

---

# Book Reviews

---

## **Opposing the Crusader State: Alternatives to Global Intervention**

*Edited by Robert Higgs and Carl P. Close*

Independent Institute • 2007 • 291 pages

\$15.95 paperback

Reviewed by Doug Bandow



It doesn't seem to matter how badly America's foreign policy of global intervention has failed. The governing elite advocate more and more extensive intervention.

Virtually every leading national political figure insists that the United States must prevent Iran from developing nuclear weapons.

The left wants to intervene in Sudan to save lives. Some on the right continue to mutter darkly about the need to confront North Korea if the nuclear negotiations stall. The Pentagon complains of excessive Chinese military spending, lest Beijing create a force sufficient to deter the U.S. from intervening in the Taiwan Strait.

It is a policy of war everywhere, all the time.

Robert Higgs and Carl P. Close, both of the Independent Institute, observe: "Before 1898, however, an opposite approach to foreign policy was widely considered to be more desirable and more consistent with the principles of the American Revolution. This approach—whether called neutrality, noninterventionism, or isolationism (the latter a smear word used by its critics)—boiled down to refraining from the use of military forces except to defend the nation against attack." In *Opposing the Crusader State* Higgs and Close marshal a range of essays debunking the prevailing interventionist consensus.

Noninterventionism was the logical policy for America. Contributor Joseph Stromberg writes: "Reinforced by geographical isolation from the rest of the world, the traditions of British insularity, and public preoccupation with expansion into contiguous land areas, nonintervention became the seldom-questioned premise of U.S. relations with established European powers and their empires."

Over time, America's interventionist episodes grew more frequent, but generated strong opposition. The Spanish-American War brought the United States its first overseas colonies. World War I took America back into the European quarrels that George Washington urged America to avoid. This conflict led, in Stromberg's words, to "a general revulsion against war and grand crusades that was to last for two decades" and was overcome only with great difficulty—and with the help of the Japanese military—by Franklin Delano Roosevelt. Since then intervention has dominated U.S. policy, but opposition has flared against the hot wars, particularly in Vietnam and Iraq.

FEE's own Sheldon Richman writes about the "Old Right Jeffersonians" who opposed the New Deal. Obviously, they failed to prevent intervention in the economy or in World War II, but they organized groups like FEE. Richman writes: "This fledgling and underfunded network nourished young scholars, supported the work of older ones, and planted the seeds of the classical liberal, or libertarian, movement that would begin to flourish in the mid-1970s."

One of the great historical what-ifs is what if Senator Robert Taft had been elected president? Professor Michael Hayes of Colgate University attempts to answer that question. Taft believed the purpose of U.S. foreign policy was to protect the liberty of Americans and preserve the peace. Taft, writes Hayes, "abhorred war and consistently sought to avoid U.S. involvement in war if possible." Needless to say, Taft was a very different Republican than those who dominate the GOP today.

*Opposing the Crusader State* also includes an interesting exchange between Ted Galen Carpenter of the Cato Institute and R.J. Rummel, professor emeritus at the University of Hawaii, over the so-called "democratic peace" thesis. Does democracy itself encourage peace? Rummel argues so, while Carpenter disagrees. Carpenter has the better case, particularly when he points out that during the Cold War the democratic United States cheerfully initiated regime change against a number of democracies. Nevertheless, whether the recent peacefulness of Europe most reflects the growing weariness of destructive war, democratic polities, increasing wealth, or merely the short time most of the continent has been democratic is impossible to say for certain.

The volume closes with a section on the impact of free trade and globalization. Edward Stringham of Trinity College dismisses the canard that wars are fought for trade: "Contrary to widely prevailing views, markets and war do not go hand in hand. The market promotes peace." Erich Weede of the University of Bonn goes even further, arguing for a "capitalist peace" and dismissing the claim that globalization destabilizes societies and creates conflict. The beneficial impact of markets helps explain the superficial success of the democratic-peace thesis, since democratic countries tend to be more capitalist.

Most Americans want peace. Most American politicians want war, or at least the sort of interventionist foreign policy that leads to war. How to help the former to rein in the latter? Higgs and Close provide a mix of history, theory, and experience that should aid development of a new, noninterventionist foreign policy. **FEE**

*Doug Bandow (ChessSet@aol.com) is the Robert A. Taft Fellow at the American Conservative Defense Alliance and author of several books, including Foreign Follies: America's New Global Empire.*

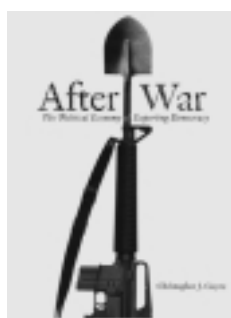
### After War: The Political Economy of Exporting Democracy

by Christopher J. Coyne

Stanford Economics and Finance • 2007 • 248 pages

\$65.00 hardcover; \$24.95 paperback

Reviewed by Ivan Eland



In an important new book, *After War: The Political Economy of Exporting Democracy*, Christopher Coyne, an economics professor at West Virginia University, cogently argues that since the late 1800s, American attempts to export democracy at gunpoint have been mostly unsuccessful.

He convincingly demonstrates all military options to be flawed and advocates a noninterventionist, free-trade approach.

Coyne analyzed 25 U.S. occupations and concluded that ten years after American forces departed, only

seven of the countries had achieved stable liberal polities (with results in four countries, including Iraq and Afghanistan, too early to assess). Thus the success rate of "nation-building" is only 28 percent.

Coyne's results closely agree with a study done in 2003 by Minxin Pei and Sara Kaspar for the Carnegie Endowment of Peace. Their study found that only four of 15 episodes of U.S. nation-building resulted in democracies lasting ten years or more (with the results from the two current episodes of Iraq and Afghanistan still out). That is a similarly abysmal 27 percent.

The author is vague about how he selected the episodes to put on his list of armed democracy-building adventures. As an economist working on a noneconomic issue, he naïvely seems to have taken the rhetoric of U.S. administrations at face value. However, a seasoned international-relations expert might have realized that despite the perpetual hype on installing democracy, some of these U.S. interventions—in fact, many of them—were not primarily done to bring democracy to the particular country. In reality, since the beginning of the last century, the United States, when overthrowing foreign governments, has often preferred friendly governments to democratic ones. The United States has even overthrown democratic governments and installed dictators—for example, in Iran in 1953, Guatemala in 1954, and Chile in 1973.

Coyne seems to accept that the Clinton administration's motivation for occupying Haiti in 1994 and for intervening in the former Yugoslavia in 1996 (Bosnia) and in 1999 (Kosovo) was merely to install democracies. In actuality, Haitian refugees washing up in the key electoral state of Florida and giving the NATO alliance a new mission to justify keeping U.S. forces in Europe after the Cold War, respectively, may have been the primary reasons for those military actions. Similarly, Coyne also seems to buy the Bush administration's "democratization" rationale on Afghanistan and Iraq. These realities do not affect Coyne's principal effort to show that attempts at armed democracy-building usually fail whether or not installing democracy is mere rhetoric or the real purpose of the military interventions. But he does appear somewhat gullible in failing to acknowledge that building democracy might not have been the primary purpose of the interventions he examines.

The author also accepts the argument that failed states are dangerous to U.S. security and that something must be done about them. Laudably, to gradually push those states toward democracy, Coyne advocates a “hands-off” approach of nonintervention and unilateral U.S. free trade with them. Yet one should not assume that failed states half way across the world are automatically a threat to the United States. The threat of blow-back anti-U.S. terrorism only occurs when the U.S. enmeshes itself in such civil wars and tries to “fix” the countries involved. Overstating the threat from failed states only adds to the hysteria that interventionists regularly exploit.

After demonstrating that most armed nation-building attempts haven’t been successful, Coyne tries to use game theory and other economic analyses to examine why. His conclusions are sound, but using game theory and its arcane terminology to reach the same result that could have been arrived at by logical reasoning and common sense detracts from the book’s impact. In the social sciences, such attempts at faux rigor do not add much analytical value and merely make it difficult for the lay reader to understand the valid points made.

Finally, Coyne doesn’t apply economic analysis to his own proposed solution. If he did, he would discover that his ideal solution of nonintervention and unilateral free trade with failed states would be undermined by Public Choice factors. Powerful lobbies for foreign intervention exist within the Pentagon and State and Treasury departments, and in a corporate world looking for hidden subsidies. Also, influential protectionist lobbies will deem unilateral free trade unfair. Coyne chooses the right approach, but he should have acknowledged the challenges of changing government policy in this fashion.

Despite these minor drawbacks, *After War* confirms that attempts at democracy-building at gunpoint rarely work. If President Bush had read this book before invading and occupying Afghanistan and Iraq, it might have given him pause. At least it should have. **FEE**

---

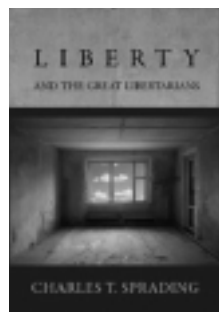
*Ivan Eland (ieland@independent.org) is a senior fellow at the Independent Institute and author of the books The Empire Has No Clothes: U.S. Foreign Policy Exposed and Putting “Defense” Back into U.S. Defense Policy.*

## Liberty and the Great Libertarians

Edited by Charles T. Spradling

Ludwig von Mises Institute • 2007 • 540 pages • \$36

Reviewed by George C. Leef



This book was originally published nearly a century ago—in 1913 to be precise—and the Ludwig von Mises Institute has done the world a service by reprinting it. The collection is a welcome reminder of the great historical lineage of libertarian thought. It’s also a treasure trove of sterling insights and pithy quotations that are every bit as applicable now as they were one, or two, or three centuries ago.

Spradling was a libertarian writer and activist. The book tells the reader nothing about him, but a bit of Internet searching reveals that he was interested in many libertarian causes. Among other things, he adamantly opposed “blue laws” and American participation in the United Nations.

The book begins with an essay by Spradling on the essence of libertarianism. He equates human progress with the gradual acceptance of liberty. The first victory was for freedom of thought. Libertarians advocated freedom for all people to think, but, Spradling writes, “Authoritarians protested that freedom of thought would be dangerous; that people would think wrong; that a few were divinely appointed to think for the people. . . .” The battle for freedom of thought was followed by battles for freedom of speech, press, assembly, and religion.

Among Spradling’s many insights is that government officials usually stand to gain personally from the state’s expansion. “The more laws, the more ignorance of them; the more ignorance of the law, the more the laws are broken; the more the laws are broken, the more criminals there are; and the more criminals, the more policemen, detectives, lawyers, judges, and other officials that go to make up a strong and expensive government. All of this is good for government officials, but bad for the citizens who carry the load.” One sees an early grasp of Public Choice theory there.

He also anticipated Murray Rothbard's analysis that the true class division in society is between producers, who are compelled to pay taxes, and the militant class of parasites who consume taxes and dominate the producers.

The bulk of the volume consists of readings from libertarian writers going back to the eighteenth century (Edmund Burke, Thomas Paine, Thomas Jefferson) and continuing up until the early twentieth century. There is a lot of great material, as well as some that is a little dubious.

Here, as an example of the former, is Edmund Burke's trenchant view of the state: "Let us take a review of the dungeons, whips, chains, racks, gibbets, with which every society is abundantly stored, by which hundreds of victims are annually offered to support a dozen or two in pride and madness, and millions in an abject servitude and dependence."

Thomas Paine was an early advocate of free trade and opponent of the destructive policies of trade wars: "War can never be in the interest of a trading nation any more than quarreling can be profitable to a man in business."

Ralph Waldo Emerson on the waste of taxes: "Of all debts, men are least willing to pay the taxes. What a satire is this on Government! Everywhere they think they get their money's worth, except for these."

Henry David Thoreau understood the preposterous folly of government "economic stimulus" in 1854: "Yet this government never of itself furthered any enterprise, but by the alacrity with which it got out of its way."

Herbert Spencer saw government as a "necessary evil" that mankind might eventually no longer need if it were to advance morally: "Were there no thieves and murderers, prisons would be unnecessary. It is only because tyranny is yet rife in the world that we have armies. Barristers, judges, juries, all the instruments of law, exist simply because knavery exists."

Benjamin Tucker foresaw that there would be no stopping point once government starts to give in to egalitarianism: "The moment we invade liberty to secure equality we enter upon a road which knows no stopping-place short of the annihilation of all that is best in the human race."

Auberon Herbert perceptively saw the illegitimacy of majority rule: "Majority rule is not founded—any

more than emperor's rule—on reason or justice. There is no reason or justice in making two men subject to three men."

As I mentioned earlier, some of the people Spradling chose to include seem to fit the "libertarian" description poorly. For example, there is a selection from Wendell Phillips, who demands "the overthrow of the whole profit-making system." He and a few others just didn't understand that profits result from voluntary commercial interactions. Get rid of the profit system and you get rid of a lot of freedom. Overall, though, this is an excellent volume. **FEE**

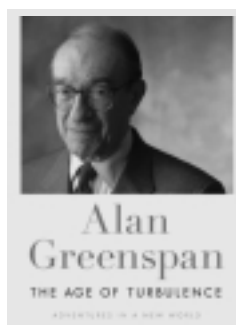
*George Leef (georgeleef@aol.com) is the book review editor of The Freeman.*

## The Age of Turbulence

by Alan Greenspan

Penguin Press • 2007 • 531 pages • \$35.00

Reviewed by Gene Callahan



I will do my utmost to be fair to Alan Greenspan in this review, but I must warn my readers that I have my doubts that I will fully succeed in doing so because, frankly, I am annoyed with the author for having made me wade through this piffle. It is not that there is nothing of interest in this

book, but rather that those rare passages are mere jetsam floating in a sea of name-dropping (Did you know that British Prime Minister Gordon Brown is Greenspan's "friend," or that the author, "Bob" Rubin, and "Larry" Summers were "economic foxhole buddies"?), self-justification for the historical record, and commonplace economic homilies.

Greenspan is of course best known to the general public for chairing the Federal Reserve Board from 1987 to 2006, the second-longest tenure in that office. The focus of the first half of this book is on the series of crises he faced during his chairmanship: the "Black Monday" stock crash of 1987, financial meltdowns in Mexico, East Asia, and Russia in the '90s, and the Internet boom and bust spanning the turn of the millen-

nium. He depicts his role in those episodes as valiantly “groping through a fog” to find the best ad hoc response to each crisis.

Unfortunately, Greenspan never asks whether the Fed’s policies might have caused the difficulties it subsequently sought to fix. For instance, I did not find the concept of “moral hazard” appearing anywhere in this book. What that term means is that a government program intended to ameliorate the plight of investors facing large losses may prompt even greater risk-taking later in the expectation of another bailout should the situation turn sour. Rather than perpetuating a series of crises and costly bailouts, say those who warn against moral hazard, it’s better to bite the bullet once, accept the costs of a few big banks failing, and thereby motivate investors to be more cautious in the future.

Greenspan also skirts the question of the Fed’s role in the Internet stock boom. Some observers at that time contended that the board’s easy-money policy during the 1990s fueled an unsustainable rise in equity prices. I agree. Still, I would listen to a counterargument by Greenspan, but none is forthcoming; he only says that he believed “we’d never be able to identify irrational exuberance with certainty, much less act on it, until after the fact.”

What’s more, our author never considers whether it even is sensible to have an agency assigned to the Fed’s task. He admits that when he first was asked to chair that institution, he worried that “setting interest rates for an entire economy . . . involve[d] so much more than I knew.” But he never asks if performing that job inherently involves much more than *any* individual or committee can know, ignoring the arguments of Mises and Hayek that central planners *always* lack the information necessary to succeed in their appointed task.

But perhaps the most significant flaw in Greenspan’s discussion is his acceptance of the popular image of the economy as a machine, amenable to “fine-tuning,” and

buffeted by quasi-mechanical forces like “inflationary pressures” and “over-heating.” That model provides the primary support for macroeconomic interventionism, but it is highly inaccurate. The course of an economy is not determined by impersonal, blind forces, analogous to gravity or electromagnetism in physics, but by conscious individuals choosing the best action they can envision. It is crucial to the cause of freedom to emphasize that “managing the economy” is nothing like “managing an industrial plant”—the latter involves adjusting the settings of various machines, while the former means restricting the options available to individuals for coping with their own lives.

The second half of this book consists of Greenspan’s take on a number of issues he sees as having global import, such as the rise of China, European social democracy, Latin American populism, “peak oil,” and international financial regulation. While his opinions in this section are often unobjectionable—China ought to embrace democracy, Latin American governments should protect property rights, Europe should deregulate its labor market—few of them are novel and most are expressed more cogently elsewhere.

Despite my criticisms, Greenspan is a bright fellow and there are interesting insights contained in the book. For instance, he recognizes the role of culture in enabling and supporting a market economy, something that was ignored by many Western economists, focused as they were on abstract economic models, in advising the ex-communist nations on how to transition smoothly to life under capitalism.

Even so, *The Age of Turbulence* is a work of little substance, and its composition appears to have been driven by vanity and a doubtlessly alluring advance from the publisher. I was paid to endure it, but I see no reason for readers of *The Freeman* to suffer as I did. **BBB**

*Gene Callahan (gcallah@mac.com) is the author of Economics for Real People.*