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Worrisome Wording **by Donald J. Boudreaux**

Whose brainchild is “Click It or Ticket”? I wish I knew; I’d send him a dozen black roses. Whenever I drive past a highway sign heralding this admonition, I’m tempted to *unbuckle* my seatbelt in protest against being governed by people whose artlessness is exceeded only by their arrogance.

The weedlike spread of “Click It or Ticket” caused me to reflect on how deeply public policy is shaped by ideas (I use this term loosely) that gain currency only because they are expressed alliteratively or in rhyme.

Consider:

“Merger mania.”

Pundits and politicians love this catchphrase. It’s *so* clever, *so* alliterative, that it must be descriptive. If two or more mergers happen to be announced within a week of each other, the news media seem compelled to explain the trend as “merger mania.”

Do the countless people who use this term ever pause to think about its meaning? A “mania” is a crazed obsession — a mindless and intense, if temporary, passion. Is it likely that businesses choose to merge with each other out of irrational, maniacal urges? I doubt it. There’s nothing like having millions of your own dollars at stake to focus your mind on reality and to encourage you to think rationally.

It is true that many mergers fail. But this fact is evidence only of humans’ inability to foresee the future perfectly and of the intensity of market competition, not of any mania that inspired the mergers.

It’s also true that mergers sometimes occur in clusters. For example, there were genuine increases in merger activity during the 1890s, the 1960s, and the 1980s. Describing such clusters of merger activity as “manias” suggests that they resulted more from a mindless herd like instinct than from a thoughtful recognition of systematic economic or regulatory changes that make merging a more attractive option.

To those who sincerely believe in merger mania, I have a sure-fire recipe for personal riches: sell the stock of merging firms short. Firms managed by maniacs will surely fail.

“Crony capitalism”

A representative definition is found in the on-line encyclopedia *Wikipedia*: “Crony capitalism is a variant of capitalism in which the opportunity to open or succeed in business is heavily dependent on one’s connections. This results in business decisions being powerfully influenced by business friendships and family ties rather than by impersonal market forces.”

Whatever such a system of privilege is called, it ain’t capitalism.

In both theory and practice capitalism results from private property rights and freedom of contract. It is emphatically not a system of privileges and connections. Any system driven by privileges and connections is infected with restraints on the ability of property owners — as investors, workers, and consumers — to make those decisions that suit them best. To the extent that a mafia (or any other organization specializing in the use of coercion) extracts concessions from businesses, threatens consumers, or otherwise interferes with voluntary trades among consenting adults, extortionate violence replaces peaceful capitalism.

Many of those who chatter and write about “crony capitalism” use this term to explain Russia’s continuing economic woes. But those observers mistake the absence of a powerful central government for capitalism. While it’s true that capitalism thrives most vigorously when a central government’s powers are few and constitutionally restrained, the absence of government-sponsored tyranny is not a sufficient condition for capitalism to exist. If a society’s legal system, mores, norms, and customs permit oligarchs or gangsters to expropriate the wealth of innocent people or to interfere with their opportunities, the resulting economic system is as far from capitalism as any economic system can be. Calling a system of extortion and cronyism “capitalism” doesn’t make it capitalism, any more than calling a ragweed a rose makes it a beautiful, sweet-smelling flower.

“Digital divide”

Nothing energizes the political Left like material differences that separate people. Such differences — regardless of their source, their trend, or even their reality — are the supreme justification for state action. They are the acid that instantly dissolves objections to regulation and taxation. So the Left seizes greedily upon any and all allegations of such differences. And when such an allegation is available in a pithy, alliterative package, it is simply irresistible.

Thus, “digital divide” has taken on a life of its own. It’s now an article of faith that blacks and other minorities suffer unjustifiable exclusion from the marvels of home computing and web surfing, even though consistently falling computer prices long ago began making hardware and software more and more accessible to poor and moderate-income Americans.

In October 2000, Secretary of Commerce Norman Mineta proclaimed that “a digital divide still remains,” justifying government efforts to “target and enact policies and programs to close

the disparities in access to computers and the Internet that still are being experienced by some in our nation.”

But just a year and a half later, the U.S. Department of Commerce released another study showing that poor and minority households are connecting to computers and the Internet at rates that have effectively closed any divide that might have existed when the Internet was in its infancy. (See www.ntia.doc.gov/ntiahome/dn/html/anationonline2.htm.) And yet, newspapers, magazines, and the broadcast media remain filled with discussions of the digital divide. PBS even has a website devoted to it: www.pbs.org/digitaldivide/index.html.

The maniacal mania for alliteration-assisted grotesque government grabs of power lessens liberty lamentably, fortifying freedom’s foes and frightening freedom’s friends.

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