

do not consider alternative theories, even within political science, as an explanation of the crisis. Despite these flaws, *Political Bubbles* is an important book. I would include it in any seminar on the crisis, as it injects an analysis into the discussion that is all too often missing. I would also hope that *Political Bubbles* spurs other scholars to plow this field.

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The Bet: Paul Ehrlich, Julian Simon, and Our Gamble over Earth's Future

Paul Sabin

New Haven, Conn.: Yale University Press, 2013, 304 pp.

Yale historian Paul Sabin's *The Bet: Paul Ehrlich, Julian Simon, and Our Gamble over Earth's Future* is worth a read because of its detailed tour through the world of environmental doomsaying. Yet, in the end, I was profoundly disappointed, consigning this book to my very large Cassandra File because Sabin endorses that doomsaying as expressed by dreaded global warming.

The Bet is about a very public wager between economist Julian Simon and the serial apocalypse predictor Paul Ehrlich (cosigned with John Holdren, President Obama's science advisor). Ehrlich bet that the price of five key metals would rise between 1981 and 1990, and Simon bet they would decline (in constant dollars). Ehrlich was spectacularly wrong, but nonetheless continued, and continues, to enjoy a substantial public presence despite virtually none of his predictions coming true.

Simon, who died in 1998, was very poorly compensated and couldn't even get the University of Maryland to give him a secretary. He found it increasingly hard to publish in the academic literature, and he was confounded by the durability of the environmental apocalypse meme. In 1995, he wrote in the *San Francisco Chronicle*: "After 25 years of the doomsayers being proven entirely wrong, their credibility and influence waxes ever greater." Indeed. Ehrlich has been showered with goody-goody prizes around the planet. He's still a staple on the dinosaur media. Being fundamentally wrong has been very, very good to him, and being right bought Simon virtually nothing.

Sabin is far too kind to Ehrlich. One of the few criticisms comes at the end: “Most fundamentally, human history over the past forty years has not conformed to Paul Ehrlich’s predictions.” Sabin cannot bring himself to say what can be said with more economy of words, namely, “Ehrlich’s predictions were wrong.”

Further, he comes perilously close to blaming Simon for another end of the world—that is, the mother of all environmental scares, global warming. Sabin contends that “the most pernicious current reflection of Ehrlich and Simon’s clash is the ongoing political impasse over climate change.” That’s the kind of fatuous academic blather we’ve grown to expect from the global warming crowd. Blame Julian Simon’s bet. Heck, why not trot out the Koch Brothers while you’re at it? Blame anyone but the dons of environmental science, who have every interest to hype every issue.

What a spectacular misreading of recent history. The reason that the Senate didn’t pass the House’s 2009 cap-and-trade bill isn’t because of Julian Simon. It’s because Senate staffers read polls. Three days after the House passed that infamous bill, Scott Rasmussen’s generic congressional ballot switched from Democrat to Republican. Given that the index is a three-day running average, this was as close to a single cause-and-effect poll shift as it ever gets.

Did Julian Simon cause this? Sixty-five seats in the House went from Democrat to Republican in the 2010 mid-term, as did control of the chamber. Virtually every close race was lost by a Democrat who voted for cap-and-trade. In the Senate, every close contest was won by a Democrat. Both houses voted for the oxymoronic Affordable Care Act, but only the one voted for cap-and-trade.

While trotting out his glib explanation for the failure of his preferred policy, Sabin bemoans the generic failure of environmental hype. “Conservative commentators,” he notes, “have warned of ‘apocalypse fatigue.’” Fact check: According to wordspy.com, I coined the term, and I’m no conservative. As I said on CNN’s Crossfire (February 10, 1992),

I think the problem, Larry, is that we keep on seeing this science by press release with these apocalyptic pronouncements. If we were in California, we’d probably say the people are getting apocalypse fatigue and each one of these things has to be hyped more and more and more, and you know that.

Along with many other folks, I am indeed tired of environmental apocalypse. Born in 1950, I believe I am living through the death throes of my eighth apocalypse—global warming—and witnessing the birth of the ninth, the erroneously named “ocean acidification.” And Paul Ehrlich championed every single one, which are, in order: the population bomb, the limits to growth, mass extinction, the world food crisis, global cooling, acid rain, ozone depletion, and global warming.

If Ehrlich didn’t live in Stanford’s protective bubble, he might realize that he is just another—very vocal—prophet of doom and that the chances of his being generally wrong (not just in his bet with Simon) were and are extremely high. He somehow doesn’t get that the intelligentsia have spent millennia getting paid for warning about “The End,” and that their institutions, be it the Church, the millennial cult, or academia, thrive on the largess tendered to them out of fear of the reigning apocalypse fad. Sabin should provide an explanation for the numbing repetition of this process. In fact, it is a logical consequence of the way we do environmental science today.

Virtually all such science is funded by a monopoly provider—the federal government. Given that science issues literally compete with each other for finite resources, there is every incentive to portray your issue as vitally important. Al Gore called for fighting global warming to be “the central organizing principle for world civilization.”

The incentive structure in academic science is perilously intertwined with this type of exaggeration. Those who call out people or issues are likely to be thrown out of the academy. Those who research the apocalypse du jour gain massive funding and receive honors and lifetime employment. Woe be to the researcher who submits a manuscript debunking any of the hype, as it is likely to be vigorously and negatively reviewed. Praise be to the one who writes the “it’s even worse than we thought” paper, which will be guaranteed a light review, as well as newspaper coverage, and the researcher will get permanent first-class upgrades. It is odd that Sabin, as a historian, avoids examining the root cause of what he feels is a “gamble for the earth’s future.” No hype there.

Despite its flaws and lacunae, I still recommend Sabin’s book—probably not for someone like me who’s lived through it all, but for students and young professionals to grasp the serial ineptitude of ecological doomsaying. Those new to the field will also note the bone-shattering intolerance of any criticism of Cassandra. Those who don’t

know the environmental hype that elected Jimmy Carter are likely to repeat history. They almost did in 2000.

When speaking of President Carter, who may correctly be viewed as the gray eminence of global gloom, Sabin exhibits his innate reluctance to criticize greens, even when they are (as they usually are) profoundly wrong. How else to explain the following passage summing up Carter's energy ineptitude:

Carter's belief [was] that demand for oil would outstrip production in the early 1980s. If action wasn't taken, he said in one speech, the world's entire proven reserves of oil could be gone by 1990. Viewed through a later lens, Carter's fears about looming shortages appear exaggerated.

“Appear”? How about “were”?

For me, the take-home lesson in *The Bet* is that a guy can make a pretty good living by shorting apocalypse futures.

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The Great Rent Wars: New York 1917–1929

Robert M. Fogelson

New Haven: Yale University Press, 2013, 512 pp.

Economic shocks in an unregulated textbook world are managed through the price system. During gluts, prices fall and the least efficient firms lose wealth and exit the market. The result is that supply falls and demand increases. Eventually a new equilibrium is reached in which prices increase toward marginal cost and risk-adjusted returns to firms equal the cost of capital. During shortages, prices rise, existing firms receive rents, and new firms enter the market. The result is that supply increases and demand falls. Eventually a new equilibrium is reached in which prices decrease toward marginal cost and risk-adjusted returns to firms fall to equal the cost of capital.

In *The Great Rent Wars: New York 1917–1929*, Robert M. Fogelson expands my one paragraph, antiseptic, economist's account to over 400 pages and describes in great detail housing-market shocks in New York City during and following World War I. First some stylized facts. From 1903 to 1916, NYC experienced an unprecedented