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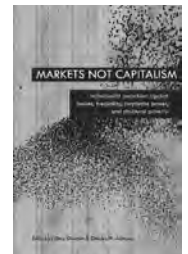
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Open and Closed Libertarians

There is nothing more dangerous to the enemies of freedom than an open libertarian. And yet great swaths of our kind are decidedly closed-minded.

“Alternative perspectives are rejected, even cursed or demonized,” write Don Beck and Chris Cowen of this type in *Spiral Dynamics*. “My way is the only way a rational person could think, they believe.” People who don’t think like the closed libertarian are seen as “heretics, idiots, renegades, criminals or fools.” Sound like anyone you know?

Cultivating open-mindedness is both a process and a goal. It doesn’t mean we’ll agree with everything we read in this issue, nor come to agree with everything anyone says in the future. It means we learn to think outside the cramped-but-cottony confines of our own perspectives—perhaps to take on another’s perspective, even for a moment. It means observing, filtering, and integrating new insights so that an improved self can emerge tomorrow.

Why is an open libertarian dangerous? Because the open libertarian is adaptable. He is sensitive to others’ starting points. He understands others have different ways of seeing the world and tailors his messages of persuasion—one to the next—to diverse audiences. He is worldlier, wiser, and more tolerant. But he is also more powerful. He’s dangerous because people listen to him.

The closed libertarian is a solipsist. At his best, he has righteous anger. At his worst, he spits venom from his lonely corner of the comments section of a blog. He is obsessed with criticism—at the expense of constructiveness. He does not invite people to explore his principles; he wields them like a blunt instrument upon everything and everyone. He does not inspire others, because he has allowed that capacity to atrophy. His sense of life is shriveled and hidden behind his ego and his arguments. He cannot conjure wonder in people, like Leonard Read did. The only things he builds up in others are emotional walls, and

anything brilliant he has to say gets lost in caustic delivery. You probably know this person. He may be smart, but he only delights those who share his checklist of dogmas.

The open libertarian is a kind of maven or evangelist. She knows how to tell stories and to get people to let down their guards. She knows how to engage her adversaries rather than infuriate them. She knows Luke Skywalker is going to prevail because he's going to listen to Obi-Wan's counsel. She lets her principles shine through both in her words and actions. The open libertarian is, ironically, more of a distinct individual than the closed libertarian because she does not engage in either in parroting or peacocking. She can see others more clearly; others can see her more clearly. She resists creating caricatures, stuffing straw men, and selling stereotypes. People respect her even if they don't share her principles.

When it comes to gaining ground for liberty, the first question is not whether we want to be more persuasive. The first question is not even whether we want to be more open or more closed. The first question is whether we want to be dangerous.

In 1962, Leonard Read published *Elements of Libertarian Leadership*. **Max Borders** says Read carved a path for us—though it is currently one less traveled by.

Our civilizations change over time. But what about our psychologies? According to one theory of human development, despite our individual natures, we are malleable enough to become more complex people within more complex societies. And libertarians can lead the way. **Troy Camplin** explains.

Obamacare is coming online. **Gregory Cummings**, a Canadian friend, warns us about the problems and perils of socializing medicine.

Before heading overseas to teach people in poor countries how to farm, says **Mike Reid**, rich-world people infatuated with sustainability should take a moment to consider who is more likely to know best how to provide for their own needs and wants.

Richard Powers's *Gain* is consumed with growth: Does it kill or cure us? Is it a curse or our best hope? Can companies get too big? **Sarah Skwire** has the story.

Simplistic calls to “tax the rich” are often based on, at best, imprecise assumptions. But as government intervention grows, it gets harder and harder to say who earned their money fairly and who simply plundered it, says **Sandy Ikeda**.

Labor law allows unions to impose themselves even on workers and employers who do not want to associate with them. That's not freedom of association, it's coercion and extortion, says **Gary Galles**.

We're better off trying to build a wealthier world than spending resources to rein in greenhouse gases, says **Daniel Sutter**.

The post-9/11 surveillance State trumps even the most egregious abuses of power by the British crown and violates everyone's rights on a continual basis, says **Faisal Moghul**.

Our columnists have plenty to tell you. **Lawrence Reed** says we're still dealing with the bad luck from the last year that ended in 13; **Doug Bandow** describes a complex situation in Kuwait; and **David Henderson** contemplates life without a microwave and what it says about consumer surplus.

Our book reviewers take a look at a defense of capitalism and an anthology defining free-market anti-capitalism. **Aeon J. Skoble** explains what three books he'd take to the proverbial desert island and why.

—The Editors **FEE**

Beware of Years That End in 13

LAWRENCE W. REED



Before this one, the last year that ended in “13” turned out to be one of the unluckiest in American political history. Now comes word from astronomers that a recently discovered comet is heading our way in 2013, predicted by some to blaze ten times brighter than a full

moon. If you’re afflicted with triskaidekaphobia (fear of the number 13), or if you believe the old myth that a comet is a bad omen, you’re already looking forward to 2014.

I’m not superstitious, but I earnestly hope 2013 doesn’t bring us anything as calamitous as 1913 did. It was a disastrous year that we’re still paying a hefty, annual price for a full century later.

The presidential election of 1912 featured three main contenders: Woodrow Wilson, the Democrat; William Howard Taft, the Republican incumbent; and former President Theodore Roosevelt, the candidate of the Progressive (or “Bull Moose”) Party. Teddy remains an overrated politician, but he was a colorful and commanding figure whose daughter Alice summed him up well: “My father always wanted to be the baby at every christening, the bride at every wedding, and the corpse at every funeral.” His vanity and animosity for Taft handed the election of 1912 to Wilson, arguably the worst president of the 44 who have held the office. His first of two dreadful terms commenced in March 1913.

Wilson’s racism and philandering are now legendary among serious historians. As president of Princeton University, he barred blacks from the campus. As president of the United States, he ordered the segregation of all departments within the executive branch and appointed ardent segregationists to high positions. He covered

up his adulterous affairs while posturing as a man of personal integrity. He led us into a major war he had promised to avoid, then campaigned for a peace treaty that all but guaranteed the next great conflict. He locked up political dissidents right and left as he trampled on the Constitution’s guarantees of speech, assembly, and press freedoms. His wartime economic controls were hideously stupid and counterproductive.

Even Worse than Wilson

1913 would rank as an unlucky year if all that had happened was Wilson’s ascendancy to the presidency. Three things he helped give us that year, however, make it unforgettable in the most pejorative sense: the income tax, the direct election of U.S. senators, and the Federal Reserve System.

On February 3, a month before Wilson took office, the 16th Amendment to the Constitution was ratified. Strongly supported by Wilson, it authorized the federal government to impose and collect a tax on

personal incomes. Subsequent legislation set the top rate at a mere 7 percent. Married couples were only taxed on income over \$4,000 (about \$90,000 in today’s dollars). When Wilson left office eight years later, the top rate was more than ten times higher.

The income tax granted politicians enormous power to reward friends, punish enemies, and redistribute wealth. It morphed into a more oppressive, productivity-sapping nightmare than even its most ardent opponents had warned Wilson against. Today’s massive IRS bureaucracy and 73,000 incomprehensible pages of tax rules, regulations, and IRS rulings are Wilson’s illegitimate children, born in 1913.

On April 8, the 17th Amendment to the Constitution was ratified, also with Wilson’s longstanding endorsement.

1913 WAS A disastrous year that we’re still paying a hefty, annual price for a full century later.

Instead of being appointed by state legislatures as established by the Founders, U.S. senators would thereafter be chosen by popular vote. Since that process seems “democratic,” few people question the amendment’s wisdom today. The sad fact is that it seriously eroded the balance between state and federal governments to the great detriment of the former. It helped make the states into administrative drones for the queen bees in Washington, D.C. One example of its baleful influence: The explosion of unfunded federal mandates could never have occurred if U.S. senators were directly accountable to state legislatures.

The late columnist Tony Blankley wisely advised, “The most efficient method of regaining the original constitutional balance is to return to the original constitutional structure. If senators were again selected by state legislatures, the longevity of Senate careers would be tethered to their vigilant defense of their state’s interest—rather than to the interest of Washington

forces of influence.” Repealing the 17th Amendment, he argued correctly, might be the best way to enforce the 10th Amendment, which states, “The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.”

The Federal Reserve

On December 23, Wilson’s signature enshrined into law the Federal Reserve Act, creating a central bank and more economic mischief than any other federal initiative or institution in the last 100 years.

Imagine if Congress had hired a private company to manage the nation’s money supply, protect the value

and integrity of the currency, promote full employment, and iron out the boom-bust cycle. Imagine further if that company went on to generate a Great Depression, a slew of recessions and volatile swings in employment, and a dollar worth perhaps a nickel of its former value. We’d have long ago fired the company and jailed its executives. Yet that’s precisely the legacy of the Federal Reserve.

Without the 16th and 17th Amendments and the Federal Reserve, it’s inconceivable that the federal government could have grown from less than five percent of GDP in 1913 to nearly 25 percent in 2013. Were it not for those

Without the 16TH AND 17TH AMENDMENTS and the Federal Reserve, it’s inconceivable that the federal government could have grown from less than five percent of GDP in 1913 to nearly 25 percent in 2013.

three gremlins, how many fewer trillions might our unconscionable national debt be? The toll on our liberties is also incalculable but surely considerable. It’s no exaggeration to say that 1913 is the year that keeps on stealing.

Other things happened in 1913, too. The British steamship *Calvados* vanished in the Marmara Sea with 200 hands on board. Vincenzo

Perugia was arrested for trying to sell the “Mona Lisa” in Italy after having stolen the painting in Paris two years before. The temperature in Death Valley, California, hit 134 degrees—still the highest temperature ever recorded on the planet. The First Balkan War ended on May 30, just in time for the Second Balkan War to begin on June 29. In Russia, the Romanovs celebrated the 300th anniversary of their family’s accession to the throne. And in Sheffield, England, Harry Brearley invented stainless steel. There were no reports of any comet sightings.

In American history, 1913 should go down as a year that will live in infamy. But it wasn’t the Japanese who bombed us that year. It was our own duly elected officials. **FEE**

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Rational Mysticism for a Young Movement

MAX BORDERS

Whether we listen with aloof amusement to the dreamlike mumbo jumbo of some red-eyed witch doctor of the Congo, or read with cultivated rapture thin translations from the Sonnets of the mystic Lao-Tze; now and again crack the hard nutshell of an argument of Aquinas, or catch suddenly the shining meaning of a bizarre Eskimo fairy tale: it will be always the one, shape-shifting yet marvelously constant story that we find, together with a challengingly persistent suggestion of more remaining to be experienced than will ever be known or told.

— Joseph Campbell



In 1962, Leonard Read published *Elements of Libertarian Leadership*. I want to pull inspiration from this largely forgotten work because in it, Read has carved a path for us—though it is currently one less traveled by.

Read offers something of a mystical way to libertarianism. He believes, for example, that anyone “who acknowledges an infinite consciousness cannot help respecting fellow human beings as the apertures through whom infinite consciousness flows and manifests itself.”

Notice Read did not say “higher power.” He could just as well have been writing as a Buddhist in that passage. While Read believed in God, the evocation of an infinite consciousness—of which we are all a part—is not your run-of-the-mill God talk (especially not for America circa 1962). For Read, it is a way of reconciling his individualism with a deep regard for others, who are, to him, sacred aspects of a larger self or interconnected set of selves. This may strike us as rather strange. For it is neither individualist nor collectivist per se. It is integration of self and others that offers a different kind of entry point for a nascent libertarian movement.

What’s Missing?

Reading this book for the first time prompted me to ask: What is missing in our movement? I have never been a particularly religious man, but I am increasingly of the

mind that we libertarians would do better if we made more room for the mystical.

From the secular side, this kind of talk will surely elicit sneers. After all, our tradition was born primarily out of the Enlightenment. We are people of reason. We like our evidence and our logic. We depend on our five senses. And for most of us, our principles are somehow built into the latticework of nature. We think people need only discover those principles as discovering a fact in the Great Book of Truth.

But we needn’t give up our reason to embrace the mystical.

For religious libertarians, the idea that we should make room for the mystical may not seem so earth-shattering. But I would challenge religious libertarians, too. The mystical is not quite religion, tradition, or faith (although it can be related to these).

It is rather a mode of experience or understanding we may not be used to. Such may be difficult to articulate in the language of the Western rationalistic tradition. But the mystical is an appreciation of the ineffable, involving a respect for what is possible, even if only glimpses of those possibilities are available today. Mysticism is neither religious zeal nor dogma—at least not the way I’m thinking of it.

Birth Pains and Doorways

Despite my materialistic bent, I want to put forth that Read’s vision for a mystic libertarianism is more than just rehashed Locke or Kant. It is also more than a

quasi-religious, anti-communist tract one would expect to find written in an era when most Americans defined themselves as merely against the Soviets. For even then, it seems, libertarians were not united. Read writes:

When the inquiry is thus brought into focus, the question reads, “Why do we—the hard core of the free market, private property, limited government philosophy—disagree with each other? Why do we not present a solid front? For it must be acknowledged that even we have pronounced differences of opinions and that we are in constant argument with each other. Why? That’s the question.

And Read’s answer should give us hope. Far from being a “dying movement,”

These sharp differences of opinion among those of us who in a general way share libertarian ideals are the sign of a movement not yet come fully alive, of a movement suffering birth pains.

Our movement is young. *Elements of Libertarian Leadership* is thus an integrative work—a means of opening new doors to our movement while building bridges within it. Whether or not you are religious, I hope you can agree that the factionalization and fracturing of libertarianism are counterproductive. These attenuate our potency, just as we are ready to grow.

“But there is only one Truth, Max,” you may be thinking. “Only the X’s—Misesians, Friedmanites, Rothbardians, Randians, Hayekians, Nozickians, Lockeans, Georgists, Paulites, or Left-libertarians—can be right.”

I’m not so sure.

There is plenty of right to go around. And yet many libertarians would like to define themselves out of any meaningful solidarity with the wider movement. Maybe it’s in our DNA. We want to feel smart, special, and righteous. But too-clever-by-half thinking, navel gazing, venom

spitting, and excommunicating others are poisonous behaviors if we want to continue making inroads. Isn’t making inroads the point, after all? Or is it simply to be right and then to die?

Only an open-minded willingness to explore the breadth and depth of our tradition—and indeed other traditions—will allow us to develop as libertarians while growing our numbers. When we do, we blind folk will start to limn the details of a much bigger and far more interesting elephant.

Rational Mysticism

When we think of mystics, many of us think of something like shamanic primitivism—that is, of pagans in robes spinning myths about the heavens, or simple peoples ascribing spirits to rocks and sticks. While there is something about this stereotype that offends our Western rationalistic sensibilities, we also have much to learn from the traditions of mysticism—especially from those we might call rational mystics, like Leonard Read.

So what does rational mysticism look like? And how does it inform the libertarian tradition so as to push it forward as a movement?

**SO WHAT DOES
rational mysticism look like? And
how does it inform the libertarian
tradition so as to push it forward
as a movement?**

Paradox. First, rational mysticism is about being comfortable with certain kinds of paradox. The world is rife with phenomena that may be in reach of our understanding, but

that understanding may not be so easy to articulate. For example, it’s possible to understand the market as an abstraction without being able to render all its minutiae. The paradox of markets is that we know they work better than other systems and that interventions generally fail. But the whys and wherefores are all specific instantiations. So we become storytellers. We rely on other means to communicate the market’s power and the failure of intervention. These different modes of understanding may require different ways of thinking and talking—especially for libertarians—as long as these different ways of thinking and talking are done with humility. Our habits of mind tend toward appeal to linearity, reason, principles, or sets

of values that others may not share at first. Employing other human modes of understanding and communicating may mean we have to leave the safe harbor of syllogism. In mystic experience, some apparent contradictions can be resolved.

Parable and Myth. The ancients used not only the famous triune of persuasion—*logos*, *pathos*, and *ethos*—they also used *mythos*. The gods of the ancients are dead, of course. But their stories are not. They're eternal. The structure of myth and the power of parable are proven thanks to the groundwork they laid. Liberty lovers mistakenly leave these modes of understanding unused as if they were quaint, primitive, or utterly foreign. We're making a big mistake when we forgo these modes, for the mythic structure goes all the way down into our human fabric. As Joseph Campbell says, "Myth comes from the same zone as dream...from the great biological ground, whatever it may be. They are energies and they are matters of consciousness." We must adapt our communications

to connect with those who are receptive to the mythic and the mystic. For those receptors are there, waiting to receive us.

Wonder. Rational mysticism is also working with a view to inspiring wonder. The economy, Hayek teaches us, is too complex to be understood in its totality by a single mind. But we can understand its facets by wondering at what we cannot describe, explain, or model. Leonard Read's "I, Pencil" is a good example of the mythic form making the case for the market. The story is not about blind faith in markets, so-called "market fundamentalism"; it is about demonstrating what is possible through property, prices, profits, and peaceable

people. These aspects of the market would seem rather lifeless by themselves—like rules without souls. Read shows us how to breathe the mystic into these, even if his parable is limited and imperfect. All stories are. But "I, Pencil" is a rendering of the market that inspires us, as Van Gogh's "Starry Night" helps us wonder at the heavens even if it is not rigorous cosmology.

Openness. Another pillar of rational mysticism is a commitment to openness. We libertarians can be closed-minded in our rectitude. Yes, we know moving away from coercion will help humanity on to the next phase of social evolution. But commitment to openness means we have to make an effort to listen to others, to integrate their perspectives where possible, and to tolerate differences as long as the differences are peaceful. Testing our beliefs in the crucible of others' perspectives will either make our beliefs stronger or create new intellectual alloys we never thought possible.

Non-linearity. Rational mystics have great reverence for complex, non-linear systems. These systems are certainly rational, but they challenge us to revise our linear habits of thought. In *At Home in the Universe*, theoretical biologist Stuart Kauffman asks us:

For what can the teeming molecules that hustled themselves into self-reproducing metabolisms, the cells coordinating their behaviors to form multicelled organisms, the ecosystems, and even economic and political systems have in common? The wonderful possibility, to be held as a working hypothesis, bold but fragile, is that on many fronts, life evolves toward a regime that is poised between order and chaos.

THE CONNECTIONS we make today may be as mundane as a single transaction, a nod to a neighbor, or a "like" on Facebook. But those connections can give rise to something as deceptively simple as a pencil tomorrow. Or our connections can give rise to something as obviously complex as the Internet, or as infinitely complex as a set of networked human minds in some post-Singularity world. Is that possible?

Readers of Mises and Hayek will find similar passages. These two were way ahead of their time as it applies to non-linear logics, and these form the architecture of what is truly mystical about the market process—the whole of which is greater than the sum of its parts.

Beyond Individualism and Collectivism

In their influential *Spiral Dynamics*, social psychologists Don Beck and Chris Cowan describe phases of human development over the ages. Using colors to symbolize those phases, Beck and Cowan believe turquoise, the “holistic meme,” is the most recent in human history and is still developing. The turquoise level is an integrative system that “combines an organism’s necessary self-interest with the interests of the communities in which it participates.” This way of seeing the world is neither rugged individualism nor crude communitarianism. It requires seeing ourselves through others and others through ourselves. And, of course, the State obstructs this way of seeing.

Could it be that we hold fast to the non-harm principle because we believe not only that each of us is sacred, but that we are all connected and we are becoming more and more connected each day? Does that connection mean something? Could it be that each of us—each self—is a window, an “aperture” into a greater consciousness to which we all belong? Leonard Read thought so.

Maybe that consciousness will emerge in the future, a future in which we are now participating with every choice we make today. The connections we make today may be as mundane as a single transaction, a nod to

a neighbor, or a “like” on Facebook. But those connections can give rise to something as deceptively simple as a pencil tomorrow. Or our connections can give rise to something as obviously complex as the Internet, or as infinitely complex as a set of networked human minds in some post-Singularity world. Is that possible?

The first stage of our human social evolution—of moving beyond territory and tribe—was commercial. The current stage, building on the former, is connectivity. What will the next stage be? Radical community formation? A networking of minds? The rational mystic holds out for the possibility that our peaceful interactions—drawing us together as they do—could accumulate layer by layer, culminating in a future that would make us weep if we could see it. That future might be functional, rational, and orderly. But just to imagine it now is to appreciate the ongoing, imperfect unfolding of change within ourselves and our world. To imagine it now, we have to make a little bit of room for the mystical. **FEE**

Max Borders is editor of The Freeman magazine and director of content for The Foundation for Economic Education (FEE). He is also author of Superwealth: Why We Should Stop Worrying About the Gap Between Rich and Poor.



Spiral Dynamics: An Overview

TROY CAMPLIN

Our civilizations change over time. But what about our psychologies? According to one theory of human development, despite our individual natures, we are malleable enough to become more complex people within more complex societies. And libertarians can lead the way.

F. A. Hayek understood societies to be self-organizing network processes, or “spontaneous orders.” Spontaneous orders are complex, adaptive, non-linear systems that demonstrate emergent properties. They evolve, transform, and become more complex—all without anyone purposefully organizing them.

Jean Piaget developed a similar theory of child development. That is, because human brains are also complex networks, children develop psychologically through identifiable stages that form increasingly complex

psychological levels. Piaget stopped at childhood, however.

In the 1950s, Clare Graves extended Piaget’s psychology through adulthood. Don Beck and Christopher Cowan developed Graves’s model further in *Spiral Dynamics*. Graves argued that humans evolve new psychological stages in response to changing life conditions. When a society contains a critical number of people at a given stage, the society itself transforms, creating the social conditions for yet another stage of psychological development.

Because the brain is a constantly active, constantly changing self-organizing network, we should expect to see such a transformation process happening over time. And because society is a network of communicating brains, we can also expect to see social transformation as an emergent phenomenon—reflecting these psychological stages.

Two tiers comprise the stages of social-psychological orientation, or expression of self. Each stage is represented

by a color. Let’s walk through these to see what we can find.

Tier One: Subsistence and Order

Beige – Archaic-instinctive (*Origin: c. 100,000 BC*)

We share our earliest expression of self with our Paleolithic ancestors. This stage is a self-centered, survivalist mode we can all experience if our survival is threatened.

Purple – Animistic-tribal (*Origin: c. 50,000 BC*)

At this stage, the social-psychological orientation is sacrificed to the ways of elders and customs to become subsumed under the group. This is the level traditional cultures tend to express. At this more collectivist stage, life centers on friends and family bonds. Animism—the idea of animating spirits—can crop up in this stage, too, as

tribes project the presence of friends, family, and ancestors beyond the grave.

Red – Egocentric-dominionist (*Origin: c. 7,000 BC*)

Following the tribe, an egocentric stage emerged. Expression of self is impulsive, based on what the self desires—free of guilt and without shame. This is more or less the mentality of street gangs, Vikings, and so on. If you have read *The Iliad* or *The Odyssey* (or have a teenager), this stage may be familiar. Humans in this stage celebrate heroic acts by certain individuals. Projections of power are revered. Heroic figures tend to lead empires.

Blue – Authoritarian-mythic (*Origin: c. 3,000 BC*)

The authoritarian-mythic expression of the self comes from personal sacrifice and obedience to rightful authority for the sake of some purpose. Embodied by fundamentalist religions, out of empire arises a larger-scale communitarian life held together somewhat by an

B E C A U S E
society is a network of communicating brains, we can also expect to see social transformation as an emergent phenomenon—reflecting these psychological stages.

authoritarian superstructure. Medieval Catholicism or the modern Islamic world are exemplars of this form. What matters at this stage is to believe in the “right things”—that is, an organizing purpose often guarded by brutal authorities, but rooted in myth.

Orange – Multiplistic-scientific/strategic (*Origin: c. 1,000 AD*)

At this stage one sets out strategically to reach one’s objectives without rousing the ire of others. Expressed in the Scientific Revolution and the Industrial Revolution, from this expression of self emerges a more socially minded, but decidedly individualistic, psychology. The Age of Reason and modern capitalism are orange-stage phenomena. Indeed, this social-psychological stage is what most people associate with classical liberalism. (When overlapping with the more religious authorities of the previous level, we get American-style conservatism.)

Green – Relativistic-egalitarian (*Origin: 1850 on, surging early 20th century*)

At the green level, one is expected to sacrifice self-interest in order to gain acceptance, group inclusion, and social harmony. 1960s relativism and egalitarianism emerge at this stage. Socialism is typical of this stage, but so too are existentialism and postmodernism. The attempt to reconcile socialism with markets created the modern welfare state. (Note: While most libertarians would like to think classical liberalism is the highest or most sophisticated psychological stage, what emerges next is a kind of balancing—one beyond atomistic individualism or authoritarian collectivism.)

Tier Two – Being and Order

Spiral Dynamics involves a second tier of social-psychological expression. In this tier, the stages gradually move away from a focus on the subsistence-level concerns of tier one (how do I live and organize?), and toward being-level concerns (who am I and how do I relate?). There is no research to support two tiers, but such can serve as a guide.

Indeed, though there is not unanimous agreement on this point, most see the following stages—yellow and turquoise—as more complex versions of orange and green. The open-ended theory suggests that any new levels are currently underdeveloped and will solidify as a greater portion of society evolves toward those new stages and begins to express them.

Yellow – Systemic-integrative (*Origin: 1950s*)

At the yellow stage, expression of self is not so much about what the self desires, but about avoiding harm to others so that all life benefits. Something interesting happens here: A more individualistic self understands its place within a complex, dynamic, evolutionary world. People should be understood as responsible and free, but that freedom must be reconciled and integrated within wider systems of selves. (Hayek was probably an integrationist of this stage.)

Turquoise – Holistic (*Origin: 1970s*)

The final stage we can identify is an integrative stage that combines an organism’s necessary self-interest with the interests of the communities and subsystems in which it participates. The theory is still forming, but the turquoise tend to understand the world as fully integrated, with the individual contributing to the social as the social contributes to the individual in a kind of seamless whole.

More Libertarian, Not Less

Spiral Dynamics suggests continued social evolution can involve more and more libertarian thinking. While the more authoritarian levels seem to violate this general trend, libertarian-style thinking tends to scale—that is, it integrates more and more people.

With each stage of development, our sense of solidarity with others grows outward: from “fellow believers” to “trading partners” to “everyone on earth.” Now, with the kind of complex-systems thinking involved in tier two, we start to understand part-whole relationships—that is, *how and why* everyone fits together (or can fit together). Our connection and integration occur through highly individual interactions that are likely to be accelerated and deepened by commerce and connective technology.

Interestingly, while the first six levels reject other psychological stages as competitors, the yellow and turquoise are inclusive of all levels. Moreover, since tier two selves see society as a self-organizing process, they are much more likely to embrace a pro-market, anti-coercive, pluralistic worldview. In short, libertarians are more likely than ever to evoke tier-two thinking and use tier-two messages.

So, freedom evolves in nature—both psychologically and socially. With *Spiral Dynamics*, we can see why. **FEE**

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A Cure for Obamacare: From Canada with Love

GREGORY CUMMINGS

A new study on Canadian healthcare has been released. In it, the authors examine the deleterious effects of socialized medicine on patient wait times and the delivery of care. It offers Americans a revealing glimpse of the future economic implications of Obamacare.

Released by the Fraser Institute, the December 2012 survey of specialists reveals that Canadians are now waiting 17.7 weeks between the referral to a specialist and the delivery of treatment. This is 91 percent longer than in 1993, when the institute began studying wait times.

In essence, wait times in Canada have doubled in the past 20 years. Sadly, the rationing of care that results in lengthy wait times for patients is a predictable consequence of government interference in the medical system.

Moral Hazard and Overconsumption

Other things the same, consumers (in this case, patients) seek out more medical care as its price decreases. This is simply a reflection of the law of demand. Because patients living under government medical “insurance” pay nothing directly, they seek out medical treatment for increasingly frivolous reasons, squandering valuable resources in the process.

Suddenly, a runny nose during cold and flu season is reason enough to proceed to the hospital. Or an otherwise healthy individual travels to the nearest medical clinic on a weekly basis to have the doctor check his blood pressure. Or an elderly widower visits the emergency room on Christmas Day because he’s lonely. Moral hazard of this sort is all too common in Canada.

No Medicine, No Care

On the other hand, the skyrocketing costs associated with growing use of the State-funded medical system cause the government to institute price controls on health care services. Economic calculation, a characteristic feature of the unhampered market economy, is progressively

eliminated as prices become increasingly arbitrary. This neuters the market allocation of resources, resulting in persistent shortages in critical areas. Medical care is then rationed to patients. Long wait times are but one symptom.

In addition, barriers to entry, such as State-licensing requirements and the accreditation of educational institutions, cartelize various medical professions and further exacerbate these circumstances.

Ultimately, as Murray Rothbard predicted, “everyone has the right to free medical care, but there is, in effect, no medicine and no care.”

The wait times, for example, satisfy the needs of seemingly everyone but the patient. According to the specialists consulted in the Fraser study, Canadians are waiting approximately three weeks longer than is reasonable between the initial consultation with a specialist and elective treatment. Importantly, a wait time that is deemed reasonable by a physician, especially one accustomed to practicing within the framework of socialized medicine in Canada, is likely less tolerable for the individual patient. For example, while a median 12-week wait time for orthopedic surgery may seem reasonable to a specialist, it may not be for a bed-ridden long-term care resident awaiting hip replacement surgery. Nevertheless, these results were deemed satisfactory by Canadian provincial governments, who evidently hold themselves to lower standards of performance.

Currently, Canadians are awaiting an estimated 870,462 procedures. Life on a waiting list isn’t pretty. It involves living in a state of poorer health, in constant fear that treatment will come too late, increased suffering and lower quality of life, and financial and economic loss. According to Dr. David Gratzner, author of *Code Blue: Reviving Canada’s Health Care System*, some patients even die without treatment. Others will travel in search of health care. In fact, an estimated 0.9 percent of patients left the country in 2012 in preference for treatment outside of Canada.

The Cure

It doesn't have to be this way. As Rothbard, describing the U.S. medical system of his time, explains:

Everyone old enough to remember the good old days of family physicians making house calls, spending a great deal of time with and getting to know the patient, and charging low fees to boot, is deeply and properly resentful of the current assembly-line care. But all too few understand the role of the much-beloved medical insurance itself in bringing about this sorry decline in quality, as well as the astronomical rise in prices.

Rothbard saw the rise of the HMO/PPO state in America, which Obamacare essentially puts on steroids. Under this system, Americans received health “insurance” beyond catastrophic care. This amounted to an all-you-can-eat healthcare buffet for consumers, just as it did in

Canada—only without the rationing. Care providers and health insurers formed a cartel around these profligate consumers and divided the spoils. The result has been steady medical inflation in America. But without accurate price signals for patients, rationing will have to follow. The Canadian example demonstrates that the egalitarian desideratum of “equal care for all” condemns society to poorer care for all. That is why Obamacare too will fail.

Instead, the cure for our metastasizing healthcare ills is freedom—that is, a restoration of the market process with the patient at the center. This restoration of patient sovereignty in the medical system is the only way to allocate healthcare resources efficiently and without shortages.

Wanna treat American healthcare? Prescribe capitalism.

FEE

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Whither Kuwait: Illiberal Democracy or Enlightened Autocracy?

DOUG BANDOW



KUWAIT CITY, KUWAIT—

The touchstone for American foreign policy today is support for democracy. Yet democracy sometimes has only a tenuous relationship with liberty. In fact, unconstrained democracy can threaten a free society. This tension is

evident in Kuwait, a small Persian Gulf nation in which people are demanding greater democracy.

Kuwait was freed from British “protection” a half century ago. Since then Kuwaitis have established the region’s freest country: The elected parliament has real power and the independent news media ask embarrassing questions. Moreover, non-Muslims are free to practice their faiths.

However, in December Kuwait held its second National Assembly election this year. The Emir unilaterally changed the voting system, triggering protests and a campaign boycott. A broad coalition ranging from liberal to Islamist is pressuring the government to change course—and eventually create an elected prime minister.

Khaled al-Fadhala, a student organizer, told the *Financial Times*, “The youth want change. Whoever will bring that change, the youth want. I don’t care if they’re Islamists, Muslim Brotherhood, Shia . . . as long as they win in a democratic election.”

Better to win in a democratic election than not. However, winning an election is no guarantee of support for freedom, as is evident throughout the Middle East.

For instance, Egypt’s Hosni Mubarak was an authoritarian who found favor in Washington because he generally backed

U.S. policy. Unfortunately, this association did wonders—all bad—for America’s reputation in the Middle East.

Mohamed Morsi, a member of the Islamic Brotherhood, was elected president after Mubarak’s fall. Morsi has claimed the right to exercise near-dictatorial powers. The proposed constitution enshrines authority rather than liberty. And violent attacks on Coptic Christians have risen. Egypt is more democratic than before, but could end up less free.

Fears are rising that Kuwait might be traveling down the same road. Kuwait is not Egypt: The former is far more democratic, free, and prosperous. Kuwait’s political community is smaller and more united. Most Kuwaitis realize that they have a huge stake in social stability.

Indeed, even opposition activists emphasize their support for Kuwait’s emir. For instance, Musallam Al-Barrak, a long-time parliamentarian who now is calling for sustained protests, told me when I visited in December that “there is a big difference between the Arab Spring and Kuwaiti movements. The Arab Spring was against



D. Myles Cullen

the ruling system.” Not so in Kuwait. Protestors want an elected government, but “that never means we are against the government or the ruling system.”

However, an elected rather than appointed government would sharply curtail the emir’s powers. And, ironically, that might not be good for liberty.

The parliament elected in 2009 fell into disrepute, leading to elections in February, which I also observed. The opposition took two-thirds of the seats. And a majority were Islamists.

In general these men were moderate in temperament and fully integrated into Kuwaiti society. They bore Americans no ill will. For instance, I interviewed Dr. Naser al-Sane, a former MP active with the international Islamic Brotherhood. Dr. al-Sane had met with U.S. congressmen and his son attended college in America.

Nevertheless, liberty is not high on their list of national priorities. A religious bloc quickly formed, leading to talk about imposing a dress code on women. The group also called for making Sharia the source of all law, executing blasphemers, and closing down Christian churches. Only the emir’s “no”—for instance, the government explained that the constitution protected freedom of religion—prevented these measures from becoming law.

This is a society in which liberal Kuwaitis choose Western dress and tell you which brand of alcohol they prefer. They also freely share their doubts about the monarchy. One younger Kuwaiti complained to me that “I am not sure that monarchy is the best system for Kuwait. The royal family now believes the country, property, and people belong to them.”

Indeed, the driving force behind the continuing protests that are challenging Kuwait’s government is the young. Al-Barrak and other long-serving MPs provide the public face of opposition. But al-Barrak called the youth “the heart of the movement.” My friend Shafeeq Ghabra, a political scientist at Kuwait University, estimates that 60 percent of Kuwait’s population is under 26, and 70 percent is under 29. Everyone I spoke with said young people were spontaneously pressing for change out of personal conviction—they were under no one’s control. “The youth are saying that this is their movement,” explained Ghabra.

That’s exciting. But it brings to mind Khaled al-Fadhala’s comment. Is all that matters that officials are democratically elected? Or should one elect people who

will use their authority to protect the liberty of those doing the electing?

As yet there is no Kuwaiti Mohamed Morsi in the wings, ready to exercise dictatorial authority in the name of democracy. Nevertheless, seemingly reasonable people already said they were ready to kill blasphemers and destroy churches. One wonders if this is the world that young Kuwaitis hope to construct.

The ultimate objective in Kuwait, as in America, should be to create a free and tolerant society. Democracy is an important means to that end. But it is critical to limit State power before deciding who gets to exercise that authority. **FEE**

**BETTER TO WIN IN
a democratic election than not.
However, winning an election is
no guarantee of support for
freedom, as is evident throughout
the Middle East.**

Douglas Bandow (dbandow@cato.org) is a senior fellow at the Cato Institute and the author of a number of books on economics and politics. He writes regularly on military non-interventionism.

Sustainability vs. Local Knowledge

MIKE REID

A young woman came to my door the other day and told me she was raising money to teach farmers in the Philippines about “sustainable agriculture.”

“Wow,” I replied. “You must be a major expert for Filipinos to reach out halfway across the world and ask you to come teach them.”

“Oh,” she said. “Well, we haven’t talked to the Filipinos yet. This is just the money we need to get our organization to the Philippines. Then we’ll teach them all about sustainable agriculture.”

This 20-year-old, fabulously rich by global standards, is only one of the many idealistic people the West now exports to manage the lives of the global poor.

“Sustainability” and Time Preference

The concept of “sustainability” is now ubiquitous in international-development circles. It was most famously defined by the UN potentate and ex-Norwegian Prime Minister Gro Harlem Brundtland. According to her 1987 UN report, sustainable development is “development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”

The international idealists now use this concept broadly to mean combining economic development with environmental preservation. One of the main fears of

the advocates of “sustainable agriculture” is that farmers are unwisely degrading the quality of their soil by using chemical pesticides and fertilizers.

But are outside experts really qualified to determine each Filipino farmer’s proper balance between getting chemically induced high yields now and risking lower yields later?

Each person has his own subjective preferences about how to trade present enjoyment for future enjoyment (and present returns for future returns). Universally, as Ludwig von Mises explained, using the Austrian school’s concept of time preference, we humans are basically impatient. We generally want things now, now, now—instead of someday later. But for each human, the power of this preference depends on his own desires, resources, and judgment.

In the world of reality, in the living and changing universe, each individual in each of his actions is forced to choose between satisfaction in various periods of time. Some people consume all that they earn, others consume a part of their capital, others save.

Although delaying present gratification in favor of future satisfaction often leads to material success, it is ultimately a judgment that depends on each person’s goals and resources. And of course, it depends on the institutions on the ground. In situations where there are tragedies of the commons—such as people farming unowned or government-owned land—there are deep incentives to exploit the land. Where there is private property, there are greater incentives to preserve for future generations.

The internationalist concept of “sustainability” is an attempt to override the time preferences of Filipino farmers in favor of the time preference of Gro Harlem Brundtland and her ilk. And if any meaning can be given to the term “sustainability,” it would have to do with the real sustainability that comes from having the right rules in place—like property, prices, and profits, which help people avoid tragedies of the commons. And yet that’s not what advocates of sustainability want. They prefer command and control.



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“The Needs of the Present”

The concept of “sustainability” depends on the assumption that humans have objective needs. Remember, Brundtland says that we must provide for “the needs of the present” without impinging on the “needs” of the future.

But what does a person “need”? What you need to survive is different from what you need to be happy or prosperous or loved.

What you need to live to age 60 is different from what you need to live to age 100. Where shall we draw the line?

Indeed, if we limit ourselves to the requirements for mere biological survival, a human’s needs could be met with a 6' x 6' concrete cell and a daily bucket of gruel. I don’t think this is what Brundtland has in mind. But she has something in mind. And she is willing to impose it.

Because there is no objective definition of human needs, and because there is no objectively correct tradeoff between present and future wants, “sustainable agriculture” simply means conserving whatever amount of resources the 20-year-old expert visiting your village thinks you should conserve based on some notion she picked up in college. And this is where things get uncomfortable.

OF COURSE, WE can travel to distant places, act in good faith, and give advice after learning the ins and outs of a people’s circumstances. But they might very well tell us to go away.

Local Knowledge and International Aid

The woman at my door seemed honestly to believe that she was bringing powerful new knowledge to farmers in the Philippines, even though she’d never set foot in the country, let alone planted a crop there.

I asked her where in the Philippines she was going. She answered, “Oh, I’m not sure. Lanao del Norte, maybe? I don’t remember.”

The Philippines is an archipelago of more than 7,000 islands, and it’s a highly diverse place, both geographically and culturally. It matters a lot, for instance, whether you’re

going to the big northern island of Luzon (controlled by the Christian majority and the U.S.-backed central government) or to the big southern island of Mindanao (where Muslim separatists routinely use kidnap-for-ransom schemes to fund their operations). By the way, Lanao del Norte is on the northern edge of that southern island.

This young woman was missing the essential requirement for all intelligent human action—what anthropologists call “local knowledge” and what F. A. Hayek called the “knowledge of people, of local conditions, and of special circumstances.”

To farm wisely, you need to know what kind of soil, topography, local plants, and insect pests you’re dealing with. You need to know what’s happening among your neighbors and nearby markets. And of course, everywhere in the Philippines, you need to know whom to bribe to get anything done. (It is widely considered the most corrupt country in East Asia.)

Filipino farmers are already working through those challenges on the ground every day. What special knowledge can their savior from North America bring to the table? And if this knowledge is so valuable,

why hasn’t it percolated through to those markets already?

The last question is not merely rhetorical. It’s possible something is preventing this knowledge from getting through, or preventing Filipino farmers from taking full advantage of it. If so, what? Are laws in place preventing them from enjoying the full benefits of their work—such as confiscatory taxes, unreliable property rights, or agreements signed with international do-gooders to withhold technologically advanced equipment that could increase yield quickly? Of course, foreigners may have knowledge to share that will improve the long-term viability of the Filipino agricultural sector. But it’s not clear

how much bureaucrats, ideologues, and twenty-year-old idealists have to contribute.

The well-meaning outsider believes that somehow, the local people aren't already using every resource at their disposal carefully and energetically to make a good life for themselves and their children. When Filipino farmers buy a few jugs of insecticide to kill off the pests that eat their crops, so this line of thinking goes, they are making a terrible mistake. Without the outsider's intervention and her superior, Gro-given knowledge, the Filipinos will surely reduce their landscape to a toxic wasteland.

How on earth did the people of these islands manage to "sustain" their farms before selfless Westerners showed up to guide them?

It is not for me, nor for the idealistic woman at my door, to decide what far-off peoples should do with their soil. Other people are not our property, and we do not know what is best for them. Of course, we can travel to distant places, act in good faith, and give advice after learning the ins and outs of a people's circumstances. But they might very well tell us to go away. They might even teach us a thing or two.

Sustainability, Control, and Markets

This is not to say that we rich outsiders must ignore the cruel poverty of the world's least fortunate, who must often choose between a meal today and a meal tomorrow—or indeed have no choice for any meal at all.

But projects aimed at teaching ignorant foreigners how to manage their own resources are rooted in arrogance. The ideal of "sustainability" some are exporting around the world is empty. Definitionless. It is merely a Rorschach test for the personal values of the idealists who employ it. It simply dresses up old-fashioned imperialism in contemporary clothing.

It is, as Morgan J. Polinquin explains, "another attempt to replace the collective decisions of many in the market place with the coercive will of the few."

The decisions of the "many in the market place" emerge

from each individual's local knowledge—from, as Hayek put it, "the dispersed bits of incomplete and frequently contradictory knowledge which all the separate individuals possess."

The market is the best way humans have of bringing all those tiny fragments of specific knowledge—about crops, pesticides, bribes, and a million other variables—together. Through the price system, we humans work wonders of mass coordination without any one of us being able to see the grand scheme. And that people sometimes have to work those wonders in a climate of regulation, corruption, or idealistic arrogance makes them all the more unbelievable.

Furthermore, the market allows any person to try out new techniques, and see if they fit into the poverty-destroying global endeavor of free human cooperation.

Perhaps totally "organic" farming, with no chemical pesticides or fertilizers, is best for every farmer in the Philippines. Perhaps it would give everyone the best trade-off between feeding themselves today and preserving soil quality for tomorrow. Perhaps.

But no matter how high up you go in the UN hierarchy, there's no seat

in the sky for any human to sit on and pronounce that judgment for all the rest of the species.

When first-worlders traipse around the world touting cardboard concepts like "sustainability," they are merely exerting control, once again, over the world's poor—trying to make their lives fit into our designs.

When my front-door visitor finishes her overseas agricultural adventure, she'll come back with a digital camera full of photos and a resume full of impressive entries. The Filipino farmers will still be there, living off that soil. Their children will still be there.

Who do you think has a better grasp of the balance between present and future uses of that plot of earth? **FEE**

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THE MARKET
allows any person to try out
new techniques, and see if they
fit into the poverty-destroying
global endeavor of free human
cooperation.

Clean Hands

SARAH SKWIRE

Gain is a sprawling and engrossing novel with two main characters: a company and a woman. The company, Jephthah Clare & Sons of Boston, begins as a family shipping enterprise, becomes a small soap and candle manufacturer, and by the end of the novel has grown into a massive international corporation. The woman, Laura Bodey, lives in Lacewood, where Clare has its home offices, and as the novel opens she is just being diagnosed with ovarian cancer.

Powers traces the two stories in parallel, detailing the rise of Clare & Sons and the progress of Laura's illness in alternating chapters. The tie between the two stories is the possibility—never settled and always questioned by Laura—that her cancer could have been caused by the chemicals in Clare & Sons's products and production processes. As Laura notes, however, finding the medical cause of her cancer or placing blame for it in court “is not going to tell me what I need to know,” and the course of her illness and treatment is only half of the story Powers is telling.

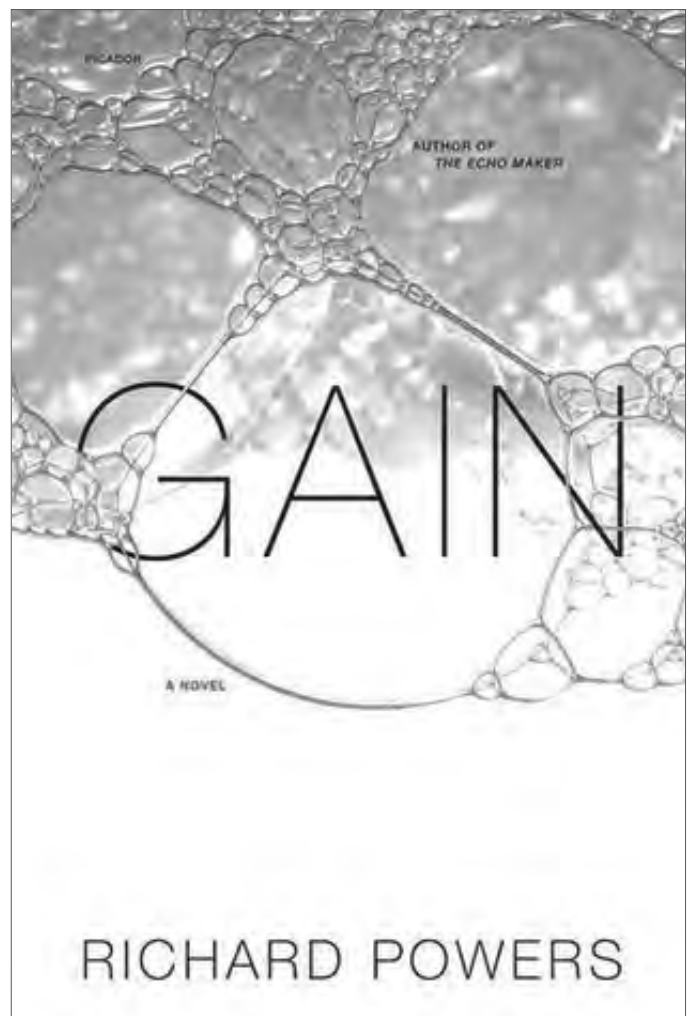
When *Gain* was first published, *The New York Times* observed,

[I]t's clear what Powers is getting at—the history of a company like Clare & Sons may add up to a classic American success story, but among the casualties of that supposed success are the health and happiness of some of its customers and neighbors. The pointed association of business growth with tumor growth, of a corporation's robust health with a woman's agonizing infirmity, is deliberate: for Powers, there is a direct link between the rise of corporations and the decline of the individual.

While Powers could have easily fallen into this trap of making *Gain* into a Lifetime movie tear-jerker (Ovarian cancer! Mother of two poisoned by chemicals! Evil corporations! Class action suits!) he finds the story of

Clare & Sons too complicated and interesting to treat so stereotypically.

Instead, the reader is treated to a fully imagined fictional history of Clare & Sons, supported by painstakingly created advertisements and corporate ephemera. So fully imagined is the history of the company, in fact, that it seems more of a character in the novel than does Laura herself. The lively details of the company's history and the power of its representation argue, I think, against assuming that Powers



Gain by Richard Powers, Picador, 1998. 355 pp.

just wants us to think that Clare & Sons is a malevolent corporate entity and Laura a hapless victim.

Leaving aside questions of praise and blame, however, it is well worth noting that readers who are looking for compelling and complex representations of business and literature will not be disappointed by *Gain*. Powers conveys

POWERS'S NOVEL
is consumed with
questions about growth—
the growth that is killing
Laura and the growth
that creates Clare &
Sons. Does growth kill us
or cure us? Can a company
get too big? Are corporations
our greatest threat or our
greatest hope?

the wonders of the market and the miracle of gains from trade in maxims like “profit equals uncertainty times distance” and in passages like this one:

The world had to be circumnavigated before the humblest washerwoman could sip from her ragged cup. The mystery of it all sometimes visited Jephthah at night. . . . He, the Oregon trapper, the Chinese hong: everyone prospered. Each of them thought he'd gotten the better end of the deal. Now, how could that be? Where had the profit come from?

Readers who are familiar with Adam Smith's *Wealth of Nations* or Addison and Steele's *Spectator* will recognize

the genuinely eighteenth-century ring of such moments.

Equally, the debate among the owners of Clare & Sons about the idea of incorporating will prove interesting to anyone who recalls the dust-up over Mitt Romney's comment that corporations are people. Powers writes:

If the Fifth and Fourteenth Amendments combined to extend due process to all individuals, and if the incorporated business had become a single person under the law, then the Clare Soap and Chemical company now enjoyed all the legal protections afforded any individual by the spirit of the Constitution. And for the actions of that protected person, for its debts and indiscretions, no single shareholder could be held liable.

Wryly citing Bierce's *Devil's Dictionary* that a corporation is “an ingenious device for obtaining individual profit without individual responsibility,” Powers encapsulates in a few elegant pages the running debate over the nature of the corporation.

For me, Powers's novel is consumed with questions about growth—the growth that is killing Laura and the growth that creates Clare & Sons. Does growth kill us or cure us? Can a company get too big? Are corporations our greatest threat or our greatest hope?

Gain does not give us answers. It raises questions. But it is worth noting that by the end of the novel, Laura's video-game-addicted son Tim has grown up to become a computer scientist who works on protein folding. He creates a chunk of code that “might create molecules to do anything... and promised to make anything the damaged cell called out for.” With a cure for cancer in their hands, Tim's team is ready to go into production. “And softly, Tim suggested that it might be time for the little group of them to incorporate.” **FEE**

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How Government Makes Us Fatter

JENNA ROBINSON

The government, with its accomplices in the food lobby, has helped to make and keep us fat. Through subsidies and misguided food suggestions, Congress, the FDA, and the USDA have made it more difficult for Americans to make smarter dietary decisions.

It's not as if we don't care. Americans spend \$33 billion annually on weight-loss products and services. At any given time, 45 percent of women and 30 percent of men in the United States are trying to lose weight. And yet Americans are more out of shape than ever.

Obesity is a major health risk in the United States, where 65 percent of adults are overweight. The prevalence of obesity rose from 14.5 percent in 1980 to 30.5 percent today. The percentage of children who are overweight is at an all-time high: 10.4 percent of two- to five-year-olds, 15.3 percent of six- to 11-year-olds, and 15.5 percent of 12- to 19-year-olds.

Misinformation

Remember the food pyramid? In 1982, government authorities told Americans to reduce fat consumption from 40 percent to 30 percent of daily intake—and we took their advice. Instead of fats, Americans began eating more carbohydrates: an increase of 57 grams per person from 1989 to today, according to UCSF Professor of Pediatrics Dr. Robert Lustig. Today, the typical American diet is about 50 percent carbohydrate, 15 percent protein, and 35 percent fat.

At the same time, a committee at the Food and Drug Administration awarded sugar “Generally Recognized As Safe” status—even for diabetics—despite internal dissent from the USDA's Carbohydrate Nutrition Laboratory. As part of the 2011 Agriculture Appropriations Bill, Congress legislated that pizza sauce can count as a vegetable in school lunches.

Setting aside the issue of whether such government recommendations are correct, its actions as food nanny essentially absolve Americans from the responsibility of



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making their own nutrition decisions. In the 1990s, American women blindly gobbled up low-fat Snackwells desserts masquerading as sensible treats. After all, Snackwells cookies met government standards: They were low in fat and contained “safe” sugar. Parents send their kids to school assuming school lunch contains healthy fruits and vegetables—never stopping to ask what their kids are actually eating each day.

Government recommendations also dissuade private nutrition groups from attempting to compete with “official” advice. Consider Dr. Atkins' critical reception when he wrote *Dr. Atkins' Diet Revolution*; although a best-seller, it was panned by the nutrition establishment. The USDA's Agricultural Resource Service still warns that the

diet started out as a “gimmick” and hedges on whether it’s ultimately “worthwhile or worthless.”

Over the years, government recommendations have contributed to the replacement of lard with trans-fats (the latter of which are now considered deadly), the substitution of margarine for butter and back to butter again, and conflicting recommendations about eggs, orange juice, vitamins, certain types of fish, and the temperature at which it’s safe to eat meat. Is it any wonder that Americans are no closer to their health goals?

Subsidi-diets

Farm subsidies reinforce the government’s recommendations. Most go to just a few crops: soy, corn, rice, and wheat—all of which can be converted into cheap, highly processed foods.

Take the case of corn. Starting in the mid-1980s, government subsidies made corn profitable for farmers even when market prices for corn were low. So farms across the Midwest began to produce it in abundance. Food companies funneled this cheap corn into the

production of high-fructose corn syrup (HFCS) as a replacement for more-expensive sugar—the price of which had been artificially sweetened by tariffs, import quotas, and subsidies meant to shut cheaper foreign suppliers out of the U.S.

HFCS then made its way into previously unsweetened foods. Today, the average American eats 41.5 pounds of HFCS per year—financed by U.S. corn subsidies. That’s in addition to the 29 pounds of traditional sugar the USDA reports we eat on average.

Wheat, rice, and soy are turned into similarly processed food products. Wheat is extruded, robbing it of its protein, or milled and bleached into mineral-free white flour. Rice is stripped of its vitamin-packed bran to make it cook more quickly. Soybeans are mashed, pulped, extruded, and pressed into thousands of products.

And government subsidies make these foods very, very cheap—much cheaper than unsubsidized raw produce, fish, or meat. Naturally, Americans respond to these low prices by buying in bulk. Today, 23 percent of Americans’ grocery budgets go to processed foods and sweets (compared to 12 percent in 1982).

THE GOVERNMENT’S actions as food nanny essentially absolve Americans from the responsibility of making their own nutrition decisions.

Getting Government Out of the Grocery Aisles

Nutrition is far from settled science. Various researchers recommend low-carb, vegetarian, vegan, “whole” food, or simple calorie-counting diets as the route to weight loss and improved health. But one thing is clear: Government interference is steering us in the wrong direction—toward sweetened and processed foods that no doctors, nutritionists, or researchers recommend. To improve the “Standard American Diet,” the first thing government can do is get out of the way. **FEE**

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Do the Rich Deserve to Be Taxed?

SANDY IKEDA

Not everyone hates the rich. But as the so-called “fiscal cliff” approaches, expressions of distaste for “them” occur frequently enough that the solution seems simple: Tax the rich! But who are the rich?

For some, “the rich” includes anyone making a lot more than they are. “A lot” doesn’t exactly add much precision to the discussion. In Washington, the debate centers on the top 2 percent of income earners.

Part of the impulse to tax the very richest households comes from the belief that “they” can afford it. What’s a few thousand dollars more in taxes to someone making millions a year? But another part comes from the belief that the rich are not paying their “fair share.” And that’s what I would like to address. What might be behind the deeply felt suspicion that the rich got that way unfairly?

First, who are the 1 percent? It’s easy enough to find that the average household income of the top 1 percent of income earners in the United States in 2008 was \$1.2 million. But to break into the top 1 percent today you need much less: about \$380,000. (The top 2 percent begins at around \$200,000.) So everyone from a moderately successful lawyer (or two not-so-successful lawyers living under one roof) to Bill Gates is considered one of “the rich.”

Second, how much income do the 1 percent make, and what do they pay in taxes? According to *The Christian Science Monitor*, in recent years the top 1 percent earned about 20.3 percent of all income in the United States and paid about 21.5 percent of all state and federal income taxes. They also pay about 30 percent of their income in taxes.

So the numbers indicate that the top 1 percent annually pay a little more of the combined federal and state taxes than they make in income. The kerfuffle in Washington these days is about federal income tax alone. Well, the National Taxpayers Union tells us that the top 1 percent paid 36.7 percent of all federal income taxes in 2009.

I’ve never heard anyone who’s been calling for higher taxes on the rich say exactly how much more than 36.7 percent of all federal income tax those who are earning

20.3 percent of the income should be paying. To many, the answer is simple: more!

The key to all this is the concept of “earning” income. What does it mean to “earn”?

There are only two ways to acquire great wealth: trade or plunder. Private property and markets did not flourish over most of human experience, and so for the most part people got very rich by taking from others by using or threatening physical violence. Under such circumstances—which, again, dominated our history—it was natural and reasonable to suspect the rich of wrongdoing. They had privileges denied to everyone else.

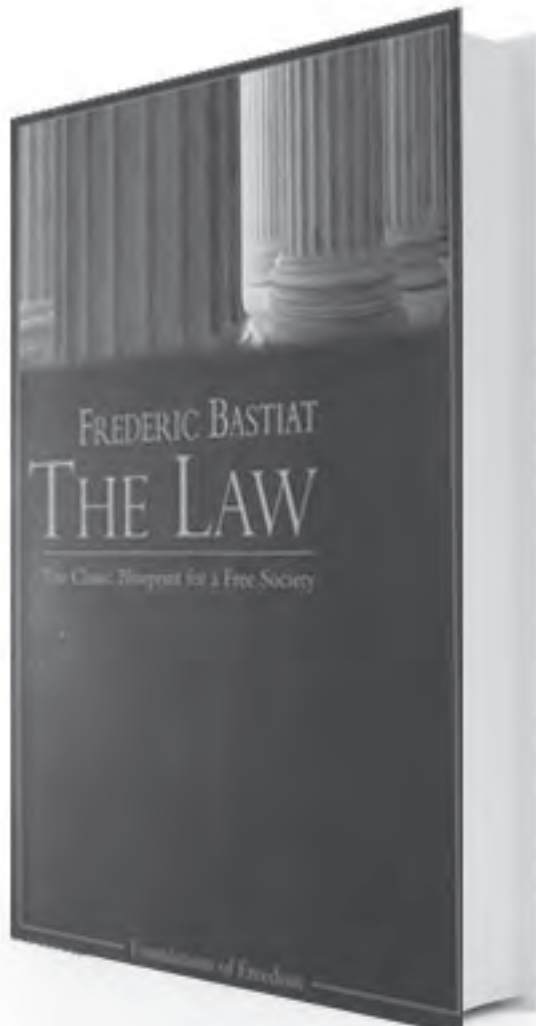
Privilege is a loaded term, of course. Some speak of privilege whenever one person simply has more than another. I use the term in the sense of Frédéric Bastiat, as a favor granted by the government to a select few at the expense of others. A free market is a market free of privilege.

Legal privilege has never completely disappeared even in the freest markets. But where it has been constrained the most, gradually throughout much of the world over the past 200 years or so, markets and trade have indeed flourished, to the benefit of all—especially the least well-off in society.

In the past 60 or 70 years legal privilege has again intruded into relatively free markets with a vengeance. In the form of “special interests” and “rent seeking” it has thrived in the presence of so much wealth to be plundered by protectionism, subsidies, and taxation. What we today call “crony capitalism” reinforces popular suspicion against great wealth.

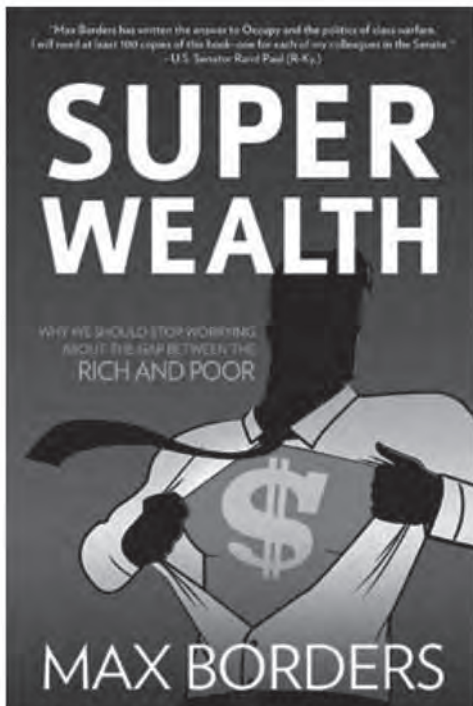
Crony capitalism, and the “monstrous hybrids” it creates, makes criticizing simplistic calls for taxing the rich much more of a challenge. How much of the income of the 1 percent is earned from trade and how much comes from plunder? As government intervention grows it will get harder and harder to say. **FEE**

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Unions: Freedom of Coercive Association?

GARY M. GALLES

One of the core tenets of unions is that they are a legitimate application of workers' constitutionally protected freedom of association, so that anything that restricts unions violates that freedom of association. As Brenda Smith of the American Federation of Teachers (AFT) put it, "Exclusivity for a union with majority support is not a monopoly, it is democracy... It allows employees to select their representative freely, without coercion from the employer. It allows them to amplify their voice through collective action under our constitutionally protected right to freedom of association." Unfortunately for exponents of that argument, freedom of association does not endow the association with more powers than the members had as individuals.

For instance, an individual who chooses not to work has no power to prevent someone else from taking the job and freedom of association offers a group of workers no more power to do so. But government has given unions a host of special privileges, from monopoly representation to strike powers to exemptions from antitrust laws and union liability for member violence. Freedom of association does not justify these special privileges; in fact, they are inconsistent with freedom of association.

Monopoly unions backed by special government grants of power violate freedom of association in multiple ways. Current labor law and its interpretation violate all of the following:

- the freedom of workers to not associate with a particular union or its members;
- the freedom of workers to associate with non-union employers in workplace cooperation;
- the freedom of employers to not associate with unions; and
- the freedom of employers to associate only with workers who do not have any union involvement.

In sum, unions' freedom of association means one-way freedom for unions to force workers and employers to associate with them, denying the latter their own freedom of association.

A fundamental or inalienable human right must be one that everyone possesses. If one party's exercise of a right prevents a second party's exercise of the same right, it is only a right for the first party, not a human right. If the second party is required to accept the first party's offer of association on the terms the first party offers, the second party is not free to choose his associations. Freedom of

association would be a right of the first party; it would be denied to the second party.

The upshot is that a fundamental right to freedom of association only means freedom to associate with those who also choose to associate with us—

voluntary association on both sides. And that requires people's freedom to refuse association with others against their will.

Freedom of Non-Association

Labor law violates workers' freedom not to associate with unions by forcing them to accept exclusive union representation whenever a majority of workers voting in a certification election voted for that union, regardless of the minority's own votes or preferences. That forced representation is all but impossible to end, as well: Decertification is exceedingly difficult to execute.

And it is not only a few workers who are forced to associate with and support unions. For instance, within a year of Wisconsin's adoption of collective bargaining reforms in 2011, AFSCME membership fell from 62,818 to 28,745 and AFT lost 6,000 out of 17,000 members. Unions have also tried to further violate workers' freedom of association by reducing the time employers have to make their case before certification elections and by pushing

M O N O P O L Y
unions backed by special government grants of power violate freedom of association in multiple ways.

card-check proposals that would eliminate the necessity for a secret vote by workers.

Workers are also required to pay the union-dictated price for unions' services, although those who didn't vote for the union have revealed that they didn't value those services enough to pay for them voluntarily. And costs of representation are inflated by accounting sleight of hand, so that many "representation" costs really go to the unions' favorite political slush funds, even though more than one-third of union workers routinely vote against union-supported political positions. In the 1989 *Beck* case, the Supreme Court found that more than four-fifths of those union dues actually went to politics.

Labor law currently violates workers' freedom to associate with non-union employers in workplace cooperation, such as quality circles and other worker involvement with workplace issues, because those forms of association have been outlawed as "company unions" (which is to say, not "real" unions). In other words, unions can hold both non-union employers and workers hostage by denying them the ability to improve labor-management relationships and productivity, unless they accept monopoly unions' extortion for the privilege.

Labor law currently violates the freedom of employers to not associate with unions by forcing them to accept and "bargain in good faith" (compromise) with a union selected by a majority in a certification election. Under contract law, however, a contract in which any of the parties was required to bargain would be legally void. Ironically, this also means that a worker is not allowed to "associate" with himself in order to act as his own negotiator with an employer.

Labor law currently violates the freedom of employers to associate only with workers who do not wish to have any union involvement by banning so-called yellow-dog contracts (which the Supreme Court called "a part of the constitutional rights of personal liberty and private property" in 1917, before those rights were taken away). In addition, since some yellow-dog contracts were actually pushed by workers who wanted to avoid union harassment, this also violates employees' freedom of association.

Monopoly unions leverage one violation of freedom of association into an excuse for another. For instance, they claim they must be allowed to impose mandatory

dues ("union security") because some would "free ride" on union negotiating services. But government-mandated exclusive representation created this potential free-rider problem, and one union-coerced association abuse does not justify another.

Freedom of association, rightly understood, has long been a bedrock American principle. Alexis de Tocqueville celebrated our exercise of that freedom, and wrote, "The most natural privilege of man, next to the right of acting for himself, is that of combining his exertions with those of his fellow creatures and of acting in common with them. The right of association therefore appears to me almost as inalienable in its nature as the right of personal liberty. No legislator can attack it without impairing the foundations of society." But unions have rhetorically twisted freedom of association into a special source of plunder that primarily denies freedom of association. As Frédéric Bastiat described it over a century and a half ago, "If the special privilege of government protection against competition—a monopoly—were granted only to one group...the iron workers, for instance, this act would . . . obviously be legal plunder."

American labor law endorses the freedom of association, but it morphs individuals' freedom of association into freedoms "to form, join, or assist labor organizations" to enable their collective bargaining. That is, it defends employee rights that can be advanced solely via unions, where such unionization inherently sacrifices workers' (and employers') individual freedom to determine their own associations.

As John Ransom summarized it, "for unions freedom of association means workers are given only one representative, one association, one non-dissenting voice carefully following the party line." That stands in sharp contrast with Thomas Jefferson's recognition that "the first principle of association [is] the guarantee to everyone of a free exercise of his industry and the fruits acquired by it," and that "The true foundation of republican government is the equal right of every citizen in his person and property and in their management." Jefferson makes clear that unions' supposed justification in freedom of association is not only false, but a contradiction in terms. **FEE**

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Climate Consensus: Do Little for Now

DANIEL SUTTER

The 2007 report of the Intergovernmental Panel on Climate Change (IPCC) projects that continued emission of greenhouse gases (GHG) will raise the earth's temperature by 1.8°C (3.2°F) and sea level by one foot by 2100. Projected climate changes, if they come to pass, will have a number of effects on society, though not all of those effects will be negative.

Although debate over the IPCC's projections continues, less attention has been focused on the ultimately more important result: Cost-benefit analysis (CBA) implies we should do very little to prevent climate change. Instead, we should create wealth. Expanding the productive capacity of the economy will compensate future generations better than reductions in GHG will.

A richer world in 2100, after all, will be able to afford to do things like relocating people affected by rising sea levels and constructing new port facilities and seawalls.

A report by the liberal Global Development and Environment Institute at Tufts University observes, "Economists frequently...calculate the optimal policy response [to climate change]. This calculation often leads to the conclusion that relatively little should be done for now."

Cost-Benefit Analysis

Businesses operate under the discipline of profit and loss based on market prices. Profit signals that an action generates benefits for the economy. Government does not face the discipline of profit and loss, but CBA, performed honestly, offers guidance about whether government actions benefit society.

Measures to reduce GHG emissions today typically fail a cost-benefit test due to the discounting of benefits. Discounting refers to applying a real interest rate to future values. Two arguments support discounting in CBA. The first is impatience, or what economists call time preference:

\$100 is worth more today than it is one year from now, even without inflation. The second is the return on savings and investment, or the opportunity cost of capital. Money spent now to reduce GHG could be saved and invested instead. The interest rate equates impatience and the return on investment on the margin, as investors must be compensated for delaying consumption.

Discounting

The mathematics of discounting makes values more than about 50 years in the future worth little today. The federal government makes cost-benefit calculations using 3 percent and 7 percent annual real (or adjusted

for inflation) interest rates, approximating the historical risk-free interest rate and the annual real return on stocks. The present value of \$1 million 100 years from now is \$52,000 at a 3 percent discount rate, and \$1,150 at a 7 percent discount rate. To see how this affects climate change economics, suppose

A RICHER WORLD
in 2100 will be able to afford to do things like relocating people affected by rising sea levels and constructing new port facilities and seawalls.

that spending \$100 billion annually—starting right now—we could prevent \$1 trillion in annual damage, beginning in 100 years. The ratio of \$10 in benefits to every \$1 in costs appears favorable, but this fails a benefit-cost test at either a 7 percent or 3 percent real discount rate.

Some observers respond to this math by arguing against discounting in climate change economics. Time preference is a questionable argument in intergenerational settings because future beneficiaries will not have to wait 100 years to realize climate benefits. But the opportunity cost argument remains. The Stern Commission in the U.K. applied an implausibly low discount rate to its calculations. Others imagine current benefits from GHG reductions rendering discounting irrelevant. For example, the Environmental Protection Agency (EPA) included private benefits in a CBA of higher fuel economy standards

to reduce GHG emissions, arguing that making people purchase higher-mileage cars than they prefer makes car buyers better off. Creating benefits today effectively makes reducing GHG a free lunch.

Wealthier is Healthier

Resources put into reducing GHG can't be invested elsewhere, so the opportunity cost of GHG reduction amounts to the returns that could have been expected, based on historical rates. Maintaining opportunities to invest and create wealth for future generations requires the institutions of a market economy, or a high level of economic freedom, as the Fraser Institute's *Economic Freedom of the World: 2012 Annual Report* demonstrates. Bequeathing a higher standard of living to future generations also requires preserving economic freedom. Discounting mathematics ultimately tells us that economic freedom addresses climate change more effectively than energy central planning through carbon taxes or cap-and-trade.

Compensating the "victims" of climate change with extra wealth does have a potential limit. Extra resources provide inadequate compensation if climate change dramatically alters the world. Money will not typically fully compensate for a catastrophic injury; a quadriplegic is unlikely to enjoy the same level of utility or satisfaction after his injury, even if his medical bills and care needs are paid. Wealth accumulation would not adequately compensate future generations if climate change produced a world like those depicted in *Waterworld* and *The Day After Tomorrow*. Future generations would not be adequately compensated if climate change destroyed the economy's ability to produce goods and services. Fortunately *Waterworld* is the stuff of Hollywood fiction; the largest of the upper range of sea level rise in any 2007 IPCC climate scenario is about 2 feet. That will have serious consequences, but it will hardly flood the entire world. It can be offset by wealth accumulation.

A Hundred-Year Plan?

Property rights and prices lead basically self-interested people to worry about the future. For example, property rights and markets for existing homes provide owners with incentives to keep their houses livable long after they plan to own them. And yet the mathematics of discounting implies that events too far in the future should not affect decisions much today. Growth, progress, and creative destruction limit the horizon for detailed planning in a market economy. Imagine a business in 1900 trying to plan its operations in 2000. The plan could not have included automobiles, planes, television and radio, satellites, computers, and many other conveniences of modern life.

Now let's project ahead and consider planning for climate change. A number of fundamental innovations could substantially reduce if not eliminate the threat from climate change, such as effective, low-cost carbon sequestration or effective weather modification to smooth out precipitation patterns. And the

development of a radical new clean energy source like nuclear fusion could render remaining stocks of fossil fuels uneconomic at any price.

Conclusion

A dynamic market economy will feature too much creative destruction to allow detailed planning for the distant future. Nothing is sure in a market economy 10 years from now, much less 100 years, and discounting in cost-benefit analysis simply reflects this reality. The economic future becomes more predictable when government controls economic activity, but then stagnation results. Discounting in climate change economics tells us to create wealth to protect future generations. Economic freedom and the institutions of the market economy, not central planning of energy use, are the prudent policy approaches to a changing climate. **FEE**

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THE ECONOMIC
future becomes more
predictable when government
controls economic activity,
but then stagnation results.

The Death of Privacy

FAISAL MOGHUL

The poorest man may in his cottage bid defiance to all the force of the Crown. It may be frail; its roof may shake; the wind may blow through it; the storms may enter, the rain may enter,—but the King of England cannot enter; all his forces dare not cross the threshold of the ruined tenement!

—William Pitt, Earl of Chatham (1763)

The history of colonial America is replete with incidents of abominable abuse of power by agents of the Crown. One of the most effective means of oppressing the colonies was through writs of assistance, commonly known as general warrants, which gave British officials carte blanche to invade private homes and businesses in search of contraband and to seize property with absolute impunity.

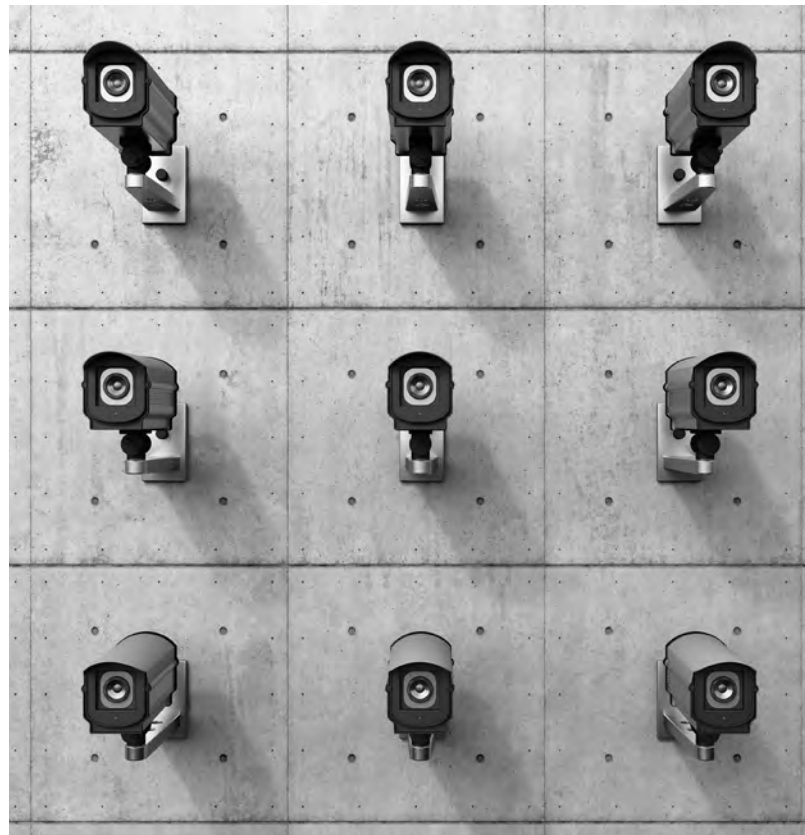
James Otis, a Boston lawyer, believed general warrants to be a violation of hallowed natural law principles enshrined in the Magna Carta. Otis's stirring denunciations of the Crown's overreach launched him to prominence. He regarded general warrants as the "worst instruments of arbitrary power" because they placed the "liberty of every man in the hands of every petty officer" who "may control, imprison, or murder any one within the realm." Arguing before the Massachusetts Superior Court in 1761, Otis's articulation of this systemic despotism established the ideological origins of the Fourth Amendment to the United States Constitution. "A man's house is his castle," Otis wrote,

[A]nd whilst he is quiet, he is as well guarded as a prince in his castle. This writ, if it should be declared legal, would totally annihilate this privilege. Custom-house officers may enter our houses when they please; we are commanded to permit their entry. Their menial servants may enter, may break locks, bars, and everything in their way; and whether they break through malice or revenge, no man, no court can inquire.

Widespread resistance to these reviled instruments of royal tyranny became one of the embers that sparked the Revolutionary War. Of course, the revolution culminated

in the codification of the Fourth Amendment. The Bill of Rights stood as an enduring rebuke to the Crown's overzealous surveillance during colonial times. That is, against the Crown's principle of general suspicion, the Founding Fathers inserted this provision in the Bill of Rights to prevent history from repeating itself. If a man's home is his castle, then the Fourth Amendment is the mortar binding each brick, making one's home an inviolable bulwark against the prying eyes and ears of the government.

The Fourth Amendment embodies a fundamental truth and the chief characteristic distinguishing a free society from a tyrannical police state. An individual's right to privacy and freedom from arbitrary invasions cannot be infringed, unless probable cause "exist[s] where the known



facts and circumstances are sufficient to warrant a man of reasonable prudence in the belief that contraband or evidence of a crime will be found” (*Ornelas v. United States*, 517 U.S. 690, 696, 1996).

After having successfully prosecuted Nazi war criminals at Nuremberg, former U.S. Supreme Court Justice Robert Jackson eloquently reaffirmed the importance of this safeguard against unbridled governmental intrusion:

Uncontrolled search and seizure is one of the first and most effective weapons in the arsenal of every arbitrary government. And one need only briefly to have dwelt and worked among a people possessed of many admirable qualities but deprived of these rights to know that the human personality deteriorates and dignity and self-reliance disappear where homes, persons and possessions are subject at any hour to unheralded search and seizure by the police (*Brinegar v. United States*, 338 U.S. 160, 180–181, 1949).

And then came Richard Nixon’s “War on Drugs.”

From Public Safety to National Security

By blaming all of America’s problems on drugs, Nixon’s “tough on crime” rhetoric was portrayed as a necessary step to rid society of drug crimes, just as agents of the Crown sought to justify their abuse of general warrants under the guise of rooting out smugglers of tea and molasses.

But the hardline policies of Nixon’s “law and order” administration, far from being elixirs in terms of stopping drug use or crimes, initiated the process of slowly but inexorably eroding the Fourth Amendment over the course of the next 50 years. From increased canine searches at “drug” checkpoints, to militarized SWAT team raids of homes of “suspected” drug dealers, a man’s castle was seen as a rampart to be taken down by the State. From vague drug-courier profiles that allow law enforcement to target racial minorities, to the malicious application of asset forfeiture laws in which officials arbitrarily confiscate the life savings of the innocent, the War on Drugs has turned

out to be a war on citizens’ persons and property.

But if the War on Drugs was an erosion of the Fourth Amendment, the “War on Terror” sounded its death knell.

The National Security Agency (NSA), with its warrantless domestic spying program has turned America into the most surveilled society in history, eclipsing

conditions of East Germans under the Stasi. Two high-profile NSA whistleblowers, Thomas Drake and William Binney, have revealed the extent of the collateral damage to our rights from the surveillance dragnet. In

IF THE WAR ON Drugs was an erosion of the Fourth Amendment, the “War on Terror” sounded its death knell.

their own words, the government is illegally monitoring (in real time) activities not tethered to any suspicious or illegal conduct—for example, phone calls, purchases, emails, text messages, Internet searches, social media communications, health information, employment histories, and travel and student records—and creating dossiers on everyone (even senators, congressmen, and decorated generals).

The twin wars on drugs and terror have coalesced to re-enact the same state of generalized suspicion which, both historically and practically, enabled a Soviet-style police state to emerge. Such blatant disregard for a citizen’s privacy, person, and property is a throwback to the conditions the American Founders rebelled against. Likewise, the surveillance state is a violation of the same natural law principles enshrined in the Magna Carta, which James Otis so eloquently defended.

From Man’s Castle to “Turnkey Totalitarian State”

More than 30 years ago, Senator Frank Church, the chairman of the Church Committee, after investigating the widespread abuses perpetrated by the FBI under the secretive and illegal COINTELPRO, forewarned the nation of the dangers of forsaking essential liberties for temporary safety:

Th[e NSA’s] capability at any time could be turned around on the American people, and no American would have any privacy left, such is the capability to monitor everything: telephone conversations,

telegrams, it doesn't matter. There would be no place to hide. [If a dictator ever took over, the NSA] could enable it to impose total tyranny, and there would be no way to fight back.

Arguably, this remorseless modern-day engine of surveillance has been turned against the American people. The purpose of this widespread data mining is not to ferret out terrorist or criminal activity, as we were first told, but to neutralize any dissent and political opposition to the

powers that be. William Binney, himself a target for speaking out against the illegal spying on the American people, explains how it works: "If you ever get on their enemies list, like Petraeus did, then you can be drawn into that surveillance." In such a scenario, Binney adds, the stored information

on that individual—and remember, the NSA collects vast amounts of data on virtually everyone—will be used to target, blackmail, or intimidate that person.

One high-level NSA bureaucrat, Thomas Drake, who was charged under the Espionage Act for exposing the illegal eavesdropping (the case ended in an eventual misdemeanor plea bargain), illustrates the dangers of an unchecked surveillance state. Allow me to quote Drake at length:

People don't realize the extent to which we're surveilled in many, many ways. The extent to which vast amounts of our transactional data in all forms—electronic forms, your emails, your tweets, bank records and everything else—are all subject or suspect in terms of surveillance. It raises the specter of the rise of so-called "soft tyranny." It raises the specter of you being automatically suspicious until you prove that you're not; the specter of a universal and persistent wiretap on every single person [...] what happens if they don't like you? What if you speak ill will against the government? What if you say something they consider disloyal? ...

THIS IS EXACTLY what the Fourth Amendment was designed to prevent—a state of total generalized suspicion where everyone is guilty until proven innocent.

Our security has become our state religion, you don't question it. And if you question it—your loyalty is questioned.

Speaking truth to power is very dangerous. The power elites, those in charge, don't like dirty linen being aired. They don't like skeletons in the closet being seen. Not only do they object to it, they decide to turn it into criminal activity. Remember, my whistle blowing was criminalized by my own government.

After years of government service, Thomas Drake now works at an Apple store. When society descends into collective insanity, when the apathetic masses fail to realize the dreaded consequences of empowering the all-powerful state with a blank check drawn against their own civil

liberties, then the only people with the courage to speak truth to power are demonized in the most diabolical ways.

The Death of Privacy and the Technologies of Control

"It would be ironic if, in the name of national defense, we would sanction the subversion of ... those liberties ... which make the defense of the nation worthwhile" (*U.S. v. Robel*, 389 U.S. 258, 264, 1967).

The most common, and perhaps most deceptive, argument marshaled in favor of government spying is that if people aren't doing anything "wrong," then they have nothing to worry about. This "not-doing-anything-wrong" argument is a classic red herring, for if an individual is not doing anything wrong, then the government has no business spying on that person in the first place. This is exactly what the Fourth Amendment was designed to prevent—a state of total generalized suspicion where everyone is guilty until proven innocent. William Binney also refutes this argument: "The problem is, if they think they're not doing anything that's wrong, they don't get to define that. The central government does." In other words, one's subjective opinion of right and wrong is irrelevant; the government's interpretation governs.

Apologists for mass government spying also typically invoke the “necessary evil” doctrine—an old Machiavellian ruse—to justify this activity. They argue that illegally eavesdropping on the populace, while not good in itself, is necessary to counter the existential threat terrorism poses. They claim that the methods of modern-day terrorism are brutal and unconventional. Terrorists seek to inflict mass casualties through horrific means; terrorism’s nature is irrational, perpetrated by individuals who hold no fear of death in destroying others; its form is impenetrable, consisting of a shadowy network spread across the globe. The danger is ever present, threatening to strike anywhere, anytime. Consequently, the government must exercise “all necessary means” to protect its citizens.

Such an argument, while tempting for the unaware, suffers from historical amnesia. During times of emergency, the instinct of self-preservation naturally impels us to seek the direction of the powers that claim to protect us. The omnipresent fear of the unknown predisposes us to trust the government that assures security conditioned on an absolute grant of what John Locke calls “undoubted prerogative.” The constant, unchanging mantra of the power elite is “trust us, and we will protect you from the barbarians at the gate.” The demand seems reasonable, its logic impeccable. Destabilized by our collective vulnerability and driven by the spirit of patriotism, our inclination is to comply and surrender our rights.

This formula has forever remained the same; so too has the final result, which always stands in stark contrast to the initial promise. For example:

- President John Adams insisted that the Alien and Sedition Act was essential to protect Americans, but he abused that power by using it to suppress dissent in the press.
- President Abraham Lincoln unilaterally suspended the writ of habeas corpus in 1861 under the pretext of fighting the Civil War because “public safety” required it. This order resulted in the imprisonment of “disloyal persons” without any trial.
- President Woodrow Wilson advocated for the necessity of the Espionage Act to save American lives, but he only used this law to prosecute thousands of American pacifists who spoke out against American

involvement in World War I.

- President Franklin D. Roosevelt cited the exigency of World War II to pass Executive Order 90266, which he utilized for the mass internment of thousands of innocent Japanese Americans.
- In the aftermath of the 9/11 tragedy, President George W. Bush assured the public that the NSA’s wiretapping program was only directed at identifying terrorists.

The now-absolute authority that promised to safeguard our liberties uses that same power to subvert what it claims our enemies seek to destroy—our way of life and hard-won freedoms. The Orwellian nature of the scheme—selling “control” in the name of “security”—is slow to crystallize in our collective consciousness. We will in the end grasp the fallacy of rendering blind allegiance to absolute power, but by then it will be too late.

The *modus operandi* of the current scheme of total surveillance is to streamline and perfect the technologies of controlling society. This blueprint was designed a long time ago, before 9/11 provided the pretext. Elite insider and the founder of the Trilateral Commission, Zbigniew Brzezinski, apprised us of this ultimate goal in his 1968 article “America in the Technetronic Age”:

At the same time, the capacity to assert *social and political control* over the individual will vastly increase. As I have already noted, it will soon be possible to assert almost continuous surveillance over every citizen and to maintain up-to-date, complete files, containing even most personal information about the health or personal behaviour of the citizen, in addition to more customary data. These files will be subject to instantaneous retrieval by the authorities [emphasis added].

More than two centuries after the Founding Fathers risked death in opposing the king’s general warrants, we have come full circle, and the executive not only illegally spies on everyone, but also wields secretive “kill lists” and “enemy lists.”

A man’s home is no longer his castle, and we are all poorer for it. **FEE**

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THREE BOOKS, ONE ISLAND

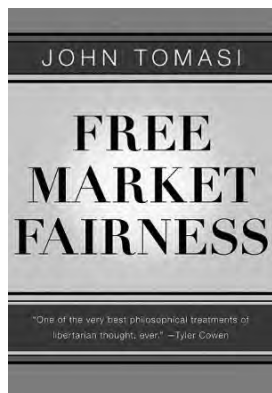
AEON J. SKOBLE



Remember the old thought experiment? “If you were starting over on an island and you had one book, what would it be?” With this new feature, we’ll let really interesting people play the game. In our version, however, we’ll let the author discuss three books: one recent book, one timeless book, and one book that challenges his or her world view.

—The Editors

The Freeman asked me to name three books to bring to the proverbial island—one new book, one timeless book, and one book that challenges my worldview. Obviously these are not mutually exclusive categories, but the following are my selections. (For the sake of the exercise I am going to limit myself to philosophical nonfiction.)



A Recent Book

The new book I would take to the island is John Tomasi’s *Free Market Fairness* (Princeton University Press, 2012). I spent the fall semester working through the book with an invited group of students, and the book has stimulated a lot of discussion in print and online. One reason the book is receiving a lot of

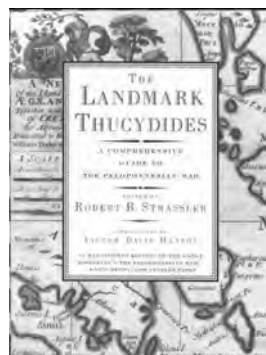
attention is that Tomasi’s project is to build bridges rather than attack and criticize.

He argues that on the one hand, libertarians and classical liberals should be more receptive to “social justice” as a concept and on the other, that left-liberals should be more receptive to economic liberty and take it no less seriously than civil liberties. Regarding the first half, Tomasi points out that although the prevailing usage of the expression “social justice” is coercive redistributivism according to central planning, we need not be wedded to this usage. Reading social justice as the idea that economic arrangements must work to the greatest advantage of the worst off, he argues that since free-market institutions in fact do this, classical liberals can legitimately claim to be working for social justice, and should embrace this aspect of liberalism. This may entail some redistributive

mechanisms, but far fewer and less-extensive ones than left-liberals endorse.

At the same time, Tomasi urges thinkers on the left to see that economic freedom is a lot more important than they typically characterize it to be. His approach here is to argue that the left-liberal concern for autonomy and self-authorship in the realization of one’s life goals is a sound one, and then to show that it is impossible without very broad freedom to contract and freedom to acquire and trade property. It is not merely that many welfare-state/regulatory-state programs have effects exactly opposite from what is intended, although he makes this point as well, but that people’s very self-image as agents—their dignity—is undermined by these institutions. For example, he notes, a small-business owner’s satisfaction at the growth of her enterprise is no less important than her voting rights, but this is easily overlooked by academics who have no real understanding of a businessperson’s way of life.

I chose *Free Market Fairness* as my recent book not only because of Tomasi’s bridge-building efforts, but because the book is well written, thought-provoking, and it deserves the attention it is getting.



A Timeless Book

A timeless book to take to the island? Even if I limit myself to political philosophy this is a tough choice to make. I will stretch my self-imposed restriction and select Thucydides’ *History of the Peloponnesian War* (Robert Strassler, ed., *The Landmark Thucydides*, Random



House, 1996). Though ostensibly a history book, *History of the Peloponnesian War* is more than amply philosophical, and it is certainly timeless. Its lessons are as relevant (and as widely ignored) today as they were in ancient times.

Thucydides examines how it is that autonomous, prosperous, and largely peaceful trading partners, who had allied in mutual self-interest to resist a common threat a generation earlier, ended up in a twenty-year war. Athens and Sparta, the two most powerful of the Greek city-states, found themselves embroiled in a terribly self-destructive struggle largely predicated on a lack of that very autonomy and independence. The story of the conflict between Athens and Sparta contains lessons about the strengths and weaknesses of democracy, power, and human nature, the dangers of imperial overreach, and the ethics of war.

It is also a compelling tale in its own right. I realize not everyone finds ancient Greek culture as fascinating as I do, but what makes it fit the “timeless” category is the continued applicability of these lessons. After all, these are the lessons of a democratic society trying to maintain freedom at home while using illiberal and aggressive tactics in its empire building abroad (all while not doing too well at either one). Sound familiar? I am ready for the island now.



A Book That Challenges My Worldview

I could have selected Tomasi’s book for the “challenges my worldview” category, as well, because his general theoretical approach differs from mine. Tomasi operates within the contractarian methodology favored by left-liberals of the Rawlsian persuasion, an approach

that ultimately traces back to Immanuel Kant. I find myself more drawn to the neo-Aristotelian approach, which is grounded in a naturalist teleology. At the operational level, however, I didn’t find Tomasi’s prescriptions to be grossly incompatible with things I would be likely to endorse. So instead I am selecting Martha Nussbaum’s *Creating Capabilities: The Human Development Approach* (Harvard University Press, 2011).

Creating Capabilities turns out to have the exact opposite bearing as Tomasi’s book. I agree with Nussbaum’s general theoretical approach, yet her policy conclusions are very far off from what I think they should be. For example, Nussbaum’s general meta-ethic is a conception of human flourishing, deriving from Aristotle. Since humans are a particular kind of organism, human flourishing (or living well) will be distinct from the flourishing of other sorts of creatures, and can be understood objectively. The Aristotelian model allows for a pluralism coextensive with this objectivism, because the complexity of the human person means that there will be individuating as well as generic conditions for flourishing. Nussbaum defends this approach, and uses it as the basis for political/legal institutions. Some of the institutions she derives on this basis are consistent with my worldview, but there is sufficient divergence for the book to fall into the challenge category.

For instance, she argues that women in the third world would benefit greatly from ending social (and sometimes overtly coercive) restrictions on educational opportunities and small-business loans, which is surely true. But she also comes to the conclusion that coercive redistributive mechanisms may be warranted in order to secure people’s capabilities, bringing them up to a level sufficient to make sure that they are able to pursue fulfilling lives. This applies, she says, both within nations and between nations, so that not only does an individual nation need a social-welfare system, but also richer nations have an obligation to assist developing nations. While I agree that nation-states should refrain from inhibiting people in their self-development, I remain unpersuaded by her arguments that there are positive rights to non-voluntary assistance. I think, at a policy level, the argument elides the distinction between negative and positive rights, and at a philosophical level misapplies the Aristotelian conditions for flourishing to the structure of the political order.

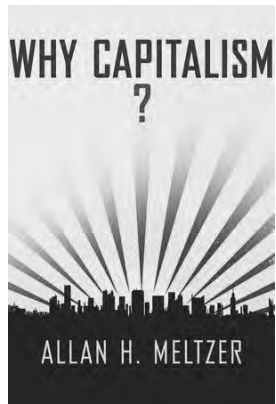
Nevertheless, Nussbaum is a sharp thinker and a good writer. I would want to have this book on the island because the challenges to my worldview she presents are worth taking seriously. **FEE**

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Why Capitalism?

by Allan Meltzer

New York: Oxford University Press, 2012, 143 pp.



Reviewed by Bruce Yandle

Allan Meltzer is an eminent professor of economics at Carnegie-Mellon University. He is a world-renowned U.S. Federal Reserve scholar, a 1973 founder and chairman of the Shadow Open Market Committee, and an American Economic Association Distinguished Fellow. What else could he possibly add to those laurels?

Meltzer has written *Why Capitalism?*

Meltzer answers that question with personal and scholarly reflections on capitalism—the one economic system that achieves both prosperity and individual freedom. While Meltzer celebrates such bounty, anyone expecting a polemic will surely be disappointed.

Meltzer gives himself a wide enough berth to assess capitalism across many cultures, countries, and mixed economies. To satisfy his definition, functioning capitalism more or less requires individual ownership of the means of production, property rights protection, and the rule of law. As Meltzer sees it, these basic features can be found in economies with both large and small public sectors, in countries with massive amounts of regulation, and in places where the necessary institutional building blocks are just beginning to form. In no way does he expect his definition to be satisfied perfectly in practice.

Of the many stars in the constellation of capitalist thinkers, Meltzer mentions Friedman and Hayek. Otherwise, his central foundational figure is Immanuel Kant. The book begins with Kant's fundamental assertion about human nature: "Out of timber as crooked as that from which man is made, nothing entirely straight can be carved." And Meltzer echoes this truth throughout *Why Capitalism?*

The point is simple and powerful: Imperfect human beings build institutions that undergird economic systems. Capitalism will include flaws, imperfections,

corrupt practices, and wasted resources. And so will any other economic system. Capitalism's saving grace, however, is found in decentralization of decision-making, in competition for resources, and in dynamic markets. Markets are filled with customers who create competitive forces that reduce the cost of error and the scope of corruption. The power of capitalism lies in the system's unique ability to punish resource owners who make bad decisions, to reward those who create value, and to adapt to rapidly changing conditions. Capitalism disperses power while other systems concentrate power.

Because of these inherent traits, Meltzer views capitalism as the best of the imperfect systems fashioned from crooked timber. Unlike other systems, capitalist systems are adjusted and reformed by success and failure. Along these lines, we find Meltzer's own famous quip: "Capitalism without failure is like religion without sin: It doesn't work."

Meltzer offers a good treatment of the empirical work relating to economic growth across countries as it relates to variations in economic freedom. He also pays a lot of attention to regulation and the unfortunate incentives that accompany collective efforts to steer markets or to correct perceived excesses. In this he offers his first and second laws of regulation: First, lawyers and bureaucrats regulate. Markets circumvent regulation. Second, regulations are static. Markets are dynamic. (There is plenty here to contemplate.)

One finds a number of remarkable sections in Meltzer's little book. Two of these gems are his summary of U.S. monetary history—which draws, of course, on his own two-volume history—as well as his criticism of the newly formed institutions that arose in the wake of the Great Recession. Meltzer tears into the notion that the Fed is independent of government by citing instances where presidents pressured and got their desired response from Fed officials. He tells fascinating stories of how, with the exception of the Volcker years, the flawed logic of the Phillips Curve has strongly influenced Fed behavior.

Meltzer also looks critically at the perverse incentives found in Dodd-Frank, "too big to fail," and the new and strangely unaccountable Consumer Financial Protection Bureau. In doing all this, Meltzer demonstrates his masterful ability to perform institutional analysis while

focusing on the future health of American capitalism. Along the way, Meltzer offers some well-reasoned policy recommendations that could improve the nation's long-run prospects for wealth creation.

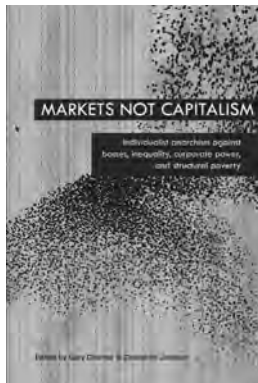
Why Capitalism? is an ideal selection for small-book discussion groups, students, scholars, business people, and all who have an interest in capitalism's ability to adapt and survive as ideologues attempt in vain to fashion more perfect systems from crooked timber. **FEE**

Bruce Yandle is dean emeritus of Clemson University's College of Business & Behavioral Science and alumni distinguished professor of economics emeritus at Clemson. He is a distinguished adjunct professor of economics at the Mercatus Center, a faculty member with George Mason University's Capitol Hill Campus, and a senior fellow emeritus with the Property and Environment Research Center (PERC).

Markets Not Capitalism

edited by Gary Chartier and Charles W. Johnson

Minor Compositions • 2011 • 440 pages • \$32.00



Reviewed by Matt Zwolinski

Libertarianism is often considered to be a “right-wing” political theory. After all, libertarians favor free markets and strictly limited government, and these are things conservatives usually claim to support, too. And libertarians themselves have more readily associated and identified with the political right than with the left.

Over the past five years, however, a group of libertarian scholars and activists has been working to change this perception, arguing that our current understanding of libertarianism should be more radical than it is and more open to many of the moral and empirical concerns typically associated with the left. They have unearthed some of libertarianism's buried intellectual roots, exposing influences in the work of thinkers who advocated radical and decentralizing changes to existing power structures.

Their main arguments, together with some key historical texts, have now been gathered in one book. It contains contributions by all of the major contemporary advocates of this position, most notably Kevin Carson, Sheldon Richman, Roderick Long, and the editors themselves.

It also contains numerous older essays by some of the more significant writers who inspired the new movement, including Benjamin Tucker, Karl Hess, Roy Childs, and Murray Rothbard.

The editors of this volume describe it as an introduction to “left-wing market anarchism.” They also sometimes use the label “left-libertarianism,” though neither label is entirely satisfactory. Left-libertarians believe many of the same things that traditional libertarians believe. They have standard libertarian moral beliefs about individual self-ownership and the wrongness of aggression. And empirically, they share with traditional libertarians a confidence in the beneficial effects of free markets and spontaneous order, as well as the destructive effects of government intervention.

Two key beliefs distinguish the left-libertarian. First, left-libertarians are more sympathetic than traditional libertarians to the moral critique of capitalism made by many on the left. Left-libertarians take seriously, in a way that many traditional libertarians do not, the charge that capitalism leads to the exploitation of workers, the oppression of marginalized groups, and a concentration of wealth at the top. Unlike standard leftists, however, left-libertarians see those problems as stemming not from free markets, but from government intervention in free markets. Hence, the book's title.

If capitalism is what we have today, then capitalism is not a free market. Libertarians who defend our current system on the assumption that it is a free market are thus making a terrible mistake—the mistake of what Kevin Carson calls “vulgar libertarianism.” Freed markets are something to be aspired to and achieved; they are not what we have now, nor are they something we had in some golden age in the past. (See Anthony Gregory's “The Golden Age of Freedom Is Still Ahead” in the October *Freeman*.)

This leads to the second distinguishing feature of left-libertarianism. Left-libertarians believe that a society based on truly freed markets would be radically different from the society we live in today. It would be one in which “firms would be smaller and less hierarchical,” more local, and more likely to be employee-owned. Bosses and landlords would play a smaller role in people's lives, and greater economic and social equality would prevail. In short, it would be a society in which many traditionally left-wing goals of equality, worker autonomy, and decentralization

of power would be achieved. But with the difference, to borrow from the title of one of Chartier’s essays, that these “socialist ends” would be achieved through “market means.”

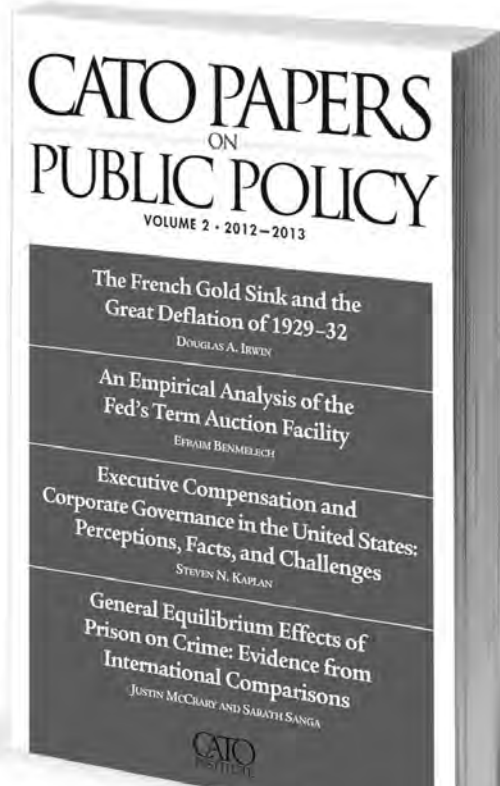
There is much that traditional libertarians should learn from in the pages of this book. Libertarianism is a revolutionary creed, and Chartier and Johnson remind us of the dangers of allowing it to be transformed into a staid apology for the status quo. At the same time, however, not all defenses of the status quo should be dismissed so quickly. Traditional libertarians have presented powerful arguments to suggest that inequality is not the problem critics from the left claim it to be, to show that sweatshop labor often provides workers in the developing world with the best available option for improving their lives, and so on.


These arguments may be flawed, but one cannot disprove them merely by showing that we do not live in a purely free market (as a number of left-libertarians have attempted to do). For while it is true that our capitalist system is not entirely free, neither is it entirely unfree.

And the outcomes this system produces, such as income inequality and hierarchical firms, are the result of a complicated mix of government intervention, private injustice, and voluntary choice. Sorting this out, and deciding what justice requires of us in a partially unjust world, is difficult business. So while left-libertarians are right to point out the ways in which our current system falls short of the ideal, traditional libertarians are also right to defend the pockets of freedom that exist against critics on the left and right who misunderstand and misrepresent what that freedom means.

Nevertheless, *Markets Not Capitalism* is an important collection of essays that will, I can only hope, fundamentally change the way that libertarianism is perceived by the broader public, and provide new and inspiring direction for future scholarly work by libertarians in economics, philosophy, sociology, and law. **FEE**

Matt Zwolinski (mzwolinski@sandiego.edu) is an associate professor of philosophy at the University of San Diego.



NEW BOOK FROM THE 

“Policy analysis with due regard for the benefits of limited government.”

—STEVEN J. DAVID
University of Chicago, Booth School of Business

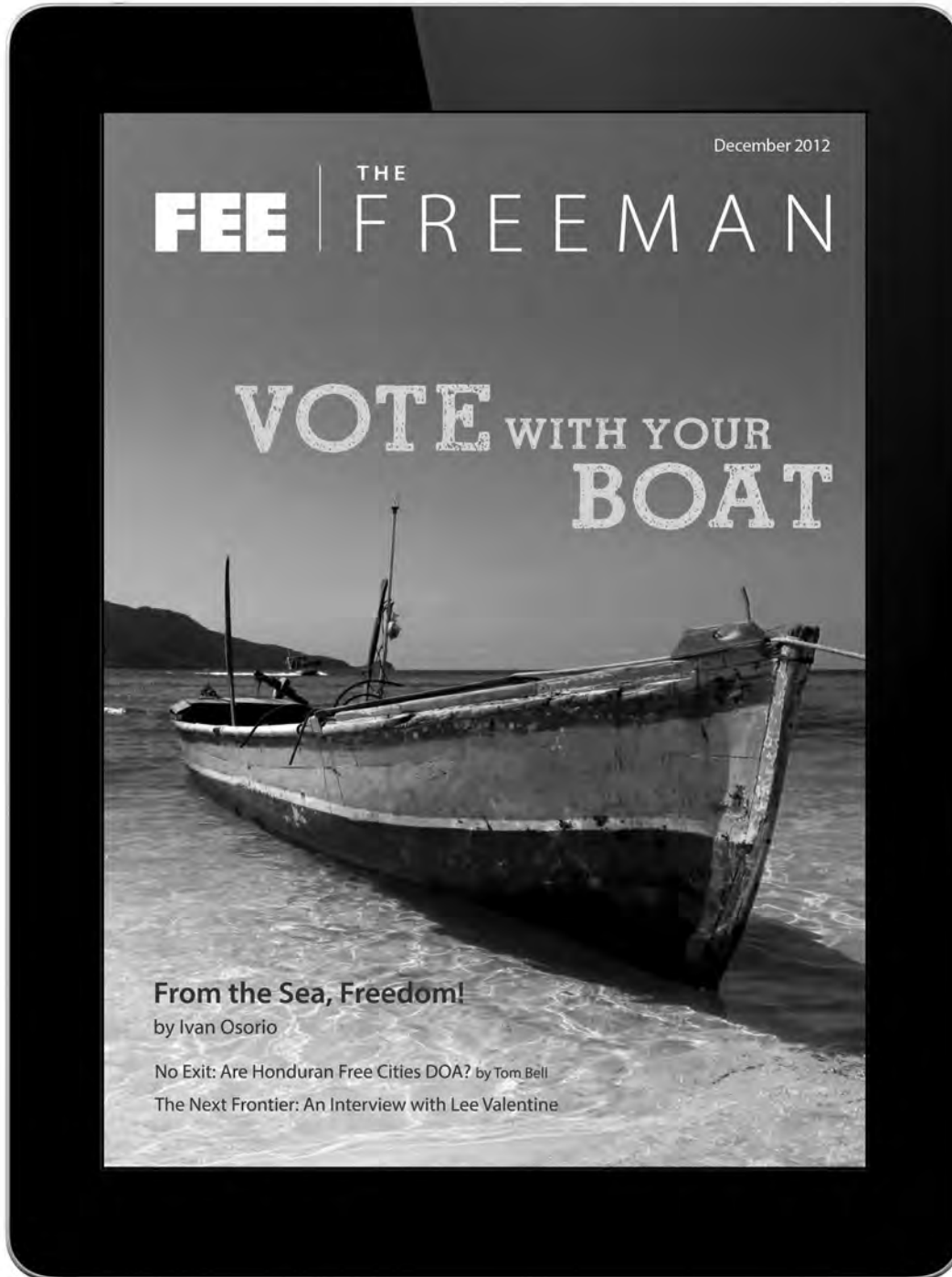
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Life Without a Microwave

DAVID R. HENDERSON



Last week, my family's microwave broke down after 15 years of faithful service. That incident might sound trivial to you. I'm sure it is trivial to you. But it made me aware of how valuable a microwave has been to us. And our week without a microwave taught me a lot about the

value of microwaves—and can teach us more generally about the value of economic freedom.

Consider first the value of a microwave. The first thing I do every morning, after feeding the cats and cleaning their litter, is to brew a strong cup of coffee to which I add a little milk and a dollop of whipped cream. Sometimes I add a little too much milk and my coffee isn't quite hot enough. So I put it in the microwave for about 20 seconds and voilà! I have coffee that's the right temperature. As I drink it slowly, I work on the local paper's crossword puzzle. Sometimes, I nurse my drink and, therefore, 15 minutes later I need to zap it in the microwave again.

But since the microwave broke down, I've had to change my approach. I pour less milk in and use less whipped cream because I don't want to get the coffee too cold. I find myself drinking my coffee faster than usual because, when it does cool too much, I don't enjoy it as much.

And think about leftovers. My wife and I, who are both busy, get takeout food at least once a week and usually have leftovers. Without a microwave to heat them up, they're not nearly as tasty.

Doing without a microwave reminded me of when and why we got our first one. It was in early 1985. Our daughter Karen was only a few months old. We had been saving for a house in the expensive Monterey peninsula, so we didn't want to "waste" money on a microwave. But Karen regularly woke us up in the middle of the night to be fed. One of us, usually my wife, had to get up, go into the kitchen, fill a bottle with formula, get some water boiling on the stove, and warm the bottle. After a month or two of this, we decided to get a microwave. It saved valuable time

every night and allowed my wife to be less awake while heating the bottle, which made it easier for her to get back to sleep. The microwave, which had seemed like a luxury to us, turned out to be one of the most valuable things we had ever bought.

The Joy of Consumer Surplus

Economists have a fancy and useful term for what I'm describing: consumer surplus. Consumer surplus is the maximum amount you are willing to pay for an item minus the actual amount you do pay. We got an immense consumer surplus out of an item whose price at the time was less than \$150.

Here's an enlightening exercise: Start looking at the items you own, try to remember what you paid for them, and then think about their roles in your life. Once you've thought about how they have enhanced your life, ask yourself the maximum amount you would have been willing to pay for them. One obvious item to start with is a smart phone. I would bet your consumer surplus, even after subtracting monthly charges, is at least \$1,000 a year.

Perhaps you're someone who doesn't get large value out of a smart phone. Okay. But what about the value of your indoor plumbing? Think of what you pay for that: say \$10,000 or so upfront for a toilet, sink, bathtub, and pipes, most of which last for 15 years or more. Probably less than \$100 a month for your water bill. Annual cost: about \$1,000. How much would you be willing to pay for indoor plumbing?

I'm one of the few people still around who remember what it's like not to have indoor plumbing. I grew up in a small town in midwestern Canada. We didn't get plumbing until I was seven. Even through Canada's harsh prairie winters, we had to go to the outdoor "biffy" to take



care of our internal “plumbing.” When we got actual indoor plumbing, it felt to us as if we were living at the Ritz. Remembering what it was like to do without plumbing, I would be willing to pay at least \$20,000 a year to have it. Now *that’s* consumer surplus.

Richer Than Rothschild

Finally, consider penicillin. In one of the best economics articles in the last 20 years, titled “Cornucopia,” U.C. Berkeley economist Brad DeLong makes the point succinctly. He writes, “Nathan Meyer Rothschild—the richest man in the world in the first half of the nineteenth century—died of an infected abscess.” Had penicillin existed, his early death would have been highly unlikely. DeLong goes on to note that, had he not had antibiotics and adrenaline shots, he (DeLong) would have died of childhood pneumonia.

And to what do we owe all this progress? Relative economic freedom. Why was I able to buy a microwave in 1985 for about \$150? And why can I buy an even better one today that, adjusted for inflation, is even less expensive? Because people exercised their freedom to improve upon the microwave at various stages of design and production. Other people added to those improvements and brought the cost lower and lower through improved manufacturing, better logistics, and greater economies of scale. Competition among microwave producers and retailers brings consumer surplus to us.

Why can we buy a phone that, besides being better than Dick Tracy’s fictional wristwatch, is a more powerful computer than the most powerful laptop available just 15 years ago? Because Steve Jobs at Apple and other talented entrepreneurs out to make not just a buck, but a lot of bucks, figured out ways to make our smart phones better and better. Through competition, those phones became a bargain.

It’s true that running water is often provided by government agencies or by private, regulated monopolies. But that’s not a necessary feature of running water. One can certainly conceive of unregulated water companies

bringing us water. And the people who install our indoor plumbing are typically private contractors competing with each other. To the extent they are not competitive, it is mainly because of governments’ requirements that they be licensed. Without those licensing requirements, indoor plumbing would be even cheaper. There would be more consumer surplus and more resources to use for other things we value.

Antibiotics were not initially developed by a profit-seeking entrepreneur. However, they were mass-produced and brought to market by many profit-seeking drug companies. The economic freedom story is not totally clean: Patents, a government-granted monopoly, were part of the reason the drugs were invented. Still, people were free to start and invest in drug companies to produce those valuable items.

START LOOKING
at the items you own, try to remember what you paid for them, and then think about their roles in your life.

Marx was a Piker

It may surprise those who have never read him, but Karl Marx noted the huge gains from economic freedom in the 19th century. He wrote:

[D]uring its rule [*sic*] of scarce one hundred years ... [the bourgeoisie] created more massive and more colossal productive forces than have all preceding generations together. The subjection of nature’s forces to man, machinery, the application of chemistry to industry and agriculture, steam-navigation, the railways, electric telegraphs, the clearing of entire continents for cultivation, the canalization of rivers, the conjuring of entire populations out of the ground.

But here’s the amazing thing, which Brad DeLong, in the aforementioned article, points out: Economic progress in the 20th century makes 19th-century progress look trivial by comparison. The main reason for that progress is a high degree of economic freedom. But we’re losing that freedom. Let’s not. **FEE**

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