



No They Can't

Why Government Fails — But Individuals Succeed

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There have been so many pro-capitalism books by television news personalities in the past few years — Michelle Caruso-Cabrera's *You Know I'm Right: More Prosperity, Less Government*, Joe Kernan and Blake Kernan's [Your Teacher Said What?! Trying to Raise a Fifth Grade Capitalist in Obama's America](#) — that when John Stossel's [No They Can't: Why Government Fails — But Individuals Succeed](#) crossed my desk, I approached it with a certain weariness.

Mr. Stossel is great, don't get me wrong. The more television news personalities stand up for capitalism, the better. A dozen of them could write books, and they would still be a beleaguered minority. But is there anything for a reader already on the capitalist side to learn from yet another one of these books?

Yes there is. Mr. Stossel's book turns out to be quite well done. Two of the best pieces of content in the book are charts. One shows the decline in workplace fatalities per 100,000 workers between 1933 and 2005. The chart shows that "before regulation, deaths dropped just as fast." Or, as Mr. Stossel puts it, the establishment of the Occupational Safety and Health Administration "made no difference" in workplace fatalities.

The second chart, from the Cato Institute, shows the "inflation-adjusted cost of a complete K-12 education, and percent change in achievement of 17-year-olds, since 1970." Costs have gone way up, while reading and math scores, as measured by the National Assessment of Educational Progress, have been essentially flat.

Another eye-opener in the book's chapter on education is about how what Mr. Stossel calls government schools "are now more racially segregated than private schools." He writes, "University of Arkansas education professor Jay Greene examined a national sample of school classrooms and found that public schools were significantly more likely to be almost entirely white or entirely minority. In another study, he looked at who sat with whom in school lunchrooms. At private schools, students of different races were more likely to sit together."

I also appreciated the dose of skepticism from Mr. Stossel about his colleagues in the television news industry: "Emmys are silly awards that the liberal media give to people

who confirm their anticapitalist attitudes. I won nineteen Emmys before I moved to Fox. I don't win them anymore."

Mr. Stossel is a libertarian, not a conservative, so there's a chapter on why drugs should be legal and a chapter on why America's defense budget should be downsized. The drug legalization chapter is, at least, mostly well argued, even if not entirely convincing. Mr. Stossel writes that "once we become adults, we should own our own bodies." He uses this to make a "freedom" argument for drug use, but the same line of reasoning can be used to justify suicide.

The chapter on defense is a real disappointment, especially in contrast to the high quality of the rest of the book. "The 9/11 attacks were largely a failure of government," Mr. Stossel writes. "Part of the failure was America's interventionist foreign policy, which needlessly made enemies." He clarifies: "I do *not* argue here that our military actions abroad are the reason we were attacked on 9/11. We were attacked by religious fanatics. But our military presence in so many countries wins the fanatics support."

America's foreign policy may make some enemies, but it also makes some friends, a fact that Mr. Stossel fails to acknowledge, so far as I can tell. And "religious fanatics" is a weirdly imprecise phrase to use to describe the terrorists, who weren't, after all, fanatically religious Christians or Jews, but rather adherents of militant Islamism. These radical Islamists also have attacked in Bali, Indonesia, and in Madrid, Spain. Neither Indonesia or Spain have America's level of overseas bases. And the militant Islamists attacked a Jewish community center in Argentina and a Jewish school in France. How is America's interventionist foreign policy to blame for that?

Mr. Stossel declares "no one in authority has proposed 'massive defense cuts.' What Romney calls 'massive cuts' are reductions in planned spending *increases*." That's inaccurate. President Obama's defense secretary, Leon Panetta, a veteran of the Clinton administration, [describes](#) the cuts as "devastating" and writes that the result would be "the smallest ground force since 1940, the smallest number of ships since 1915, and the smallest Air Force in its history." President Obama's own [budget](#), available for download from the White House Web site, projects not spending increases for defense but *cuts* — to \$572 billion in 2015 from \$716 billion in 2012. That is a \$144 billion cut, or about 20%, in numbers that do not take into account the erosion of inflation.

At one point in the book, Mr. Stossel writes, "I don't presume to know the 'right' amount to spend on defense." Later in the book, he sheds his lack of presumption and writes, "I propose cutting defense spending to \$243 billion."

Another part of Mr. Stossel's argument for defense cuts is that "our current spending, adjusted for inflation, is greater than it was during the Cold War." While this is true in some technical sense, the American economy and the rest of the government have grown even more rapidly than the defense budget has, so using this argument to target single out defense spending for reduction is problematic. A visit back to the historical tables of President Obama's own [budget](#), available for download from the White House Web site, confirms that in 1960, national defense spending was 52.2% of federal outlays and 9.4% of GDP; in 2012 it is 18.9% of federal outlays and 4.6% of GDP. By those two measures, we're spending less than half as much on defense now as we were during the Cold War.

Mr. Stossel describes his father elsewhere in the book as "a poor German immigrant." Libertarians sometimes forget that a strong American military helps protect us Americans from those abroad who want to impose their own visions of a big and powerful government on us Americans, but it's hard to believe that the son of an immigrant from Germany, of all places, could make this error. Mr. Stossel belittles the threat of Iran with nuclear weapons on the grounds that Iran is "an ocean and a continent away." But that's little reassurance when Iran could put missiles in Venezuela or a place a bomb in a suitcase or a plane bound for an American city.

I've dwelled on the failings of the single chapter devoted to defense policy, but don't let that deter you from buying or reading the book. It's an accessible and clearly written defense of free markets and economic freedom that comes at a time when we sure can use it. In fact, one reason I'm glad our defense budget is as large as it is is that it keeps America and lots of other places around the world free so that people like Mr. Stossel can continue to criticize the government and defend individual liberty. There aren't many out there who do it better.