

BOOK REVIEWS

Clashing Over Commerce: A History of U.S. Trade Policy

Douglas A. Irwin

Chicago: University of Chicago Press, 2017, 832 pp.

During the first 16 months of Donald Trump’s tumultuous presidency, the subjects of trade, tariffs, and America’s role in the global economy have featured prominently in the public square. Although it may not have been as obvious before 2017, the conduct and consequences of U.S. trade policy—and, perhaps more so, the misconceptions surrounding it—have long stirred the people’s passions.

That’s not news to Dartmouth economics professor Douglas A. Irwin, whose latest treatise on the history of U.S. trade policy documents in exquisite detail how “The Tariff” has sparked bitter political, economic, and constitutional debate and has been a persistent source of sectoral conflict from the founding of the republic to the present.

Clashing over Commerce: A History of U.S. Trade Policy was written, according to Irwin, to fill a glaring void. The last major history of U.S. trade policy to be published was the 8th edition of *A Tariff History of the United States* in 1931, by Frank Taussig, the famous Harvard trade economist who became the first chairman of the U.S. Tariff Commission (predecessor of the U.S. International Trade Commission) when it was created in 1916. As Irwin aptly demonstrates in *Clashing*, much trade policy history has transpired since 1931.

But Irwin doesn’t begin where Taussig left off. He starts in colonial times to make certain his readers understand not only that U.S.

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trade policy played a major role in shaping the course of U.S. history, but that the mercantilist trade policies of the British Empire—such as the Navigation Acts, which precluded direct trade between the American colonies and other countries and required all goods be channeled through England—contributed to the growing anti-Crown fervor that eventually erupted into revolution and the birth of a nation.

In the introduction, Irwin references *Federalist 10*, in which James Madison notes that in every society there exist competing economic interests with contrasting views about what government policy ought to be. Alluding to what we would call the process of trade policy formulation today, Madison observed:

Shall domestic manufactures be encouraged, and in what degree, by restrictions on foreign manufactures? are questions which would be differently decided by the landed and the manufacturing classes, and probably by neither with a sole regard to justice and the public good. . . . It is in vain to say that enlightened statesmen will be able to adjust these clashing interests, and render them all subservient to the public good.

Irwin's broad thesis, however, is that despite these bitter debates and the frictions and conflicts generated by this clashing of self-interests, U.S. trade policy has shown remarkable stability throughout the nation's history. Irwin attributes that stability to a geographic continuity of economic interests (such as steel production in Pennsylvania, tobacco farming in Kentucky, textile manufacturing in South Carolina) and the separation of powers (Madison's handiwork), which makes wrenching policy changes less likely. "Producer interests, labor unions, advocacy groups, public intellectuals, and even presidents can demand, protest, denounce, and complain all they want," Irwin writes, "but to change existing policy requires a majority in Congress and the approval of the executive. If the votes are not lined up, the existing policy will not change."

In fact, Irwin argues that U.S. trade policy substantively changed course *only twice* in our history, both times in response to exogenous shocks which led to political realignments—the Civil War and the Great Depression. Within each of the three periods delineated by these two shocks, policy continuity largely prevailed. But the shocks themselves heralded wholesale changes in the objectives of

U.S. trade policy. In Irwin's shorthand, the objectives of the three periods, chronologically, were "revenue, restriction, and reciprocity."

From the Founding in 1787 until the Civil War, the main purpose of the tariff was to raise revenues for the operations of a modest federal government that had few other means of funding. Much of the early debate in this era was over the question of how high a tariff "for revenue only" should be. Some worried that too high a tariff would squeeze foreigners' incomes, reducing the market for U.S. commodity exports. Others were wary that too much funding of the federal government would encourage its growth and encroachment into the jurisdiction of the states. Indeed, those concerns were very much at the heart of the conflicts over the 1828 Tariff of Abominations and the South Carolina Nullification Crisis in 1832. On the latter subject, Irwin notes—with a hint of pride—that trade policy was important enough to be the catalyst for America's first significant constitutional crisis.

Although the tariff was used to protect domestic industry on occasion during this era, it wasn't until after the Civil War that bald protectionism became the tariff's primary motive. With the end of the Civil War came the ascent of the Republican Party, which represented northern industrial interests that for decades had been clamoring for protection over the objections of southern agrarian interests. For most of the period between 1865 and 1932, Republicans controlled Congress and the White House, and restriction of imported manufactures to protect America's growing industrial concerns became the tariff's main purpose. The lobbying industry as we know it today has its roots in this era.

Describing the legislative process surrounding the writing of the Mongrel Tariff of 1883, Irwin cites a reporter at the time who wrote:

Lobbyists descended like a flock of buzzards upon Washington, crowding all the hotels that winter, pulling, tugging at the statesmen in the name of the all the diverse, conflicting interests that employed them, . . . as committeemen in both chambers wrestled with long schedules and with the unblushing and unending demands of lobbies for sugar, iron, wool, glass, marble, and a hundred other trades.

With a few small exceptions, pro-tariff Republicans held sway over trade policy until the early 1930s. As the disastrous effects of the Tariff Act of 1930 (the "Smoot-Hawley" or "Hawley-Smoot Tariff," as

Irwin calls it) were rippling across the globe, and the Democrats returned to power in Washington, the main function of the tariff became a nobler one: reciprocity. According to Irwin's thesis, from the 1934 Reciprocal Trade Agreements Act to the founding of the General Agreement on Tariffs and Trade in 1947, through the multiple GATT rounds culminating in the founding of the World Trade Organization in 1995, and through the Obama presidency, inducing foreign governments into reciprocal trade liberalization was the main purpose of the tariff.

Irwin is the author of five other books covering different aspects and themes of trade policy history, including *Against the Tide: An Intellectual History of Free Trade*, in which he masterfully assesses and dispenses with formidable challenges to Adam Smith's theories about the primacy of specialization and free trade. But *Clashing* is easily Irwin's most ambitious undertaking.

Covering 250 years of trade policy in 693 pages of text and 185 pages of notes and references, the book is not for the faint-hearted. But neither is it "narcolepsy engendering," as Irwin admits some historians consider lengthy tariff tomes to be. It is comprehensive in coverage, rich in detail, and presented as history ought to be, which is to say factually, objectively, and with an engaging narrative. And, frankly, those hungering for a more substantive discussion about trade policy will find the book a welcome refuge from the boisterous, often fact-starved exchanges witnessed nowadays on cable news and social media.

The book covers many subthemes, including the tensions and rationales behind Congress's delegation of some of its constitutional authority over trade policy to the executive branch. Irwin could not have known when he began writing the book how topical that subject would be in 2018—with President Trump seemingly testing the limits of that authority by invoking dusty statutes to levy tariffs. Persistent, historically relevant questions—such as whether the tariff helped or hindered U.S. development, whether tariff policy was a cause of the Civil War, and whether Smoot-Hawley caused the Great Depression—are all given thorough analysis in the book. Likewise, the book describes the views and motives of many figures from history who helped shape U.S. trade policy for better or worse: Franklin, Hamilton, Jefferson, Daniel Webster, Cordell Hull. Henry Clay, with his advocacy of "The American System" of protection, evokes the typical modern day economic nationalist. Robert Walker,

Treasury Secretary to James Polk, in his insistence that foreign trade barriers are no excuse for our own, evokes Frederic Bastiat and Milton Friedman.

If there is any major question that lingers after reading *Clashing*, it is whether Irwin is prepared to accommodate substantive revisions in subsequent editions. Although not a challenge to his broad thesis that U.S. trade policy has been guided by the three Rs (Revenue, Restriction, Reciprocity), it seems reasonable to posit that, under the direction of President Trump, the United States is departing the era of reciprocity and entering, perhaps, a new R: the era of Retribution.

Daniel J. Ikenson
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Statecraft and Liberal Reform in Advanced Democracies

Nils Karlson

Cham, Switzerland: Palgrave Macmillan, 2018, 189 pp.

The study of politics in the United States now follows two paths. One apes economics, seeking to climb the ladder of higher math to theories of rational choice and scientific prestige. The other path—called American Political Development (APD)—looks to history to explain the growth of the American state. The devotees of APD seek to understand rather than evaluate the emerging American state, but their stories sometimes appear to justify administrative expertise and other aspects of their subject. Until recently APD scholars paid little attention to the liberalizing reforms enacted in the United States and other developed nations after 1980. Nils Karlson offers an admirable effort to understand the politics and outcomes of those reforms.

Karlson is suited to the job. He served as founding president and CEO of the Ratio Institute in Stockholm, Sweden. He was trained as an economist and political scientist at George Mason University and Uppsala University, respectively. Readers will be pleased to learn Karlson is also a board member of the Mont Pelerin Society. His interdisciplinary background should be (but is not) a starting point for studying state and political development. Academics laud interdisciplinary research, but academic careers prosper through specialization. To the benefit of his work, Karlson has done more than talk the interdisciplinary talk. He has also been involved in the practical matter of the politics of policy reform. Karlson has heard what

Max Weber called the *Beruf der Politik* (the calling to politics/policy). Our author, in short, has an exemplary background for his task.

Karlson's subject is the modern welfare state, that combination of market regulation and monetary redistribution that came to mark all developed nations. In 1965 most saw the welfare state as a remarkable success, a friend to both efficiency and equality and a teacher of improved tastes among the governed (according to Lyndon Johnson's speech announcing the Great Society). By 1980, at the latest, the welfare state was troubled if not in crisis even in Sweden, the enduring model of market egalitarianism.

But reforms to the welfare state were hard. Karlson provides a lucid inventory of the barriers to reforming the welfare state, all of which will be familiar to public-choice economists. Public choice tends toward pessimism about reforms. Recall Mancur Olson's view that rent-seeking favors small groups over the larger public. How in Olson's world could diffuse benefits ever impose concentrated costs? Yet liberal reform did happen (and not just in Sweden and Australia, the two nations treated here). So perk up, liberals! Liberty may not be doomed after all.

Karlson is mainly interested in the "how and why of reform." He proposes a reform cycle beginning with a change in social and economic conditions whose failings foster a need for new ideas that may be articulated by policy entrepreneurs. In turn, they engage interests and politics bringing about changes in policies and institutions that affect social and economic conditions. Karlson puts policy ideas and policy entrepreneurs at the center of his reform cycle. Put another way, he describes a road to reform paved by philosophy and policies though laid down by political engagement.

Here we come across Karlson's first lesson for American liberals, a lesson learned long ago with the founding of the Cato Institute but perhaps now being lost by libertarians generally. Philosophy, especially anarchism, is not enough. The point indeed is not to interpret the world but to change it. And that requires policy entrepreneurs engaged in the dubious business of politics. Here again Max Weber could offer some guidance: Liberals need an ethic of responsibility (not an ethic of absolute ends) informed by Karlson's studies of successful reform cycles.

Karlson seeks a theory of "liberal statecraft" to guide reforms. Statecraft is the "art of governing a country well." *Liberal* statecraft would be the art of governing well by increasing liberty, in fact as

well as in theory. Karlson sets out three strategies of reform: the Popperian, the Kuhnian, and the Machiavellian. The Popperian is “fact-based and involves the use of research, rational argumentation, and pragmatism.” The Kuhnian strategy is “idea-based and involves the use of paradigmatic shifts of perspectives, narratives, framing, new authorities, and agenda setting.” The Machiavellian, named after the putative “teacher of evil,” involves “shrewdness and . . . the use of obfuscating, blame avoidance, splitting, compensating, and scapegoating.” Good governance in general—and liberal reform in particular—require all three.

Liberals in Sweden (including Karlson himself) and Australia embraced all three strategies. What about American liberals? Perhaps we can say Ronald Reagan did so if libertarianism was indeed the heart of his conservatism. Rand Paul might fit the bill too. Perhaps American liberals foster so few successful reformers because the task is so daunting. That’s true, but not a wholly adequate explanation. Many American liberals hate politics precisely because of its Kuhnian and Machiavellian traits. They stay clear of its moral compromises, wishing instead to build a shining city on a hill that will eventually somehow inspire people to build a liberal world. But ideals, however important, are only part of the reform story, perhaps a small part. Politics, Kuhnian or Machiavellian, requires the practice and learning that arise from engagement rather than logic chopping. Karlson wanted to make something happen and he did. I wonder how many American liberals really do.

Karlson applies his theory to two nations who liberalized extensively in the last part of the 20th century: Sweden and Australia. Both case studies go into admirable and persuasive detail. Both cases hold surprises for readers. The success of liberalization in Sweden will be somewhat familiar; the transformation to private pension accounts has been discussed for some time in the United States. Yet the scope of the change was remarkable both in policy and institutions. The Sweden held up in my youth as a paragon for the American left of how to combine socialism and democracy jettisoned much of the former. Many will be surprised how collectivist the old Australia was and how quickly it changed. Karlson’s reform story in both nations ends about the time of the global financial crisis of 2008 (in Australia) or shortly thereafter (in Sweden).

Sweden and Australia might seem poor comparisons to the United States. But Karlson’s case studies need not be valid for all nations.

He is seeking in this book to initially test his theory with two examples examined in depth. Does the theory work well with U.S. history? The United States began liberal reforms following an extended crisis prompted by the failure of Keynesian economics and managerialism. Policy entrepreneurs and politicians played important parts in that drama including Bill Clinton, a politician who might have been expected to oppose liberalization. U.S. political institutions probably limited the scope of overall change by diffusing power thereby making it harder to enact reforms. Parliamentary democracies like Sweden and Australia can act resolutely if voters want liberalization.

Karlson has written a fine book, one that needed to be written. He has traveled far toward understanding how liberal reforms happen and thus how they might happen again. I am happy to learn that policy ideas and think tanks matter a lot to liberal reform, but I take from his book a larger and more challenging lesson. Politics should matter a lot to liberals. Making the world a better place requires more than argumentative engagement and moral probity. Young liberals must become dissatisfied with righteous failure. They must hear their own calling to politics and policy which holds out the prospect of both moral achievements and moral dangers. They might after all lose their souls. But doing nothing may mean losing liberalism itself. Will liberals be up to that task?

John Samples
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The Cadaver King and the Country Dentist: A True Story of Injustice in the American South

Radley Balko and Tucker Carrington
New York: Public Affairs, 2018, 416 pp.

The stereotypical crime stories of the American Deep South often include openly racist government and corrupt law enforcement. The opposition to the Civil Rights Movement of the mid-20th century was led by figures like Bull Connor, George Wallace, as well as the less widely known Sheriff Willis McCall, men whose words and deeds have made them infamous in American history as caricatures of evil in public office. Men like those made it easy to identify racism, injustice, and the rigged systems they oversaw and protected.

More than half a century later, the machineries of injustice are less obvious to a majority of Americans. We have seen the eradication of *de jure* Jim Crow, the rise of the black middle class, and African Americans in numerous prominent positions in public life—not just in the historic roles in sports and entertainment, but literature, government, and business. The prisons that overflow with black and brown bodies are out of sight and thus very often out of mind. The aggressive policing that occurs in black ghettos throughout American cities, north and south—and the very existence of those black ghettos in the first place—are mostly just an accepted part of life. An occasional video may show an isolated instance of police abuse or a story will come out about an innocent man left to sit in jail for years without trial, but for the most part, these are blips in the daily lives of Americans who strongly support the police and express at least grudging support of the criminal justice system.

But when people dig a little deeper into any one of the thousands of separate state, local, and county criminal justice systems, they may find dysfunctional apparatuses and ambitious people who, with no particular ill will or intent, railroad the innocent into long prison terms or even death sentences. Any given system's protections for the innocent often are undermined by shoddy police investigations, inept or overburdened defense council, and dubious "scientific" evidence that confirms the conclusions already reached by law enforcement and prosecutors. Such was the case for Kennedy Brewer and Levon Brooks, two innocent men who were trapped in a system that functioned—and often still functions—more like a conviction manufacturing machine than an instrument of public justice. While several of the men who made their livings in the Mississippi justice system described in *The Cadaver King and the Country Dentist* are seriously flawed, even detestable, the story told by journalist Radley Balko and attorney Tucker Carrington is missing that unquestionable villain that intentionally frames the innocent or acts out of hatred of his fellow man. To borrow the term coined by Hannah Arendt, to read this book about the Mississippi justice system in the 1990s is to encounter the banality of evil.

Bestselling author and Mississippi lawyer John Grisham wrote the forward to the book, in which he outlines the eight most common contributing factors at work in convictions of the innocent: bad police work, prosecutorial misconduct, false confessions, faulty eyewitness identification, jailhouse snitches, ineffective counsel, "sleeping"

judges, and junk science. The Brewer and Brooks cases each feature five or six of the eight, depending how one counts the series of misfortunes foisted upon these men. The system's supposed safeguards failed Brewer and Brooks at almost every level and, but for the advancement of DNA evidence, both men would almost certainly have died in prison.

The book's colorful title refers to Dr. Steven Hayne, a pathologist who became Mississippi prosecutors' number one man to confirm the state's assertions on the cause of death, and Dr. Michael West, a dentist who marketed himself, among other things, as a forensic bite-mark expert. Although both men's degrees were legitimate—they were not complete frauds—Balko and Carrington argue that both took on responsibilities and supposed expertise that neither was humanly capable of performing (Hayne claimed to annually perform over 1,500 autopsies, many times the maximum amount recommended by certifying agencies), or qualified to claim (West once claimed expertise in interpreting grainy video). They each testified in countless criminal cases as experts, including those of Brewer and Brooks, and we're still unsure how many of their errors and fabrications put innocent men behind bars.

The story Balko and Carrington tell describes the men at the heart of the story, as well as the history of the offices that lacked the basic discipline and oversight required to approach the minimum standards of justice. Anyone the least bit familiar with the criminal procedure, even through highly fictionalized dramas on television, will find outrage after outrage that should never have been allowed in the investigation or let into the courtroom. Lawyers and others more familiar with how the system is supposed to work—and often doesn't—may be taken aback by the sheer number of egregious injustices recounted in the book.

Although Brewer and Brooks eventually were exonerated, the message of *The Cadaver King and the Country Dentist* is not and cannot be that “the truth will win out in the end.” Avoidable tragedies robbed these men of decades of freedom and affected the lives of many more around them. These extraordinary cases have played out innumerable times in Mississippi, in part thanks to men like Drs. Hayne and West, but also in cities and towns across the country without the same unscrupulous opportunists. Herein lies the importance of the book: we have no idea how many innocent men and women sit in prison today. In a nation with roughly

two million people behind bars, a conservative estimate of the number of imprisoned innocent people is probably in the thousands, and perhaps in the tens of thousands. Our criminal systems must be improved to minimize the chances of wrongful convictions in the future. Balko and Carrington have produced a great—and infuriating—book about how this can happen. The state of justice in Mississippi may have been particularly bleak, but so many of the problems that happened there are not unique at all.

Jonathan Blanks
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The Case Against Education: Why the Education System Is a Waste of Time and Money

Bryan Caplan

Princeton, N.J.: Princeton University Press, 2018, 395 pp.

Bryan Caplan is a professor of economics at George Mason University who has spent over 40 years in school. “The system has been good to me,” he confesses. “Very good. I have a dream job for life.”

He’s also a shameless traitor to his profession and guild, a critic of the system that’s afforded him a life of leisure and affluence. That’s a *good* thing. We need more honest critiques of the higher-education boondoggle from privileged insiders. As an economist, moreover, he argues from data and facts, not feelings or emotions. He’ll undermine his own best interests if statistics lead him inexorably to positions at odds with his personal welfare.

The Case Against Education: Why the Education System Is a Waste of Time and Money hits bookshelves amid reductions in government spending on universities due to budget shortfalls in the aftermath of the Great Recession. The chorus of complaints runs something like this: “Legislators don’t realize what goes on in the university; they don’t understand what it takes to teach and research; they don’t know what I do to earn my pay; they don’t appreciate how important education is to our state; they can’t competently assess my everyday work.”

But Caplan understands these things, having spent his entire career as a student or a professor at major research institutions. The argument against educational excess is more credible coming from an academic, like him, who’s complicit in its harms.

Caplan's chosen title (with subtitle) says it all: His target isn't the acquisition of knowledge (it's *good* for people to learn), but the wasteful, exorbitant *system* that in many cases impedes rather than facilitates the acquisition of knowledge. Five provocative words on the book's opening page—"there's way too much education"—are predicated on the proposition that learning and education are distinct, that garnering credentials does not correlate with increased erudition or competence.

It's no secret that the costs of higher education have been rising steadily for decades. Universities have long been reallocating resources away from basic classroom instruction and towards amenities, administrative payrolls, athletic programs, student services, and construction projects. The ready availability of federal student loan money has enabled colleges to hike tuition and fees, forcing students to shoulder heavy, often unmanageable debt burdens. As a result, the artificially inflated price of a college degree is greater than the actual costs associated with teaching and research.

Caplan believes enough is enough. "The heralded social dividends of education," he insists, "are largely illusory: rising education's main fruit is not broad-based prosperity, but credential inflation." He boldly submits that "the average *college student* shouldn't go to college."

Objections to these strong claims are predictable: don't college graduates earn more money than those without a college degree? The answer, of course, is yes. But that's not the full story.

Caplan explains that the primary value of a college degree is in its "signaling" power. That diploma on your wall doesn't tell employers how much you know or what skills you have attained. Rather, it signals to them your tenacious character and work ethic. Finishing college proves you have the wherewithal and discipline to claw your way to the top. The problem, of course, is that an abundance of earned bachelor's degrees diminishes their value while graduate degrees become the substitute marker of distinction. If you aren't learning practical skills as you chase multiple degrees, you and the institutions funding your education (likely the government) are just dumping money to jumpstart or advance your career, in which case all this spending seems, well, inefficient and unnecessary.

Courses in college aren't intrinsically valuable. You can spend months on YouTube watching recorded faculty instruction at Yale and Stanford, learning vast amounts of information, but no one will hire you for that effort. After all, you've gained no credential. On the other

hand, you could sit through college classes that don't interest you, excelling on exams but forgetting the tested material as soon as the class ends. You will be no wiser from this experience. Employers know that and don't care. They don't hire students for wisdom or knowledge. They hire students with a record of demonstrated success.

Caplan emphasizes the importance of "conformity" to the signaling model. Employers and teachers share a key preference: they generally favor cooperative and dutiful personalities over lazier and more disagreeable alternatives. The ability to fit in, to adapt to different social settings, tends to impress business leaders. College grades reveal temperaments, dispositions, traits, and priorities—they demonstrate whether a student conforms to expectations. Formal education isn't the only way to demonstrate conformity, but, in Caplan's words, it "signals a package of socially desirable strengths." He adds, "If you want the labor market to recognize your strengths, and most of the people who share your strengths hold a credential, you'd better earn one too."

Caplan sensibly advocates vocational training as an institutional corrective, but has little workable advice for people pursuing certain vocations. Someone who wants to be a teacher must earn the necessary credential; someone who wants to be a lawyer must attend law school. Whether these credentials are needed at all—that is, whether they are suitable prerequisites that adequately prepare students for the everyday practice of their desired vocation—is a significant question warranting extensive debate, but regrettably it falls outside the scope of Caplan's project. His substantial case against education might leave you wondering, at any rate, why he thinks universities can effectively provide vocational training at all. If they're so bad at what they do, why would they shine at this new task?

There's also a "presentist" element to Caplan's thesis. Universities weren't designed to prepare students for vocations outside of medicine, law, or the clergy. Until late in the 20th century, you didn't need college to compete on the job market. Universities have a complex and chaotic history that makes undue emphasis on workforce training seem shortsighted. The number of students attending college to advance innovative research or otherwise contribute academically to the sum of knowledge remains low. The central purpose of the university isn't served by the current form of higher education in which a premium is placed on employment outcomes. Caplan isn't trying to remake higher education or return it to its medieval roots, but by

inflaming passions at least he might redirect attention to the central mission of universities: to educate and spread knowledge.

As the holder of a Ph.D. in English, I commend the colorful chapter “Nourishing Mother” to the skeptically inclined humanities professor who stands ready to accuse Caplan of prizing social and economic returns over the immeasurable effects of literary, aesthetic, philosophical, historical, or theological inquiry. The scholar of arts, society, and culture may be surprised to find a useful ally in Caplan, although his discussions of “high culture” and “taste” may irritate English professors, who will quickly recognize how little Caplan understands their discipline.

It’s obvious that higher education in its current manifestation is financially unsustainable. Something has to give. Skeptics should read *The Case Against Education* with an open mind and an eye toward the future. Caplan is heavy on issue-spotting but short on solutions, but he provokes difficult conversations that are long past due.

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