We live in times of unprecedented economic pessimism. The world is steadily deteriorating. The immediate future looks bleak. The generation that has experienced “more peace, freedom, leisure time, education, medicine, travel, movies, mobile phones and massages than any generation in history is lapping up gloom at every opportunity.”

“Balderdash” says Matt Ridley. Because of commerce, our world is richer, healthier, and kinder. Not a single non-renewable resource—“not coal, oil, gas, copper, iron, uranium, silicon, or stone”—has run out yet. He believes that catalaaxy—the spontaneous order created by exchange and specialization—will continue to expand, and that the 21st century will be a magnificent time to be alive.

According to Ridley, the reason is not to be found in climate, archeology, or genetics, but in economics. Early in our history, cultural progress was absent. For example the Stone Age hand-axe, the Acheulean biface, used by our ancestors 500,000 years ago, had been in use unchanged for more than a million years. Then, some time before 82,000 years ago, hunter-gatherers, who used massive amounts of peat to fuel their operations, were replaced in Europe by animal muscle power. Then watermills and windmills became common. Holland became the world’s workshop in the 1600s because the Dutch were able to use massive amounts of peat to fuel their brick, ceramic, beer, soap, salt, and sugar industries. Later, the Industrial Revolution laid the golden eggs. Ridley states that human life as hunter-gatherers 15,000 years ago was one of almost constant tribal warfare, famines, infanticide, poverty, disease, and death. He says trade provided the incentive to farm and to store surplus. Before farming nobody could store a surplus for future use. Once capital arrived on the scene, our culture and technology accelerated even more, again increasing our prosperity.

With prosperity came increased survival. Over the past 10,000 years our numbers increased from fewer than 10 million to nearly 10 billion. And by the 20th century nearly everybody had access to the privileges previously enjoyed only by the rich.

Ridley writes that the engine that is driving prosperity is good old-fashioned Darwinian natural selection. But it is a selection among ideas, not among genes. This ever-increasing exchange of ideas leads to an ever-increasing rate of innovation.

He believes human prosperity is a collective enterprise that developed because many brains in a large population were connected by trade networks. He says our ability to benefit from exchange is associated with an intrinsic, instinctive capacity for trust. He points out that the release of the hormone oxytocin in the brain has been found to specifically increase trusting.

Trust is a human trait that has grown throughout our history, Ridley believes. The more people trust each other in a society, the more prosperous that society is. This capacity for trust may be one reason why the more prosperous market societies develop a culture of cooperation, fairness, and respect for the individual.

Ridley points out the important role that energy has played for our prosperity. The Roman Empire was built largely on the human muscle power of slaves. This later was replaced by the stored power of “fossil” fuels, such as coal. Empires start as trade areas that flourish, before they become the “playthings of military plunderers, from within or without.” Governments gradually employ more elites who capture a greater share of the society’s income. They increasingly interfere in people’s lives until they kill the goose that lays the golden eggs.

Ridley nonetheless believes that the human race has become a collective problem-solving machine that leads to prosperity because of exchange and specialization. So, as long as these survive somewhere, knowledge and freedom will flourish; technology will progress; the environment will improve; poverty, disease, and violence will decline; and prosperity and happiness will increase.

Matt Ridley describes the incredible prosperity mankind has created over the past 100,000 years. He believes we may continue the trend—or even accelerate it—for millennia in the future. He concludes that we should “dare to be an optimist.”

—Jerome C. Arnett, Jr., M.D.
Helvetia, W.Va.


“What most Americans believe is wrong.”
“When the money runs out only one thing is left...rationing.”
“We have [a national energy policy]
It’s called the free market.”
“Nation building is the worst form of central planning.”
—John Stossel

This book, by New York Times bestselling author and Fox News commentator John Stossel, is largely about understanding and appreciating free enterprise and the free market.
In 13 fascinating chapters he exposes many of our government-induced liberal problems, such as central planning, the Federal Reserve that allows our massive government deficit spending, the thousands of expensive and freedom-killing government regulations, socialized medicine and "ObamaCare," federal green energy and housing subsidies, the education monopoly, Keynesian economic cluelessness, gun control, and the War on Drugs. He shows how these expensive, counterproductive programs have impoverished us, made us less safe and secure, and stolen our constitutionally guaranteed individual rights.

Stossel says all this has happened largely because what most Americans believe is wrong, and that our most socially destructive superstition is the belief that when there is a problem, government action is the best way to solve it. He points out that the laws of man cannot change the laws of economics, and that reality must put limits on our political fantasies. He insists that the mature response to cries of "Yes, we can!" should be, "No, we can't!" when "we" means government.

Stossel explains that good government means less government. When markets are left alone, people create wealth and productive jobs. When government interferes in the market, bad things happen. The government usually makes the problem worse and leaves us deeper in debt. If government stays away, the self-correcting mechanisms of the market mitigate most problems much better and with less cost.

As Stossel asserts, the market doesn’t produce equal outcomes; it produces better outcomes. Since private property is ultimately effective in creating an incentive for people to produce, the market requires little more than the protection of property rights and the prevention of fraud, theft, and physical assault. He shows why business's desire for profit is good, why competition works better than regulation, and that “creative destruction” is important because failure allows markets to work.

He exposes the failure of other liberal ideas: gun control does not decrease crime; the War on Drugs harms more people than the drugs do; the federal flood insurance program is now $19 billion in the hole; one of the biggest problems with health care is not that 48 million Americans lack insurance—it’s that 250 million Americans have too much of it; seat belt laws may kill more people than they save; and the 45-year old Head Start program is a flagrant waste of taxpayer money.

Stossel tells us that our academically failing government schools, like everything else government does, are inefficient, centralized bureaucracies. He points out that taxpayers spend $13,000 per student, about a quarter of a million dollars per classroom per year, an amount that would hire four good teachers.

He also explains why free trade is win-win and protectionism is poison, and why free trade makes everyone richer and more secure. Instead of fighting our enemies, he believes we should trade with them, because when goods cross borders, armies don’t. He questions why we still have 54,120 troops in Germany, 32,459 in Japan, 27,968 in South Korea, 9,304 in England, and 6,974 in Italy.

Stossel raises the moral issue of the government’s use of force to restrict individual choice versus the persuasion found with free markets. He reminds us that Congress creates, on average, one new crime every week.

His conclusion is that “no, government can’t.” It can’t do anything that we cannot do better as free individuals. Big government impedes rather than creates. If we don’t have big government, our possibilities are limitless.

He believes we need a better understanding of economics so we can recognize the flaws in mainstream Keynesian economics. Our only hope is to learn to think economically and to resist central planning. He stops short of offering a plan to correct all of this, but re-educating our government-indoctrinated citizens likely will take on the order of at least a decade in addition to a massive investment of time and money.

If only the facts Stossel presents here were widely known, we could effect real change much more quickly.

Jerome C. Arnett, Jr., M.D.
Helvetia, W.Va.


Stephen Moore founded and served as president of the Club for Growth, a citizens’ small-government and low-taxes advocacy group. He is an insightful writer, editorial board member of The Wall Street Journal, and a consultant on political and economic issues. He partnered with Art Laffer, of Laffer Curve fame, who posited that excessive tax rates would reduce government revenues rather than increase them.

Who’s the Fairest of Them All is a concise seven-chapter review of the essentials of supply-side, low- and flat-tax economics. Moore concludes that a flat tax is fair. He argues that progressive tax rates create marginal penalties in the tax code; depress invention; penalize hard work, success, and effort; and prevent accumulation of an estate and capital for expansion.

Moore makes a compelling case that fairness does not mean confiscatory taxation and promotion of class warfare. Fairness, rather, means leaving people to enjoy the benefits of their efforts. Redistribution of property and wealth is pandering to the envious and destructive tendencies of the egalitarian socialists, and is counterproductive and unfair.

Envy, and politicians’ promotion of class conflict, Moore says, are killing the American Dream and substituting government-imposed wealth redistribution that will end the American Experiment and the success of the past three centuries.

Moore does it right, doesn’t repeat himself, and gets the message out in a forceful and lucid monograph of 121 pages. While saddling up for the next battle with the socialists, it’s important to read a strategic analysis and proposal that makes sense. You can read the book in an evening.

You might also want to read the book that Moore wrote with Julian Simon, It’s Getting Better All the Time: 100 Greatest Trends of the Last 100 Years (Cato Institute Books, 2000). Using graphs and brief explanations, they show the rapid and dramatic improvement in the well-being of the human race in the last millennium. The book was built on the work of Simon in his magnum opus, The Ultimate Resource (1981), which was updated in Ultimate Resource 2 (Princeton University Press 1996).

With his consultancy partners Art Laffer and Peter Tanous, Moore also wrote The End of Prosperity (Threshold Editions, 2008), which offers great insight into the bank investment and mortgage/real estate collapse.

These books all belong in the library of serious readers in economics.

John Dale Dunn, M.D., J.D.
Brownwood, Texas

This is a firsthand account of the author’s experiences during the Cultural Revolution in China, including more than six years in solitary confinement in People’s Detention Center No. 1. The widow of an official of Chiang Kai-Shek’s regime and an employee of Shell Oil, Cheng fell under suspicion of conspiring with foreigners against the Chinese Communist regime. As the author writes: “The events are recorded in the chronological order, just as they occurred. Every word spoken at the time, the reader will soon understand, was vitally important. Indeed, my survival depended on what was said to me and by me. I had ample time again and again to recall scenes and conversations in a continuing effort to assess their significance. As a consequence, they are indelibly etched on my memory.”

The book was called to my attention recently by a physician who endured a “re-education” program for “disruptive physicians” here in the U.S. Indeed, there are alarming parallels to the psychological methods used in China, including isolation of the target and subjugation to constant “struggle sessions” in an effort to get the subject to confess. The purpose is not simply to convict someone of an offense, but to gain the victim’s full cooperation and acquiescence, and to secure statements to incriminate others. The goal appears to be to destroy independent thinking altogether and to achieve a result like in George Orwell’s 1984, where Winston Smith discovers that he loves Big Brother.

At the time of the Cultural Revolution, as in 1984, it was exceptionally difficult to be correct because the correct view could change drastically from one day to the next, depending on the outcome of the constant power struggles within the Party.

Cheng steadfastly maintained her innocence and demanded to speak to the prison interrogators so that the mistake that led to her arrest could be cleared up. She did not believe the promises of “lenient treatment” if she “cooperated.” Indeed, if she had confessed to whatever she thought they wanted, the results might have been death in a prison camp.

Prisoners were supposed to spend their time reading and memorizing the thoughts of the great Chairman Mao. Cheng was actually able to turn the tables on her tormentors to some extent through her clever use of the words of the Chairman himself.

Cheng nearly died in prison, owing to starvation diet, extreme cold, and other deprivations. She endured a trip to the prison hospital, at a time when Chinese medicine and medical education, like the rest of Chinese institutions, were being crushed, and doctors “learned to be doctors by being doctors.”

Yet the doctors helped her by ordering “special food,” so that she got perhaps a bit of rotten fish or pork or a blob of fat to supplement the rice and cabbage. A few kind prison guards did what little they could for her without extreme peril to themselves. One day, someone even hid two boiled eggs under her rice. For all their efforts, the Chinese Communists did not succeed in extirpating the last vestiges of humanity from their people.

Cheng writes: “For many years, the official propaganda machinery had denounced humanitarianism as sentimental trash and advocated human relations based entirely on class allegiance. But my personal experience had shown me that most of the Chinese people remained kind, sensitive, and compassionate even though the cruel reality under which they had to live had compelled them to lie and pretend.”

Citizens of the former Soviet Union have said that one of the worst aspects of life under Communism was constant immersion in lies. The same seemed to be true in China. As one of Cheng’s acquaintances said, “Why assume anybody should be honest? After what you have gone through, you should know that to be honest is suicidal. Dishonesty is the best policy nowadays!”

Cheng was eventually released and “rehabilitated,” but she was told: “Once an accusation is made by a senior source, it can never be clarified, only shelved. You don’t expect the senior source to admit he made a false accusation or a mistake, do you?”

Fortunately, Cheng was eventually granted permission to leave China. She became a U.S. citizen, and died in Washington, D.C., at age 94—likely too soon to hear physician expatriates from Communist countries lament that the repressive apparatus had followed them. In the U.S., too, once tarred with an accusation, a physician is never fully exonerated.

From Cheng’s account we can learn about the impact of the Great Proletarian Cultural Revolution (GPCR) on individuals, but the statistics on this 10-year period of loss and destruction are still a state secret. Two million or more Chinese may have been killed and another 125 million were persecuted during this time.

The American medical literature has little to offer, either on the psychological methods used by the Chinese Communists or the mass mortality that Communism has caused. In the 1970s and early 1980s, there were some articles about the GPCR, which ended around 1976. The negative effects of destroying medical education and shipping a third of the professors to the countryside to do farm labor were acknowledged, but there was generally favorable treatment of the barefoot doctors and the overall effect of Communism.

For example, Victor Sidel wrote in 1975: “The changes in healthcare in China would, I believe, have been impossible except in the context of revolutionary change in the entire society. As we think about the necessary changes in our healthcare system, we will, in my opinion, have to examine those changes in the light of the maldistribution of resources and of power in our entire society.’ He thought that the Chinese experience “teaches us that we must broaden [our efforts] to include major social changes as well.” He described the “profound upheaval” of the Cultural Revolution as a time when the “pendulum swung widely from emphasis on the ‘expert’ toward emphasis on the ‘masses.’”

Grey Dimond did write about the devastating effect of the GPCR on some professionals, but earlier he had come to the conclusion that, “at first analysis [China] seems to have lowered standards to achieve quantity.” A more reasonable analysis is that China has made priority decisions. He also wrote: “The good achievements of the Cultural Revolution would continue; the excesses would be eliminated.”

American academics were apparently willing to accept serious “flaws”—such as mass casualties—because of their dedication to egalitarianism and concepts such as “putting prevention first” and “team effort.” Even in the acknowledged absence of statistics, prestigious American physicians visiting China were willing to believe what they were told, that as a result of the victory of the Chinese Communists in 1949, astonishing advances were made in controlling public health threats, reducing infant mortality, and bringing basic healthcare to the masses.

Western medicine could learn a lot from the “unique approach of the People’s Republic of China,” according to Paul Altrocchi, another of the Walter Durantys American medicine. The Chinese health services aims to “serve the people,” he explains. It emphasizes the importance of preventative medicine over curative treatment, and it involves each Chinese citizen intimately in his or her own healthcare
and maintenance, and in the health of others. In China, being healthy was a duty to one’s self, one’s commune, and the state. “In order to create a viable and productive society that can achieve its stated goals,” Altrocchi speaks in glowing terms about the mass campaigns launched by the political leadership. He writes that “patients receive encouragement and motivation toward wellness by studying the ideology of Chairman Mao, reinforced by hospital-based political health workers” [emphasis in original].

Cheng’s faith and courage are inspiring, and her eloquent account is worth reading for its own merit, as well as an antidote to the pervasive, unrepentant Marxism in the politically approved medical literature. Like Solzhenitsyn’s Gulag Archipelago, it is must reading for Americans who need to understand the human cost of Communism, which, unlike the horrors of Nazism, has been largely ignored by “mainstream” sources.

Reading Cheng should force one to question the noble-sounding ideological premises of Communism. It might also draw attention to the disturbing parallels in the treatment of our nation’s own intellectuals and physicians who dare to dissent from the accepted political tenets, as well as in the rhetoric of “healthcare reform.” This book is even more timely now than it was in 1986.

Jane M. Orient, M.D.
Tucson, Ariz.


Most of us understand that the United States is in peril because of government overspending, our colossal national debt, and terrorism threats. What many do not know is that it also stands on the brink of the destruction of our economy and our status as a superpower through stealth financial attack.

Kevin Freeman argues that such a financial attack happened in September of 2008, and is likely to happen again soon.

Economic warfare has occurred for centuries, traditionally involving measures such as blockades, tariffs, currency manipulation, and embargoes. In the 1940s, the Nazis routinely counterfeited foreign currency as a wartime tactic. The current version of this war is far more dangerous because of the sophistication and intricacy of today’s financial weaponry—including derivatives and high-frequency trading.

Freeman groups America’s enemies into three categories: terrorist groups, state terrorist sponsors, and individuals who want to see America’s capitalist economy replaced with a more redistributive one. All three stand to profit from America’s downfall, but some of the groups are even ready to engage in the fiscal equivalent of a suicide bomb—willingly damaging themselves in order to harm us.

Freeman explains the role of Sharia-compliant finance (SCF), which he states may be the fastest growing economic system on the planet. SCF prohibits the taking of interest. However, it allows investment as long as the capital provider “is willing to share in the risks of a productive enterprise.” It rejects transactions involving gambling or speculation, but in order to solve the various economic problems created by these prohibitions, Islamic scholars have devised clever loopholes that achieve the same ends as typical financial investments. SCF, Freeman states, is designed to enable Muslims to fulfill a key form of jihad mandated by the Qur’an—financial jihad. The Muslim Brotherhood merged the concept of financial jihad with basic Marxist principles.

Freeman outlines the means, which include currency and debt manipulation, bear raids, credit default swaps, short selling, double- and triple-short exchange traded funds, sovereign wealth funds, dark markets, dark pools and sponsored access, algorithmic trading, rogue traders, and arboon. Arboon is the Islamic substitute for short selling. Islamic figures now own huge stakes in America’s major financial institutions, Freeman states.

The U.S. has set up the opportunity for a financial takedown of the system. Opportunities include the housing bubble, large national debt, the repeal of Glass-Steagall, unregulated derivatives, and the opportunity to sell naked shorts. The last was the key accomplishment of Bernard Madoff at the Securities and Exchange Commission—the “Madoff Exemption”—that allowed market makers to engage in short selling without having to borrow actual shares of stock. Instead, the market makers simply had to issue an “IOU,” creating virtual shares out of thin air.

Few people predicted the September 2008 crash of U.S. financial markets. A year after the meltdown, economist Paul Krugman commented that financial economists had come to believe that markets were inherently stable and that assets were always priced correctly. Nothing in that model suggested the possibility of the type of collapse that occurred. Freeman states that hardly any economists were paying attention to global market participants and their motives.

Despite this experience, in which almost half the planet’s wealth was destroyed, we have not repaired our vulnerabilities. Freeman states that potential attackers across the globe are already conducting dry runs for another attack. These include China as well as jihadists.

In addition to foreign threats, Freeman states that the U.S. faces a significant challenge from home-based anti-capitalist leftists. For example, Stephen Lerner of the Service Employees International Union (SEIU) had a plan to crush the stock market by destabilizing banks. A computer hacking group known as “Anonymous,” which backed Occupy Wall Street protestors, threatened to “erase the New York Stock Exchange from the Internet.”

Freeman prepared the report, “Economic Warfare: Risks and Responses” for the Department of Defense in 2009 and has briefed members of Congress, past and present members of numerous federal agencies, and state and local law enforcement agencies. This book, based on open-source financial data, is indexed, extensively annotated, and authoritative. It is also gripping and lucid.

Physicians probably don’t care much about arcane financial instruments now, but they soon will, according to former director of the Central Intelligence Agency R. James Woolsey. Their financial security depends upon it. In a brief concluding chapter, Freeman offers some helpful advice to improve your personal chance of survival. You may also want to follow his blog at www.secretweapon.tv

Jane M. Orient, M.D.
Tucson, Ariz.

The Oath of Hippocrates has become a myth, states Dr. Bloche.

American patients are still under the illusion that their physician is acting for their good and is conscientiously following the pledge to do no harm. However, doctors are very often acting as double agents either for an insurance company or the government. Bloche does not necessarily have a problem with that per se, but only with the fact that it is often done covertly. Rationing is fine, even necessary, but it ought to be transparent. He does not go into great detail about how the rationing could be done, or how the resources could best be allocated, although he does suggest that doctors could legitimately serve as enforcers of conditions to which patients may have agreed when they signed up for a particular type of insurance with specified limitations.

Bloche provides a number of poignant case histories. One, presented as an example of the dilemma in allocating expensive resources such as CT scans, involved a young woman who came to the emergency department several times with nausea, vomiting, headache, and a report of right-sided weakness manifested by inability to grasp and pick up her baby's toys. After a 3-minute history and physical, she was sent home, where she would be alone with a baby.

In all his lengthy discussion, Bloche does not suggest that this case might demonstrate an appalling lack of basic medical skills. Should one prioritize the need for a lengthy evaluation, or say, “Squeeze my fingers”? Do doctors these days know how to use an ophthalmoscope to check for papilledema? That probably takes less time than scolding the patient for becoming pregnant. (The positive pregnancy test was taken to be the explanation for the nausea and vomiting.) The patient was finally admitted after falling down a flight of 13 stairs. Her metastatic choriocarcinoma was treated successfully—but she suffered permanent brain damage from the increased intracranial pressure and the fall. At Parkland Memorial Hospital in Dallas in pre-CT days, I think she would have been promptly admitted.

In Bloche's world, a wonkish gatekeeper stands between the patient and high technology. And the old-time clinician is not even missed! Bloche is a psychiatrist, but psychiatry and neurology used to go together.

Besides rationing, Bloche discusses many other conflicted situations: physician participation in executions, torture, child custody disputes, disability evaluations, and involuntary treatment with psychoactive medications for legal purposes. (AAPS members will recognize the Charles Thomas Sell case.) The discussion of the ethical dilemmas is well worth reading, but his guiding principle seems to be that of balance—balance between the needs of the patient, and the needs of society for security or justice.

“Until the time of Hippocrates, medicine's intimate and public purposes weren't at odds,” writes Bloche. "In the ancient cosmologies...illness was a matter of being out of sorts with the divine. Clear distinctions were drawn between citizens' obligations to the gods, the state, and each other. Doctors (and the priests who preceded them) healed by bringing their patients' bodies and minds into harmony with divine—and social and cultural—expectations. Healing and public purposes were thus paired, or at least closely tied." Bloche believes that the Hippocratics introduced "something radical: The claim that sickness is material and secular." Thus, patients' needs might diverge from public ends. He believes that the Hippocratic promise of fidelity to patients derives from this divergence.

Bloche has missed the main point, it appears: Replacement of an ultimate lawgiver and an absolute moral law with moral relativism. The modern state has diverged from traditional absolute ethics, and attempts to subjugate its individual members to the collective agenda, of which achieving equity is a key tenet. The “R” word is “redistribution” as well as “rationing.” Having thrown down the gods, man will define his own justice. Or, as Dostoyevsky's Grand Inquisitor in The Brothers Karamazov told Christ, the church was going to correct His work.

One example of Bloche's thinking is his discussion of late-term abortions. He seems to believe that the physician's role is to inform the state about whether there are fewer harmful effects to the mother from dismembering a fetus in utero as compared with suctioning out its brains while it's in the process of being born. The absolute Hippocratic prohibition against the taking of human life merits not even a mention. A viable but not-quite-born human being, in contrast to a convicted murderer, does not even have a hypothetical claim upon the physician's loyalty.

In his conclusion, Bloche writes: “The challenge—for society, not just for the medical profession—is to negotiate boundaries between acceptable and improper exploitation of clinical relationships for public purposes.” In other words, exploitation, or using human beings as a means to an end, may be acceptable!

Bloche believes that “the Myth has become an obstacle to Hippocratic trustworthiness and trust, which can only be sustained by candor about medicine's growing place in the public realm” [emphasis in original]. Doctors must stop being “quietly and gently hypocritical”. Better that they should be forthright about saying no. Doing away with the myth apparently means not restoring the Oath, but abandoning it.

It is not surprising that Bloche, a professor of law at Georgetown University as well as a psychiatrist, was a healthcare adviser to Obama’s 2008 campaign and a consultant to the World Health Organization. The book wins praise from the Harvard School of Public Health and from the editor of Health Affairs. Stuart Butler of the Heritage Foundation says, “Physicians and patients alike will be disturbed, even angered, by this book. That's why they must read it.” In a very lengthy review, Frank Pasquale recommends it while criticizing it for being insufficiently egalitarian.1 Unlike Bloche, Pasquale does not take the need for cost-cutting as a given. He thinks we just need to tax the wealthy more. He apparently thinks that Bloche “glosses over the moral role of redistribution in an extremely unequal economy.” From this we see that Bloche is not as far to the left as he might be.

It seems to me that Bloche is a leftist by sentiment, but is somewhat ambivalent and confused, not having entirely renounced the idea of liberty and the dignity of the individual human being. He has apparently accepted some of the premises, but not the ultimate conclusions of the radical left. Despite its flaws, the book is valuable for its information and analysis on a number of important events and dilemmas.

Jane M. Orient, M.D.
Tucson, Ariz.