

accommodate the full trajectory of human experience. Traversing the imaginative depths and fantastic visual simulation of the transformation and transit to the afterlife, Enrico de Pascale shrewdly exhibits man's encounter with himself through art.

While fully including works of secular and pagan art (as well as the occasional contemporary piece of overt hostility towards religion), this book resonates with the spiritual investment and devotional evocation of powerful messianic overtones. Preserving an aura of sanctity, the author manages to convey an overall impression of awe rather than morbidity and, by concluding with resurrection and the ultimate defeat of death, intertwines the profundity of grief with Majesty, sorrow with joy. Exalting the vivacity of life through depiction of death, *Death and Resurrection in Art* leads the reader through a pointed reminder of the fragility and transience of human life. Gently coaxed into personal confrontation with the utter insecurity of temporal existence, the reader is guided beyond the grief and bereavement of mortal dissolution with a palpable presence and preponderance of hope over darkness – the promise of life after death and immortality beyond mortality.

A valuable companion to the contemplation of death's eternal signification and inevitable earthly demise, this book proves to be a source of visual, intellectual, and spiritual inspiration. While you may put *Death and Resurrection in Art* aside for a period of visual digestion, it is guaranteed that you will pick it up again for another invigorating session of art—and life—appreciation.

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Woods, Thomas E. *Meltdown: A Free-Market Look at Why the Stock Market Collapsed, the Economy Tanked, and Government Bailouts Will Make Things Worse*. New York: Regnery, 2008. 194 pp., hardback, \$27.95.

Review by Richard J. Grant

When thinking of the context into which this book will be received, two common quotations come to mind. The first is George Santayana's, "Those who cannot remember the past are condemned to repeat it." This suggests that there is some promise of a protective lesson to be taken from the study of history. But it does not promise deliverance. People do study history, and yet we still seem to find ourselves suffering the same recurring patterns of collective misfortune that have unfolded, as in our latest example, through the financial disruptions of 2008 and 2009. Perhaps the tools that one brings to the study of history do matter. Not all interpretations are equal.

Enter the second quotation, which is attributed to Josh Billings: “The trouble with people is not that they don’t know, but that they know so much that ain’t so.” We act based on what we believe to be true, whether or not it actually is true. Our leaders tend to be selected from those who reputedly “know so much.” Recent events, and the reactions to them, suggest that perhaps we have a problem weeding out those leaders who “know so much that ain’t so.” On too many topics we are told that there is a “consensus,” the “science is in,” or “all experts agree.” Even in the political response to the current financial “crisis,” we have heard the President begin policy announcements with, “All economists agree that ...” But, of course, not all economists agree.

In any event, agreement is no guarantee of truth. Truth is not decided by majority vote. The truth is that which is there whether we see it or not – and whether we like it or not. Perhaps it is the “liking it or not” that explains much of what we are forced to experience or, rather, don’t experience, in public policy.

When a recession strikes an unsuspecting population, the response can be one of panic. Political leaders find themselves under pressure to do something, anything, to make all the bad things go away. Some demand an explanation of how things went wrong.

This is where Thomas E. Woods, a senior fellow at the Ludwig von Mises Institute, has provided a timely and valuable service with his book, *Meltdown*. He was the first author to get a serious book about the causes of this current recession into print. But that alone is not what will keep the book in print. What is different, and of most value in the book, is its content: it presents a strong rebuttal and challenge to the conventional assumptions, and groupthink, in which our policy elites have been steeped over the past century.

Dr. Woods, a historian, does not claim to have invented the theories that he presents in making his case. But he does demonstrate a mastery of the complex and powerful theories of the much neglected “Austrian School” of economics. By bringing this to bear on the mass of historical data preceding the “meltdown,” Woods has succeeded in documenting a coherent, and sufficient, explanation for the events that now seem to be shaking the world of finance. This makes it an important and original contribution, not to be diminished by the fact that the book can be well understood by those without previous training in economics.

The first chapter describes how government officials have reacted to the crisis, rounding up the usual suspects, while ignoring “The Elephant in the Living Room,” the Federal Reserve System. The “Fed,” as it is known, did not act alone in brewing up this perfect storm, but it was the leader of the coven, and its role in creating artificially cheap credit is exposed and developed throughout the book.

The second chapter lists, and presents the cases against, the Fed and five other governmental “culprits” in the creation of the housing bubble. Fannie

Mae and Freddy Mac, portrayed by the media as “private” companies that failed and “had” to be rescued by the government, were originally created by the government, and were used and protected by it ever since. Both created artificial demand for housing, all at the taxpayers’ risk.

The Community Reinvestment Act, passed in the late 1970s, but put to use by the Clinton administration as an affirmative action tool, effectively forced banks to extend home loans to large numbers of people deemed to be poor credit risks. But this opening up of the “subprime” market affected lending standards throughout the home-loan market. All this was pumped up by the Fed’s easy-money policy and the “pro-ownership” tax code that pushed up demand and exaggerated the apparent soundness of the investments.

The “too big to fail” mentality of the government agencies created a seemingly protective environment for large financial institutions. With “big brother” standing behind them, these emboldened institutions took greater risks than they would have in a free market where they would have had to bear the consequences of their actions without the promise of a bailout.

The bailout saga is worth an entire chapter, which serves to debunk the mythology that blames deregulation for the problem. The selective bailouts of financial institutions were born of ignorance of how markets work, and a response to the results of a government-built system that pumped up the housing and financial markets. Allowing markets to clean up these errors, though inevitable, is still unthinkable to the folks in charge. That is why the bailouts continue, seemingly oblivious of the cost and the full burden imposed on us all.

Subsequent chapters give a much-needed lesson in how government (not the free market) control of money causes repeated booms and busts in the economy. This is a good introduction to the Austrian theory of industrial fluctuations. Another chapter applies this to the Great Depression and corrects myths about what supposedly cured the depression. Hint: Hoover’s interference helped start the problems, and FDR’s interference made them worse.

Meltdown is a fine introduction to the great Austrian tradition of economic thought. It is not a treatise, but it does illustrate why “Austrians” are best able to explain what has happened, is happening, and must now happen. They were also the ones who, if aware of the data, most clearly saw *what* was coming (when others could not), though they would never claim to know exactly *when* the boom would collapse.

This is a timely book, with a timeless message. It will be a good read for many years to come.

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