

and shocks that come with the realities of historical economic time. Too great a faith in the extremum-seeking, rational, omniscient economic man has misdirected our discipline for too long. That means that ethical considerations inhere in the structures of institutions and policies that exist or are implemented. It means also that the visions that determine the form of economic theorizing are not without moral philosophic import.

Second, a more serious attempt needs to be made by economists to come abreast of the thought forms and categories of moral philosophy. Stephen Frowen (whose paper exhibits both an ethical sensitivity

and judicious comments on the scope and potential of monetary, fiscal, and incomes policies) does, to his credit, at least recognize that the debate should proceed in terms of alternative teleological-utilitarian and deontological categories. Ian Morrison touches on the same distinction. But it is left to the Catholic priest in his final and perceptive essay to raise such meaningful and necessary philosophic conceptions. The unfortunate conclusion is that the economists and moral philosophers do not yet possess a usable common vocabulary or conceptual framework that encourages communication. ■

## Safe and Sound: Why You Can Stand Secure on the Future of the U.S. Economy

Bruce Howard

Wheaton, IL: Tyndale House Publishers, Inc., 1996.

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**W**hen I was doing regional economic forecasts at a previous employer a number of years ago, a colleague advised me to predict doom and gloom for the local economy. If the forecast turned out to be right, he said, I would be well-known and respected in my field. (And, besides, unemployment rates were more than twenty percent in the area at the time!) If, on the other hand, the forecast turned out to be wrong, no one would remember the error. This line of reasoning may be appealing if one's objective is to be "remembered" but it is clearly not being honest with those who will read the work. Bruce Howard's book, in fact, was inspired by the confusion and fear created by similar predictions of doom and gloom for the U. S. economy, some by Christian writers. Some have felt compelled to put their own fears and frustrations into print even though they may have had an incomplete understanding of how

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the macroeconomy works. The result has been a great deal of unnecessary anxiety which has led, in some instances, to regrettable errors in personal decision-making.

One of Howard's objectives in *Safe and Sound* is to convince readers that the U.S. economy is strong and stable. There are many things right with the economy even though other things need our attention. Specifically, he wants to provide Christians with a perspective on how they can and should relate to the economy, supporting the forces that are "good and constructive" but rejecting aspects of individualism and moral relativism which are inappropriate.

The first chapter offers a rebuttal to those who argue that the economy is in serious structural difficulty. It covers all the economic bases including growth, productivity, resources, technology, the money system, opportunities, and education. It also discusses the importance of our political and legal stability and, in a very brief section, the inherent strengths of a market economy. Howard's presentation is clear and easy to follow. He makes use of many stories which give the reader glimpses of economic concepts which would otherwise be difficult to grasp, and which would keep the interest of his intended audience. A favorite tactic in this chapter is to use quantitative analogies to foster an understanding of the size of our economic output, productivity and so forth. The result is effective. Some of the numerical examples are pushed a bit beyond the point of necessity, however. (This, no doubt, is the result of Howard's earlier training as a CPA.)

Chapters 2 through 7 of the book deal with topics which would interest the Christian community generally, including credit, private property, the profit motive, competition, government functions, and personal financial planning. In each case the author uses scriptural references to help develop a perspective on the topic. For instance, when is it appropriate to lend and borrow? When is payment of interest appropriate? Howard makes the familiar

distinction between production and consumption purposes for loans, with interest payments appropriate only for the former type of loan. Several biblical passages such as Deuteronomy 23:19-20, Matthew 5:42, and Luke 6:34-35, are used to exemplify the waiving of interest for consumption loans. What is a proper perspective on private property? Howard explains the principle of stewardship of God's resources and the importance of people over things. The principles are illustrated with verses from Acts 4 and 5. In a similar way other chapters counsel on the appropriate and inappropriate uses of profits, competition, government, and personal finances. Each chapter ends with a section entitled "So What Should I Do?" in which the author makes practical recommendations about how individual decisions can be made and perceived. All in all Howard's conclusions are very balanced and are based on sound economic reasoning.

The final topical chapter of the book stands out from the others. It raises more fundamental, philosophical (and I would say more interesting) questions for the reader. Howard begins the chapter by discussing the concept of value in economics. What constitutes a fair price for products? He considers the possibilities of an "inside" definition, that there is intrinsic value to a product (based, for instance, on a labor theory of value), an "outside" definition, that value is imputed by an outside force such as consumers, and an "outside-inside" definition, that there are some inherent prices that reasonable people (as determined by public or common valuation) would consider to be just.

The definition of value chosen will help dictate the method of organizing the economy. Any intrinsically determined value would likely be ignored by markets in which needs of consumers are emphasized. A system in which labor or cost theories of value are presumed would likely favor a government-directed economic organization, for

instance. If value is viewed as being imputed by consumers based on utility derived from consumption, however, market organization would be more appropriate. Mixed systems are the result of social agreement that certain market outcomes are unacceptable and warrant attention by government.

In the context of this debate Howard hopes to convince the reader that there is no reason to insist on an economic system which is either completely market driven or completely government driven. In general, moral values are different from economic values. Markets do explain choices made by individuals but the outcomes are not necessarily acceptable. As Howard expresses the matter,

"There is a natural order to economic organization....Democratic market economies are organized in harmony with these principles and have displayed a remarkable ability to produce things that people value.

Christians, however, recognize that people are more important than things, and that sometimes the things people value run counter to a higher moral system of values that has been ordained by God. When the imputed value of things leads to a failure to meet human need, or when economic value imputed to things reflects a value system that is distorted by sin, then there is every reason to expect that not all of the outcomes of a free-market system will be pleasing to the Christian" (pp. 155-156).

Somewhat disappointingly, the chapter conclusion summarizes the lesson to be merely one of being careful of what one buys, as a Christian; that our demands send messages, either proper or improper, to the market. If the reader has carefully worked through the chapter, however, she has noticed that the "unpleasing outcomes" for Christians are not limited to purchase of undesirable consumption goods. Another important lesson which stems from the same logic is that Christians should become more accepting of and involved in the political process which

works to redress injustices of the marketplace. It is a significant lesson which can be put into practice by Christians in the voting booth and in political leadership at various levels.

In the conclusion of the book Howard brings cohesion to the topics of earlier chapters. The topics, and their order of inclusion, did not seem to follow a specific sequence, although they are all perceived as problem areas for our economic system by many in the Christian community. At the end, they are brought together as pieces of an economy which can work together to improve the conditions of this world. Howard does a good job of counselling that there is no "Christian economic system" but that Christians can use the market system, along with properly focussed government and church involvement, to achieve what is consistent with what we understand to be values given by God. So he ends with a message of hope.

Much could be said about the emphases of the book with regard to what distinguishes economic systems, what constitutes value for Christians, how Christians view their roles and responsibilities in influencing the economy, and other similar issues. It could also be argued that a short chapter is insufficient to adequately develop an understanding of and perspectives on some of the issues addressed, such as personal finance. I believe, though, that Howard has done a good job of balancing these issues for the audience he is addressing. Sometimes economists are inclined toward more detailed, systematic development of ideas than what may be found in this book. But such would not be appropriate for the author's purpose in this case.

All in all I would recommend this book for readers with relatively little economic training. It is easy to understand, interesting, balanced in its approach to issues of Christian thought about the economy, and based on good economic reasoning. The final chapter, on value in economics, would serve as a stimulating discussion starter for more economically advanced readers. ■

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