
In 1993 Dr. Madeleine Pelner Cosman, a health care attorney, reviewed Medicare and Medicaid litigation and legislation from their beginnings. She was startled to discover that the law most of us accepted as primarily gentle civil law had changed incrementally to brutal criminal law.

When Medicare and Medicaid were implemented in 1965, the law was temperate. It was not coercive. It did not meddle in physicians’ decisions. It did not intrude into medical offices or hospitals. Section 1872 of the Social Security Act was thought to be strong enough to prevent, curb, and catch potential frauds and abuses. Fraud required intent. No doctor could be prosecuted for medical fraud unless he knew a particular act was wrong, and he did it willingly and intentionally.

But legal intentions and social suppositions changed as medical costs rose meteorically. Incrementally, laws have become more restrictive, oppressive, and punitive. They incorporate increasingly sterner reporting standards and more vindictive criminal punishments. Physicians are held to vague, arbitrary standards that provide accused doctors fewer rights and defenses than accused murderers, rapists, and arsonists. If convicted, physicians can be punished more harshly than violent criminals.

Cosman’s thesis for this volume implies that medical criminal law now poses a clear and present danger to both physicians and patients. This new type of law aims to eliminate fraud in the government medical system, but lurches wildly into the personal privacy, personal liberty, and bodily integrity at risk.

“Alarmed alert,” Cosman contends, is the proper response to the manacleing of American medicine with 132,720 pages of government medical directives, laws, rules, and regulations, including 111,000 pages of rules controlling Medicare.

Cosman discusses the six white-coat crime hazards and the dubious estimates of Medicare fraud. The Office of the Inspector General estimated Medicaid fraud at 2 percent. The Health Care Financing Administration (HCFA), now called the Centers for Medicare and Medicaid Services (CMS), had estimated a rate of 0.44 percent. The 10 percent figure is a compilation of guesses (which ranged down to 0.01 percent) sent in because an assistant inspector general was told he had to give a speech in 9 days and wanted an estimate of “waste, fraud, and abuse.” Although it has no statistical foundation, the 10 percent now in common parlance proved to be an effective political statistic. It was so effective that 72 percent of retirees in a poll sponsored by the American Association of Retired Persons (AARP) believed that if fraud were eliminated, Medicare would not go broke.

Cosman gives us a well-referenced report on a large number of actual instances of what passed as Medicare fraud, such as inadequate or improper recording of information or codes, or providing noncovered services even if they were appropriate and helped patients. What Medicare considers lack of necessity often means only that Medicare does not want to pay for that medical or surgical procedure. The victim of the “crime” is the U.S. Treasury.

Medical fraud is a triple threat to the medical professional. First is the ease of conviction for alleged frauds that are not intentional. Second, many honest acts can be misinterpreted as medical fraud. Third, medical fraud under certain laws such as the False Claims Act has high statutory penalties “per incident,” plus triple damages. Therefore, a small alleged fraud can carry a ruinous penalty.

A doctor who accidentally uses the wrong reimbursement code 100 times for a simple medical procedure costing $100 suddenly is worth a lot to prosecutors: $300 + $10,000 penalty = $10,300 per patient, and $1,030,000 for 100 patients. The more money, the more severe the punishment after conviction—and the more newsworthy the case and the higher the stature of the prosecutor.

This book is dedicated to helping ethical physicians who are caught by laws that are vague, arbitrary, illogical, capricious, and vicious. It is also of interest to other professionals, all of whom are at risk: psychologists, pharmacists, chiropractors, podiatrists, and audiologists, plus physical, speech, and occupational therapists. Physicians and other professionals who do not understand the lessons of this book could lose their license, their home, their family, and their freedom. They need to learn from the stories of physicians who have gone to prison.

Additionally, this book explains essentially all the important current challenges to American medicine. In one chapter, Cosman answers the frequently asked question, “Is Health Care a Basic Right?” In another, she exposes the colossal national deception of employer-owned health insurance. Finally, she describes how to remove medicine’s shackles and bring about patient-centered, affordable medical care.

The question Cosman poses is this: If physicians do not own their medical minds and skills, who does? If patients do not own their bodies, whose are they? Who should decide how much money should be spent to save a patient’s life? Should patients have the right to spend personal cash to protect their own bodies? These are not irrelevant questions. Medicare patients in both the United States and Canada are effectively deprived of these rights.
To achieve medical abundance, integrity, and excellence, we must find the courage and intelligence to chart the right path. And we need to understand where we are now and how we got there. Cosman states that medicine, like education, has sold its heritage to obtain federal funding—with potentially lethal results.

Can we extricate ourselves? Cosman urges physicians to opt out as soon as possible. Providing charity to those patients who need it may ultimately be far less expensive than remaining in the trap.

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Henry I. Miller is a Research Fellow at Stanford University’s Hoover Institution, and Gregory Conko is Director of Food Safety Policy at the Competitive Enterprise Institute. Here they tell us the fascinating story of the Frankenfood Myth, which is the unfounded belief that there is something uniquely dangerous about the new biotechnology of gene-splicing. The Myth has led to a public policy disaster, and has caused an invisible economic bloodbath, with untold billions of dollars squandered on unnecessary regulation of the biotechnology industry. Massive bureaucracies have developed, with the regulators themselves becoming a special interest group. The authors say these regulatory agencies cause thousands of excess deaths every year and are guilty of manslaughter, a deprived indifference to life, and crimes against humanity. There is little public accountability and inadequate congressional oversight. The problem is intractable, and getting worse.

Biotechnology uses living organisms to create consumer or industrial products. The Hungarian agricultural engineer Karl Ercky first used the term in 1917 to describe his development of an improved pig feed that used sugar beets. Biotechnology’s modern era dates from 1973, when Stanley Cohen and Herbert Boyer first described recombinant DNA technology, or gene splicing.

Genetic recombination has been occurring as natural selection since life began. Wheat itself originally resulted from the natural combination of three grass species from two different genera. By using techniques such as mutation breeding (exposing seeds or young plants to chemicals or ionizing radiation), more than 3,350 varieties of corn, wheat, rice, potato, tomato, squash, and beans have been developed over the last 50 years. In fact, nearly all the meats, grains, and vegetables in our food chain have been modified by one genetic technique or another.

The first gene-spliced food product was introduced in 1990. The enzyme chymosin, used to produce cheese, is safer than the rennet it has largely replaced. The first gene-spliced plant, the FlavrSavr™ slow-ripening tomato, was introduced in 1994 by the Calgene corporation. More than 60 new gene-spliced plants followed, and by 2004, 86 percent of all soybeans, 46 percent of all corn, and 76 percent of all upland cotton grown in the U.S. were gene-spliced.

By 2003, 1,400 biopharmaceutical companies, worth more than $200 billion, were producing more than 100 recombinant DNA-derived drugs and vaccines that benefited 350 million patients worldwide, including those with anemia, cystic fibrosis, hemophilia, hepatitis, cancer, and organ transplants. Millions of American diabetics now inject themselves daily with recombinant DNA-derived human insulin, and hundreds of thousands of heart attack victims owe their lives to the clot-dissolving drug, tissue plasminogen activator.

Gene-spliced crops increase farm productivity, reduce use of chemical pesticides, and diminish the environmental impact of agriculture. Pest-resistant Bt cotton saves farmers more than $150 million each year. This gene-spliced plant alone has cut the use of chemical insecticides by nearly half in the U.S. and by three-fourths in China. As a result, human pesticide poisonings in China have decreased by 75 percent. But the great promise for future decades lies in water conservation. Modified plants that need less fresh water will decrease the 70 percent of the world’s water that agriculture now requires.

A large amount of peer-reviewed research conducted by university and public-sector scientists, including a 1987 National Academy of Sciences study and one in 1989 by the National Research Council, has revealed no evidence of any unusual health or environmental risks from the gene-splicing. In 2001 the European Commission summarized 81 research projects evaluating the safety of gene-spliced crops and concluded that they probably were safer than conventional crops.

Before the 20th century there was no direct federal regulation of consumer products. Federal guidelines introduced in the mid-1970s were overly risk-averse and based on erroneous assumptions. They led to a quarter-century of unscientific, antiscientific environmental policies with disastrous consequences. For example, in 1987 the USDA created rules labeling gene-spliced plants as “pests,” and in 1994 the EPA equated gene-spliced plants with pesticides. These were in part a concession to the irrational demands of radical environmentalists and other activists.

The antibiotech activists include Greenpeace, the Environmental Defense Fund, the Union of Concerned Scientists, Friends of the Earth, the National Wildlife Federation, the Sierra Club, the Center for Science in the Public Interest, and the Pew Initiative on Food and Biotechnology. These groups have no legitimate claim to represent the public interest, but they are given undeserved credibility by the press, by regulatory agencies, and by many members of Congress. Often using fascist tactics, they have vandalized laboratories, greenhouses, and crops undergoing field trials, and at one point even set fire to research offices at Michigan State University.

Using misinformation and junk science to hoodwink the public and Congress with false claims and alarms, these radicals endlessly repeat the Big Lie that biotechnology is threatening and dangerous. They rely on the precautionary principle to insist that action be taken against gene-spliced organisms even without any scientific evidence of risk. But this use of the precautionary principle bypasses science-based risk analysis and
transfers decisions from the wisdom of the marketplace to the mismanagement of government bureaucrats.

Activists attempt to create the appearance of genuine controversy where none exists by asserting a kind of moral equivalence between their ideological antibiotechnology views on the one hand, and sound science on the other. This implies fairness by giving equal value to each side, but it is neither disinterested nor honest because it gives undue credibility to poorly supported opinions.

By acquiescing to the activist demands, many companies and universities have made Neville Chamberlain decisions that helped create their own regulatory Frankenstein monster. For example, in 1987 the USDA created rules that were supported by the big agribusinesses and biotechnology companies and their trade associations. BASF, Bayer, Dow, DuPont, Monsanto, and Syngenta ended up by 2003 with a virtual monopoly, but an expensive one. The time required to develop a major gene-spliced crop had increased from 6 to 12 years, and the cost had increased from $50 million to $300 million. During this time activist groups had raked in hundreds of millions of dollars from gullible donors, and the EPA and USDA had spawned large new bureaucracies.

In 1996, 11 scientific societies representing 80,000 biologists and food professionals criticized the EPA’s unscientific, illogical regulations. In 1998 the Council on Agricultural Science and Technology, an international association of 36 scientific and professional groups, reinforced the 1996 criticism, noting that the EPA’s approach was indefensible because it used the technique (gene splicing) instead of individual risk as the trigger to regulate.

Like socialism and modern “liberalism,” antibiotechnology activism is a form of religion and is not subject to the discipline of reason. The activists’ anticapitalism, antitechnology, and antifreedom mystical vision combines puritanism with a desire for zero-risk lives. As Miller and Conko note on page 51, one cannot carry on a meaningful dialogue with such activists because one “cannot have a reasoned debate with a mugger.”

Congress is responsible for this disaster, which has been caused by inadequately supervised, out-of-control rogue agencies. Unfettering the biotechnology sector will enhance our productivity, create additional wealth, promote a cleaner environment, and allow healthier, happier, and longer lives for our citizens.

This book provides us with all the information we need to make the necessary changes. Every citizen—especially every member of Congress—should read it.

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Medicines Out of Control? is a meticulously documented, highly readable chronicle of what might best be termed “pharmenhancement”: the continuing mission by human beings to alleviate every sort of emotional distress. The book covers some 150 years, beginning with the first mind-altering substances (including alcohol and “bromides”), up to the psychopharmaceutical industry’s present state of near-unmanageability.

Charles Medawar is a recognized specialist on medical policy and drug safety. Coauthor Anita Hardon is a professor at the University of Amsterdam specializing in women’s health issues and “recreational” drug use, and chairman of Europe’s Health Action International Foundation. Together, they have produced an engrossing historical and current analysis that covers ground mostly absent in the popular press.

Lay readers probably are not aware, for example, that opium, morphine, heroin, and cocaine were once used to treat addiction (including alcohol), resulting, of course, in patients who not only were not cured of their original habit, but who became hooked on additional substances as well.

Many will also be amazed to learn that all of the above substances were once carried over the counter in drug stores (“apothecaries”), and despite many purchasers’ addictions, no particular stigma was attached to the matter—save in the case of intentional suicide, which was illegal. Pharmacists, especially in the United Kingdom, were somehow supposed to know who was a suicide risk and who was not. Presumably, they got to know their clientele better in those days.

Most people now know that Sigmund Freud was a cocaine abuser, and that he advocated it for his patients and family members. But that many of our finest authors and professional icons in the United States and United Kingdom were also habitual users of addictive substances—especially heroin, cocaine, and bromides—is not so well known.

The authors are careful to make a distinction between habituation and addiction, as confusion over these two terms, they theorize, may explain why the patient, and not the drug, often tends to be viewed as the problem—if indeed any problem is acknowledged. When patients are given therapeutic doses of, say, barbiturates, many just keep on taking the recommended dosages, resulting in habituation. Doctors and patients alike “mistake withdrawal symptoms for relapse....” Addiction, on the other hand, implies willful abuse, meaning “intoxicated and hooked.”

Medawar and Hardon detail how, from at least the 1850s, the medical community (with progressively greater help from pharmaceutical companies) “set up a vicious cycle” in which addiction and addictive behaviors were treated with heightened doses of the same or similar substances until, inevitably, either toxicity or serious withdrawal symptoms resulted.

“Why did it take so long?,” the authors ask, for the profession to make the connection between barbiturates, such as sleeping pills, and addiction? Medawar and Hardon offer answers that could well make a case for educators to teach logic along with ethics to pupils in general, and to prospective physicians in particular.

The authors blame what they call “the NERO defense”—i.e., “the presumption that go evidence of risk equals evidence of no risk,” a line of argument that, the authors assure us, continues today. Those unfamiliar with the principles of induction, deduction, fallacies, and the Socratic
method may have to think about that one. NERO, the authors explain, means “over-reliance on lack of evidence, the belief that no news is good news.”

For example, a 1932 “finding” that only one in every 400 suicides could be attributed to barbiturates rests on the NERO presumption—the other 399 suicides could not substantiate a barbiturate connection, and therefore there was assumed to be none.

Among the more tortured uses of NERO reasoning is an incident that occurred in 1970s Britain, where the pharmaceutical industry, and some physicians, were lobbying for relaxation of prescribing laws for benzodiazepines (tranquilizers like Librium and Valium). The authors cite the case of Dr. John Marks, former managing director of Roche pharmaceuticals in the United Kingdom. With Roche’s help, Marks claimed to have compiled for analysis some 118 published medical reports between 1961 and 1977 concerning benzodiazepine dependence. He rejected 18 papers, based on NERO inferences, (i.e., that lack of evidence meant there was no risk), and he excluded a 1975 paper that cited “several patients” as having suffered withdrawal symptoms—because the number “several,” Marks felt, was indeterminate. He went on to question the concept of dependency itself: Can addictive potential be assigned to a particular drug, he asked, or to “dependence-prone individuals,” many of whom have abused other substances?

One might be tempted to concede the latter point, were it not for what is later revealed concerning buried studies of lorazepam (Ativan) and the relative half-life of the various benzodiazepines. One result of this fascinating conspiracy featuring Wyeth, the U.S. pharmaceutical company, and Dr. René de Buck, a Belgian psychiatrist, is that the same dosages ended up being dispensed to American patients suffering “severe anxiety” and to British patients with only “mild anxiety”—and “British regulators failed to notice this for over a decade.”

The book’s bottom-line argument is that “[e]ither through continuous use, or during withdrawal, [psychotropic] drugs tend to produce symptoms that mimic mental illness, including the very conditions for which they have been prescribed.” This is the proverbial chicken-or-egg quandary.

As with Dr. David Healy’s books on antidepressants and the half-truths, outright lies, and collusion that seem to characterize the development and marketing of pharmaceuticals, Madawer and Harden open a wide window on the mental health conundrum that is increasingly affecting entire societies.

The unanswered question, as always, comes down to the danger-to-benefit ratio of psychotropic substances in general. While they appear to be notoriously unreliable in their individual results, they are hugely popular revenue-makers. They promise the public what it seems to want: hope in a bottle.

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Ludwig von Mises was the outstanding economist of the 20th century, yet very few in the general population ever heard of this remarkable man and his contribution to free-market economics.

As advisor for currency affairs in Austria, he stopped the hyperinflation in that country after World War I almost single-handedly. For contrast, consider Germany during the same period. Its failure to deal with its runaway inflation was, in the opinion of many scholars, a major factor leading to the 12-year German dictatorship and World War II.

In 1940, when the Nazis were overrunning western Europe, von Mises left his professorship in Switzerland, fearing that this country too might be conquered. As an outspoken critic of German National Socialism, and with a Jewish heritage, he knew he would be one of the first to die if the Nazis entered Switzerland.

Accordingly, he emigrated to the United States and for more than 20 years taught, without pay, at New York University. Free-market friends such as Leonard Read and Henry Hazlitt supported him the whole time.

When the Foundation for Economic Education (FEE) was formed after World War II, Professor von Mises was a member of its regular staff, and gave an annual series of lectures. The series of nine lectures in July 1951, as von Mises approached his 70th birthday, has been transcribed verbatim and published for the first time in this small book.

Von Mises was a master teacher. His daily lectures displayed a global view of history, beginning with the philosophy of the free market. He observes the attempts to extinguish this flame of liberty throughout history, usually through the exercise of state power. He explores the basis of socialism from both the left and the right. He shows how governmental lust for power is the enemy of freedom.

Von Mises destroys the “laws” of the Hegel-Marx dialectical materialism. He points out the fallacy of distorting the free market through government manipulation. He decries the use of fiat money, rather than money based on precious metals such as gold. He observes that fiat money causes inflation, distorts production and investments, and leads to a boom-bust business cycle. Fiat money also allows governments to wage war more easily than they could if they had to extract honest money from citizens through taxation.

In this small volume, one senses the presence of von Mises the man. I am grateful that I had the opportunity to hear the professor in person more than a decade after he gave these lectures. This book brought back many happy memories of this remarkable true gentleman.

One small criticism is that the titles of the individual lectures, indeed the title of the book itself, are not those of von Mises and are a little misleading.

Be advised that the individual lectures do not stand alone; the later lectures proceed from the foundation laid in the earlier ones and should be read sequentially.

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The idea of building a master race of human beings did not originate in Nazi Germany. Nor did it die at the Nuremberg trials. The horrors of Third Reich
discriminated the eugenics movement and caused it to change its name. But its essence—its profound hubris—lives on.

The book is dedicated “to my mother who at present is unable to read this book, but who still remembers when American principles of eugenics came to Nazi-occupied Poland.”

A massive research effort by more than 50 persons in 15 cities, assisted by scores of archivists and librarians at hundreds of institutions, retrieved and organized more than 50,000 documents. The thread was followed from the backwoods of Virginia, laboratories on Long Island, the headquarters of the Carnegie Institution and the Rockefeller Foundation, and the U.S. Supreme Court—to Auschwitz and beyond.

The author fears that parts taken out of context will be used to “discredit the admirable work of Planned Parenthood today,” or to detract from the current programs of prestigious foundations, or to condemn all genomic research. As with his previous books, such as IBM and the Holocaust: the Strategic Alliance Between Nazi Germany and America’s Most Powerful Corporation, the author asks that the entire book be read in sequence—or not at all.

The most notorious propagandist for eugenics was Joseph Goebbels. Thanks to his efforts, America cannot pretend ignorance of Hitler’s atrocities, as his “eugenic accomplishments” were chronicled daily—and for a long time applauded by the American eugenics movement.

“Hitler is beating us at our own game,” complained the superintendent of Virginia’s Western State Hospital in 1934. Hitler’s own writings quoted extensively from American eugenicists. And American eugenicists continued to advise the State Department to enforce stiff eugenic entry barriers against Jews desperately fleeing the Nazis.

The movement has deep intellectual roots. Herbert Spencer was arguing for “survival of the fittest” even before Charles Darwin published The Origin of Species. In 1865, two decades before the term “eugenics” was penned by Francis Galton, the utopian Oneida Community in upstate New York declared in its newspaper that “Human breeding should be one of the foremost questions of the age.” New Jersey Governor Woodrow Wilson signed a law for the sterilization of the “feebleminded, epileptics, and other defectives” in 1911.

Winston Churchill was an enthusiastic supporter of a measure to “segregate” Britain’s 120,000 feebleminded persons “under proper conditions so that their curse died with them and was not transmitted to future generations.” This was merely a stalking horse for more draconian measures to ensnare millions of the “pauperized and otherwise genetically unsound families.”

Hereditary diseases were one small aspect of the eugenics movement and were used in an attempt to gain initial acceptance for measures such as outlawing undesirable marriages. “Hereditary blindness,” itself rare, rose to the top of the American eugenic movement in the 1920s. The idea was to discover a “blind” person—which came to mean any person with imperfect vision—then “go back and get the rest of the family.” Relatives of defective persons, even if they appeared normal themselves, were “carriers.”

A committee of the American Medical Association drafted a law that read: “When a man or woman contemplate marriage, if a visual defect exists in one or both of the contracting parties, or in the family of either, so apparent that any taxpayer fears that the children of such a union are liable to become public charges, … then such a taxpayer may apply to the County Judge for an injunction against such a marriage” [emphasis added].

Based on very poor science, all types of “socially inadequate” or criminal behavior, poverty, “shiftlessness,” or a low score on intelligence tests (originally invented for eugenic purposes) were targeted for eugenic extinction. To this end, diligent workers collected detailed family histories on index cards.

Laws were needed to protect the future of America and humanity against “degenerates.” A perfect test case was selected: a Virginia teenager named Carrie Buck.

Called “feebleminded” and a “menace to society,” she was actually a good student though of “poor white trash” background. Her mother had been charged with the criminal offense of prostitution. Her 7-month-old daughter, the product of rape, was said by a social worker to look “not quite normal.” That was enough for the landmark Supreme Court case that legitimated eugenic sterilization, eventually inflicted on more than 60,000 “unfit” Americans—one-third of them after the Nuremberg trials. Justice Oliver Wendell Holmes wrote the immortal words:

> It is better for all the world, if instead of waiting to execute degenerate offspring for crime, or to let them starve for their imbecility, society can prevent those who are manifestly unfit from continuing their own kind. The principle that sustains compulsory vaccination is broad enough to cover cutting the Fallopian tubes.

Three generations of imbeciles are enough.

In America, “fitness” was also a function of race. And the master race was the Nordic one. Irish or Italian blood was tainted. The merest “drop” of Negro blood rendered a person “nonwhite” and ineligible to marry a white person in Virginia.

It was not reason or remorse that stopped the German eugenicists, but the Allied invasion of Normandy. And for American eugenicists to renounce their quest for a superior Nordic race was “an inexorably slow process, devoid of mea culpas.”

Eugenics has not disappeared, but has renamed itself: genetics. Now, as many dedicated scientists toil to help improve mankind, Black is guardedly optimistic. The main threat that he sees is misuse of genetic information by insurers and other corporations for discrimination against poor risks. But he is well aware that our tools are infinitely more powerful than the index cards or IBM punchcards of yesteryear.

While Black identifies a number of existing threats, he makes no mention of the risks of a national health information network, laws that require reporting of defective newborns, or of recent American efforts to force sterilization on poor women in the Third World as a condition of desperately needed aid. He only hints at the role of socialism in justifying or perhaps necessitating the removal of unbearable burdens on the taxpayer:

> “Everything changed in the 1530s when … King Henry VIII seized church properties and monasteries in England, and charitable institutions slowly became a government responsibility.”

Black exposes how the ideas of a few activist “scientists,” previously obscure, had horrific unpredicted consequences. Worse could happen. Read this book.

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