

Supreme Court cases in this regard is comprehensive and masterful.

He touches on many other issues in this work. Fully at home in constitutional law, he crosses disciplinary boundaries without fear, evincing an adventuring spirit that is needed on this topic. He has clearly written a book that will stand as the last word in defense of free speech in political campaigns.

I might mention in closing two great ironies about this work. John McCain appears late in the book. McCain's obsession with campaign finance has always been a bit of a mystery, a puzzle possibly tied to his bad conscience about the Keating Five Affair. (Readers may recall that five senators, including McCain, were accused for doing favors for S&L figure Charles Keating in return for campaign contributions.) Smith examines the evidence and suggests McCain did nothing wrong or improper—Smith is more than fair toward a public figure who is rarely fair to others.

The other irony: Smith now serves on the FEC. When he was nominated to that position, the “reform” lobby attacked him along the low road, comparing him to David Duke, the Unabomber, and Slobodan Milosevic. The resistance held up his nomination for over a year, during which he finished the work under review. Rarely has sweet revenge and a profound public service been so winningly combined. Every friend of political liberty should read *Unfree Speech*. □

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After Prohibition: An Adult Approach to Drug Policies in the 21st Century

edited by Timothy Lynch

Cato Institute • 2000 • 193 pages
• \$18.95

Reviewed by Kevin B. Zeese

As the title indicates, this book takes an adult approach to drug issues. While most politicians argue over the mix of

drug war funding—interdiction, eradication, law enforcement, treatment, or prevention—*After Prohibition* avoids merely moving around the furniture on the Titanic and takes a different approach; it recognizes the bankruptcy of current drug policy and seeks to come up with a new paradigm for the 21st century.

Not many attempt to argue these days that we are winning the war on drugs. It is difficult to keep a straight face when you do hear someone make that claim. We have spent approximately a half a trillion tax dollars—federal, state, and local—on the drug war since 1980. The facts show we are worse off now than when we began.

Timothy Lynch, director of the Cato Institute's Project on Criminal Justice, has brought together in this book (based on a Cato conference) a collection of essays by individuals who, for the most part, recognize the folly of our attempts to prohibit drug use and want to see change in our policy. There is a considerable spectrum of opinion represented here, ranging from those who want to end the drug war altogether to those who believe it must continue.

Lynch first describes Cato's position, which is that the United States would be better off with no drug laws: “The most valuable lesson that can be drawn from the experience of alcohol prohibition is that government cannot effectively engineer social arrangements. Policymakers simply cannot repeal the economic laws of supply and demand. Nor can they foresee the unintended consequences that invariably follow federal intervention. Students of American history will someday wonder how today's lawmakers could readily admit that alcohol prohibition was a disastrous mistake but recklessly pursue a policy of drug prohibition.”

Roger Pilon, Cato's vice president for legal affairs, puts drug policy into a broader perspective, declaring drug prohibition to be beyond the constitutional power of the federal government.

What to put in the place of drug prohibition? Lynch answers, “Education, moral suasion, and social pressure are the only

appropriate ways to discourage adult drug use in a free and civil society.”

Other contributors to the book include former DEA agent Michael Levine, former San Jose, California, police chief Joseph D. McNamara, University of Missouri professor of criminology David Klinger, Independence Institute research director David B. Kopel, Yale Law School professor Steven Duke, former California Attorney General Dan Lungren, George Mason University law professor Daniel Polsby, Julie Stewart of Families Against Mandatory Minimums, and New Mexico Governor Gary Johnson.

One of the most insightful pieces is by McNamara. He brings the clear thinking of someone who was a cop on the streets of Harlem in the 1950s and rose to become police chief of California’s fourth largest city. After recounting personal stories of policing that demonstrate the futility of trying to prevent drug use, he points out the rising expenditures on drug control. In 1972, when President Nixon called for a drug war, the drug budget was roughly \$100 million. Today the federal budget is approaching \$20 billion annually. He asks: “What have we got for our money?” In addition to the undiminished problem of drug abuse, he notes that drug profits—markups as great as 17,000 percent—have corrupted public officials and created widespread violence. McNamara urges that we stop making what is merely an unconventional lifestyle a crime.

The only disappointing essay is Lungren’s. He merely reiterates the familiar drug-war rhetoric and despite the strong counter-arguments voiced at the conference, could only say, “we should always be ready to re-examine our positions.”

After Prohibition comes at an important time in the evolution of the drug war. Our military is becoming increasingly involved in the anti-drug effort in Colombia; we’ve gone through a record prison-building binge largely to house drug offenders; and the public seems to be tiring of the never-ending crusade. Moreover, it is becoming evident that we can no longer afford to continue it when we are in a real war with terrorists—espe-

cially when drug prohibition is a major source of their revenue. □

Kevin Zeese is the president of Common Sense for Drug Policy, www.csdp.org.

The Financial Century: From Turmoils to Triumphs

by Reuven Brenner

Stoddart • 2001 • 214 pages • \$39.95

Reviewed by Pierre Lemieux

In his latest book, McGill University economics professor Reuven Brenner argues that when private sources of capital are not easily available through financial markets, governments or criminals become financial intermediaries, which is not conducive to prosperity and liberty. He draws on a large reservoir of history and a sound grasp of economics to make that important point.

Neither geography nor the Protestant ethic explains why the Dutch Republic in the seventeenth century, or later the United States, developed so quickly, and leap-frogged so many other societies. “What did the trick,” Brenner explains, “was that these two places were the first in the world where the poor had access to venture capital, which in turn attracted talented people from the rest of the world.” In contrast, today’s underdeveloped countries are those where government controls credit and grants it “almost exclusively to the well-connected elite.”

Brenner shows that financial markets are more efficient than formal democracy at furthering prosperity and decentralizing power. They make people more mobile and enable them to escape government power. This explains “why, from ancient times, those in power have maintained a stranglehold on capital markets.”

Markets correct investment mistakes rapidly, while political and bureaucratic processes tend to wait for catastrophes (or revolutions) to correct public-policy errors. “In general,” explains Brenner, “once there is a mistaken intervention, an additional one