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## SOME BOOKS ON CAPITALISM

The most influential treatises on capitalism were written by the so-called classical economists—Adam Smith (1723–90), David Ricardo (1772–1823), and John Stuart Mill (1806–73).

In **An Inquiry into the Nature and Causes of the Wealth of Nations** (1776), Smith, reacting to the high tariffs and other restrictions of 18th-century mercantilism, advocated *laissez faire*—the doctrine that governments should end all restraints on trade and prices. The result, he argued, would benefit both individuals and, in the aggregate, the public. Ricardo, in **Principles of Political Economy and Taxation** (1817), and Mill, in **Principles of Political Economy** (1848), were in basic agreement with Smith. Karl Marx was not.

Reacting to the Industrial Revolution's harsh treatment of the worker, Marx (1818–83) urged the masses to rebel. He called for public ownership of all the means of production and for the ultimate "withering away" of all central governmental authority. The first volume of his **Das Kapital** appeared in 1867.

The Great Depression of the 1930s shaped the thinking of John Maynard Keynes (1883–1946) and Joseph Alios Schumpeter (1883–1950).

Keynes's **A Treatise on Money** (1930) and **The General Theory of Employment, Interest, and Money** (1936) introduced such "counter-cyclical" concepts as government deficit spending, with a lasting influence on public policies in the West.

Schumpeter did pioneering work in defining **Business Cycles** (1939).

Perhaps the best one-volume critique of Smith, Ricardo, et al. is Robert Lekachman's **A History of Economic Ideas** (Harper, 1959, cloth; McGraw-Hill, 1976, paper). *New York Times* reporter Leonard Silk's **The Economists** (Basic Books, 1976, cloth; Avon, 1978, paper) contains chapters on more recent thinkers—Paul Samuelson, Milton Friedman, John Kenneth Galbraith.

Friedman is Adam Smith's intellectual descendant. He explains his free-market theories in **Capitalism and Freedom** (Univ. of Chicago, 1962, cloth; 1963, paper). A contrary view is presented by Galbraith in his **The New Industrial State** (Houghton Mifflin, 1967; 3rd ed., 1978, cloth; 1979, paper). Galbraith urges an emerging, potentially powerful class of intellectuals and professionals to support federal programs aimed at redistributing wealth.

Irving Kristol argues that this new class has sought political influence through an expanded welfare state while scorning traditional U.S. values in **Two Cheers For Capitalism** (Basic Books, 1978, cloth; New American Library, 1979, paper).

Kristol is among those who believe that capitalism, for all its faults, works. "People who . . . subscribe to the social philosophy of a capitalist order . . . do indeed better their condition." Although "this prosperity is not equally shared," over the long term "everyone does benefit, visibly and substantially."