

Rediscovering Political Economy

Joseph Postell and Bradley C. S. Watson (Editors)

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It is not easy to find a book on political economy that starts as well as this one does, with real insights on themes that matter. Unfortunately, the work does not progress as neatly as it begins. The problem is not the prose or concepts: both are impressive from start to finish. The issue is that ten scholars have written ten chapters that exist in some disconnect.

If one is looking for something like a potpourri of ideas related to the moral complexity of political economy, this book delivers a good experience, especially for those who enjoy historical observations. If, however, one seeks an integration of competing ideas (or at least some intriguing rational combat), one will not find much intellectual interplay between the chapters. Nonetheless, while each scholar's work stands alone, there are a few cross-pollinating dynamics.

The book rises from ten papers presented by notable economic thinkers at a conference cosponsored by the Heritage Foundation and the Center for Political and Economic Thought (at St. Vincent College, Latrobe, Pennsylvania). Allegedly, each essay aims to contribute something to the reuniting of economics with political and moral principles, especially in the context of the US Constitution. This is an admirable goal. Still, as the book's organizers point out, economics as a discipline has little capacity to adjudicate between competing presuppositions that underlie the political economy discourse. There is little in the text to suggest that such capacity has suddenly grown. Nonetheless, it is good that the conference participants have provided interested parties an opportunity to evaluate the observations, rationales, and assumptions that inform their endeavor to reseed the logic of moral principles into the field of political economy.

Robert Sirico, a cofounder of the Acton Institute in 1990, begins the book's first chapter by observing instability in the social order arising from a defense of liberty on the ground of efficiency rather than a legitimate normative basis. He argues that the management of a libertarian society without reference to morality will ultimately prove injurious to the liberty itself (4). While Sirico does not reference Theodore Roosevelt in this context, the idea calls to mind President Roosevelt's famous dictum that "sweeping attacks ... upon all men of means, without regard to whether they do well or ill, would sound the death knell of the Republic; and such attacks become inevitable if decent citizens permit rich men whose lives are corrupt and evil to domineer in swollen pride ... over the destinies of this country."

Sirico then dissects political economy's torn sinews with the dexterity of a surgeon. He declares, "In any market, the kinds of goods and services producers provide reflect the values of the consuming public" (4). In other words, the free market model is not inherently good or evil: It is as good and wise as the minds and hearts of those who create market demand and consume the supply. Sirico continues, "That is both the virtue and the vice of the consumer sovereignty inherent in market transactions where the consumer is

king. Where the values of the buying public are disordered, the products available in the market will be disordered as well” (4).

The argument to this point is splendid and the core ramification inescapable: Where cultural drift results in foolish consumer demand, an economy and polity will sink as a consequence. Casting Sirico’s argument as a baseball game, two runners are now on base with no outs. Unfortunately, Sirico’s batting line-up does not bring these particular runners home, at least in my reading. Instead of arguing that regulatory guardrails must be erected as a lesser evil when sobriety is no longer behind the wheel on the free-market highway of life, Sirico moves to a discussion of other matters such as rights versus privileges—useful corollaries but not the same thing as scoring the runners on base. Happily, Sirico scores many other runners in ensuing innings. The result is a chapter brimming with worthwhile reflections and artful prose.

The second chapter, by John D. Mueller, involves an exploration of the notion that natural law’s teachings are sound enough to ensure that neoscholastic economists will win the political economy debate in the end. Empirical observations will build the case for Aristotle, Augustine, and Aquinas (35). As a result, the idea that economics can be efficient without a moral compass will decline.

In chapter 3, Alan Levine examines the historicity of the debate over the merits of commerce. In the following chapter, Samuel Hollender argues that Engels and Marx never provided an adequate exposition of their vision of a communist organization. Many readers are likely to find Hollender’s interposition of Adam Smith the more interesting part of his essay, as Hollender has Smith addressing the moral hazard that arises from interest rates kept artificially low for too long—a matter of continuing salience.

Chapter 5 finds Bruce Caldwell extolling the wisdom of Hayek, Austrian insights represented as potentially curative for what ails us in these trying times. Readers are reminded that markets are dynamically self-adjusting, so government is best kept small—a point I would much rather dine with than the idea that positive unintended benefits arise in the aftermath of “markets gone wild” (my indelicate phrase, not his). Caldwell acknowledges that Hayek worked primarily at the level of generalities (108); hence, there is room for creativity in the application of principles.

Chapters 6 and 7 (Richard Wagner and Thomas West, respectively) show the prospect of integration with Robert Sirico’s chapter. In explaining how leveling (egalitarianism) puts the general welfare at risk, Wagner posits “raising” as a superior alternative. One could argue that the connectivity between Sirico and Wagner is found in the idea that free markets arising from prudent culture will be morally fair markets, thus *raising* by a natural dynamic those who contribute appropriate value to the sustainable public good (i.e., the centerpiece of a virtuous national ethos). The outcome justifies fewer resources for program-driven redistribution; hence, a smaller government footprint. Arguably, West’s examination of the Founding Era undergirds this theme with the observation that sound government protects people’s right to acquire property, not merely to hold it. The idea of people continuously improving their state of being in the world implies the importance of

a *revised* market architecture that rewards moral merit justly, thus diminishing the need for omnipresent government—an outcome friendly to Bruce Caldwell’s Austrian concerns.

In the last three chapters of the book, Peter McNamara seeks common ground between Hamiltonians and Jeffersonians; Joseph Postell justifies a limited government superintendency over the economy; and Larry Schweikart warns that America’s fiscal and monetary policies will bring a day of reckoning. One can find useful ideas in these three chapters as well as throughout the book. That said, the book ends rather abruptly, with no capstone chapter pulling together whatever can be gleaned from the respective chapters.

The absence of a thematic conclusion suggests the lack of a political economy road-map that spans the text. The collection of essays is best viewed as a road *toward* the rediscovery of political economy. One travels the road and gains some understanding of the ideas that will belly up to the negotiating table when it comes time to put the national Humpty Dumpty back together again. Until then, one should occasionally dust off a copy of David Ricci’s 1984 Yale University Press book, *The Tragedy of Political Science*, and console oneself with the realization that a political economy lacking suitable morality is an invitation for eventual replacement by a better one. Granted, the way higher will have detours and not be easy. Still, days of rebuilding usually follow days of collapse. *Rediscovering Political Economy* is a useful book for understanding the polity’s ongoing demise as well as its prospects for eventual rebirth.

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The Economics of Good and Evil: The Quest for Economic Meaning from Gilgamesh to Wall Street

Tomas Sedlacek

New York: Oxford University Press, 2011 (368 pages)

Here I am in my finest tweed, with a fine cigar in hand, a brandy snifter on the table next to me, and a book cracked open to examine the meaning of good and evil from the perspective that part of real human life involves economics. Let us be clear, though. This book is not about good and evil in themselves, but rather peers at them through a lens that hints at notions often front and center in modern discussion—I refer primarily to the post-Enlightenment discussion concerned with pleasure, pain, and the like. Rather, we must sit down and consider a wider range of sources on this question. The purpose is simply to help us become more cognizant that economics—material reality and our wellbeing—has always been only a minor factor in the human conquest of happiness.

One might say that this book encouraged me to sit back and survey historical expressions from the most ancient of civilizations to the present day concerning the general meaning of economics. This book, strictly speaking, does not really go head to head with