

*New York Review of Books*

To the Editors,

I am only a first year graduate economics student at the New School for Social Research (where Duncan Foley is one of our professors) so am hardly in the position to comment authoritatively on Nobel Laureate Robert Solow's critique of Foley's *Adam's Fallacy* in your November 16, 2006 issue. However, there is something that might be pointed out. Solow writes very wittily that instead of economics containing a fallacy which separates values from economic science perhaps a better concept of this idea could be called "Duncan's Temptation," where economists are tempted to "leave it to the market" instead of looking at larger "distributional and other ethical considerations."

Professor Solow then falls prey to this temptation himself in the very next paragraph of his review. Solow writes that "the theological free-marketeer likes to omit" starting-point wealth distributions and ignore the fact that "First Theorem of Welfare Economics" outcomes (free market outcomes) are "socially desirable only if the allocation of initial endowments was socially desirable." Free-market economists, of which the Austrian School is probably the most profound, look very much at ethical considerations and hold property rights – the right to the fruits of one's labor – as a moral imperative, an idea which goes back to the writings of John Locke. These property rights are the ethical and moral (spiritual?) base for free market "theologians" and are considered the starting point for the sound institutions needed for economic growth, and therefore necessary for the ethical and moral distribution of income and wealth, despite the accumulated starting points since the time of Adam and Eve. To say that free-market economists ignore "distributional and other considerations" is to misread a very strong, and growing, heterodoxical economic school of thought. One of these free-market Austrians, another Nobel Laureate, Friedrich Hayek, is a subject in Professor Foley's book.

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