

Sorman's bestseller is timely, comprehensive

The market economy is the most efficient of all economic systems" is perhaps a bold claim. But Guy Sorman does an exemplary job of backing it up in his latest bestseller, "Economics Does Not Lie: A Defense of the Free Market in a Time of Crisis."

Sorman should know his subject matter. He taught economics at the Paris Institute of Political Sciences from 1970 to 2000 and was adviser to the prime minister of France in the mid-1990s. He has also published several books on economics and politics, including "The New Wealth of Nations" and "The Conservative Revolution in America." And he is a frequent contributor to The Wall Street Journal.

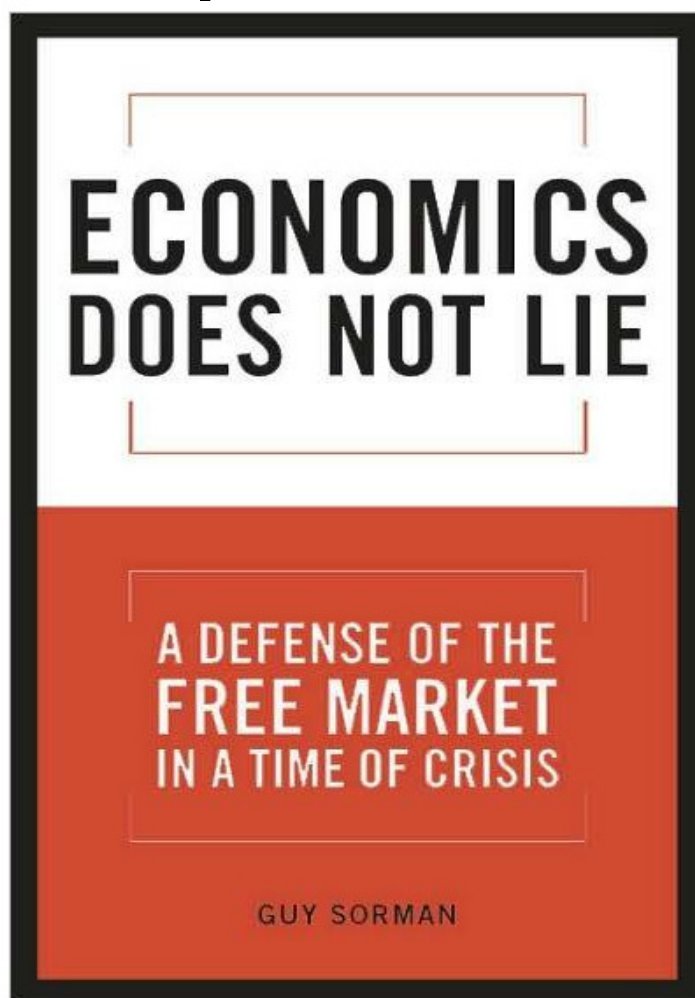
"Economics Does Not Lie" is written in five sections. The first section, "The New Economy," consists of four chapters in which Sorman provides the reader with a fairly concise, yet surprisingly comprehensive recent history lesson on economics.

In a very real sense, the book could not be more timely. For example, chapter three, "Real Money," has direct implications for policymakers in the United States. Regarding the current attempt to artificially manipulate the market by infusing more money into the economy, Sorman writes, "The creation of money serves only to finance public spending by imposing an invisible tax on the people ..."

Sorman is clearly not a fan of governmental intervention when it comes to the economy, and he cites some heavy hitters while advocating this thesis. "Friedman, Lucas, and Phelps thus exploded the myth that creating money and manipulating interest rates could regulate growth and unemployment."

The second section of the book, "The American Laboratory," is comprised of four chapters in which Sorman discusses the role of ideas as catalysts for economic growth. Chapter six, "The Business of Education," should be of particular interest to anyone who is concerned about the future of higher education. Sorman obviously sees competition as a pivotal force in the unprecedented proliferation and success of American colleges and universities. "Free access to higher education as practiced in France and in Germany is therefore not a factor to which the market is sensitive," Sorman observes. "... it is easy to verify that free access to French or German universities does not give them a comparative market advantage."

In "The Convergence of Nations," the third section of the book which again consists of four chapters, Sorman describes how market forces are working to end poverty around the world. In chapter nine, "The End of Mass Poverty," Sorman explains the relationship between, innovation and economic prosperity via Xavier Sala-i-Martin's theory of convergence. "In the long run, it follows that all economies will progress in a rhythm with those that are masters of innovation," Sorman observes. "The less



"Economics Does Not Lie: A Defense of the Free Market in a Time of Crisis," by Guy Sorman. New York: Encounter Books, 2009.

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developed will stay behind the more developed, unless they in turn become pioneers of innovation."

Anyone interested in the impact of globalism on the world economy will find the next section, "Coming Out of Socialism," especially illuminating. In the four chapters that comprise this section, he details how socialism is an inherently flawed economic — as well as political — philosophy. Specifically, he describes the evolution of economic conditions in Russia, China and Turkey as evidence for his primary thesis concerning the inherent superiority of free market capitalism as an economic system. In chapter 13, "The Great Transition," Sorman notes that "... the economic outcomes of socialism were poor, not because of bad management but because it could not be otherwise."

He accentuates this point with his observation that "Socialism was a make-believe world."

In the final section of the book, "Cases of Decline," Sorman addresses the implications of the free market for our collective future. In chapter 17, "Europe Versus the United States," Sorman observes that "The experience of the United States, and of Europe, too, illustrates that in modern economies, the positive effects of unleashing the market kick in rapidly ... The market solution works perfectly well ... provided it is adopted."

The last chapter in the book, "Will the Greenhouse Effect Leave Us Broke?" will be of par-

ticular interest to those who are concerned about sustainability. Sorman offers some sobering facts when it comes to the challenges we face when he notes that "Sometime before 2012, China and India will emit more carbon dioxide than Europe and the United States combined. But neither the Chinese nor the Indians have any intention of slowing their development to save the planet."

According to Sorman, "We cannot ask the poor countries to refrain from developing on the pretext that the accumulation of carbon dioxide caused by Western countries must not be exceeded." At the same time, he recognizes that the real issue here is not economic, but political, when he writes that "Economic models cannot supply a solution to the enigma of global warming ..."

Sorman ends his book with a "Conclusion" which is comprised of 10 recommendations that he believes would help us overcome the challenges we are presently facing. In Sorman's words, "The more the public understands and embraces these propositions, the more prosperous the world will be come."

If you want to find out what these propositions are, and why Sorman believes they offer a road map for our economic salvation, pick up a copy of "Economics Does Not Lie" and read it with an open mind. You will not be disappointed.

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