

# Basic Economics

by Clarence B. Carson

Interventionist, Socialist, and Communist economic fallacies tend to succeed in the world marketplace of ideas because they are based on what the great French economist Frederic Bastiat (1801-1850) called "what is seen." That is, their "solutions" to a host of social and economic problems are based on superficial analysis and on short-run observations. Bastiat argued that it is the role of economics to force individuals to look beyond the obvious, to look deeply into "what is not seen." This means going beyond easy answers and knee-jerk government "cures" for social problems. This means reading and thinking about what Thomas Carlyle called "the dismal science" of economics.

## Carson at his Best

To keep the forces of Statism in check, each generation must make a habit of "looking at what is not seen." Unfortunately, most readers simply cannot, and will not, wade through a 1,000-page treatise such as Ludwig von Mises' great work, *Human Action*. Luckily, Clarence B. Carson has made economics readable for the layman. In his latest book, *Basic Economics*, Carson does what he does best; he draws on his extensive knowledge of history and free market economic theory (Carson has written 13 other books) to lead his readers carefully through the intricacies and fallacies of economic thought.

To most people, the prospect of spending a week or two paging through an economics book—even a "basic" economics book—is about as appealing as a root canal. Fortunately, Carson's book does not fall into the traditional economics mold. Unlike most economists, Carson writes in plain English. Absent are the econometric quantum equations and pseudo-scientific charts. His book is a delight to read because he unfolds his arguments in a logical, systematic way.

Carson begins by establishing a basic framework for his arguments. First, he discusses the necessity of government and the need for constitutional limits on that government. Carson is no anarchist. He argues that, if nothing else, a government of some kind is needed to fill the power vacuum. To support his thesis, he quotes the great constitutional theorist Gottfried Dietze of Johns Hopkins University, who observed that "there is never a time without government. When one falls, another takes its place."

As for the legitimate functions of government, Carson invokes Adam Smith, author of *The Wealth of Nations* (1776). Smith wrote that, in addition to some forms of maintenance of roads and some institutions, it is the duty of government to "protect society from the violence and invasion of other independent societies" and to "protect... every member of society from the injustice or oppression of every other member of it..." In other words, it is a legitimate function of government to protect the private property rights of individuals from both foreign and domestic aggressors. This means national defense and a local police and court system. Having established a case for the necessity of government, Carson moves into a discussion of morality, and its connection to private property rights.

## Corruption of "Monopoly"

In part two of his book, Carson discusses the production and distribution of goods. He explains scarcity, the role of money in exchange, market prices, and the interventionists favorite bugaboo, "*monopoly*." "In Greek," writes Carson, "the root word for monopoly meant the 'exclusive right of sale.'" He explains that, contrary to left-wing economic thought, monopolies do not spontaneously arise out of a capitalist system, for "a monopoly can only exist by government grant or establishment." Thus, the most effective check on "monopolies" is withdrawal of government's special privileges and restoration of free markets—not anti-trust action from the State.

As with the word monopoly, the Statists have also successfully perverted and corrupted the term *welfare* the better to suit their social agenda. Carson writes that "the word 'welfare' had no connection with relief or anything to do with redistribution of wealth until well into the 20th century." In 1934-1935 the New Dealers were attempting to manufacture a constitutional rationalization for the Social Security System. At this time, welfare meant "a condition of well-being or faring well in life." Through the New Dealers' efforts, writes Carson, "'welfare' acquired a new meaning, and the general welfare clause in the Constitution was used as a justification for taxing and spending for this purpose."

## The Human Cost of Intervention

In the final section of his book, Carson takes the principles he established in the first two sections and shows their applications to various political-economic systems in western civilization from the age of feudalism to the rise of totalitarian Communism. In his sweeping historical survey, Carson clearly shows how society flourished during periods when government economic intervention was the lowest. He also illustrates how heavy-handed government intervention during the age of mercantilism caused hardships for average people, led to wars, and ultimately retarded and destroyed the economies of the mercantilist nations.

Carson's glossary makes his *Basic Economics* perfect for high schoolers. For adult readers, the glossary makes an excellent review section. The biographical sketches of economists that follow should encourage readers to sample the works of Frederic Bastiat, Adam Smith, Ludwig von Mises, J.B. Say, and other notable economic theorists. The net result of Carson's effort is a readable and valuable book on economics, an ideal book to read and pass on to your pastor, to economically illiterate graduate students, etc. Carson's book is not a typically aggressive, slogan-filled "capitalist" diatribe. His *Basic Economics* is gentle, interesting, and a pleasure to read.

—MARK D. ISAACS

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