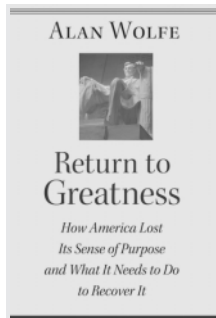

Book Reviews

Return to Greatness: How America Lost Its Sense of Purpose and What It Needs to Do to Recover It

by Alan Wolfe

Princeton University Press • 2005 • 239 pages • \$22.95

Reviewed by Richard M. Ebeling



Alan Wolfe is a professor of political science and the director of the Boisi Center for Religion and American Public Life at Boston College. In the pages of his new book, *Return to Greatness*, we learn about one of the great disappointments and frustrations of his life: “An entire lifetime can pass—my adult lifetime actually—without the existence of a single president both willing and able to leave the United States a greater nation after he left office than he found it upon assuming his position.”

Wolfe bemoans the fact that he did not have the good fortune to have lived under the political leadership of Abraham Lincoln during the Civil War, or Teddy Roosevelt in the “enlightened” years of the American progressive movement, or even better, through Franklin Roosevelt’s heady New Deal days of reform and regulation, and global greatness during World War II.

Wolfe wishes his life could have been made thrilling with the drumbeat of “great national causes” bigger than the simple affairs of his ordinary personal existence. If only he had been lucky enough to live during a time of a wise and good American *Führer*, who would have given his life purpose and meaning at home and abroad in the pursuit of “national greatness.” Now in his mid-60s, he still dreams the “greatness” dream that he so badly wants to experience before he passes away from this earth.

Of course, the central question is: what makes for “national greatness”? Most of the book is devoted to telling us what set of ideas and actions do not make for such greatness. In this, he is an “equal opportunity critic.” He takes to task American conservatism, libertarianism, and modern liberalism. He detests conservatives the most. He parades before the reader all the usual charges: con-

servatives are mean-spirited and only interested in lining the pockets of their country-club buddies. Moreover, dressed in their religious garb, they are self-righteous demagogues who use faith to feather their own financial nests. He disapproves of current American foreign policy, but only because the present Republican administration will not cooperate with other countries for a joint effort to make over the world in our own image. This “go it alone” business is not a basis of “greatness.”

Libertarians come under attack because, well, they think “small.” They believe that individuals should direct their own lives and that any network of human relationships should arise out of the spontaneous interactions of people in the marketplace. For Wolfe, libertarians therefore don’t appreciate that America cannot and will not be “great” unless the nation has a common set of goals directed by a central political authority. Only Big Government can make us “great.” And, of course, he shakes his head in shock that libertarians should still believe in the “absurd” idea that free, unregulated markets can be fair and just.

Modern liberals come under attack as well. Wolfe thinks they are so depressed that the Republicans are in control of the White House and Congress that they just want to hunker down and minimize the damage from conservative domination of American politics. He thinks this is symbolized by the number of liberals who have become extreme environmentalists, wanting to keep the forests and wetlands of America pristine so the conservatives will not cut down every tree, wipe out every endangered species, and drain every pond to build a Wal-Mart. Wolfe harks back, instead, to the happy days of Teddy Roosevelt’s conservation movement in the early twentieth century, under which wise and farseeing government planners managed the forests for a proper balance between man and nature, while preventing greedy loggers from ruining the planet.


What he also dislikes is any presumption of universal and abstract principles that should limit the powers and actions of the federal government. He rejects the notion that the “truths” of the Founding Fathers should in any way influence the role and scope of government in the 21st century. How can government undertake great things today if it is constrained by an out-of-date constitution written more than 200 years ago? Great gov-

ernment leaders must have the discretion to do bold things with American resources and lives, so we can be molded into something larger than our little individual existences. In Wolfe's eyes, expediency and pragmatism are the hallmarks of great nations and great leaders.

Typical of too many political scientists, Wolfe seems to be blissfully ignorant of what economics has to say about the political process. Public Choice theory, as this branch of economics is called, has been lucidly demonstrating for many years the perverse effects that arise when governments are not narrowly restrained by constitutional limits in what they may do, and for what. Once the political system is "freed" from being guided by abstract truths and principles concerning individual liberty, politics soon sinks into a destructive game of special-interest groups dividing up favors and privileges at the expense of the taxpayers and consumers.

So what does Wolfe want the American government to do to guide us back onto the path of national greatness? Well, after waiting with bated breath until the last chapter, we finally find out: He wants government to enact an array of "fundamental economic rights" that include national health care, a "living wage" for every American worker, a "right to decent schools," and guaranteed social security. And, oh yes, he calls for some new backbone in modern liberals so they once again will be stirred to support American political and military interventionism in order to make the world a better place through benevolent Big Government.

There it is. "National greatness" equals the same old laundry list of welfare statist and socialist programs, without which Americans will remain puny. Indeed, Wolfe arrogantly says that Americans are getting the less-than-greatness they deserve because they refuse to give the government far greater power over their lives. Or should I say that Americans show their "smallness" by not voting for politicians who have the foresight and wisdom to impose on us Alan Wolfe's vision of what's good.

Only when we hand over power to a *Führer* of whom Wolfe approves will he finally be able to say he has lived in an epoch of national greatness. Unfortunately, it will require the rest of us to give up our individual dreams so Alan Wolfe can have his big one. 

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Exporting America: Why Corporate Greed Is Shipping American Jobs Overseas

by Lou Dobbs

Warner Business Books • 2004 • 196 pages • \$19.95

Reviewed by Donald J. Boudreaux

It looks like a book. It's priced like a book. It's sold in bookstores and carried by libraries. But it's not really a book. *Exporting America* is merely an extended, furious yelp by CNN's Lou Dobbs. It has no index and no bibliography. Nor does it have a single citation to any of the alleged facts that he throws at his readers—which would be worse if he threw many facts at his readers. Truth is, this "book" is short on facts, and long on invective.

Dobbs spits his vituperation at two groups. The first is "Corporate America" (the capitalization is his): rich, greedy, heartless bigwigs who fire workers in America and replace them with low-paid workers in the Third World. This strategy is driven by the bigwigs' need to maximize short-run profits. The second group is free-trade advocates: ideological, heartless eggheads and politicians whose "blind faith" in free trade and the market provides intellectual cover for the greedy bigwigs to continue to "export jobs."

Dobbs loathes this alliance, for it means that our "blind" adherence to free trade might go on long enough to rid America of her middle class. Sounding very much like the leftist Thomas Frank, who argues that the many middle-class Americans who vote for cutting taxes, reducing regulation, and increasing their freedom to trade have been duped, Dobbs just knows that "outsourcing" of American jobs is destructive and wicked. He is outraged at outsourcing and astonished that more Americans don't share his rage.

He cries: "We should be worrying about the prospect of more jobs and more businesses being wiped out by cheap foreign labor, and even more worried about those who blindly advocate free trade for its own sake—well, actually for the sake of powerful U.S. multinational corporations."

He uncovers ominous developments: "And corporate

logos in many cases have more powerful symbolic importance than national flags.”

He puts matters in perspective: “I don’t think helping consumers save a few cents on trinkets and T-shirts is worth the loss of American jobs.”

Mostly he fulminates: “But the simple truth is that our multinationals and our elected officials who support them without reservation are callously and shamelessly selling out the American worker.”

No coherent theory underlies Dobbs’s concerns and accusations. He’s as naive on matters of trade as one can possibly be. In Dobbs’s view, when Americans buy foreign product or services, other Americans are harmed because expenditures abroad mean less demand for American output and, hence, less demand for American workers. The result is unemployment and lower wages. This downward spiral in American prosperity won’t stop until most American workers are paid wages equal to the paltry wages paid in Third World countries—unless, of course, Congress steps in.


Dobbs never stops to ask, “Why are foreigners so eager to earn U.S. dollars by exporting goods and services to Americans?” Nor does he ask why private investment in the United States has been so much higher over the past few centuries—continuing to this very day—than it is in Third World countries.

In a marvelous, if unintended, testament to the success of free-trade ideas, Dobbs nevertheless rejects the label “protectionist.” (This rejection is dishonest, for a protectionist is exactly what he is.) He describes himself as a “balanced trader.”

By “balanced trade,” Dobbs means trading relationships in which the United States runs neither a trade surplus nor a trade deficit with the rest of the world or even with any individual country. Even I, who wasn’t expecting much real analysis from Dobbs, was surprised that he is completely unaware of what “trade deficit” means and that there’s an inherent balance in trade accounts. Any trade deficit (more precisely, any current-account deficit) is exactly balanced by a capital-account surplus. That is, if the United States runs a \$500 billion current-account deficit this year, it runs a \$500 billion capital-account surplus—which means that foreigners are investing at least this amount in American assets.

Dobbs’s obsession with what he mistakenly identifies

as “balanced trade” is especially annoying because he declares that Adam Smith would agree with him. That is unlikely, given that Smith declared in *The Wealth of Nations*: “Nothing, however, can be more absurd than this whole doctrine of the balance of trade . . .”

Friends of free trade will find no arguments or data in this book to challenge their presumptions or theories. Opponents of free trade will find no arguments or data to support their presumptions or theories. All that anyone will find is ranting and raving, as uninformed as it is self-righteous and as hysterical as it is mistaken. 

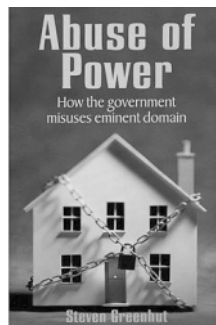
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Abuse of Power: How Government Misuses Eminent Domain

by Steven Greenhut

Seven Locks Press • 2004 • 276 pages • \$17.95 paperback

Reviewed by George C. Leef



The essential difference between a market economy and a socialist one is that in the former, individuals decide how to use the resources they own, while in the latter, government officials make the decisions. The market system is consistent with individual liberty and works well without the use of coercion. The socialist system is not consistent with individual liberty and works poorly because it necessitates the use of coercion.

America at one time was a market economy, but as the country has aged, we have slid toward socialism in many respects. Among the signs of this slide is the loss of freedom to control one’s own land. That’s the case with farmers, for example, who must abide by government regulations on the crops they may grow. It’s the case with urban landowners, who must abide by zoning regulations. And it’s also the case when land is taken from owners under what is called eminent domain. This is the theme of *Abuse of Power* by journalist Steven Greenhut, who has followed this subject for years. What Greenhut gives us is a thorough investigation of the

rampaging growth of this assault on private property, which frequently leaves the reader shaking his head in disbelief at the villainy of the process.

The original concept of eminent domain sanctioned in the Constitution is that government may take private property when it is necessary for a public use, and then only if just compensation is paid to the owner. Even that is a dangerous departure from libertarian principles; government should no more make anyone “an offer he can’t refuse” than should criminals. But so long as eminent domain was limited to property seizures only for true public uses—roads, for example—the damage was fairly small. The problem, Greenhut informs us, is that eminent domain is now routinely used to take land from people not for some public *use*, but instead to advance anything that might be called a public *purpose*. By going along with this, the courts (the U.S. Supreme Court is now the main culprit) have allowed an almost limitless expansion of eminent domain.

As Greenhut shows with many, many cases, eminent domain is now routinely used to transfer land from one party to another simply because politicians believe that it will be put to better use. “Better” here simply means “paying more in taxes.” An old house or a small business brings in a small tax take. Condemning the property and forcing its sale in order to hand it over to a big commercial enterprise that will generate far more tax revenue is regarded by many politicians as a *public purpose*. They have no qualms about slapping the label “blighted” on people’s homes or businesses so they can force them out.


Forced transfers to satisfy politicians and well-heeled developers are appalling enough, but the other side of the transaction is also terrible. The requirement of “just compensation,” Greenhut contends, is often ignored. “Almost always,” he writes, “the government tries to lowball the property owner, in many cases offering a fraction of the property’s value.” The unfortunate property owner usually loses. Even if he hires an attorney to contest the amount offered, the legal expenses involved generally mean a considerable net loss in wealth for him. (Of course, “compensation” in a forced sale can never be just; justice requires consent.)

Where is the judiciary in all this? Won’t judges step in to stop these seizures? Unfortunately, no, as Greenhut

demonstrates. Judges are often indifferent to the plight of individuals targeted for removal. Most seem to share the mindset of the politicians: that people who fight against eminent domain are greedy opponents of social progress.

Not even churches are safe from eminent domain. Actually, tax-exempt property is among the least desirable of all uses from the standpoint of tax-hungry politicians. Greenhut’s cases where churches have been eminent-domain victims will raise the reader’s ire further.

An instructive side lesson is that many of the politicians guilty of eminent-domain atrocities are “liberals” whose campaign rhetoric oozes with “compassion” for the supposedly downtrodden citizens. They don’t mind treading all over real people, however, if it will enable them to achieve the supreme objective of an expanded tax base, enabling them to spend more on their favorite projects and constituencies. Eminent domain is another piece of evidence for the Public Choice economists.

At the book’s end Greenhut offers helpful advice to people who find that they need to fight back. It can be done. Bravo to the author for showing how. 

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The Right Nation: Conservative Power in America

by John Micklethwait and Adrian Wooldridge

Penguin Books • 2004/2005 • 450 pages • \$25.95 hardcover; \$16.00 paperback

Reviewed by William H. Peterson



As I read them, our British authors, the sharp and witty Washington-based editors of the weekly London-based *Economist*, are modern-day if imperfect Alexis de Tocquevilles, updating *Democracy in America* by some 165 years. Recall the shrewd Tocqueville’s prescience in seeing how America, then but 45 years old and supposedly constrained by the Constitution, could wax via democracy into Big Government and the vast welfare-warfare state we witness today.

This is the state on which our authors focus. They aren't much interested in either praising or condemning the conservative movement, but seek to explain its political success over the last several decades. They do that very well indeed. Micklethwait and Wooldridge thoroughly cover the whole spectrum of conservative politics, from the ground troops of the Republican Party to the brigades of analysts and policy wonks in the various rightist and free-market think tanks. (But sorry to say, FEE doesn't get a mention.)

Micklethwait and Wooldridge take Western Europe as a counterpoint, a sort of leftish benchmark, and note that America is conservative in a relative way—and in a bipartisan way. Even “liberal” Democrats here are “conservative” in comparison with European leftists, something that the authors attribute to the “effectiveness” of the conservative movement.

Where I take major exception with the authors is precisely that—American conservatism is “effective.” Effective, how? Maybe in slowing down the progress of government expansion a tiny bit. We aren't quite as bad off as, say, Sweden, but the main contours of America are not much different than they were when Nixon took office. And now we have a huge new federal entitlement in prescription drugs, courtesy of a “conservative” president.

Our authors note that America is the only developed nation without a full government-supported health-care system; that it is the only Western democracy that does not furnish child support to all families; that it is ready to be the only OECD nation (of 30—Australia seems about to give up being the only other holdout) to deny paid maternity leave. In this sense are we “the right nation,” one with “conservative power,” but I'm not inclined to see any remarkable conservative power in the fact that the United States hasn't bitten on some of the worst ideas meddlesome politicians have come up with.


When the authors talk about “conservative power in America,” I say this could well be the very power that Milton Friedman put down as “the tyranny of the status quo.” Few conservative politicians have the nerve to challenge the deeply ingrained collectivist notions that many Americans hold, ranging from “public education” to eminent domain. The great conservative movement has done precious little to shake people out of those

ideas, and it's becoming increasingly clear that many conservative leaders today don't even care to try. It reminds one that F.A. Hayek took pains to explain why he was not a conservative.

A particular blind spot for Micklethwait and Wooldridge is the phenomenon of rent-seeking. In their index, they give 12 citations to Milton Friedman and ten to Hayek, yet none to another Nobel economist, James Buchanan. Yet it was Buchanan who, with Gordon Tullock, came up with the idea of Public Choice, the explanation for why the modern democratic state inevitably gets caught up in the favor-granting business. Here special interests press our vote-and-campaign-money-hungry politicians for favors including subsidies and manifold tax-and-import protectionism.

Micklethwait and Wooldridge correctly charge the Bush White House with kowtowing to special interests, letting federal spending (defense and nondefense) skyrocket, federalizing airport security with tens of thousands of new government employees, slapping tariffs on imported steel, signing the biggest farm bill on record, and, by the way, casting not a single veto on a spending or any other bill. What they apparently fail to see is that the federal juggernaut is a systemic problem that conservatism has done nothing to solve.

Back in 1835, Tocqueville foresaw today's democratic state, where all too often “The will of man is not shattered, but softened, bent, and guided; men are seldom forced by it to act, but they are constantly restrained from acting; such a power does not destroy, but it prevents existence; it does not tyrannize, but it compresses, enervates, extinguishes, and stupefies a people, til each nation is reduced to nothing better than a flock of timid and industrious animals, of which the government is the shepherd.”

Dear *Freeman* reader, look out. Make way for more shepherded “progress.” Messrs. Micklethwaite and Wooldridge amuse and edify us on today's Politicized America, but do so in an ephemeral way. They silently endorse government interventionism as a given and conservatism as a means of protecting the status quo. Tis a pity. 

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