
Freedom and Its Enemies

John Stossel

John Stossel, winner of nineteen Emmy Awards, joined the ABC newsmagazine 20/20 in 1981. Among the one-hour prime time specials he has been doing since 1994 are “Are We Scaring Ourselves to Death?,” “The Blame Game,” “Boys and Girls Are Different,” “Love, Lust, and Marriage,” “The Mystery of Happiness,” “The Trouble with Lawyers,” “Junk Science: What You Know That May Not Be So,” “Freeloaders,” “Greed,” and “Sex, Drugs, and Consenting Adults.” In “Give Me a Break,” a new 20/20 segment, he has looked skeptically at people who want to censor cartoons, regulate flagpoles, and have Congress rule on “fair” prices.

Honored five times for excellence in consumer reporting by the National Press Club, he has also won the George Polk Award for Outstanding Local Reporting and the George Foster Peabody Award. A Dallas newspaper called him “the most consistently thought-provoking TV reporter of our time.” He is a 1969 graduate of Princeton University with a bachelor’s degree in psychology.

Stossel spoke at a Center of the American Experiment luncheon in December 2000.

Where I live, they say “conservative” kind of like they say “child molester.” The attitude is that conservatives are tight, repressive, fearful of new things, indifferent to the suffering of the poor. Yet I read in your literature that this organization is about improving education, reducing poverty and crime by recognizing the importance of personal responsibility, and appreciating the unmatched power of free markets.

What’s conservative about that? Free markets are unplanned, unpredictable, scary, ugly, noisy. I would think conservatives would be against free markets. I like the Cato Institute’s use of *classical liberal* much better than *conservative*. Classically, the liberals were the ones who believed in tolerance.

I’d like to talk about how I came to be a devotee of free markets after thirty years of reporting, fifteen of them as a

consumer reporter—one story a night for fifteen years. I approached the world, as most young reporters do, with the attitude that consumers are victims and that free markets are cruel and unfair, so lots of regulation is needed. I'll give you a few examples.

When I started reporting, the Coffee Institute was running ads that said coffee picks you up while it calms you down. We called them and asked, "How can you say this?—it's contradictory."

"Well," they said, "we have research that backs this up."

"Really? What's the research?"

"We surveyed thousands of people. We asked them what they get out of their coffee break. Some people said it picked them up; some people said it calmed them down."

Libby Owens Ford Glass Company ads were bragging about how clear their car window glass was—but they were shooting the ads with the windows rolled down.

Consumer activists were saying we needed regulation to police advertising. Now I have concluded that regulations, by interfering with the market, usually do more harm than good.

First, they consume vast amounts of money. The least of it is the direct cost: the money we pay in taxes to pay all the bureaucrats. The real cost is the indirect cost: all the energy that's not going to making new products or inventing things, but to manipulating the leviathan that's grown in Washington and state capitals.

The smartest people in the country are becoming lawyers, not engineers or

doctors or scientists. That's not good for a healthy economy. And with all this energy going into forming associations, to lobbying, the regulations don't even work on the obvious crooks—the people selling the breast enlargers and the burn-fat-while-you-sleep pills. After five years of cheating people, a crook might be pursued by regulators and then hire a sleazy defense lawyer to hold the regulators off for another three years. Then the crook just changes the name of the product or moves to a different state. The companies that are going to be in business for ten or twenty or two hundred years have to pay the attorneys to jump through all the hoops.

What happened when the regulators did act? Let's take one example. When I started, the aspirin companies were all claiming that they were the best, but aspirin is aspirin—they're all the same. Bufferin was saying that Bufferin relieves twice as much pain. Anacin claimed to be a tension reliever, but it's just aspirin plus caffeine. The Federal Trade Commission sued, demanding corrective ads. Corrective advertising would have been something like this: "Contrary to our prior ads, Excedrin will not work three times as fast."

Now, you never saw those ads. What happened was that after nine years of litigation, the companies signed a consent order: they didn't admit doing anything wrong, but they promised not to do it anymore.

Who won from that nine years of litigation? The lawyers won, as usual.

Did the public win? You could say that we did because the ads are cleaner now; they don't lie anymore. Now they just say things like "Nothing works better than Bayer," which, if you think about it, just means they're all the same. But at least they're not lying.

I came to realize that this would have happened anyway. Markets are amazing in policing themselves. I don't know how it would have happened. Maybe Better Business Bureaus would have gotten involved, or maybe the companies would have sued each other, or maybe the press would have started to embarrass these companies. But the more I watch the market work, the more impressed I am by how quick and flexible and reasonable it is, compared to clumsy and expensive government-imposed solutions.

Markets protect us even in places where, intuitively, we don't think they will work. Take, for example, the greedy, profit-driven companies that have employed me. I've worked for all three big networks: ABC, CBS, NBC. They get all their profit—every penny—from advertisers, so you would think they would let those advertisers dictate to them, yet they don't. As a consumer reporter, I went on the air every day and bit the hand that fed my employer. When I did the story about the aspirin companies, Bristol-Myers sued me and CBS for \$23 million. You'd think CBS would say, "Stossel ain't worth that," but they didn't.

Ralph Nader said this would never happen. When consumer reporting began, Nader said we would see it only

on public television, not on commercial stations, because the commercial stations wouldn't want to offend their sponsors. Today, the opposite is true: there is no consumer reporting on PBS because the timid bureaucrats who run it are too nervous about offending anybody, but there are consumer reporters—sometimes annoying consumer reporters—on most commercial stations.

Why? Because the market works in surprising ways. Television stations figured out that although they would lose some advertising, they would make more money by giving honest information about sponsors' products. They'd get more viewers and they could charge the remaining advertisers more. Markets will protect us if there's an information feedback loop.

The Serious Stuff

But what about the serious, life and death stuff? Don't we have to have OSHA to protect workers, and the FDA to protect us from bad drugs? Again, intuitively, this sounds reasonable. But after watching these folks work, I have to conclude that they don't make life safe. Invariably, by interfering with the natural forces of millions of free people and free markets, they create nasty, unexpected side effects and make life less safe.

Let's look at the drug laws, legal and illegal. Intuitively, I'm glad cocaine is illegal. My fifteen-year-old daughter can't trot down to the local drugstore and get high, and maybe that will deter her. Or maybe it will have the opposite

effect: there's the forbidden fruit effect with teenagers—maybe the fact that it's illegal will make it more desirable.

We're not able to keep these drugs out of the country. We can't even keep them out of prisons—how do we think we'll keep them out of the country, with a thousand-mile border with Mexico? So what has the law accomplished? Maybe a certain percentage of Americans will abuse intoxicants regardless of what the law is. But there are at least three unintended consequences of the law.

First, there's crime. Almost nobody gets high on something and runs out and commits crimes; that's not what causes the crime. The crime happens because the product is illegal: the sellers have to form gangs to arm themselves, to protect themselves against competitors, because they can't rely on the police, because the buyers steal to get the stuff, and because the prices are high. Nicotine is said to be as addictive as heroin, but no one is knocking over 7-Elevens to get Marlboros. It's the law that causes the vicious crime.

Second, we're corrupting and distracting police forces. We're asking cops making \$25,000 a year to turn down \$25,000 bribes; not all do. We're telling kids who live in poor neighborhoods that work is for suckers. Why take an entry-level job at McDonald's when your little brother can make much more as a drug lookout? The coolest people in the neighborhood—the ones with the best cars and the best clothes, the role models—are the drug dealers, the criminals.

Finally, we're creating unbelievably rich criminal gangs. We forget that we created Al Capone by prohibiting alcohol. The gangs we're creating now are even richer; soon they'll be able to buy nuclear weapons.

Why are we doing this? To protect us from ourselves. But if that's a good policy in a free society, why are tobacco and liquor okay? If it's good to protect us from ourselves, why don't we have exercise police who make us run laps and do pushups?

Let's go on to legal drugs. What protects us from a snake-oil seller? The FDA. The FDA protected us from thalidomide, an anti-nausea drug pregnant women took, and many gave birth to kids with birth defects. It wasn't that the FDA was so smart; they were just so slow that by the time the ill effects were seen in Europe, we were able to stop it here.

But since that success, the FDA has grown tenfold, and now it costs about \$500 million and takes about ten years to get a drug approved in America. I'm glad they protected us from thalidomide. But now I have to ask, is it worth it? I don't think so.

By protecting us from bad things, they protect us from good things, too. Right now, in this ten-year pipeline, there are fat substitutes that would let you eat eggs and bacon, big helpings, and not get fat. There's a tiny chance that there's something in one of these fat substitutes that might be a carcinogen, so that's why it's going through the ten-year process. Intuitively, we say good. But 5,000 people die of obesity in

America every year. Some of them would be saved by this innovation, but we don't count them in the equation. We just worry about the new thing.

Some years ago, the FDA proudly announced at a news conference that it was approving a new beta-blocker. This new heart drug, they said, would save 14,000 American lives a year. No one stood up and said, "Doesn't that mean that you killed 14,000 people last year?"—we don't think that way. The thalidomide baby is on the cover of *Life* magazine, but we don't know who would be saved by freedom and innovation.

Let me pose two alternatives to the FDA. Instead of being a police agency, why couldn't it be an information agency? Companies that wanted to submit their drugs to the ten-year process and pay the \$500 million would, and those of us who are careful would take only those drugs. But if you were dying, you could experiment without having to break your country's laws, or go to Mexico or Europe, or import something illegally.

Better yet, why even have a government agency? Government agencies just don't do things very well. If you simply abolished the FDA, private groups like Underwriters Laboratories and Consumer Reports would spring up to do the same work cheaper and better. It also seems more compatible with what America is supposed to be about. Patrick Henry didn't say, "Give me absolute safety or give me death." It's supposed to be about liberty.

The Invisible Fist

Let's move on to the other layer of safety protection: the trial lawyers. Trial lawyers are a free-market solution, a supplement to government's clumsy regulation. They're a supplement to Adam Smith's invisible hand; they're the invisible fist. If you behave badly, they'll punish you. That should work to protect us, but something has gone horribly wrong: it takes years for victims to get compensation money, and most of the money goes to the lawyers. "Most" may seem high to you but the plaintiff's bar takes "only" 30 or 40 percent; add the defense lawyer and court costs, and most of the money is going to the process. This is crazy.

Even what they call their successes are not really successes. They brag about their successes against the asbestos and tobacco companies, but most of the suits are filed after the information is already out and, in the case of asbestos, after the product has already been taken off the market. They come in like vultures when the patient is already dead.

Do they make life safer? I don't think so, because of the law of unintended consequences. They brag that they made football helmets safer, and they did. Helmets were thin; kids were getting head injuries. They sued, and now helmets are thicker. But are we safer? I don't think so. Now kids are butting each other with their heavy helmets and getting neck injuries instead. The bigger downside is that the helmets cost more than \$100, which school districts on the margin

can't afford, so some don't have a football program. Are the kids safer playing on the street without a football program? No.

An even clearer example is the lawyers suing the vaccine companies. There were twenty companies in America researching and making vaccines. Lawyers sued, claiming the vaccines weren't safe enough. I don't know what the truth is; I suspect junk science. But let's say they made the vaccines a little safer. Is it worth it? I don't think so. Now there are only four companies making vaccines in America. Others got out of the business: "Who needs this liability?" many said. "Let's stick to shampoo and skin cream. We don't make that much off vaccines to take this big a hit." Is America safer with four companies researching vaccines rather than twenty? No way.

The lawyers even interfere with the information flow that's so crucial to free markets, that helps keep us alive. For example, we ought to read labels to protect ourselves. We ought to read the label that tells us not to take tetracycline with milk, because it won't work if we do. But who reads labels anymore? They've got twenty labels on stepladders, looking to protect themselves from lawsuits: Don't dance on the ladder while you're wearing wet shoes. And have you looked at a birth control pill label lately?—tiny print, both sides of the paper. It's so long even the doctors don't read it. It doesn't make us safer.

My point is that free markets are far better at keeping us safe than these rules are.

That's fine for those of us who are informed, you may say, but what about the poor and the ignorant? We need regulation to protect them. But the market protects the ignorant, too. Think about cars. I don't understand what makes a car run better or safer than another, yet it's hard to get totally ripped off buying a car in the West. Compare the worst you can buy here with the best the planned economies could produce. Remember the Trabant, the pride of the Eastern bloc? It disappeared as soon as the Wall fell.

Why was their best unable to compete with our worst? Because not everybody has to be an expert for a market to work; you just need a few car buffs, a few people who read the car magazines and know about cars, and through word of mouth the markets work. The good companies thrive and the bad ones atrophy.

There is an exception to the market self-regulating: We need rule of law. We need police to protect private property.

Hard-core libertarians might disagree with me, but I would argue that we need some public health and environmental regulations. There's often no market incentive to behave well. My smoke goes to your lungs. We have catalytic converters on cars, and the air and water are cleaner than they used to be.

I'm glad we have some government, but how much do we need? America grew fastest during our first 150 years, when government was 5 percent of gross domestic product or less. How big should it be?—10 percent of GDP, or 12 percent? It's now approaching 40

percent. Is it time to stick a fork in it and say it's done? Of course it's not done; we need to make adjustments. But to know what adjustments to make, we need an informed public. I'm embarrassed that we in my business have done an abysmal job of informing people.

Hyping the Scares

On risk issues, the market works *against* us, because we tend to hype scares. More of you will watch *20/20* tonight if I say that apples will kill you than if I say they're okay.

The other problem is that we have an incentive to focus on today's news, which is bad reporting, because the important stuff doesn't happen today. The important stuff—the invention of the birth control pill and the computer chip, the women's movement, stuff that's done by millions of free people all over the country—happens slowly. We're not very good at covering that. It's easy to go to a politician and stick a microphone in his face, but that's not the news.

A turning point came for me when a producer came into my office with a story on Bic lighters that he wanted to do: Bic lighters are exploding in people's pockets, spontaneously catching fire, he said; they've killed four Americans over the past four years. He had gotten the story, as a lot of producers do, from a trial lawyer.

Trial lawyers are the lazy reporter's best friend: they do all the work—you don't even have to make a phone call. They've got the victim right there, and

they've subpoenaed every piece of paper the company produced and found some dirt. (I bet if they subpoenaed all of your papers, they'd find some dirt in there, too.) The reporter looks like a big investigative reporter just by taking a handout from the trial lawyer.

In this case, because I had compiled what I called a mortality list and had it on my wall, I could say to this producer, "I'll do your Bic story if you do garage door openers first; they kill *ten* Americans every four years. Or let's do plastic bags; they kill *twenty* Americans every four years." Ordinary five-gallon buckets kill 200 Americans every four years—mostly little children who fall into them and drown.

It's a big country, and lots of nasty stuff happens to people. But if we scare everybody about every ant, people won't be able to focus when the elephants are coming. It's irresponsible. The producer called *me* irresponsible and callous and left my office, and they got someone else to do the story.

Then I went to my bosses and said, "Let me do a show putting risks in perspective, so people can see what to worry about. That should be my job as a consumer reporter." They didn't get back to me for two years, but then the market worked: I got another job offer, and to keep me, they agreed to give me three specials a year and I insisted that the first be one I called "Are We Scaring Ourselves to Death?"

The best way to compare risks is not to compare how many people are killed; something that kills older people is less

socially tragic than something that kills children. The specialists compare risks according to how many days they take off the average life.

On average, we've had fewer than 200 deaths a year from commercial air crashes in America over the past twenty years. That is less than one day off the average life.

At toxic waste sites like Love Canal—these Superfund sites where we're spending hundreds of millions of dollars trying to clean up to the point that children can eat spoonfuls of dirt from them—about half of the money has gone to lawyers, not to the cleanup. There is no proof that these toxic waste sites have killed anybody, but taking the most hysterical estimate I could find from an environmental group, which said that a thousand Americans might get cancer from these sites every year, and assuming they all die, that's still less than four days off the average life.

For perspective, house fires cause forty-five hundred deaths a year; a ten-dollar smoke detector really makes sense. Murder, which leads the news, takes about 100 days off the average life. Driving takes 182 days off the average life. What do we reporters do with this?

We go nuts when planes crash. Reporting live from the scene, we say, "We don't know anything, and we'll keep telling you what we don't know." My bosses have tried to get me to do stories on the ten most dangerous airports, or how you're supposed to count the exit rows so you can find your way out of an airplane in case there's a fire

and the cabin fills up with smoke. I refuse to do these stories because I think it's irresponsible. I think we're committing statistical murder: we scare people with our hysterical air crash coverage, so more people drive to Grandma's house—and that kills people.

It really gets silly when you look at smoking: the idea of a smoker worrying about getting brain cancer from a cell phone is just crazy.

Studies in America and elsewhere have shown that if you are below the poverty line in the United States, your life is seven to ten years shorter. Some of that is because poor people smoke and drink more, but much of it is because they can't afford some of the good stuff that keeps us alive. They drive older cars with older tires; they can't afford the same health care, the same fruits and vegetables.

Wealthier is healthier. Floods in Bangladesh kill 100,000 people. Floods on the Mississippi are just as bad, but they don't kill anybody because we have radios on which to hear about the flood and cars with which to drive away.

The regulatory culture makes flying more expensive, with absurd regulations, or passes laws demanding that the asbestos be taken out of building walls. That kills people, too, because that means that America is a little poorer. If the taxes are higher in Minnesota and people go to South Dakota to open businesses, that makes Minnesota poorer. That kills people. The headline should be "New OSHA Rule to Save Four, Kill Ten." But you don't see that because reporters don't think that way.

Fear of Innovation

I'd like to conclude with a thought experiment. One result of our bad reporting is to make Americans leery of innovation. Even smart people fear it. Clearly, we've got to have some regulation—we don't want free trade in nuclear weapons—but let's take a hypothetical example.

Let's say that I'm a greedy businessman and I want to introduce a new product that will compete with oil. It's no cheaper than oil, but it will reduce our dependence on the OPEC countries. The trouble is, my new fuel is highly flammable, it's explosive, and it's also invisible, odorless, and deadly poisonous. Do you want me to pump this new fuel into your house?

Most people say no to this question—yet many of them have a gas stove with this invisible, odorless, deadly poisonous fuel. It only has a smell because they add something to it so you can smell it before it blows you up. It kills 200 Americans a year. We accept it because it's old technology. If I tried to introduce it now, regulators wouldn't allow it.

How about something less useful than natural gas? Let's say I want to introduce a recreational device—a toy with no essential purpose—that will kill more than 1,000 Americans a year, mostly little children who will die slowly and expensively, as vegetables, in their parents' arms. What is it? The answer is swimming pools, which would be approved today only if there were razor wire fences around every pool, or armed government guards.

Would cars be approved? This is how they might be described: I have a new form of transportation, it'll pollute differently from the old—more air pollution, less solid waste, it would be a tradeoff there—but the trouble is, it will weigh a ton and people will drive it at fifty miles an hour, inches from pedestrians. And we're going to let sixteen-year-olds drive it. No way we'd approve that.

Would planes be approved? We're going to put hundreds of people in aluminum tubes and fly them over cities.

We wouldn't approve these things. Why are we doing this in a free society? Why do we allow government to make these decisions for us? What's happened to our independence? Some people want to take more risks; some people want to go skydiving. We learn from these risk takers, and it makes us a more resilient and safer society.

Something is horribly off in the media coverage, because all we hear are the scare stories, about how we're exposed to all this horrible stuff: scary-sounding new things, invisible chemicals, deadly radiation, food additives. Stuff humans have never been exposed to until the last forty years. And it's true, we are. But what's the result? We're living longer than ever. Our sense of history is so bad that we forget that at the turn of the last century, most people my age were already dead. The very technology that we now fear so much has extended our lives. What gave us that innovative technology is not government regulation; it's freedom.

America's founders fought a war for liberty. We are voluntarily giving it

back bit by bit. America's heroes today are not Ralph Nader and the army of busybodies telling us how to live our lives, but free, independent people who are finding a way to do something a penny cheaper or a second quicker or a little better.

Following his talk, John Stossel took questions from his American Experiment audience.

Bill Boushka: An important principle for both conservatives and libertarians is personal responsibility. So why shouldn't gay men and lesbians have the same rights and responsibilities as everyone else?—that is, the right to have their committed relationships recognized in the law, the capacity to serve in the military with some openness, the ability, when appropriate, to have custody of children, and also the expectation that gay people and lesbians will have these responsibilities. Why don't we adopt that point of view? To me, it seems like common sense, even from a conservative point of view.

John Stossel: I have no problem with that. I have some problem with the idea of marriage between men and women not being considered special and different. There is something about the conventional family that has helped build America. I think that if you totally liberalize these rules, you'd just get two guys faking it to get extra money from their companies or from the government. But I think gays should be treated the same as every-

body else. I think homosexuality is perfectly natural.

Al Olson: What's your perspective on global warming?

John Stossel: In a way, the media coverage of global warming is good news in that it is less hysterical than it would have been ten years ago. Ten years ago, the press would have been all over it: We've got to do something. This is definitely true.

The reporting has been bad. People are reporting about it like it's a fact that humans' contribution to this is significant, and that's definitely not proven. I do fear that eventually, we will pass laws that will make countries poor and make poor people's lives more miserable, longer, in the name of this dubious theory.

Mark Stenglein: In order for a market to work, you have to have informed consumers. Let's say you needed an appendectomy. How does the market work in medicine?

John Stossel: If we had a free market in medicine, it would work the way it works everywhere else: The doctors with good reputations would get more patients. Those who hurt their patients would lose business.

In discussions of health care in this country we talk about whether we should we have HMOs or a government system, but nothing works well unless you pay for it yourself. That's how free markets work. If you're not getting good service, you move. Insurance companies paying is as bad as a government system.

What works well in medicine? Cosmetic surgery offices. They're nice offices, and you don't have to wait in line. It's because people pay for it themselves. Any government system, any third-party payment will be a mess, and we've had a mess in this country ever since the government gave people tax deductions for health insurance during World War II. I don't see the way out of this, because doctors now seem to be wedded to more socialism.

Clarkson Lindley: The television newsmagazines such as the one you work for have proliferated, and they investigate everybody but each other. Why don't you put a mini-cam in Sam Donaldson's toupee and go out to the Hamptons on a summer afternoon or sit in the White House pressroom where he slept through the coffees for three years and nobody noticed the Chinese going in the back gate of the White House?

John Stossel: I agree—we should do more press criticism, and I've been trying to do it in the "Give Me a Break" segments at the end of 20/20. I've done a couple on our hysterical coverage on plane crashes and school violence, and I would like to do more. We're not very good at doing that, though, because we know that if we do it to *them*, they will do it back to us.

Carter Peterson: Do you have any comments on smart growth? We're talking about holding growth back to the inner suburbs. Portland, Oregon, is doing it right now, and it's the new thing here in our town.

John Stossel: It could work if you spent everybody's money building light rail systems that nobody rides; then nobody would have any money to build any new houses, and I guess that would be smart growth. I think sprawl really means that people want to live in a place with a backyard. There's a lot of country out there. We're not yet at a crisis point where we should turn our lives over to the planners; the planners have a horrible record of wrecking people's lives.

Pam von Gohren: You did a "Give Me a Break" on government monopoly in schools. When are parents going to have the freedom to take the responsibility to see that their children are educated without the government regulating them up one side and down the other?

John Stossel: Never. Jefferson was right when he said it is the natural order of things for government to grow and liberty to recede. The idea that we would go back to a time of separation of school and state is beyond us. Maybe we'll get to vouchers—though they got killed in this last election—but even then, I'm sure the government would keep its fingers in, regulating more and more. Home schooling continues to grow, and the home-schooled kids outperform the professionally schooled kids everywhere. These parents are heroes.

Sheila Field: You said that the health care delivery system that works best is the plastic surgeon's office. Plastic surgery is optional, and the wealthy

can afford it. What about the poor? What about children's health? How do we handle that?

John Stossel: A free market in health care is a scary thought. Intuitively, we say that poor people would get awful treatment.

It's a conceit to predict how markets work, but think about it. They give us everything else we've got that works, from Federal Express (compared to the post office) to a million choices of food, clothing, shelter. Free markets eventually deliver these things better and cheaper to poor people, too.

How might it work? First of all, rich people would go to the equivalent of the plastic surgery office to have everything done, and doctors would innovate in ways they're not doing now to find ways to treat everybody cheaper. Prices gradually would come down. Philanthropic groups would form charity medical care for poor people. In the 1920s, before the government drove these organizations out, a third of the men in this country belonged to mutual aid societies—private charities that helped friends, helped poor people. Once you have a big government bureaucracy, people volunteer less. If we got government out, people would volunteer to help the poor.

But it would be a scary transition, and I don't think it's going to happen.

Elwood Caldwell: Do you seriously think that we would be better off without the updated Federal Food, Drug and Cosmetic Act or the Food and Drug Administration?

John Stossel: Yes, seriously. Again, it's frightening to imagine if you don't have the substitute free-society mechanisms in place, but I think they would arise immediately. Consumer Reports or Underwriters Laboratories would test the drugs. Some people would be killed trying things, but in the long run, more lives would be saved. We'd have cheaper, better drugs available sooner.

John Schreiner: I've been hearing all my life how terrible it would be if we had national identity cards. And, yet, I hear that soon, when you renew a driver's license, they will ask for your Social Security number. Between those two, I call that a national identity card. And I hear that to sign up for a cell phone these days, they want both a driver's license number and a Social Security number. I don't think that should have anything to do with any number.

John Stossel: With cell phones, at least there is private competition; some company could get the business by not requiring so much intrusive information. In essence, though, you're right: just from Social Security and credit cards, we have national identity cards. Everybody can find you. That cat is out of the bag, and there's not much we can do about it. So far, it hasn't been used to threaten us.

Kevin Houston: Does environmental regulation really work? Isn't it the case that government sites and big government contractors are the worst polluters, and isn't it also the case that the Environmental Protection Agency

strangles businesses and makes us all poor?

John Stossel: Environmental regulations overreach, but we need some environmental regulation. As our society gets richer, we're much more willing to pay to clean up. Just getting richer cleans the air. Most of the pollution comes from the ten-year-old cars. In a rich country, people buy new cars that pollute less. But they pollute less in part because there were some rules.

John Hansen: You talked about the freedom we lose to trial lawyers and their activities. A local talk show host, Jason Lewis, talks about the need for tort reform. But so many of our representatives in Congress and the Senate are lawyers, it's hard to know how that could ever be reformed. How can we get our freedom back from the trial lawyers?

John Stossel: By speaking up. What the trial lawyers are doing to America is astonishing. I can't believe my colleagues in the media aren't paying more attention to it. This tobacco lawsuit scam is astonishing.

But these guys talk better than you do. They fight for a living every day, so they're expert at winning arguments, and they distort the debate in wonderful ways.

What form should tort reform take? I think Jason Lewis would argue for punitive damage caps. I'm not so sure that's a good idea, because if your business behaves egregiously, maybe the punitive damages should be high. Maybe the money should go to the

state rather than the plaintiff. But a far better reform is loser pays: if you sue somebody and you're wrong, you pay. America is the only society where I can sue you, wreck your life, be wrong, and then just walk away. Even here, the trial lawyers are clever; they call loser pays the English rule. It's not the English rule, it's the rest of the world's rule. We're the only civilized society that has the policy we have now—but there's no movement toward reform.

Mitch Pearlstein: The tobacco question has been salient in this state. Could you expand on what you said about that?

John Stossel: You've got this huge settlement, and the result is that the poorest people in America, the smokers, are paying a tax to billionaire lawyers. All this hype has made not a dent in smoking. You ought to have the right to poison yourself with tobacco. If we want to punish you for it and tax you, the legislatures ought to vote for that. But for these attorneys general to buddy up with their trial lawyer friends they went to college with to become billionaires by going around the legislature and nailing the poor smokers seems like a scam to me.

Doug Seaton: How do we get more journalists like you?

John Stossel: I don't know why more journalists don't see things the way I do. Where I work, nobody does. I'm somewhat of a pariah. I don't understand why so many believe in government solutions. I think people go into journalism because we want to

run other people's lives, and from there, you just become a believer in the state.

Debbie Rice: I'm seeing a growing trend toward socialism throughout the country, and I'm surprised that there isn't more of a debate. It's like a sleeping giant that will someday overcome us.

John Stossel: I don't know how we get this debate out there. To me, it's so obvious. But my colleagues just don't see the world that way.

My shows don't just talk about how free markets work, they demonstrate it. But they air once, and then they're gone. If we could get them into schools as a supplement to the government school monopoly, we could educate kids about alternatives to government regulation. ■