

Mark Skousen, *The Big Three in Economics: Adam Smith, Karl Marx, and John Maynard Keynes* (M.E. Sharpe: Armonk and London, 2007) pp. xi, 241, \$25.95. ISBN 978-0-7656-1694-4.

It is an interesting question: if one were to write a book about the big three in economics, who would they be? Economists will find Skousen's book provocative in that they will respond to his opinions with their own. The two major criteria for ranking economists, for most, would be their contribution to economic thinking (theory) and to economic policy. Most historians of economic thought focus on contributions to theory with contributions to policy a side issue. Schumpeter seems to have a fascination with creativity. In this book Skousen focuses on economic policy and ideology. In the Introduction he rejects what he calls the pendulum approach to competing economic theories because it places Smith on the extreme right, Marx on the extreme left, and, therefore, incorrectly finds Keynes as more balanced and ideal in the center.

Skousen proposes a vertical ranking, what he terms a totem pole approach, "according to economic freedom and growth," with Smith at the top, followed by Keynes and Marx. His definitions are often loose or non-existent and he has a proclivity for making statements that make the reader wonder where Skousen got such views. In the introduction he states that Marx's "endorsement of centrally planned command economies at both the micro and macro level has been largely discredited" (p. xi).

It is important to get this issue of Skousen's opinions differing from the majority of historians of economic thought on the table and out of the way. My own reading of the book made me sometimes almost jump out of my chair with some of these statements, but I placed them in a perspective which allowed me to examine and benefit from reading the book. There are lots of footnotes and some are rather interesting. "As historian Jacques Barzun noted, 'Pearls are not valuable because men dive for them; men dive for them because pearls are valuable'" (p. 92). Barzun may have said this in 1958 but Richard Whately first said this in 1831.

Marshall gets rather few pages. On page 107, Skousen credits Menger, Walras, and Jevons as the founders of neoclassical economics. The term neoclassical is not used to describe Marshall. On page 115 it is clearly stated that Marshall synthesized the classical and marginal utility schools, but this is not called neoclassical economics. Most historians find Jevons and Menger as only one blade of the Marshallian scissors. I read this book not as a scholarly contribution to the history of economic thought, but as one written for a larger audience with a focus on ideology and economic policy.

Historians of economic thought are like beetles shifting through a trash pile called economic literature looking for nuggets of previous economic thought. What some regard as gold, others regard as dung.

Although Skousen ranks the three with Smith at the top and Marx at the bottom, his presentation of their ideas follows a chronological order, which permits a much better contrast of the ideological positions of the three. His material on Smith is the best of the three, although he does little with *The Theory of Moral Sentiments* and its role in the larger Smithian system.

The analysis of Marx is problematic since Skousen does not make it clear to his readers that Marx wrote about capitalism, and that the so-called communist societies that emerged under the Marxian banner had little to do with communism as an economic system and almost no connection to any of Marx's writings.

The heavy emphasis on the relationship between freedom and economic well-being throughout the book does clearly indicate that those who used the Marxist criticisms of capitalism as a rationale for their command economies and societies were scoundrels of the first order.

The last four chapters of the book constitute a successful attempt at giving an educated non-economist reader the essentials of economic policy from about 1930 to the present. Skousen stresses the importance of Friedman and how his emphasis on monetary factors and freedom has changed how elementary economics is presented in most of the current textbooks.

I think it is valuable for economists to write books such as this for non-economists. Unfortunately there are no points for tenure or fame—the incentives are just not there.

Harry Landreth
Centre College