

# John Stossel Takes On the Bailouts

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This past Friday, *20/20* had a special report titled “Bailouts and Bull,” explaining why stimuli and bailouts will do nothing to jump-start the economy.

More than 300 economists earlier this year signed a petition declaring their view that “more government spending is [not] a way to improve economic performance” and that “[t]o improve the economy, policy-makers should focus on reforms that remove impediments to work, savings, investment and production. Lower tax rates and a reduction in the burden of government are the best

ways of using fiscal policy to boost growth.”<sup>I</sup>

Eighteen of these economists were interviewed for Stossel’s special report. Among those interviewed are two of my own professors, Dr. Howard Baetjer (back row, second from the viewers’ left) and Dr. Joe Pomykala (front row, on the viewers’ right), both of whom were lucky enough to get face-time.

I spoke to Prof. Baetjer this past Wednesday. He explained that Stossel interviewed the eighteen economists both as a group and on a one-on-one basis. Baetjer said he enjoyed the experience, and would love to do further televised interviews in the future. In my own experience, I find Baetjer to be a very upbeat guy who is quite gifted at explaining economic concepts.

In watching the special, one can see that not everyone was lucky enough to have her or his interview used. Baetjer, for exam-

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<sup>I</sup> [http://www.cato.org/special/stimulus09/cato\\_stimulus.pdf](http://www.cato.org/special/stimulus09/cato_stimulus.pdf)

ple, said that when Walter Williams was interviewed, Williams allegedly said, “I don’t even know why we’re discussing the economics. These bills are unconstitutional!”

For those that missed the *20/20* special, the Mises Economics Blog has made the entire episode available.<sup>2</sup>

In addition to explaining that bailouts and “stimuli” are not the solution, the special report also (A) explains why privatising roads is an effective means of alleviating road congestion, (B) details how the federal government is oppressing medical marijuana retailers even in states that have legalised the medicine, (C) shows that universal pre-K is not a desirable government programme, (D) explains why building a fence between Mexico and the United States is a huge waste of money, and (E) posits how a destitute person with no college degree can gain wealth in America.

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<sup>2</sup> <http://blog.mises.org/archives/009613.asp>