

IDEAS ON LIBERTY

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PERSPECTIVE

What's Happening?

Every day brings news of another government threat to our liberty. President Bush has asked for a new look at the posse comitatus law, which prohibits use of the military in domestic law enforcement. He also called for "a nationwide program giving millions of American truckers, letter carriers, train conductors, ship captains, utility employees, and others a formal way to report suspicious terrorist activity."

Both statements were ominous. Fortunately, the citizen-monitoring proposal, Project TIPS (Terrorism Information and Prevention System—who comes up with these puerile names?) appears to be dead, thanks to the leader of the President's own party in the House of Representatives. The idea of training meter readers to do some snooping while going about their seemingly innocuous business is unworthy of this country's original ideals. Must we begin being concerned about what magazines are on our coffee tables when the cable guy comes over?

The posse comitatus principle has been a valuable tradition in American life. The use of the military in civilian matters better fits authoritarian and totalitarian regimes.


These are not the first steps this government has taken to alter fundamentally our

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way of life. It is holding foreign nationals without charge and sometimes incommunicado. It claims—and has exercised—the authority to hold, indefinitely without charge, American citizens it has branded “enemy combatants.” We are seeing the erosion of that august principle, habeas corpus. Federal agents may now more easily electronically eavesdrop, monitor peaceable assembly, and secretly search premises and seize possessions.

It is all under the cover of combating terrorism, of course. But that makes it no less discomfiting. It looks too much like government’s doing what it has always done: seizing on a terrible event to expand its power.

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Favoring medical privacy is like favoring virtue. No one dares come out against it. But when you read the details of the rules being written in Washington, you’ll wonder if we live in a “hypocrisy.” Sue Blevins explains.

It’s not only medical privacy that’s at risk nowadays. How’d you like to be required to carry a national ID card with you? David Brown wouldn’t.

The current business scandals have launched the latest blame game. Harold Jones and Paul Jones want to know why the real culprit isn’t on the field.

What exactly is government? Read its first-hand account, as told to Doug MacKenzie.

Part of the frenzied reaction to the business scandals involves changing how corporations account for executive stock options. Anthony de Jasay says that, as to be expected, the “reform” would be a mistake.

Are the rich meat eaters of the world starving the poor would-be grain eaters? Jeremy Rifkin thinks so. Dennis Avery doesn’t.

There’s an impression that commercial aviation was deregulated in the 1980s. If so, why aren’t foreign airlines allowed to compete with domestic carriers within the United States? Paul Cleveland and Jared Price

expose the folly of this protectionism.

If the welfare state is really the way to raise living standards, then why do American blacks live better than Swedes? Thomas Woods has an answer to that and other conundrums.

Most intellectuals favor government control and social engineering. Maybe it’s because they’ve never lived in the real world. Stephen Browne relates a lesson from the other side of the defunct iron curtain.

Have you heard of the New Urbanism? Unfortunately, sooner or later you will. C.C. Kraemer prepares you for the coming debate.

Everything is not bleak in the world of public policy. People are starting to realize that subsidies to rich Western farmers hurt people in the developing world. Scott McPherson has the details.

There’s nothing more commonplace than the municipal library. Ted Roberts wants to know why.

Like grass sprouting through cracks in a sidewalk, trade will flourish anywhere it can, regardless of government prohibitions. Jim Peron has observed street traders in South Africa and finds some important lessons.

The people enjoy television chef Emeril, but the critics don’t. Larry Schweikart says, “So what’s new?”

Have we got columns! Lawrence Reed finds the pharmaceutical market woefully misunderstood. Doug Bandow reminds us that only Congress may declare war. Robert Higgs considers two Brain Trusts. Donald Boudreaux says don’t shoot the messenger. Walter Williams believes people should be free to sell their organs. And Aeon Skoble, reading the charge that America is becoming a plutocracy, protests, “It Just Ain’t So!”

Reviewers this month curled up with books on the myths of gun control, the misuse of statistics, the Panama Canal, the Microsoft antitrust case, government priorities, and “liberal” political theory.

—SHELDON RICHMAN

America Is Headed Toward Plutocracy?

It Just Ain't So!

In a *New York Times* op-ed (June 14, 2002), columnist Paul Krugman lamented the increasing inequality between rich and poor, and expressed concern that this will lead to an erosion of democracy. He needn't worry himself (more important, he needn't worry his readers), since his argument depends on misleading arguments about wealth disparities and philosophical confusion about American democracy.

The very title of his column, "Plutocracy and Politics," is misleading. Plutocracy means government by the wealthy. Even if we grant the assumption that income inequalities are increasing, that wouldn't make our society a plutocracy. If it wasn't a plutocracy during the hated (by Progressives) Gilded Age, it isn't now. Even if it were true that income inequalities are more pronounced now than in John D. Rockefeller's day, there is simply no evidence that we are governed by a cabal of the wealthiest few. For one thing, many of our richest citizens are left-leaning. More to the point, politicians are still democratically elected, and fears about campaign finance notwithstanding, it remains the case that a rich person has as many votes as a poor person. Even if we wanted to reduce the citizenry to convenient, polarized categories like "rich" and "poor," the politicians would be a distinct third class. They work to get re-elected. Sometimes that means catering to what they see as the interests of the rich. Other times it means catering to what they see as the interests of the poor.

But politicians are notorious for attaining results contrary to their stated goals. For

example, it might seem to be "catering to the interests of the working class" to enact import quotas on foreign goods, because they protect the jobs of those who produce the corresponding domestic goods. But it is not, since it is predominantly the working class that will bear the burden of paying the higher prices for those goods. What is in everyone's real interests, of course, is to have the maximal amount of liberty that is consistent with everyone else having equal liberty. But there's scant evidence that any politicians consistently work toward that end.

There's a deeper point about income inequality, which can be summarized as "so what?" Since when is disparity between incomes the only gauge of how good a state of affairs is? If all philosophy professors could double their incomes, but only as part of some scheme whereby history professors would triple theirs, is it not in my interest to agree to this? There's a sense in which this may be "unfair," but preferring the status quo is clearly detrimental, to me as well as to everyone else. If all the historians start driving Jaguars, I have still doubled my income. It's more a matter of attitude whether I am filled with joy at the increase in my wealth or resentful that the historians have even more. I prefer the former. The latter is psychologically, as well as socially, destructive. If one approach to political economy makes both Smith and Jones richer, but to different degrees, that is preferable to one in which both are equally impoverished. So to lament inequality without taking into consideration real gains by all is morally obtuse at best. At worst, it's deceitful.

Part of Krugman's complaint is that the pay for top CEOs has skyrocketed (4,300 percent!) even in cases where one has had a disastrous tenure at the company. This is largely a non sequitur. It may be true that some CEOs are overpaid. The free market respects people's freedom to make decisions, but it doesn't guarantee that all decisions are