government? The intellectual class, which would be culled from the country's leading universities and journals of opinion. In short, people like Croly, Dewey, and Willoughby. World War I excited many of the members of the up-and-coming managerial elite, because, as Foner writes, the war "created a national state with unprecedented powers and administrative capacities." This giddiness faded, however, when many left-wing activists were rounded up after the war for their "subversive" activities. This was the moment, Foner perceptively notes, when Progressivism slowly morphed into modern liberalism. Up to this point, large parts of the left were preoccupied with

(planned) efficiency and order to the exclusion of all else. These concerns were now modified and combined with a fervent, if inconsistent, defense of free expression and civil liberties generally.

Chapter 8, “The Birth of Civil Liberties,” is also highly valuable, for Foner points out that until the 1920s and 1930s, the idea of what constituted civil liberties was rather narrow. Political speech and the right to worship as one wished were generally defended by the courts, albeit with some notable exceptions. But when it came to other matters, particularly sexual issues, things were very different. Emma Goldman was regularly jailed for speaking about birth control, and Moses Harman, editor of the individualist newspaper *Lucifer, the Light Bearer*, was imprisoned for publishing articles questioning the morality and legality of rape within marriage. Today, such events are unthinkable.

These sections of the book, in particular, show us that American history cannot be neatly summed up. It has been characterized by neither a constant upward march toward freedom and liberty, as some would have us believe, nor a slow and steady betrayal of the libertarian principles of the revolution, as others often claim. Instead, there have been some advances and some (probably many more) declines.

The final five chapters of *The Story of American Freedom* discuss the New Deal, World War II, the Cold War, the 1960s, and “conservative freedom,” that is, the 1980s and 1990s. Foner’s treatment of these topics is knowledgeable. His analysis of the New Left—and its rapidly changing agenda, from decentralism and individualism to conventional state socialism—is especially enlightening. His analysis is far from even-handed, though. He engages in shallow hyperbole, for instance, when he says that in the 1980s “Great Society antipoverty programs were gutted.” (Though, to be fair, he also notes that “core elements of the welfare state such as Social Security, Medicare, and Medicaid remained intact.”) And one can question his claim that in the 1970s New Right “Christian conservatives (many of whose leaders proved highly adept at using the mass media to raise funds and disseminate their ideas) fully embraced the free market economics of libertarian conservatives.”

Many market liberals, I fear, will be turned off by this book before even opening the cover. Foner, it is true, is no fan of the classical-liberal legal order. He equates the “market society” with “greed, selfishness, and indifference to the welfare of others,” arguing that capitalism provides “hardly the foundation of a moral community.” What’s more, Foner seems convinced that private spending on campaigns is the paramount threat to political freedom in the United States today, and that all would be solved if the “public”—that is, government—just financed political activity. Such sentiments unquestionably color many of his interpretations, and probably account for the omission of some noteworthy events and people. Nevertheless, Foner shows a tremendous power for integrating ideas into a coherent narrative, and he should be applauded for taking on a task as

sweeping and important as telling “the story of American freedom” at a time when many historians are engaging in increasingly arcane research projects.

Aaron Steelman
Investor's Business Daily