

address, Andrew Jackson promised to “extinguish” the debt. He succeeded in 1835, and then threw a big party to celebrate. White provides other interesting details on America’s monetary history, the creation of the income tax, battles over tariffs, civil service reforms, and many other things.

In sum, the strength of White’s book is not the soundness of his “Fiscal Constitution” theme. Rather, it is the lively and informative history of two centuries of fiscal policy written in a fair-minded and concise manner.

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The Great Debate: Edmund Burke, Thomas Paine, and the Birth of Right and Left

Yuval Levin

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The French Revolution changed politics forever—in part, of course, because nearly everyone believes that it did and because we have generally acted accordingly. Since 1789, Western political views have been understood to fall into two broad camps: The left bases its claims on reason, a universal notion of human rights, and the pursuit of direct, immediate reform; the right privileges tradition, the continuity of the social order, and change only when absolutely necessary for that order’s upkeep. Both profess to love liberty. Post-1789, one can hardly do otherwise.

Yuval Levin’s *The Great Debate: Edmund Burke, Thomas Paine, and the Birth of Right and Left* is a product of, and a commentary on, this admittedly fertile terrain. The book traces, with copious reference to original source material, the sharply divergent worldviews of Thomas Paine and Edmund Burke, writers who have since become avatars of left and right. Anyone who wants a thoughtful, well-organized picture of these two remarkable public intellectuals should pick up Levin’s book, which maps their disagreements in a set of clear, thematic chapters (“Nature and History,” “Justice and Order,” “Choice and Obligation,” and so on). Levin’s lucid exposition shows even the casual reader why left and right have been such intellectual touchstones. Here you will find a powerful set of tools for analyzing both the French Revolution and the world of today.

Libertarians, of course, dispute the left-right paradigm. Whatever its strengths, we find that, at best, it tells only part of the story; at worst, we find that it obscures the really fundamental questions. We worry that limiting our discourse to left and right leaves no general and principled rejection of state power in favor of voluntarism. On this view, we may like to think that Burke and Paine alike were foes of tyranny, which they surely were, and that, because they were friends of the American Revolution, both were not so far from us. So if libertarians have affinity for Burke and Paine, then where are we on the left-right continuum? The middle? That doesn't seem right.

Thus, one libertarian critique of Levin's work nearly writes itself: What if, in politics, there are—or should be—more choices than two? Why this arbitrary classification?

A more subtle libertarian critique might run as follows: What if the French Revolution didn't work as big a change as either side believed? What if not very much changed at all—apart, that is, from our vocabulary? Classical liberals commonly alleged as much. In particular, Alexis de Tocqueville famously recast the French Revolution as beginning with a state with concentrated power and ending with a state with even more concentrated power. What if *he* was right?

Burke and Paine were fine thinkers, this critique runs, and both must be understood by anyone who wishes to comment on modern ideology. But the same can be said of Tocqueville, and his approach complicates things considerably. Much of the real action again lies well off the one-dimensional left-right continuum.

Now, a book on Burke, Paine, *and* Tocqueville would be a very different one from the volume Levin wrote, and it's never a completely fair critique to fault an author for not having written the book one would wish to have read. I don't mean to do so here, so I shall have to look for other faults, few as they are.

On the question of how the lessons of Burke and Paine should apply to today's politics, some reviewers have wished for more. Levin offers much about their own time, but quite little about anything thereafter, and almost all of it is confined to his conclusion. As for me, I suspect that a reasonably well-informed reader can fill in the blanks well enough. Perhaps also we are better off when left to do this work ourselves, considering that Yuval Levin's characterization of what it means to be a Burkean today will differ from, say, Andrew Sullivan's. And Levin's portrait of Paine is likewise not the Paine we find in the

work of the late Christopher Hitchens, which itself differs from the Paine often quoted approvingly by Cato adjunct scholar George H. Smith. But great thinkers leave us room to argue, and one of the virtues of both thinkers is their versatility.

It is likewise a testament to this book that the faults of its subjects show through as well as their virtues. We are apt to find Burke more than a little toadying, even in Levin's sympathetic portrayal. When Burke refers to the "great families and hereditary trusts" as "the great oaks that shade a country," we can't help but think that Paine's critique of hereditary aristocracy was spot-on. As Paine might have replied, we can count on the oak to bear mighty offspring, but we can't do the same with human families. For his part, Paine certainly comes across as the starry-eyed dreamer, which is, regrettably, a fair assessment. It takes a special kind of naïveté to travel to a foreign country and participate in its revolution while not speaking the language. If he'd been a bit more level-headed, his reputation might be better.

Despite their faults, Paine and Burke are valuable for the questions they make us ponder: When is a social or political wrong amenable to gradual reform? When does it take a revolution? How do we know when political change has gone from incremental, wise, and likely to succeed to radical, foolish, and likely to end in a bloodbath? How much of society are we really supposed to reform in our short time here on earth? And in what direction? Neither Burke nor Paine gave a fully satisfying answer to those questions. Each of them was disposed in one direction, but going by disposition in a sense begs the question. Of course conservatives favor conservatism.

Yet meaningful tests of the two dispositions abound. How would Edmund Burke have reacted, not to the revolution of 1789, but to the revolution of 1989, when the Berlin Wall fell and it became clear that Soviet domination of Eastern Europe was no more? Here was, if any, a revolution nearly as comprehensive as the French one. Here were whole societies reforming themselves as quickly as possible, from a corrupt and evil state of affairs, Soviet communism, to liberal democracy.

Would Burke have been a revolutionary in 1989? It would be hard to take him seriously if he would not have been, and yet it is hard to think of 1989 as anything other than a very comprehensive revolution. I would suggest to Burkeans that the French Old Regime was a

similarly corrupt and sclerotic system, and it could not be counted on to reform itself gradually. Perhaps a revolution really was necessary.

This is not to say, though, that every idea in the heads of the revolutionaries was a good one. Far from it. Many of them were awful and, in practice, they bore awful fruit. The negation of a bad regime is frequently a worse one. The French Revolution replaced a traditional system based on prerogatives and customs not with a limited and liberal government but with a nearly all-powerful government, one that dictated religious policy, reassigned land and wealth willy-nilly, decreed prices and requisitioned goods, curtailed the civil liberties of mere suspects, and waged total war.

Renouncing these measures does not mean renouncing all revolution. Perhaps some revolutions are still worth our endorsement—that is, if they begin with proper principles. Yet these principles were hardly known and almost nowhere in evidence in the late 18th century. The American republic was itself an untried experiment that only partially answered to Paine’s ideas, and hardly at all to those of the French radicals. And the democratic and free-trade reforms that Britain would later enact were likewise quite radical, and nearly unknown, to the 18th century.

I am reminded of medicine during the same era: In the absence of almost any useful medical knowledge, many doctors favored “heroic” treatments, including bloodlettings, laxatives, vomiting, blistering, sweating, and mercury. Heroic medicine was almost never effective, but it put on a good show. It made patients *feel* like something effective was happening. Meanwhile if the patient got any better, it was likely by coincidence.

In the late 18th century, perhaps political science was on much the same footing. One might develop a taste for revolutionary tumult, and one might believe that it was doing good, but calm reforms were perhaps about as likely to be effective, given the measures a revolution was apt to try. Beyond the atrocities of the French Revolution, consider also that we take liberal democracy—then, a radical cure—as a matter of course, but we would find, along with James Madison, much to fault in Paine’s sketches of a good government. Whether in medicine or politics, not all radical changes are worth trying. But some clearly are. When we consider that, at the time, many key principles of economics were wholly unknown, that little data was available on which to base any sort of empirical claims, and that representative democracy was in its infancy, what’s amazing about

these thinkers is not where they erred, but where they continue to offer insight, even to a world that they would hardly recognize.

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Fragile by Design: The Political Origins of Banking Crises and Scarce Credit

Charles W. Calomiris and Stephen H. Haber

Princeton, N.J.: Princeton University Press, 2014, 570 pp.

Charles Calomiris and Stephen Haber have taken on a big task in their book, *Fragile by Design: The Political Origins of Banking Crises and Scarce Credit*. Their goal is to explain the double hit that economies and financial systems suffer when they experience a banking crisis and then the tightening of credit that often follows. In order to keep the final product manageable, and thus avoid having a 2,000 page book, the authors limit their case studies to the United Kingdom, United States, Canada, Mexico, and Brazil. Their time frame extends back to the 17th century. At its core, their argument is that financial crises are not random; they flow from the “Game of Bank Bargains”—that is, political deals that dictate everything in a banking system from the issuance of licenses to the means for distribution of credit.

Charles Calomiris is well-known to those who have studied financial panics and crises. He is the co-author of *The Origins of Banking Panics* and *Contagion and Bank Failures during the Great Depression*, to name just a few of his widely cited works. Stephen Haber has undertaken research predominantly on Latin American political and economic policy, with particular emphasis on Mexico.

Fragile by Design attempts to draw conclusions about a wide range of financial crises in different countries over a period of centuries and brings to mind Carmen Reinhart and Kenneth Rogoff’s *This Time Is Different: Eight Centuries of Financial Folly* (2009). In contrast to the Calomiris and Haber argument that the existence of banking crises is nonrandom, Reinhart and Rogoff imply the opposite: “Banking crises remain a recurring problem everywhere. . . . The incidence of banking crises proves to be remarkably similar in both high-income and middle- to low-income countries. Indeed, the tally of crises is particularly high for the world’s financial centers. . . .