

# BOOKS

## Give Me a Break: How I Exposed Hucksters, Cheats, and Scam Artists and Became the Scourge of the Liberal Media . . .

by John Stossel

HarperCollins • 2004 • 294 pages • \$24.95

Reviewed by Richard M. Ebeling

In the eighteenth century, Adam Smith explained the three forces at work against the establishment and maintenance of economic freedom. In his first book, *The Theory of Moral Sentiments*, Smith warned of the arrogance and danger of what he called “the man of system,” or the social engineer, who presumes to redesign man and society according to his own conception of a virtuous community. He considers people to be nothing more than pawns on the great chessboard of society, to be moved about to fit his own ideological ideal and plans. (See my essay “Free Markets, the Rule of Law, and Classical Liberalism,” pp. 8-15 of this issue.)

In *The Wealth of Nations*, Smith lamented what he called the other two forces hindering the preservation of economic freedom: “the prejudices of the public” and “the power of the interests.” By the prejudices of the public, Smith meant the difficulty that many people have in following the logical arguments of the advocates of freedom, and the ease with which they fall victim to the demagogic appeals of those who promise short-run political favors and privileges at the expense of longer-run liberty and prosperity.

And by the power of the interests, Smith was referring to the influence of special groups who receive political benefits from the government in the form of regulations and subsidies at the expense of the rest of the society. Smith warned that they will use all the means at their disposal to destroy those who threaten the continuance of their privileges. Indeed, nothing can save the opponent

of government privileges from “the most infamous abuse and detraction, from personal insults, nor sometimes from real danger, arising from the insolent outrage of furious and disappointed monopolists.”

John Stossel of ABC News has experienced the wrath of all three of these anti-market forces. In this recent book, *Give Me a Break*, he recounts his odyssey as a television news journalist who has traveled from being a typical anti-capitalist “liberal” to a staunchly pro-market libertarian.

He first made his fame as an “in-your-face” investigative reporter on New York television who went after con artists, crooks, and corrupt businessmen. Stossel tracked them down and exposed their rip-offs of innocent and often naïve consumers. What struck him was their total amorality, as reflected in their wanton ability to lie right into the camera with no remorse or apparent sense of guilt.

He assumed that what was needed was ever-stronger government regulation and policing of the marketplace to curb the unbridled criminality of the “greedy” and anti-social conduct of too many businessmen. But then he began to look into the conduct and motivations of the regulators and bureaucrats from whom he expected a solution to these “market failures.” Stossel soon discovered that they either had their own agendas for power and control, or served the anticompetitive actions of selected special-interest business groups. So he decided to investigate and report on the nature of government in practice, as well as the ideas and ideologies behind political intrusiveness in society.

Rather quickly, Stossel came face to face with Adam Smith’s “man of system,” the ideological social engineer. He unearthed the twisting of facts justifying the regulation and control over such things as consumer choice, market-driven production decisions, and the environment. His exposés resulted in an avalanche of accusations that he was in the pay of business interests and that he was against the poor and the public good. In other words, he was a dangerous “enemy of the people.”

Then he faced the “prejudices of the public.” He received hate mail from viewers of his television specials demanding that he be fired, killed, or, at the very least, exiled from the human race. How could he question the good intentions of the government or the desirable results of the regulatory state unless he was, at the minimum, unbelievably stupid or, more likely, the incarnation of evil in the world?

Finally, he faced the “power of the interests.” Unions, business interests, and professional associations that eat at the government trough attacked him as a vile and dangerous threat to the “working man” and the betterment of America. In addition, the politicians and bureaucrats, whose anticompetitive policies he put into the public eye, tried to squelch his television specials.

But in spite of the most determined attempts to gag him, or to get him removed from his high-profile television position, he has survived. His television specials unmasking leftist ideologies and lies, and the abuse of political power, have had consistently high ratings.

Page after page recounts the details of his encounters with politically corrupt businessmen and power-lusting bureaucrats. He exposes the fraudulent methods used to spread myths and create fears about the extent of poverty and the quality of life in America, and the safety of products available to the average citizen in the marketplace. And he highlights the absolute contempt for the rights of others shown by those who use the state for their own purposes.

Stossel ends his book with a series of clear, crisp chapters defending the logic and benefits of the free market, the importance of personal and civil liberties, and the underlying value of freedom in general. John Stossel’s journey in the world of television journalism is proof that truth can win out. □

*Richard Ebeling is president of FEE.*



## FDR's Folly: How Roosevelt and His New Deal Prolonged the Great Depression

by Jim Powell

Crown Forum • 2003 • 336 pages  
• \$27.50

*Reviewed by Burton Folsom, Jr.*

**T**he Great Depression of the 1930s was by far the greatest economic calamity in U.S. history. In 1931, the year before Franklin Roosevelt was elected president, unemployment in the United States had soared to an unprecedented 16.3 percent. In human terms that meant that over eight million Americans who wanted jobs could not find them. In 1939, after almost two full terms of Roosevelt and his New Deal, unemployment had not dropped, but had risen to 17.2 percent. Almost nine and one-half million Americans were unemployed.

On May 6, 1939, Henry Morgenthau, Roosevelt’s treasury secretary, confirmed the total failure of the New Deal to stop the Great Depression: “We are spending more than we have ever spent before and it does not work. . . . I say after eight years of this Administration we have just as much unemployment as when we started. . . . And an enormous debt to boot!”

In *FDR’s Folly*, Jim Powell ably and clearly explains why New Deal spending failed to lift the American economy out of its morass. In a nutshell, Powell argues that the spending was doomed from the start to fail. Tax rates were hiked, which scooped capital out of investment and dumped it into dozens of hastily conceived government programs. Those programs quickly became politicized and produced unintended consequences, which plunged the American economy deeper into depression.

More specifically, Powell observes, the National Recovery Administration, which was Roosevelt’s centerpiece, fixed prices, stifled competition, and sometimes made American exports uncompetitive. Also, his banking reforms made many banks more vulnerable to failure by forbidding them to