

# Jim Powell on US Political Dysfunction and Four Freedom-Oriented 'Nobel Prize-Winners'

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The Daily Bell is pleased to present an exclusive interview with Jim Powell (below).

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**Introduction:** Jim Powell, senior fellow at CATO, is an expert in the history of liberty. He has lectured in England, Germany, Japan, Argentina and Brazil as well as at Harvard, Stanford and other universities across the United States.



He has written for the New York Times, Wall Street Journal, Esquire, Audacity/American Heritage and other publications. He is the author of several books, including *The Triumph of Liberty, A 2,000 Year History Told Through The Lives Of Freedom's Greatest Champions* (Free Press, 2000), with a foreword by Paul Johnson. His most recent book is *Greatest Emancipations: How the West Abolished Slavery* (2008). He has a B.A. in history, University of Chicago (1966). He served as an editor of *New Individualist Review*, a quarterly (since reprinted by LibertyPress, Indianapolis) which published articles by future Nobel Laureates Milton Friedman, [F.A. Hayek](#) and George Stigler and other free market thinkers. He performed research for future Nobel Laureate Ronald Coase. (Some, above, from CATO; the editors are aware of the various Nobel distinctions, so don't email us, please.)

**Daily Bell:** You have done work for so many groups – the Manhattan Institute, the Institute for Humane Studies, Citizens for a Sound Economy, the National Right to Work Committee and Americans for Free Choice in Medicine – give us a brief overview of your efforts.

**Jim Powell:** Eagle's eye view ... Some of the work, in summary, involved presenting speeches in various areas and also included writing papers on such issues as compulsory unionism and government-run health care.

**Daily Bell:** One of your most interesting books is *FDR's Folly*. Tell us about this book.

**Jim Powell:** I made a case that FDR's New Deal prolonged the Great Depression. This was an unintended consequence of his misguided policies. FDR tripled taxation during the New Deal period

(1933-1940), which meant that private sector employers had less money for hiring and consumers had less money for spending. FDR signed a number of laws that made it more expensive for employers to hire people – consequently, there was less hiring even when the U.S. economy expanded during the 1930s.

For example, there were minimum wage laws that made it illegal for employers to pay market-rate wages to people with limited skills or experience. During the 1930s, Social Security was a payroll tax that made it more expensive for employers to hire people – there weren't any Social Security benefits during the 1930s (benefits began in 1940). Compulsory unionism (Wagner Act) led to above-market wages and surging unemployment.

FDR also pursued policies that made everything more expensive at a time when people desperately needed bargains. For instance, FDR paid farmers to destroy food in an effort to force food prices above market levels – this was when only about a quarter of the population were farmers and three-quarters of the population were consumers of food, many of whom had little money. FDR signed anti-discounting laws like the Anti-Chain Store Act (1936) that penalized supermarkets for buying in large volume and selling for low prices. Also, the Retail Price Maintenance Act, aimed at other discounting practices. It's no wonder FDR's presidency during the 1930s was plagued by double digit unemployment.

**Daily Bell:** Was it FDR's idea to expand the commerce clause? What impact did that have?

**Jim Powell:** As a progressive, FDR seemed to view the Constitution as an inconvenience. He wanted to expand government power, and if various constitutional provisions had to be expanded or ignored, so be it. The commerce clause was among those provisions.

**Daily Bell:** What do you think of the two latest Supreme Court Justices?

**Jim Powell:** They, too, are all in favor of expanding government power, regardless what the Constitution might say. Fortunately, the ideological balance on the court doesn't appear to have changed. It's still possible to believe that the court might uphold a constitutional challenge against Obamacare. But Obama is less than two years into his term, and if there are a couple more openings, the floodgates could open.

**Daily Bell:** What do you think of President Barack Obama?

**Jim Powell:** He has pursued the expansion of government power more aggressively than any other president since FDR, and he might turn out to be the all-time biggest spender. He seems oblivious to the fact that the government was already in big financial trouble.

He appears to be a profoundly ignorant or arrogant man. He seems to have simplistic ideas, such as that one can spend one's way to prosperity; one can stimulate the private sector by taking more money from taxpayers and giving it to government bureaucracies; government spending can be paid for by soaking the rich; temporary tax breaks will promote an economic recovery; promoting compulsory unionism will help the economy; one can raise taxes, talk about raising more taxes, multiply regulations and other ways create uncertainty that won't have an adverse impact on the economy or employment. I could go on. Unfortunately, Obama isn't the only one who believes in such simplistic ideas.

Obama reminds me of the fanatical ideologues who flourished in Europe after World War I and in many other places – socialists, communists, fascists, Nazis and the rest. Or maybe Obama might be compared

with Argentina's Juan Peron. Obama's speeches bristle with anger, resentment, envy and even hate. He demonizes industries, attacks "the rich," blames all his troubles somebody else (usually his predecessor).

One might wonder if he has totalitarian aspirations after seeing the way he appointed Elizabeth Warren to run the Consumer Financial Protection Bureau, established by the Dodd-Frank law. The Constitution specifies that federal officers be appointed subject to the advice and consent of the Senate, and the Dodd-Frank bill specifies the same thing, but Obama maneuvered to avoid having Warren appear before a Senate committee, since many believe that she was too controversial to be confirmed.

Obama gave her a lesser title intended to evade the constitutional and Dodd-Frank requirement for a Senate confirmation hearing, and he set her up in the U.S. Treasury, although apparently she won't be regulated by the Treasury Secretary. Technically, she seems to be a presidential assistant. Meanwhile, she'll have unprecedented power over financial services in the United States. Companies are currently spending a tremendous amount of time and money trying to figure out what it might take to be in compliance with this 2,300-page law. Obama is thumbing his nose at the Senate, defying them to demand that their constitutional power be respected, and it appears that they're rolling over.

In other countries, we have seen how a ruler demands more power and then more and more and more, as long as they don't encounter much resistance. Once power is ceded to an ambitious ruler, it's hard to get back. Obama appears to be very different than the well-spoken, moderate, reasonable, bipartisan man Americans thought they were voting for.

Fortunately, Obama seems to be his own worst enemy. He ignored what the people wanted – economic recovery and jobs – and focused on his progressive agenda. He thought that he could make the economy recover by giving several hundred billion dollars to government bureaucracies, and then he could spend a year promoting a government takeover of health insurance. He appears to be surprised, if not stunned, that a sluggish economy and high unemployment have persisted, and he seems perplexed because his subsequent gimmicks (like Cash for Clunkers) didn't work. The economy could be his undoing in the elections.

**Daily Bell:** How about George Bush? Was his a "successful" presidency?

**Jim Powell:** Bush was a huge setback, an affirmation if affirmation be needed, that Reagan's biggest mistake was making George H.W. Bush his vice president and thereby making it easier for George W. Bush to seek the presidency later. George W inherited a budget surplus and burned through it fast. For several years, he didn't veto a single spending bill. He started a huge new entitlement without dedicated income sources. Bush played a major role transforming the Republican party, which at least paid lip service to limited government, into a big government party, and it lost practically all its credibility.

It was understandable that Bush dispatched U.S. forces into Afghanistan since that's where the 9/11 terrorists trained, but it has become a bottomless pit. We must be mindful that Afghans outlasted the British, they outlasted the Soviets, and they'll probably outlast us, since eventually our troops are coming home. It seems were trying to build a nice liberal democracy in Afghanistan – a mission doomed to failure. Overwhelming experience makes clear that people don't like other people building their nations, even when they make a mess of it.

I believe Bush's invasion of Iraq was a mistake, despite the fact that Saddam was a corrupt and murderous dictator. Even if it were true that the rationale for invasion (weapons of mass destruction) was a matter of inaccurate intelligence, I think pre-emptive wars are a terrible idea that multiply rather than reduce our security problems. Deterrence is a much better strategy – it worked against the Soviets and the Communist Chinese. I think that probably the main impact of our war in Iraq was to take out the only Mideast government capable of countering the power of Iran. We created a power vacuum. Now what are we going to do if, after we withdraw, the Iranians decide they must expand into Iraq to protect their Shiite brethren? Or what do we do if the Iranians go after the Saudis?

**Daily Bell:** As an editor of the student quarterly *New Individualist Review*, you helped publish articles by future Nobel Laureates F.A. Hayek, Milton Friedman and George J. Stigler. Other contributors included [Ludwig von Mises](#), [Murray Rothbard](#) and Yale Brozen. How did you get involved in this publication? Did you know these luminaries personally? What did you think of them? Give us some anecdotes if you can.

**Jim Powell:** I decided to go to the University of Chicago because I received a subscription flyer for *NEW INDIVIDUALIST REVIEW*. I heard of several of the authors the journal published, mostly because I had subscribed to *THE FREEMAN*, a monthly libertarian magazine published by the Foundation for Economic Education. I decided the University of Chicago was where I wanted to go. Made my college decision easy. One of the first people I met at Chicago was graduate student Sam Peltzman who manned the *NEW INDIVIDUALIST REVIEW* table at student activities night, and I became involved with the publication immediately.

Even though I was a mere undergraduate at Chicago, and I ended up in the history department, I got to know students and professors in the economics department, the law school and the business school as well as the history department, because of our shared interests in liberty. It was a wonderful experience I will always cherish. The year I arrived in Chicago was the year Hayek left, so although he returned a number of times during my time in Chicago, and I talked with him on those occasions, I never got to know him well. He was a more remote, reticent personality in any case.

Milton Friedman was an outgoing and a dedicated crusader for liberty who was very generous with his time, explaining things and encouraging people. I was David Friedman's roommate after he came to Chicago for graduate work, following his graduation from Harvard, and we went to Milton and Rose Friedman's place for dinner on many weekends.

They ran circles around me, especially Milton and David, because they were so fast, but they were very sweet, and it was intellectually very stimulating. I remember Rose Friedman's brother Aaron Director, a professor at the University of Chicago Law School, visiting the apartment on Greenwood where David and I lived, and Aaron expressed admiration for my library, which was unusually extensive even at that time. Aaron was especially delighted to see my complete works of Herbert Spencer, the late 19th century English champion of *laissez faire*.

Milton Friedman was very different than my high school hero, William F. Buckley, Jr. – I attended the same high school (Millbrook) that he did, and I was probably as ideologically outnumbered as he was. I persuaded a couple Millbrook students and a faculty member (history teacher Rodney Johnston) to join me at the 1961 Young Americans for Freedom Rally for World Freedom, Madison Square Garden. As I recall, Buckley, Barry Goldwater and Ludwig von Mises were among the speakers.

**Daily Bell:** What did you think of Buckley?

**Jim Powell:** I certainly didn't agree with all of Buckley's views, and I never saw the point of all the obscure words that became his trademark, but I admired the feisty spirit with which he challenged intellectual adversaries. I saw him in a number of debates. He was a clever debater who focused on scoring points.

Milton Friedman was an interesting contrast. I was most impressed by two things. First, he could talk to anyone. He was very friendly. He had a gentle sense of humor. When he argued, he stressed the aims that he shared with his intellectual adversaries and insisted that the differences were mainly about the best ways to achieve those aims. The question was always which ways worked.

One effect of this strategy was to get an adversary to acknowledge that our aims were as good as their aims – the aims were the same. Another effect was to avoid unnecessarily putting an adversary on the defensive. We're not suggesting he or she is a bad person. We're just talking about different ways to accomplish the same aim.

The second thing was Friedman's commitment to empiricism. He always made clear his moral commitment to liberty – he wasn't a utilitarian. But he was determined to show that a free society worked better, and only a free society could deliver higher living standards for ordinary people. He believed that if a free society didn't deliver higher living standards, there would be little political support for it. Many times we have seen how quickly politicians support government intervention in the economy when unemployment goes up.

I agree with Friedman that since a free society works better than a government-run society, we ought to be able to make observations that confirm our views. If something is true, we ought to be able to show it. I haven't understood why Austrian economists have been opposed to empirical arguments, even though I agree with Austrian explanations – by Ludwig von Mises, F.A. Hayek, Murray Rothbard and others – of how an economy works. Nobody has surpassed them.

In debates, Friedman was so nice and so quick with an elegant argument that his adversaries were slow to realize that their positions had been demolished. I remember seeing him debate Ted Kennedy, for instance, about military conscription. It was really rather unfair, since Kennedy sputtered with familiar campaign phrases but was quite helpless at dealing with Friedman's amiable onslaught.

**Daily Bell:** Fascinating. Can you tell us some more?

**Jim Powell:** In my capacity as an editor of NEW INDIVIDUALIST REVIEW, I got to know George Stigler, Yale Brozen and to a much lesser extent Harold Demsetz, all in the University of Chicago Business School (now known as Chicago Booth). One of my professors was economic historian Earl Hamilton, a mentor for Thomas Sowell when he was at Chicago. I also met Frank Knight, founder of the Chicago School and he gave me his heavily-marked old copy of THE WEALTH OF NATIONS.

I remember talking with English professor Richard Weaver (IDEAS HAVE CONSEQUENCES). I was making a case that something was a key to defending liberty. Weaver gently countered that we need everything – academic books, popular books, newspaper columns, broadcasters, comedians, cartoonists, movie producers. There are lots of keys.

I also started a libertarian student group that sometimes invited speakers to campus, and one of them was Ludwig von Mises. As I recall, we had him to dinner at a restaurant on Lake Shore Drive. Years later, I was at the Foundation for Economic Education, and Bettina Bien Greaves showed me Mises' diary, and I found an entry indicating his visit to Chicago.

I enjoyed a number of history professors at Chicago, especially William McNeill (THE RISE OF THE WEST), but none of them were libertarians. Because of the libertarian cadre at Chicago, though, they recognized that the views were intellectually respectable.

While I was a student at Chicago, I also got to know other libertarians, notably Murray Rothbard who lived in Manhattan. I recall a number of dinners, movies and all-night discussions. Murray was a lively, prolific author and a rigorous thinker who set the standard for an uncompromising defense of liberty.

I remember seeing Ayn Rand speak at Chicago's Arie Crown Theater. The place was packed, and the audience was excited, even though her thick accent and the acoustics of the place sometimes made it difficult to understand what she was saying. Everyone knew that she had struggled heroically to get out of the Soviet Union, to establish herself in Hollywood and finally to get books published that made a dramatic moral case for liberty.

**Daily Bell:** You worked as a researcher for future Nobel Laureate Ronald H. Coase. Tell us about him please.

**Jim Powell:** He's a very proper Englishman, now 99 years old. He graduated from the London School of Economics, earned a graduate degree at the University of London, emigrated to the United States in 1951 and ended up at the University of Virginia. He never published much, but two of his articles ("The Nature of the Firm" and "The Problem of Social Cost," published 23 years apart) are among the most-cited articles in the history of economics. The second article was of particular interest to libertarians, since it showed how many problems could be resolved by further developing property rights. Friedman and Stigler thought some of Coase's conclusions were mistaken, and he was invited to dinner at Aaron Director's house, and the Chicago cadre decided that he was correct. In 1964, he was invited to join them at Chicago, and he did. He became editor of THE JOURNAL OF LAW AND ECONOMICS, which Director had started.

I performed research for Coase who, as I recall, had a joint appointment in the law school and the business school. I did my research in a room at the business school. I recall, for instance, doing research on the history of London water companies. During the early 1900s, there was a surprising amount of competition with some streets being served by several water companies – each had a set of pipes underground. On those streets, people paid less money for water. But the companies complained, the government got involved and restricted competition so that the companies could charge more.

I take pride in knowing four future Nobel Prize winners when I was at Chicago. I knew they were world class at the time, but it was nice that the prizes affirmed their achievements – each advance in the case for liberty, going back hundreds of years, has required heroic efforts, and one does very well to come up with one idea that might change the world. I'm glad to see that Chicago still has a number of Nobel Laureates to inspire students.

**Daily Bell:** Thanks for the wonderful insights and anecdotes. Now the big question: As a result of the good work of all those above, is freedom improving in America or decreasing?

**Jim Powell:** There are far more libertarians than there were when I was in college, but the government is much bigger. It now has powers that were unimaginable back then. Maybe this shows how difficult it is to control government power even in the best of circumstances.

**Daily Bell:** Where will America end up?

**Jim Powell:** Probably the government will go broke, because it's politically almost impossible to cut spending. The population of seniors is growing faster than the population of taxpayers, and a higher percentage of seniors vote, so I expect they will succeed at increasing taxes until we reach a point of diminishing returns – the higher taxes go, the strong incentives people have to reduce their tax liabilities.

People will dump taxable corporate bonds and buy tax-free government bonds. More people will relocate to lower-tax states. More people will incorporate themselves to take advantage of tax breaks. More capital will be transferred offshore. More people will operate off the books, in the underground economy that's hard for tax collectors to penetrate. So spending can't be paid for by raising taxes.

Consequently, the government will run up more and more debt until lenders lose confidence that they will be paid back. At this point, the only remaining option will be inflation. I expect the government will go broke, and the welfare state will be stripped down. The government will probably have to renounce Social Security's middle class obligations and make it a means-tested welfare benefit.

Medicare might become a shell, as co-pays soar and more and more treatments are excluded from coverage. Medicaid will probably become a shell, too, since declining reimbursements would have made it impossible for Medicaid patients to find doctors willing to take them. There will be huge political turmoil, possibly something approaching a civil war between legions of seniors demanding their entitlements, and taxpayers declaring that they can no longer take care of themselves and take care of everyone else, too.

**Daily Bell:** Are we headed toward world government?

**Jim Powell:** I doubt it. Undoubtedly there are rulers like Obama who might believe in it, but I expect nationalism will prevail. People aren't going to want their lives run by somebody else, and probably they'll back off if they find out that's what's happening.

I think it's likely that the U.S. government will default on its debt, starting with obligations to foreigners, and the government will end up having to make some humiliating concessions. For example, the Chinese might demand that the U.S. withdraw from Asia. China might insist that's going to take over Taiwan, Korea and Japan.

Right now, the Chinese are rapidly building up their military capability. I don't know why they're doing it, but there has been speculation that they want East Asia to be their sphere influence, just as the Americas are our sphere of influence. Are we going to go to war if/when China makes Taiwan a protectorate, maybe paying tribute to the mainland government? Are we going to go war if/when China makes Japan their protectorate? I doubt it.

Maybe, years from now, the United States ends up paying tribute to China, but I wouldn't expect that Chinese officials will establish offices in the U.S. to tell us what to do.

**Daily Bell:** Do you think the bailouts in the West help at all?

**Jim Powell:** Bailouts make things worse. The idea is that bailouts can stop a crisis by preventing the collapse of essential institutions such as banks. But usually there are adjustments that must be made because of a monetary contraction, inflation, a transition from a wartime economy to a peacetime economy, whatever. I think it's better to make adjustments as rapidly as possible, which means letting mistakes be flushed out. Bailouts just slow down if not stall the process, and they work by transferring resources from people who are productive to people who are unproductive. The money needed to do the bailouts doesn't come out of thin air.

We're seeing now that efforts to prop up the housing market and prevent people from losing their homes has prolonged the adjustment process. Mortgage terms have been modified, but millions of homes are still in the hands of people who are overloaded with debt. They're living under constant pressure, because a high portion of their earnings go for the mortgages. Virtually all their assets are tied up in their house, the value of which is stagnant if not declining. These people can't save for the future. It would more sense for such people to get out of their houses and live in apartments where they don't have to pay out so much for debt and maintenance. They can save and buy a home when they can afford it. People who want to sell a home will be able to do it at a reasonable price only after all those over-leveraged people are out of the market. Right now, those homes are hanging over the market, and more will be foreclosed when interest rates go up.

Interestingly, in Canada, a slightly higher percentage of people own their homes, yet Canada hasn't had anything like Fannie Mae and Freddie Mac to spend trillions trying to support the housing market, mortgage interest isn't deductible from income taxes, and Canadian governments haven't intervened in other ways to promote home ownership like the U.S. has done. All the losses and turmoil the U.S. has incurred in the name of "affordable housing" has been unnecessary. Income verification is standard practice in Canada, and so are full recourse loans – mortgage lenders can go after a borrowers other assets if necessary to pay off a default, which means Canadians buy homes when they can afford them.

If the government hadn't bailed out Wall Street firms, there would have been many more failures. Goldman, Morgan Stanley and others would have gone down with the rest. And why not? They were reckless beyond belief. The government contaminated Bank of America by forcing it to absorb Merrill Lynch and its losses in the billions.

It has become clear that moral hazard is politically uncontrollable. When Alan Greenspan was Fed Chairman, he succeeded in maintaining stability by pumping more money into the economy every time there was a crisis – the stock crash of 1987, the Mexican peso crisis, the Asian currency crises, the failure of a big hedge fund, and so on. Greenspan's very success encouraged people to believe that the downside risk was limited, and they could take crazy risks, which led to the dot-com bubble and crash. And to make sure that was vanquished, Greenspan pursued an easy money policy that was a key factor leading to the housing bubble.

The only reliable way to control moral hazard is to let reckless, overleveraged gunslingers go broke. Clear



them out.

This is what happened in the U.S. before the Federal Reserve was established in 1913. There were panics and crashes that put a stop to reckless practices. The only way to pay for bailouts is to take money from prudent people who survived a meltdown, making it more difficult for them to carry on. That makes no sense.

In 2008, the giants of Wall Streets might have vanished, which would have been quite a shock. But there was plenty of money in the country – in the Midwest, the South and elsewhere. Smaller but sound institutions would have gradually stepped in to perform essential functions that had been performed by the big old Wall Street firms. I think the choice is probably to make a transition quickly or to make it slowly. We're seeing that dragging out the process is a serious problem.

**Daily Bell:** Do you believe the [gold and silver](#) markets are manipulated with all that has come out about them?

**Jim Powell:** From time to time, there might be efforts to manipulate various markets, but they're very hard to sustain long-term. Major markets are bigger than the biggest players.

Back in the early 1970s – the stagflation era – the Hunt brothers began amassing silver that was a legal hedge against inflation (when it was illegal for Americans to buy gold). The price of silver peaked around \$54 per ounce in 1980. The COMEX changed trading rules, and the Fed under Paul Volcker was beginning to attack inflation. The price of silver collapsed, and the Hunts, about \$1 billion in the hole, declared bankruptcy.

**Daily Bell:** Do you think the Internet is helping people understand the economy better? Do you think the Internet is in danger of being censored by government? Will it be?

**Jim Powell:** The internet enables people to get a lot of information more quickly, though there's plenty of misinformation, too. I'm sure government will try to regulate it. They try to regulate everything.

**Daily Bell:** Will the EU break apart given all it's going through?

**Jim Powell:** European populations are aging like our population and the populations of other countries, and government-run retirement systems are in financial trouble almost everywhere. European welfare states are going broke, and the EU faces huge stresses.

**Daily Bell:** Will China experience a slow down – or maybe even a kind of serious inflation as well?

**Jim Powell:** As China makes a transition from suffocating communism to crony capitalism, it seems likely to continue expanding. I expect their middle class will expand, while the old guard Chinese communists try to hang on to power. The population is aging, too, especially because of the government's one-child policy. Inflation is certainly a possibility.

**Daily Bell:** What inspires you to write?

**Jim Powell:** It seems to be what I'm best-suited for. No workie, no checkie. It beats heavy lifting.

**Daily Bell:** Thank you for the insights, enlightening anecdotes, the body of inspiring liberty-oriented work you have produced – and certainly for taking time to speak with us.



## DAILY BELL AFTER THOUGHTS



History will no doubt regard Jim Powell as one of the most prolific and acute freedom-oriented chroniclers of the demise of American exceptionalism in the 20th century. He understands, as well as anyone, the mechanism that enabled the increasing rise of authoritarianism and the demise of US civil society. He traces it back to Woodrow Wilson and Theodore Roosevelt, and even farther, to Lincoln in a series of inspired, well-researched books. Below are some reviews of some of his most important books: *Greatest Emancipations*, *Wilson's War*, *FDR's Folly* and *The Triumph of Liberty*.

*Book: Greatest Emancipations. Commentary below by David Beito, author of Taxpayers in Revolt and Black Maverick: T.R.M. Howard's Fight for Civil Rights and Economic Power:*

"Jim Powell's *Greatest Emancipations* is a thoughtful, well-written book with a provocative and challenging thesis. This book chronicles the people and their strategies that emancipated slaves in the Western Hemisphere. Powell develops a case that the more violence was involved in an emancipation, the worse the outcomes tended to be. Among other things, the destruction and killing of war led to a backlash that nobody could control, a backlash that subverted civil rights for decades. Readers will be interested to see Powell's reasons for believing that civil rights probably would have been achieved decades sooner if war – including the U.S. Civil War – had been avoided. He offers a refreshing abolitionist, antiwar case that hasn't been heard in a long time."

*Book: Wilson's War, How Woodrow Wilson's Great Blunder Led To Hitler, Lenin, Stalin And World War II (Crown Forum / Random House, 2005). Commentary below by Doug Bandow, Washington Times:*

"Based almost entirely on his rhetoric, President Woodrow Wilson has become a liberal icon. Both he and Franklin Delano Roosevelt were dedicated to remaking the world. Only Roosevelt succeeded in doing so, but, as Jim Powell explains in *"Wilson's War,"* Wilson probably was the more consequential president. For without Wilson's misguided decision to take the United States into World War I -- despite the lack of any serious American interest in that tragic conflict -- there probably would have been no Bolshevik revolution, and there certainly would have been no Nazi triumph or World War II. Even the Middle East would have looked dramatically different. As Mr. Powell points out, 'bitter adversaries were forced into a new nation – Iraq – thanks to the Versailles Treaty made possible by Wilson.'

*Book: FDR's Folly, How Roosevelt And His New Deal Prolonged The Great Depression (Crown Forum / Random House, 2003). Paperback edition, September 2004. Commentary below by Thomas Sowell, Rose and Milton Friedman Senior Fellow at the Hoover Institution, syndicated columnist and author of Conquests And Cultures, Migrations And Cultures, Race And Cultures, Basic Economics, A Conflict Of Visions and other books:*

"They say 'truth will out but sometimes it takes a long time. For more than half a century, it has been a 'well-known fact' that President Franklin D. Roosevelt got us out of the Great Depression of the 1930s. That view was never pervasive among economists, and even J.M. Keynes – a liberal icon – criticized some of FDR's policies as hindering recovery from the depression ... Only now has a book been written in language that non-economists can understand which argues persuasively that the policies of the Roosevelt administration actually prolonged the depression and made it worse. That book is FDR's Folly by Jim Powell. It is very readable, factual and insightful – and is endorsed by two Nobel Prizewinning economists ... This book is an education in itself, both in history and economics. It is also a warning of what can happen when leaders are chosen for their charm, charisma and rhetoric."

*The Triumph of Liberty, A 2000 Year History Told Through the Lives of Freedom's Greatest Champions (Free Press, 2000). Commentary below by Paul Johnson. Publisher's Weekly:*

"Powell traces the struggle for freedom from oppression, equality before the law, peace, social justice, toleration of thought, speech and individuality. Along with familiar figures such as Erasmus, Jefferson, Franklin, Locke, Tocqueville, Thoreau and Mencken, he presents liberty-lovers who deserve to be better-known, including John Lilburne, and English pamphleteer who attacked taxes, censorship and the notorious Star Chamber, Hugo Grotius, a Dutch antiwar philosopher and the father of international law, and Lysander Spooner, a maverick 19th century American opponent of military conscription and intrusive big government...a rousing testament to the belief that one person can make a difference..."

These four books constitute a monumental achievement. Much as Robert Graves traced the expanding corruption of Rome through this famous I Claudius books, so Powell has traced the decline and fall of America through of its most famous (and infamous) presidents – Lincoln, Woodrow Wilson and the two Roosevelts. He then punctuates this rendering with a full history of freedom-oriented thought via the "Lives of Freedom's Greatest Champions."

Some individuals simply dominate their fields and there is on way to improve what they have accomplished. Everyone else just fills in the cracks (with the exception of some Mises Institute historians, of course). That may be the situation with Powell. He has been so prolific and wiling to turn his caustic pen and liberty-literate eye courageously on so much history that he has set a standard that may not ever be matched. Perhaps we shall compare him to Alexander the Great and ask, "What else is left to conquer?"

In fact, given this state of affairs, we would suggest the only area left for historical commentary is the field of conspiratorial history. We know that few will ever venture into this area because it is both controversial and difficult to research (not to mention dangerous). The idea that throughout history a few groups of fabulously wealth Western families have like puppet masters deliberately manipulated history is one that academics are loath to touch. Dr. Carroll Quigley's Book "Tragedy and Hope" comes as close to presenting this paradigm as any; but he is almost alone in his presentation of this perspective.

It's our humble perspective here at the Bell that the current incarnation of the conspiracy is running into a good deal of difficulty thanks to the truth-telling of the Internet and much additional revealed literature and speculation. From this point of view, modern Western history is the history of what is called Money Power and it has not yet fully found its bard, at least not in a formal academic sense. When this history is finally (definitively) told for popular culture, as we think it will be, James Powell's factual and deeply-felt perspective of unfolding US, statist political mechanisms will provide an invaluable resource.

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