

most notably through stealth inflation. Furthermore, it is the poor who are most heavily taxed in an inflationary environment (116).

The importance of Chauffour's monetary policy observations should not be underestimated, especially when one considers remarks made by Federal Reserve Governor Ben Bernanke in a May 31, 2003, Tokyo speech before the Japan Society of Monetary Economics. With an explicit candor seldom found in his stateside remarks, Bernanke advocated the aggressive monetization of government debt in Japan. Thereafter, he acknowledged that monetization "simply amounts to replacing other forms of taxes with an inflation tax." Chauffour's argument on monetary policy highlights the hazard that inflation may cheat liberty by incremental means, especially in the context of global economic development.

On balance, the Chauffour book is a valuable read, especially for individuals with the intellectual drive to endure its elongated arguments. If the work has an Achilles heel, it is the hyperbolic assertion that "freedom determines the norms, value, and nature of institutions and constitutes the ultimate determinant of growth" (74). Is it possible, however, to isolate freedom as the fountainhead of goodness without simultaneously demarcating the intrusions of ignorance, hedonism, and anarchy? Virtuous freedom must work its wisdom in conjunction with other meritorious inputs.

What role should be assigned in economic development to knowledge, institutional memory, culture, ethos, and a state's natural resources? Is rapid economic growth—such as China's current growth—a sufficient appraisal of the propriety of its freedoms? When, if ever, does the expansion of freedom undercut economic growth? Is there an economic development equivalent of "peak oil" by which development produces a detrimental feedback loop against benign liberties? Chauffour's book leaves room to differ on these and other questions. Meanwhile, it constructs a platform for thinking about freedom's power in a world where economic development is differentiated by state jurisdictions.

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Handbook of Economics and Ethics

Jan Peil and Irene van Staveren (Editors)

Cheltenham, United Kingdom: Edward Elgar Publishing,
 2009 (605 pages)

Peil's and van Staveren's *Handbook* is a very ambitious undertaking. In it the editors packed seventy-five articles from seventy-two contributors with the explicit intent to "contribute to the expansion of a critical mass of theoretical and empirical research that challenges the still common beliefs and practices of positivism in much of today's economics" (xvii). They reject the fact-value dichotomy of the mainstream way of thinking on the grounds that values are part of economic analysis, and call for "a revival of

economics as a moral science” (xvi). Their problem was to find a balance between the breadth and depth of the collection.

The entries in the collection are arranged alphabetically by subject or last name of the person whose work is addressed: Veblen, Smith, Kant, and Rawls, among others. The list of contributors is impressive, though not all of them have direct ties to the economics profession. Given the number of entries and their arrangement in the collection, a detailed index is essential. In this regard, Peil, van Staveren, and Edward Elgar do not disappoint.

Reviewing all seventy-five articles in the space allowed for this review is impossible. Reviewing some would be prejudicial, favoring those in which this author has background. For that reason, I will not comment directly on any of the entries, and instead seek to characterize the book in general terms.

While the overall scope of the collection is its strength, it is its weakness as well. Entries are short and do not provide the coverage that many of the subjects require. According to the index, for example, cost-benefit analysis is covered in fewer than two pages. Equilibrium is mentioned on two pages, one in each of two different entries. Individualism—the philosophical foundation of mainstream economics—is examined in five and one-half pages; *homo economicus*/economic man in fewer than seven pages. Distributive justice is addressed, but there is nothing on contributive justice or commutative (equivalence) justice. Other readers with different points of view and different interests most likely could point to other subjects that are not probed deeply enough.

To compensate for this weakness, each entry is strengthened by a reading list. Thus, the entries whet the appetite but do not satisfy. For that reason, the *Handbook* will appeal more to the reader who is comparatively new to the normative dimensions of economics or the fact-value dichotomy and is looking for direction or to the specialist who would like to know more about areas outside his domain of specialization. However, the *Handbook* is listed new at bookselling Web sites for an eye-popping two hundred eighty-five dollars. The cash-strapped graduate student who might find it most useful of all effectively is excluded, unless he or she can convince a friendly acquisitions librarian to put it on the buy list.

I was more than a little disappointed that there were no entries in the index for instrumental value, leisure, economic personalism, credit, collectivism, capital, or investment, and very little on work or the common good. Moreover, there appears to be an error on page 223, where *Homo economicus* is attributed to John Stuart Mill. Mill created the concept “economic man” but never used it in his writings. The 1995 Persky reference cited by the contributing author contained the following footnote of which the contributor took no note. “The first use of the Latin *homo economicus* I turned up is in Vilfredo Pareto’s *Manual* (1906, 12–14) but I haven’t done a serious search of the continental sources.” Had Persky looked further, he might have found an earlier and extensive use of the Latin in Maffeo Pantaleoni’s *Principii di Economia Pura*, which was published in 1889. A wise, old Jesuit with an extraordinary eye for detail used to say, “if you found one error, there probably are others; go back and find them.”

Opening the pages of the Peil-van Staveren collection reminds one of picking and choosing items from a cafeteria line: a worthwhile experience but hardly the same as

sitting down to a magnificent seven-course dinner with advice from the maitre d' and the wine steward.

Perhaps I am being unfair. The editors modestly promised a collection that they hope will help “the ‘re-thinking economics project’”(xviii). Even so, for this reader the *Handbook* falls short of even that objective. It simply does not help to reintroduce the normative dimension into a cohesive and coherent body of economic theory and analysis any more than a pile of jigsaw pieces represents a completed puzzle. It is quite telling that the collection does not have a final entry from the editors as to what has been accomplished or what difference it makes in the way we think about and teach economic affairs.

What the editors have accomplished is to remind us of the need for a book like Samuelson’s *Economics*, which rewrote the principles textbook to incorporate Keynes’ powerful insights and radically changed the mainstream economic way of thinking and teaching; one that is so well-done and compelling that even a veteran instructor of the principles course, who for years has taught from a standard textbook, upon finishing the breakthrough book would offer the simple remark: “Of course.”

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Treasures of the Earth: Need, Greed, and a Sustainable Future

Saleem Ali

New Haven, Connecticut: Yale University Press, 2009 (304 pages)

This new book by ecologist Professor Saleem Ali is an interesting read chock full of facts about the ecology of extractive industries worldwide, written by a man who has explored widely but not deeply. In this short review, I hope to address two questions: who should read this book—who would both enjoy it and profit from it—and what are its weaknesses. There is no reason *not* to read it.

First, an initial, rather critical, observation leaps to the fore. The field of ecology is a branch of economics. Economics is the science of what we do to create value; this book is about what we do with the earth to create value. Like every science these days, the broad agenda of economics has been carved into innumerable franchises by a process that seems to be inevitable when our limited capacities have to cope with the magnitude of factual detail that attaches to each specialty. Nonetheless, economics is fundamentally and essentially “holistic.” By means of economic activity, we transform any kind of thing or process or pastime of value into any other kind of thing or process or pastime. Economics rejects the notion of unique “values” as distinct from *value*. The dentist spends some of his earnings on fishing trips in Canada and in that way converts hours spent in dental school into pounds of Northerns in the freezer. The science of economics is sometimes condemned—a harsh predicate perhaps but not unfair—for pandering to the lowest of human values. The truth is that economics panders to your sense and my sense of value.