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*The more corrupt the state, the more numerous
the laws.*

— *Tacitus*

FUTURE OF FREEDOM

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James Woolsey's JFK Conspiracy Theory, Part I

by Jacob G. Hornberger



Former CIA Director R. James Woolsey has written a newly published book entitled *Operation Dragon*, which poses one of the silliest conspiracy theories ever in the Kennedy assassination. Woolsey says that Soviet Premier Nikita Khrushchev and Lee Harvey Oswald conspired to assassinate John Kennedy. He says that Khrushchev later changed his mind and withdrew from the conspiracy and instructed Oswald to cease and desist. According to Woolsey, Oswald was so determined to become a hero in Khrushchev's eyes that he decided to go through with the assassination anyway.

How do we know that Woolsey's theory is silly? One reason: the

fraudulent autopsy that was performed on Kennedy's body.

There is one irrefutable fact in the Kennedy assassination, one with which everyone agrees. That fact is that the U.S. national-security establishment performed the autopsy on the president's body. Not the Mafia. Not the communists. Not the Soviet Union. Not Nikita Khrushchev. Not Fidel Castro. It was the American Deep State that performed the autopsy.

Why would the U.S. national-security establishment perform a fraudulent autopsy on the body of the deceased president? There is no innocent explanation for a fraudulent autopsy, and certainly no one has ever tried to posit one. The only possible reason would be to serve as a cover-up of the crime itself.

Would the military-intelligence establishment go to all the trouble of a fraudulent autopsy to cover up an assassination by the Soviets, the communists, Nikita Khrushchev, or Fidel Castro?

Not a chance! The Pentagon and the CIA loathed communists. That's what the Cold War was all about. In fact, in his new book Woolsey captures perfectly the mindset of hatred and antipathy of the national-security establishment toward communism and the communist

world. There is no possibility whatsoever that the American Deep State decided, on the spur of the moment, to carry out a fraudulent autopsy on Kennedy's body in order to protect communists.

The CIA almost immediately began specializing in the art of assassination and cover-up.

What does Woolsey say about the autopsy? Nothing! He doesn't mention it. It's as though it just didn't happen. He is clearly stuck in a 1964 time suspension in which he remains convinced that there was an international communist conspiracy based in Moscow, one in which the Reds were coming to get us. He evidently also believes that the American people are as deferential to the Pentagon and the CIA as they were back in 1964 and that they will automatically believe anything and everything that representatives or former representatives of the Deep State say.

What Woolsey wants to ignore — and what he wants the American people to ignore — is the mountain of circumstantial evidence that has been uncovered since 1963, especially as a result of the efforts of the Assassination Record Review Board in the 1990s, establishing that there

was a fraudulent autopsy. The idea is that if U.S. Deep State officials, along with their assets in the mainstream press, will just ignore the autopsy, the evidence establishing the fraud will just go away.

But it's not going away. On the contrary, it is being highlighted, examined, and publicized, not in the mainstream press but all over the Internet. Woolsey just doesn't want to deal with it.

A fascinating aspect of Woolsey's book is that he is attacking the Warren Report. In positing his conspiracy theory, he is saying that Oswald was not a lone-nut assassin, as the Warren Commission concluded. Instead, according to Woolsey, Oswald conspired with the communists to kill the president.

As we will see later in this article, the irony is that Woolsey, whether he realizes it or not, is positing a conspiracy theory that actually played a critically important role in successfully covering up the Deep State's assassination of President Kennedy.

Grave threat

When the CIA was called into existence in 1947 as part of the conversion of the federal government from a limited-government republic to a national-security state, it al-

most immediately began specializing in the art of assassination and cover-up. That was one of the distinguishing characteristics of the federal government's new structure as a national-security state — the power of federal officials to assassinate people without fear of ever being prosecuted for murder.

**As early as 1952,
the CIA published a top-secret
manual on assassination
for its operatives.**

Yet the power to assassinate people was never authorized in the Constitution itself. Moreover, the Fifth Amendment expressly prohibited federal officials from assassinating people. Nonetheless, when the federal government was converted to a national-security state after World War II to fight the Cold War against the communists, the federal government, operating through the CIA, was deemed to have acquired the power to assassinate people without having to go through the process of amending the Constitution to authorize such a power.

As early as 1952, the CIA published a top-secret manual on assassination for its operatives. It can be found on the Internet today. It not only spells out various methods of

assassination, it also details ways to cover up the Deep State's role in assassinations that it orchestrated or carried out.

Another power that came with the conversion of the federal government to a national-security state was the power to institute regime-change operations. These operations revolved around protecting the United States from foreign leaders who posed a threat to national security by befriending communist regimes or even just by staying neutral during the Cold War.

The Cold War regime-change operations that were orchestrated and carried out by the Deep State, both before and after the Kennedy assassination, were brilliantly cunning in their conception and in the way they were carried out. This shouldn't surprise anyone. The people who were working for the CIA were extremely smart people who were devoting their lives to the art of assassination and cover-up.

The main reason for the Cold War regime-change operations was the deep concern over foreign leaders who wished to establish peaceful and friendly relations with the Soviet Union and the communist world. Those leaders were deemed to be grave threats to national security because, it was believed, they

were helping the international communist conspiracy to get closer and closer to enveloping the United States.

There was a fierce conflict taking place between Kennedy and the national-security establishment.

It is impossible to overstate the hatred and fear that the Pentagon, the CIA, and the NSA — the principal components of the U.S. national-security state — had toward communism in general and Russia (or the Soviet Union) in particular. That was why the United States got embroiled in the Korean War and the Vietnam War — to prevent the communists from getting closer to world conquest. That's also why the CIA targeted the presidents or prime ministers in Iran, Guatemala, Congo, and Chile, among others, for regime-change operations.

Reflecting the fierce Cold War anti-communist mindset of the U.S. Deep State prior to and after the Kennedy assassination was its attitude toward Cuba, a Third World island nation situated only 90 miles away from American shores that had gone communist in 1959. The Deep State triumvirate of the Pentagon, the CIA, and the NSA were convinced that Cuba posed a grave

threat to U.S. national security and that, in fact, the United States could not remain free with a communist regime so close to American shores. That concern over Cuba would be a major factor in the Deep State's decision to violently remove Kennedy from office.

Most people in the early 1960s had no idea that there was a fierce conflict between Kennedy and the national-security establishment over the future direction of the United States. I'd venture to say that many Americans today are still unaware of the depth and ferocity of that conflict. It was a conflict that began before Kennedy even took office but gradually grew in intensity to such an extent that it cost Kennedy his life on November 22, 1963.

CIA duplicity

John Kennedy came into office as pretty much a standard Cold Warrior. Like nearly everyone else, he subscribed to the Deep State's line that there was an international communist conspiracy to take over the world, one that was based in Moscow and that had extended its tentacles to North Korea, China, Vietnam, Laos, Eastern Europe, and Cuba.

But there were two major differences with how Kennedy and the

Deep State viewed the world, both of which made Kennedy suspect within the national-security establishment even before he became president.

One difference involved Third World nations that were fighting for independence from colonial powers, such as Britain, Belgium, and France. The Pentagon and the CIA were convinced that those independence movements were communist-inspired and constituted a grave threat to U.S. national security. Kennedy, on the other hand, viewed them as simply efforts to establish independence from often-times brutal colonial rule.

Kennedy believed that King and other blacks were simply fighting for equal rights and equal treatment under law.

Before Kennedy took office, the CIA had concluded that Congo leader Patrice Lumumba was leaning toward communism and, therefore, posed a grave threat to U.S. national security. Knowing that Kennedy viewed the matter differently and fearing that he might interfere with its operations, the CIA hurried to complete its assassination of Lumumba before Kennedy took office. The assassination effort

succeeded, causing Kennedy, who deeply admired Lumumba, tremendous anguish when he took office and later found out that Lumumba had been murdered.

Another difference involved the U.S. civil rights movement. Operating under J. Edgar Hoover, the FBI, which had become a de facto part of the national-security establishment, was convinced that King and the civil rights movement were communist fronts whose mission was to foment division and strife within America in order to pave the way for a communist takeover of the United States. Kennedy, on the other hand, believed that King and other blacks were simply fighting for equal rights and equal treatment under law.

Soon after Kennedy took office, the CIA presented him with a plan to use Cuban exiles to invade Cuba, oust Fidel Castro from power, and install another pro-U.S. dictator into power, similar to Fulgencio Batista, the brutal and corrupt pro-U.S. dictator whom Castro had ousted from power in the Cuban revolution in 1959.

The CIA was certain that its invasion plan could not succeed without U.S. air support. But that's not what it told Kennedy. Lying to the newly elected president, it assured

him that the operation would succeed without U.S. air support. The CIA figured that once the invasion was in danger of failing, the president would have no effective choice but to provide the air support after all, to avoid having the communists kill or capture the CIA's invaders.

From the very start of his administration, the CIA was maneuvering the president to become the nation's "liar in chief."

The deception surrounding the invasion at Cuba's Bay of Pigs constitutes a fascinating and revealing insight into how the CIA viewed its position vis-à-vis the newly elected Kennedy. By this time, the CIA had been in existence 14 years and had solidified its position within the national-security establishment, including its powers of instigating coups and carrying out assassinations. The fact that the CIA felt comfortable manipulating and maneuvering the newly elected president speaks volumes about who the CIA felt was ultimately in charge of running the federal government.

There is something else to note about the Cuban invasion. The CIA's plan was to keep the U.S. role in the operation secret. Under the

plan, the president's job would be to lie and cover up the CIA's role in the invasion. Thus, from the very start of his administration, the CIA was maneuvering the president to become the nation's "liar in chief," and to keep a secret that the CIA would be able to hold over his head during the rest of his administration.

When the invasion began to falter, the CIA requested Kennedy to provide the air support. To the CIA's surprise, Kennedy said no and permitted the invaders to be killed or captured at the hands of Castro's communist forces. In the eyes of the Deep State, Kennedy's failure to act was an act of cowardice in the face of the communist enemy, with some within the Deep State believing that his actions bordered on treason.

For his part, Kennedy was livid. He is reputed to have vowed to tear the CIA into a thousand pieces and scatter them to the winds. He fired the much-revered CIA director, Allen Dulles, and his chief deputy. From that point on, Kennedy's relationship with the Deep State only went from bad to worse and ultimately turned into a major schism between the executive branch and the national-security branch of the federal government.

Jacob Hornberger is founder and president of The Future of Freedom Foundation.

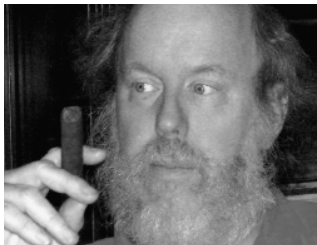
NEXT MONTH:
“James Woolsey’s JFK
Conspiracy Theory, Part 2”
by Jacob G. Hornberger

The English who emigrated three hundred years ago to found a democratic commonwealth on the shores of the New World, had all learned to take a part in public affairs in their mother country; they were conversant with trial by jury; they were accustomed to liberty of speech and of the press — to personal freedom, to the notion of rights and the practice of asserting them. They carried with them to America these free institutions and manly customs, and these institutions preserved them against the encroachments of the State.

— Alexis de Tocqueville

The Deep State Defeat of Donald Trump

by James Bovard



“The Trump–Deep State clash is a showdown between a presidency that is far too powerful versus federal agencies that have become fiefdoms with immunity for almost any and all abuses,” I wrote in an FFF article a year ago. Since then, Donald Trump lost the 2020 election by fewer than 50,000 votes in a handful of swing states that determined the Electoral College result. There were numerous issues that could drive that relatively small number of votes. But machinations by the Deep State probably cost Trump far more votes than it took to seal his loss.

“The Deep State” commonly refers to officials who secretly wield power permanently in Washington, often in federal agencies with vast

sway and little accountability. During Trump’s first impeachment, the establishment media exalted the Deep State. *New York Times* columnist James Stewart assured readers that the secretive agencies “work for the American people,” *New York Times* editorial writer Michelle Cottle hailed the Deep State as “a collection of patriotic public servants,” and *Washington Post* columnist Eugene Robinson captured the Beltway’s verdict: “God bless the Deep State!”

The first three years of Trump’s presidency were haunted by constant accusations that he had colluded with Russians to win the 2016 election. The FBI launched its investigation on the basis of ludicrous allegations from a dossier financed by the Hillary Clinton presidential campaign. FBI officials deceived the FISA Court to authorize surveilling the Trump campaign. A FISA warrant is the nuclear bomb of searches, authorizing the FBI “to conduct simultaneous telephone, microphone, cell phone, e-mail and computer surveillance of the U.S. person target’s home, workplace and vehicles,” as well as “physical searches of the target’s residence, office, vehicles, computer, safe deposit box and U.S. mails,” as a FISA court decision noted. The FISA

court is extremely deferential, approving 99 percent of all search warrant requests.

Leaks from federal officials spurred media hysteria that put Trump on the defensive even before he took his oath of office in January 2017. A 2018 Inspector General (IG) report revealed that one FBI agent labeled Trump supporters as “retarded” and declared, “I’m with her” (Clinton). Another FBI employee texted that “Trump’s supporters are all poor to middle class, uneducated, lazy POS.” One FBI lawyer texted that he was “devastated” by Trump’s election and declared, “Viva la Resistance!” and “I never really liked the Republic anyway.” The same person became the “primary FBI attorney assigned to [the Russian election-interference] investigation beginning in early 2017,” the IG noted.

The only penalty that Comey suffered was to collect multimillion-dollar advances for his book deals.

FBI chief James Comey leaked official memos to friendly reporters, thereby spurring the appointment of Special Counsel Robert Mueller to investigate Trump. A 2019 Inspector General report not-

ed that top FBI officials told the IG that they were “shocked,” “stunned,” and “surprised” that Comey would leak the contents of one of the memos to a reporter. The IG concluded, “The unauthorized disclosure of this information — information that Comey knew only by virtue of his position as FBI Director — violated the terms of his FBI Employment Agreement and the FBI’s Prepublication Review Policy.” The IG concluded that by using sensitive information “to create public pressure for official action, Comey set a dangerous example for the over 35,000 current FBI employees — and the many thousands more former FBI employees — who similarly have access to or knowledge of non-public information.” The IG report warned that “the civil liberties of every individual who may fall within the scope of the FBI’s investigative authorities depend on FBI’s ability to protect sensitive information from unauthorized disclosure.” But the only penalty that Comey suffered was to collect multimillion-dollar advances for his book deals.

The Steele dossier

In December 2019, another Inspector General report confirmed that the FBI made “fundamental

errors” to justify surveilling the Trump campaign. The FBI refrained from launching a FISA warrant request until it came into possession of a dossier from Christopher Steele, a former British intelligence agent. The Steele dossier played “a central and essential role in the decision by FBI [Office of General Counsel] to support the request for FISA surveillance targeting Carter Page, as well as the FBI’s ultimate decision to seek the FISA order,” the IG report concluded. The FBI “drew almost entirely” from the Steele dossier to prove a “well-developed conspiracy” between Russians and the Trump campaign. The IG found that FBI agents were “unable to corroborate any of the specific substantive allegations against Carter Page” in the Steele dossier but the FBI relied on Steele’s allegations regardless.

The FBI withheld from the FISA court key details that obliterated the dossier’s credibility.

The FBI withheld from the FISA court key details that obliterated the dossier’s credibility, including a warning from a top Justice Department official that “Steele may have been hired by someone associated with presidential candidate Clinton or the DNC [Democratic National

Committee].” The CIA disdained the Steele dossier as “an internet rumor,” one FBI official told IG investigators.

Many if not most of the damning details involving Russiagate have still not been disclosed. But the occasional disclosures are doing nothing to burnish the credibility of the key players. On January 12, 2017, Comey attested to the Foreign Intelligence Surveillance Act court that the Steele dossier used to hound the Trump campaign had been “verified.” But on the same day, he emailed the director of national intelligence, James Clapper, “We are not able to sufficiently corroborate the reporting.” That email was revealed this past February, thanks to a multi-year fight for disclosure by the Southeastern Legal Foundation.

If the FBI’s deceit and political biases had been exposed in real time, there would have been far less national outrage when Trump fired Comey. Instead, that firing was quickly followed by the appointment of Special Counsel Robert Mueller to investigate the Russian charges. In April 2019, Mueller admitted there was no evidence of collusion. Conniving by FBI officials and the veil of secrecy that hid their abuses had roiled national politics for years.

Not one FBI official has spent a single day in jail for the abuses. In January, former FBI assistant general counsel Kevin Clinesmith was sentenced after he admitted falsifying key evidence used to secure the FISA warrant to spy on the Trump campaign. A federal prosecutor declared that the “resulting harm is immeasurable” from Clinesmith’s action. But a federal judge believed that a wrist slap was sufficient punishment — 400 hours of community service and 12 months of probation.

The Deep State defeated Trump in part because the president appointed agency chiefs who were more devoted to secrecy than to truth. Bureaucratic barricades were reinforced by judges who repeatedly defied common sense to perpetuate iron curtains around federal agencies.

Syria

Trump’s failure to extract the United States from the Syrian civil war was one of his biggest foreign policy pratfalls. Each time he sought to exit that quagmire, the Washington establishment and Deep State agencies pushed back.

When Trump tried to end CIA assistance to Syrian terrorist groups in July 2017, a *Washington Post* ar-

ticle portrayed his reversal in apocalyptic terms. Trump responded with an angry tweet: “The Amazon *Washington Post* fabricated the facts on my ending massive, dangerous, and wasteful payments to Syrian rebels fighting Assad.” That disclosure spurred a Freedom of Information Act (FOIA) request by the *New York Times* for CIA records on payments to Syrian rebel groups. The CIA denied the request and the case ended up in court.

Trump’s failure to extract the United States from the Syrian civil war was one of his biggest foreign policy pratfalls.

CIA officer Antoinette Shiner warned the court that forcing the CIA to admit that it possessed any records of aiding Syrian rebels would “confirm the existence and the focus of sensitive Agency activity that is by definition kept hidden to protect U.S. government policy objectives.” Of course, “kept hidden” doesn’t apply to the CIA when it was engaged in “not for attribution” bragging to reporters. *Washington Post* columnist David Ignatius proudly cited an estimate from a “knowledgeable official” that “CIA-backed fighters may have killed or wounded 100,000 Syrian

soldiers and their allies over the past four years.”

Federal judges, unlike Syrian civilians slaughtered by U.S.-funded terrorist groups, had the luxury of pretending the program didn't exist. In a decision last July, the federal appeals court of the Second Circuit stressed that affidavits from CIA officials are “accorded a presumption of good faith” and stressed “the appropriate deference owed” to the CIA. The judges omitted quoting former CIA chief Mike Pompeo's description of his agency's modus operandi: “We lied, we cheated, we stole. It's like we had entire training courses.”

“We lied, we cheated, we stole. It's like we had entire training courses.”

Since Trump's tweet did not specifically state that the program he was seeking to terminate actually existed, the judges entitled the CIA to pretend it was still top secret. The judges concluded with another kowtow, stressing that they were “mindful of the requisite deference courts traditionally owe to the executive in the area of classification.” Judge Robert Katzmann dissented, declaring that the court's decision put its “imprimatur to a fiction of

deniability that no reasonable person would regard as plausible.”

On February 9, another federal appeals court shot down a FOIA request from *BuzzFeed* journalist Jason Leopold who had sought the same records on the basis of Trump's tweet. But the federal appeals court for the District of Columbia unanimously blocked Leopold's request: “Did President Trump's tweet officially acknowledge the existence of a program? Perhaps. Or perhaps not. And therein lies a problem.” The judges proffered no evidence that Trump had tweeted about a program that didn't exist. The judges reached into an “Alice in Wonderland” bag of legal tricks and plucked out this pretext: “Even if the President's tweet revealed some program, it did not reveal the existence of Agency records about that alleged program.” Since Trump failed to specify the exact room number where the records were located at CIA headquarters, the judges entitled the CIA to pretend the records didn't exist.

Only a federal judge could shovel that kind of hokum. Well, also members of Congress and editorial writers, but that's a story for another month.

In his final months in office, Trump repeatedly promised mas-

sive declassification which never came. Was the president stymied by persons he had unwisely appointed, such as CIA chief Gina Haspel and FBI chief Christopher Wray? Or was that simply another series of empty Twitter eruptions that Trump failed to follow up? Instead, his legacy is another grim reminder of how government secrecy can determine political history.

Have Deep State federal agencies become a Godzilla with the prerogative to undermine elections? Unfortunately, there's no chance that federal judges would permit disclosure of the answer to that question. Former CIA and NSA boss Michael Hayden proudly proclaimed, “Espionage is not just compatible with democracy; it's essential for democracy.” And how can we know if the Deep State's espionage is actually pro-democracy or subversive of democracy? Again, don't expect judges to permit any truths to escape on that score.

Secrecy is the ultimate entitlement program for the Deep State.

The federal government is creating trillions of pages of new secrets every year. The more documents bureaucrats classify, the more lies politicians and government officials can tell. Federal judge Amy Berman Jackson warned in 2019, “If people don't have the facts, democracy doesn't work.” Actually, it is working very well for the FBI, CIA, and other Deep State agencies.

James Bovard is a policy advisor to The Future of Freedom Foundation and is the author of the ebook Freedom Frauds: Hard Lessons in American Liberty, published by FFF, Public Policy Hooligan, Attention Deficit Democracy, and eight other books.

NEXT MONTH:
**“Biden's Rescue Act Targets
Americans' Freedoms”**
by James Bovard

I tell everybody a little parable about the “teaspoon brigades.” Imagine a big seesaw. One end of the seesaw is on the ground because it has a big basket half full of rocks in it. The other end of the seesaw is up in the air because it’s got a basket one quarter full of sand. Some of us have teaspoons and we are trying to fill it up. Most people are scoffing at us. They say, “People like you have been trying for thousands of years, but it is leaking out of that basket as fast as you are putting it in.” Our answer is that we are getting more people with teaspoons every day. And we believe that one of these days or years — who knows — that basket of sand is going to be so full that you are going to see that whole seesaw going zoop! in the other direction. Then people are going to say, “How did it happen so suddenly?” And we answer, “Us and our little teaspoons over thousands of years.”

— Pete Seeger

What Is Missing in the Arguments against a Minimum- Wage Hike?

by *Laurence M. Vance*



For several years now, Democrats, liberals, progressives, Democratic socialists, and socialists not afraid to proudly wear the name have been agitating for an increase in the federal minimum wage to \$15 an hour. Organized labor groups, many large corporations, and organizations such as Fight for \$15 have joined them. A standard 40-hour workweek at \$15 an hour results in a yearly salary of \$31,200 before taxes.

Soon after Joe Biden was sworn in, he and the Democrats in Congress wasted no time in launching their quest to raise the minimum wage to \$15 an hour. On January 22, 2021, Biden issued executive order 14003, “Protecting the Federal

Workforce.” Section 5, “Progress Toward a Living Wage for Federal Employees,” states that “the Director of OPM shall provide a report to the President with recommendations to promote a \$15/hour minimum wage for Federal employees.” According to the *Federal Times*, “Currently the lowest general schedule pay grade is set at \$19,738 per year before locality adjustments. Under 2021 pay tables, feds would have to reach GS-3 step 10 to surpass the \$15 per hour requirement if working full time. According to the most recent OPM employment data, nearly 20,000 federal employees make below \$30,000.” And according to National Economic Council (NEC) director Brian Deese, the president also directed his administration to initiate a process “that would allow him within 100 days to issue an executive order requiring federal contractors to pay at least a \$15 minimum wage and provide emergency paid leave to workers.”

A proposal for a \$15 an hour minimum wage was added to the Democratic Party platform in 2016. The “Raise the Wage Act” (H.R.582) would have raised the minimum wage over a seven-year period to \$15 an hour; eliminated the separate minimum-wage requirements for tipped, disabled, and newly

hired employees under 20 years old; and instituted annual automatic increases in the minimum wage. It passed in the House in 2019 by a vote of 231–199. Only three Republicans voted in favor of the bill. However, the bill was never brought up for a vote in the Republican-controlled Senate.

The “Raise the Wage Act of 2021” (H.R.603) was introduced in the House on January 28. A companion bill (S.53) was also introduced in the Senate by Bernie Sanders (I-Vt.), who had expressed support for a \$15 minimum wage in his presidential campaigns. These bills mirror the previous incarnation of the “Raise the Wage Act,” except that they would raise the minimum wage to \$15 an hour by 2025. According to a “Fact Sheet” issued by the Committee on House Education and Labor, the “Raise the Wage Act” would “increase wages for nearly 32 million workers”; “lift 1.3 million Americans out of poverty, including 600,000 children”; “reduce racial and gender inequality”; and “accelerate our economic recovery and build back a better economy.”

The minimum wage

There was no federal minimum wage in the United States until

1938. Since the turn of the century the states had sought to regulate child labor, the hours in the work day, and overtime pay, but in *Adkins v. Children’s Hospital* (1923), the Supreme Court ruled that a minimum-wage law passed in the District of Columbia was “an unconstitutional interference with the freedom of contract included within the guaranties of the Due Process clause of the Fifth Amendment.” Franklin Roosevelt’s National Industrial Recovery Act (NIRA), which included the first federal minimum wage, was struck down by the Supreme Court in *Schechter Poultry Corp. v. U.S.* (1933). But just a few years later, in *West Coast Hotel v. Parrish* (1937), the Court upheld a Washington state law setting a minimum wage for women.

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Congress then passed the Fair Labor Standards Act (FLSA), which was upheld by the Supreme Court in *U.S. v. Darby Lumber Co.* (1941). Along with the Davis-Bacon Act and the National Labor Relations (Wagner) Act, the FLSA is one of the three major pieces of New Deal employment legislation that survive

today. The original FLSA established a minimum wage of 25 cents an hour, mandated time-and-a-half for overtime in certain jobs, and set the maximum work week at 44 hours. Although the work week was lowered only once — to 40 hours in 1945, where it stands today — the minimum wage was raised numerous times. The last time the minimum wage was raised was in 2007 when a Democratic majority in Congress passed the Fair Minimum Wage Act of 2007 (H.R.2) that increased the minimum wage from \$5.15 per hour to \$7.25 per hour in three increments over two years. Eighty-two House Republicans and all but three Senate Republicans voted in favor of the increase, which was part of a larger emergency supplemental appropriations bill. The Republican president at the time, George W. Bush, signed the bill into law.

The federal government allows each state to enact a higher hourly wage than the federal minimum. According to the bipartisan National Conference of State Legislatures (NCSL), “Currently, 29 states and D.C. have minimum wages above the federal minimum wage.” Georgia and Wyoming have a minimum wage below the federal minimum, and five states “have not adopted a

state minimum wage: Alabama, Louisiana, Mississippi, South Carolina and Tennessee.” (In those seven states, the federal minimum applies.) In 2020, twenty-four states had increases in their minimum wages. In 2021, Florida became the eighth state, along with California, Connecticut, Illinois, Maryland, Massachusetts, New Jersey, and New York (along with Washington, D.C.) to adopt a gradual increase in the minimum wage to \$15 per hour. About fifty cities and counties are also gradually increasing their minimum wages to \$15 an hour or more.

The last time the minimum wage was raised was in 2007.

According to the Bureau of Labor Statistics, about 58 percent of Americans are paid at hourly rates. However, “the percentage of hourly paid workers earning the prevailing federal minimum wage or less edged down from 2.1 percent in 2018 to 1.9 percent in 2019.” Minimum-wage workers tend to be people who are young, have never been married, are unskilled, have no more than a high-school education, work part-time, are employed in service occupations, or work in the leisure and hospitality sectors of the economy.

The arguments

Since Biden was sworn in, Republicans, conservatives, and libertarians have likewise wasted no time in pointing out the problems with an increase in the minimum wage, and especially an increase to \$15 an hour.

Republican lawmakers generally oppose the idea. Rep. John Rose of Tennessee said the wage hike “won’t help the stalled job market.” Sen. Tim Scott of South Carolina pledged to “fight to protect businesses from these damaging policies.” Rep. Kevin Brady of Texas (the ranking member of the House Ways and Means Committee) tweeted that raising the minimum wage “HELPS BLUE STATES that can’t compete anymore for growth, jobs.”

In several articles on the minimum wage posted by The Foundation for Economic Education, different authors focus on the deficiencies of one-size-fits-all policies, the negative effects of a minimum-wage hike on the poor, the timing of a minimum-wage increase, the market chaos that results from price controls, and the effects of a higher minimum wage on small businesses.

Martha Njolomole writes,

It’s impossible to determine one suitable “living wage” for

all parts of a vast and diverse country like the United States.... The effects of raising the federal minimum wage will be more pronounced in low-cost states compared to those of high-cost states.... If there is one fact that economics can teach us, it’s that “one size fits all” policies do not work. Why? Such policies assume all human beings have on average the same preferences, same opportunity costs, similar level of skill, and the same dedication to achieving their goals.... There are countless fundamental differences within our economy that a one-size-fits-all federal minimum wage can never take into account.

David Youngberg writes,

While a federal \$15 dollar minimum wage will help some people, it will hurt many others. Some (if we’re lucky just a few) of the harmed workers will be in high-income areas but the minimum wage increase will devastate the poorest parts of the country.

The timing here could not be worse. Make no mistake:

small business owners are already seriously hurting. And employees will suffer perhaps just as much as employers. Even though they're ostensibly meant to uplift workers, increases in the minimum wage always and inevitably hurt more than they help.

A wage is a price. Prices are essential for order in an economy, so price controls throw markets into chaos.

Brad Polumbo writes,

Raising the minimum wage now would spell a death knell for many small restaurants. But there's really no question that it would screw over small businesses at the worst possible time. The Targets and Walmarts of the world might well be able to weather a huge spike in labor costs, but countless thousands of small businesses would not survive it.

And of course, there is the obvious. A higher minimum wage “reduces firms’ incentives to hire more minimum wage workers,” especially “when firms are hurting from the pandemic.”

The Cato Institute’s Chris Edwards believes that “minimum wage mandates are a bad idea in general, and they are more harmful when imposed nationwide, since they do not account for regional variations in living costs, policy preferences, and economic structures.” He concludes that “Biden’s proposed minimum wage increase would hurt startups and small businesses, undermine the recovery, and be a blow to the industries hit hardest by the crisis.”

A higher minimum wage “reduces firms’ incentives to hire more minimum wage workers.”

In the conservative *National Review*, Mario Loyola says that there is a “dark side” of minimum wage increases. They can hurt low-income workers because “many employers choose to lay off workers and automate rather than paying the higher wage” and “others try to make their employees work harder in fewer hours on the job.” Thus, “raising the minimum wage is likely to accelerate the transition from full-time to part-time employment.”

The editors of *National Review* make the case that “the minimum wage stops labor markets from operating effectively.” They explain

that “when it’s illegal to hire workers for less than \$15 an hour, workers whose skills are not yet worth that much will find themselves working less or out of a job entirely.” They also point out that “this is a very poor time to start a series of minimum-wage hikes” because “the pandemic has hit small businesses, including restaurants, hard.” But then they conclude that “at minimum, any increase should not start phasing in until the pandemic is under control and the economy is closer to a full recovery.”

A coalition of more than sixty groups, activists, and legislators led by Americans for Tax Reform (ATR) released a letter in opposition to a minimum-wage hike:

A \$15 minimum wage would substantially raise the cost of labor at a time when small businesses are already struggling to keep the lights on. Small businesses with thin margins would be forced to pass the costs onto consumers, which could lead to a decline in businesses, a loss of revenue, and layoffs. Businesses that have closed temporarily due to the pandemic may decide not to reopen at all in the face of a higher minimum wage, and

many employers will forgo hiring new workers because they cannot afford them.

Even workers who retain their jobs will be worse off under a nationwide \$15 minimum wage. Some will lose non-wage benefits such as free parking or meals, and others will have their hours reduced. Workers may not earn any more money under the higher wage, but will face fewer opportunities to work and less benefits when they do.

Workers employed by small businesses and in restaurants, retail, and hospitality would be disproportionately harmed, as would younger workers beginning their careers, minorities, and those in states with lower relative costs of living.

The ATR concludes that “if implemented, a \$15 minimum wage would eliminate millions of American jobs, kill thousands of small businesses, and prolong the economic misery COVID-19 has caused our country.”

Writing for the right-of-center American Enterprise Institute (AEI), Michael Strain says, “Don’t just ask whether it would be smart

to raise the U.S. minimum wage. Ask when and how.

“Raising the pay floor would hurt many low earners, but careful timing, smart government programs and avoiding overreach could ease the pain.” He believes that “there are better and worse times to raise a wage floor, and there are better and worse policies to enact along with an increase.” Congress should think about both to help it “decide whether it can raise the wage without stifling job growth and economic vitality.”

Strain sees a trade-off: “Large minimum wage increases might raise the wages of some workers while reducing the number of hours they can work each week.” But “if a higher minimum wage were paired with a robust push to increase the skills of low-wage workers, employment reductions would be less severe” because, although the wage floor would increase, “the number of workers who could command that higher wage in the market would also increase.” Therefore, “employment wouldn’t fall as far, and the benefits of a higher minimum wage could be enjoyed by more workers.” He proposes coupling a minimum-wage increase with “more generous earnings subsidies, like the earned-income tax

credit,” to “support the incomes of workers who may not benefit fully” from a minimum-wage increase.

Strain concludes, “Wrapping policies around a modest increase would help those with lost income or fewer employment opportunities get back on their feet. Waiting until the economy is healthy would ensure fewer employment reductions to begin with.”

The Congressional Budget Office (CBO), in “The Budgetary Effects of the Raise the Wage Act of 2021,” pointed out how increasing the minimum wage would affect employment:

Higher wages would increase the cost to employers of producing goods and services. Employers would pass some of those increased costs on to consumers in the form of higher prices, and those higher prices, in turn, would lead consumers to purchase fewer goods and services. Employers would consequently produce fewer goods and services, and as a result, they would tend to reduce their employment of workers at all wage levels.

When the cost of employing low-wage workers goes up,

the relative cost of employing higher-wage workers or investing in machines and technology goes down. Some employers would therefore respond to a higher minimum wage by shifting toward those substitutes and reducing their employment of low-wage workers.

Although economist and *New York Times* columnist Paul Krugman now says, in opposition to his former position, that “there’s just no evidence that raising the minimum wage costs jobs, at least when the starting point is as low as it is in modern America,” the CBO concludes that “raising the federal minimum wage to \$15 per hour by 2025 would add \$54 billion over 10 years to the budget deficit and lift 900,000 people out of poverty, but lead to 1.4 million lost jobs.”

The problem

The problem with most of the Republican, conservative, and libertarian arguments against an increase in the minimum wage is that there is something missing. Now, there is nothing necessarily wrong with their arguments, except, of course, for those that call for increased government intervention

to combat the negative effects of an increase in the minimum wage. There are just two glaring things that are missing.

The first thing that is missing is so obvious and so simple that it is surprising that it is never brought up. Nowhere does the Constitution grant to the federal government the authority to set a minimum wage or to regulate wages in any way, regardless of the economic situation. But of course, that applies only to the minimum wage on the federal level. Another thing that is missing is some comment on the arbitrary nature of the target minimum of \$15 an hour. Why not \$14? Why not \$16? If the government can really lift poor Americans out of poverty by increasing the minimum wage, then why not raise it to \$25 an hour and lift all Americans out of poverty?

The main thing that is missing, however, can be summed up in one word: freedom.

The main thing that is missing, however, can be summed up in one word: freedom. The freedom of employers to offer any wage they want to. The freedom of potential employees to accept or reject the offer. A government minimum wage is

nothing but Soviet-style central planning. It has no place in a free society. If government can determine the “correct” price for labor, then there is nothing stopping it from determining the proper price of every other service as well.

There are a number of things that could be said relating to wages and hours in a free society. In a free society, there would be no Fair Labor Standards Act, Bureau of Labor Statistics, or Department of Labor. In a free society, there would be no local, state, or federal minimum wage. In a free society, there would be no government-defined “living wage.” In a free society, no one is “worth” a certain rate of pay or entitled to any particular rate of pay. In a free society, no employee is entitled to be paid as much as any other employee is paid. In a free society, there would be no government-imposed 40-hour work week. In a free society, there would be no government overtime-pay requirements. In a free society, time off in lieu of overtime would be an option in the workplace. In a free society, potential employees freely decide to take a job on the basis of the salary and benefits offered by employers.

In a free society, government would not interfere in any way with the employer-employee relationship.

Regarding vacation pay, sick pay, holiday pay, and severance pay, the Department of Labor has said, “These benefits are matters of agreement between an employer and an employee (or the employee’s representative).” That is exactly how it should be when it comes to wages. Why it isn’t is completely arbitrary on the part of the government.

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NEXT MONTH:
**“The Seven Deadly Sins
of Government”**
by Laurence M. Vance

A good militia is of such importance to a nation, that it is the chief part of the constitution of any free government. For though as to other things, the constitution be never so slight, a good militia will always preserve the public liberty. But in the best constitution that ever was, as to all other parts of government, if the militia be not upon a right foot, the liberty of that people must perish. The militia of ancient Rome, the best that ever was in any government, made her mistress of the world: but standing armies enslaved that great people, and their excellent militia and freedom perished together. The Lacedemonians continued eight hundred years free, and in great honour, because they had a good militia. The Swisses at this day are the freest, happiest, and the people of all Europe who can best defend themselves, because they have the best militia.

— Andrew Fletcher

An Old Geezer on Learning about Liberty and Its Loss

by *Richard M. Ebeling*



I am now in my 70s. No longer a spring chicken but not a dead duck yet either, with, I hope, a few good years left. When I was in my mid 20s, I had the opportunity and good fortune to meet and interact for most of two summers with the noted Austrian economist and Nobel Prize winner Friedrich A. Hayek (1899–1992). He was in his mid 70s at the time, and he seemed ancient to me.

Over the summers of 1975 and 1977, I had research fellowships at the Institute for Humane Studies (IHS) at its headquarters in Menlo Park, California. In residence, also, during those two summers at IHS was Hayek as a senior research scholar. I viewed it as a great honor to meet a man whose writings had

heavily influenced my own views on economics and politics, and for both of those summers I had an office only one or two doors down from his. Hayek appeared and acted healthy and spry enough for someone who seemed to me to be at an age that suggested he could die at any moment. How could I know that, in fact, he would live to be 92?

I knew what to ask him.

I therefore made a determined effort to go into his office as often as I could whenever he was around and pick his brain. After all, he had known and been a close friend and colleague of Ludwig von Mises in the Vienna of the 1920s and early 1930s, before he accepted a position at the London School of Economics in the autumn of 1931.

Then, after arriving in Great Britain, he soon established himself as one of the leading and well-known critics of John Maynard Keynes and the emerging Keynesian economics by presenting his own version of the Austrian theory of money and the business cycle as an explanation of the causes of the Great Depression and cures for it. Moreover, in the 1930s and 1940s Hayek became one of the internationally recognized critics of socialism, especially because of his book

The Road to Serfdom (1944) but also by creatively building on Mises's earlier critique of socialism and the impossibility for economic calculation under a comprehensive system of central planning.

I found Hayek gracious and patient with his time and willing to answer my many questions.

Knowing all that, I was determined to have those conversations with Hayek to get as much information and as many stories out of him about the “old Vienna days” and his years at the London School of Economics when he was doing battle with both the emerging Keynesians and the socialists. I had to get it while the getting was good. Remember, I thought he could die the next day.

I have mentioned in other places that I found Hayek gracious and patient with his time and willing to answer my many questions about the events through which he had lived and about the ideas and arguments he made against his intellectual opponents. He was humorously self-deprecating. More than once he said, while recounting some exchange he had with someone on the political “other side,” that it once again turned into “one of my many ‘defeats.’”

Over the years, I also had the chance to meet and interact with a number of other Austrian economists who also began their professional careers in the Vienna of the 1920s and 1930s, including Fritz Machlup, Gottfried Haberler, and Oskar Morgenstern, along with German-born Ludwig Lachmann and the British Austrian, Lionel Robbins. But how did I know what to ask all of those illustrious scholars? Even though only in my mid and late 20s when I interacted with most of them, I had by that time read a good many of their writings and had been interested in their biographies as well. More generally, I had discovered and read many of the noted classical-liberal and free-market authors of the nineteenth and twentieth centuries. I started doing that when I was about 16 years old.

Learning about liberty

When I began to run into other libertarians and free-market-oriented people, I admit that most of them were not as “crazy” as I in wanting to read everything. Nonetheless, what I found was that most of them were fairly well read in the past and present ideas of liberty. Most had read the more popular books of Ludwig von Mises, as well

as some of the writings of Henry Hazlitt and Milton Friedman. Virtually all of them were familiar with Frédéric Bastiat's book *The Law*. Some had read Herbert Spencer and William Graham Sumner. Practically all had gone through and been influenced by Ayn Rand's novels *The Fountainhead* (1943) and *Atlas Shrugged* (1957), whether or not they fully accepted all of her philosophical arguments.

The "brightness"
of our light was related to how
much we knew and understood
about freedom.

Who were those people? They were students, or people who worked in or owned businesses, or professionals, that is, doctors, lawyers, engineers, and the like. Their lives were full with all the things of everyday, daily life that consume so much of our time. But a good number, I had observed, had taken the time, and considered it time well spent, to be knowledgeable and conversant with the ideas and the arguments for liberty, as they were to be found in the writings of past and present authors. In other words, many of them intelligently knew what they were talking about and understood why they believed what

they did about the case for individual liberty, free markets, and limited government.

Whether or not they had read Leonard Read's *Elements of Libertarian Leadership* (1962) and *Anything That's Peaceful* (1964), they intuitively appreciated that the only hope that liberty would win in an ideologically hostile world was for as many people as possible to become what Read had called "lights of liberty" that might persuasively attract others. The "brightness" of our light was related to how much we knew and understood about freedom and its implications and the extent to which we had developed personal skills in making that case to others, whether they were family members, friends, co-workers, or just people with whom we found ourselves in a conversation about politics.

If you went into their homes, whatever else may have been on their bookshelves, you invariably found copies of many of the classic and important books on liberty and free-market economics. As I said, given their personal time constraints and other obligations, they had made the effort to be more or less familiar with what Leonard Read, the founder and long-time first president of the Foundation for

Economic Education (FEE), liked to call “the freedom philosophy.”

Today’s younger libertarians

As you get older, the good old days never seem as bad as they, no doubt, really were. So it is likely the case that my fading recollections of those days of my youth seem more like a golden age than they really were. How I would roll my eyes when I was a teenager or in my 20s, when some old geezer would say, “Well, when I was a lad ...” and proceed to wax nostalgic for a time long gone that was always portrayed as better than the present in crucial ways.

There is the saying, “Just because I am paranoid does not mean that I am not being followed.” Well, just because I catch myself thinking and talking like those old geezers doesn’t mean that some things weren’t better in that youthful past that I recall, in comparison with the present.

When I talk to “the young folks” who declare their belief in liberty nowadays, I find that their interest and appreciation of the history, content, and significance of ideas of individual freedom and the institutions of a free society rarely match what I had found in people a couple of generations before. Over the last

ten or so years, when I have asked young people how they first became aware of ideas on liberty and what they read, they have often told me that it was all through the Internet and discovering a prominent libertarian politician whose arguments appealed to them. They had read online writings of this politician and two or three others whom he had mentioned.

They have, in general, absorbed snippets of the arguments for liberty by searching here and there on the Internet.

But when I have asked whether they have read Mises or Hayek, or Hazlitt or Friedman, only a rather small number have answered yes. In fact, it seems that very few have read cover to cover any books on liberty by any author. They have, in general, it seems, absorbed snippets of the arguments for liberty by searching here and there on the Internet.

This is, of course, a general criticism that is frequently made about the effect of the Internet on the last generation or two. Many things seem to be intellectual “cuts and pastes,” with little coherent and systematic reasoning and thought. As a professor who has been teaching for a long time, I see this phenom-

enon among a large majority of students passing through college or university on their way to a degree. The interest in and the art of methodical reading has been losing ground in the learning process.

Liberty literature at everyone's fingertips

The frustration that someone of my generation feels about this comes from the amazing and free availability of practically all the great and small works on liberty and the free society to be found and downloaded by the click of the mouse. (Yes, I know I'm dating myself, again: Who even uses a computer mouse anymore?) I have downloaded literally hundreds of such works to my iPhone to have them with me all the time to re-read and refer to, or just to enjoy my favorites among those writers at any time and anywhere I may be. An entire library literally on my smartphone in my pocket!

It is easy for me to despair of the failure of the "young whippersnappers" to have as much of an interest in economics as I did, since I chose that as my profession. But I find the same thing in other subjects, including history, for instance. How can anyone know how he has gotten to where he is if he doesn't know

where he came from? And how can anyone have a sense of where we may be going as a society, if he does not know why the future seems to be headed in the direction suggested by the events of the past and of the present? That may sound a bit like a cliché, but it does not make it any less true.

The interest in and the art of methodical reading has been losing ground in the learning process.

How is it possible to understand and appreciate the meaning of liberty and its essential institutions, if you don't know where the ideas of freedom have come from, what battles had to be fought to achieve liberty in the past, or the historical origins of the angry and increasingly intolerant arguments that are made today by opponents of individual liberty and the free society?

Understanding why collectivism grows

One of the baffling aspects of the current drift in the direction of more government control, regulation, redistribution, and planning is why these trends seem to develop and take on an irresistible life of their own. How to reverse such a trend is, clearly, no easy task, since

we keep moving more in the collectivist direction. But knowing how and why this has been happening, surely, is essential if any successful reverse trend toward liberty is to come about. History helps us to understand such things.

For instance, crises and wars frequently open the doors to growths in government. One guide for understanding that is historian William H. Greenleaf (1927–2008), in his multi-volume work, *The British Political Tradition* (1983), especially, volume one, “The Rise of Collectivism.” Trying to explain the reasons for the growth in government, Greenleaf says,

Yet the enduring impact of war on collectivist development is clearly indicated because the reversion is never to the status quo ante bellum; [with] departments which have grown during the war inevitably wishing to [maintain] their enlarged staffs ... when peace returns.... Although there is at the end of hostilities a decline from the extreme heights of government expenditure reached during the war itself, the fall stops at a level higher than that prevailing during the prewar period. A substan-

tial residue of the increased wartime activity remains.

What are the factors making for this situation? Greenleaf goes on to say,

First, there is the obvious and continuing impact in respect to the debt commitments, payments of war pensions, and the like. Secondly, there are the important fiscal effects of war concerning the level of taxation which is [now] acceptable. And thirdly, there is a general loosening of restrictions hitherto imposed on government activity.... If tanks and bombs can be produced in many respects regardless of expense, why should not this later be the case for schools, hospitals, and houses...?

The state had come to control directly or indirectly a great part of the economic process; the wealth and taxable capacity of modern industrial society now stood revealed. Why should these possibilities not be exploited to abolish poverty? The wartime extension of state regulation of economic activity seemed to suggest that for

crucial purposes public ownership or supervision was more effective than unalloyed capitalism.... The general view was that in the steps taken to wage effective war there lay the vindication of Socialism.

Crises and the growth of government

In other words, political and other crises suddenly lead people to expect and accept responsibilities taken on by the government that previously might not have even been considered to be in the purview of political involvement and interventions. Greenleaf points out that when the British government began conscripting large numbers of people into the military to fight in the First World War, the physical and intelligence exams of recruits suddenly made people aware that a good number of them seemed to be poorly fed, or lacking in medical care for health deficiencies, or were more deficient in reading and writing than had been believed.

On this latter point, Greenleaf quotes British Prime Minister Neville Chamberlain at the beginning of the Second World War: “I feel ashamed of having been so ignorant of my neighbors. For the rest of my life I mean to try to make amends by helping such people

to live cleaner and healthier lives.” Such attitudes made it that much easier for the Labour Party members in the joint wartime cabinet with the Conservatives to push for socialized medicine and income-redistributive schemes with the support of their “guilty-feeling” colleagues who were supposed to be the proponents of free enterprise and limited government.

Even without national crises, Greenleaf explained there was a constant danger of incremental growth in the size of government.

But even without national crises, Greenleaf explained there was a constant danger of creeping or incremental growth in the size and scope of government by people’s discovering social ills and asking why “someone” doesn’t do something. Greenleaf saw several stages to this political process:

First of all, there was commonly the public exposure of a social evil or problem.... Then there was a demand that the preventable or intolerable circumstances thus revealed be dealt with [resulting in compromise legislation, and] a precedent for government

action ... being established and responsibility assumed....

The second stage ensued with the realization that existing legislation was ineffective, perhaps almost wholly so....

[Third], the obvious remedy was to appoint enforcement officers especially charged with carrying the existing statutes into effect....

Fourthly, further experience would show that the occasional Parliamentary legislation would never be enough to deal with the matters at issue, that what was needed was a continuing process of regulation in the light of growing and changing experience. So that, finally, executive officers would demand and receive a discretionary initiative to deal with the complex problems arising in practice....

Inherent in this whole process there is a strong and cumulative trend towards a much more dynamic role for government than had usually been envisaged.... For if a body of able and sedulous men is put in charge of a branch of the public service, it is (as one commentator has observed) “certain that they will magnify

the office, take a disproportionate view of its claims, and increasingly strive to increase its functions and its staff.”

In addition to crises and the institutional dynamics of growth and intrusiveness of government, Greenleaf also emphasized that a “need” for government solutions to asserted “social problems,” leads to the idea of a body of policy “experts” who could and should “scientifically” deal with them through the reduction of human life, relationships, and circumstances to quantitative dimensions useable for measurements of what had to be fixed and degrees of success by those in the bureaucracies.

The hubris of experts

Greenleaf used the example of a disease. “First there exists a social problem, in this case the major scourge of smallpox. A prophylactic treatment is discovered by scientific research. The government intervenes to make that treatment in turn available, compulsory, and more effective. Clearly more and more intervention and powers of coercion are involved.”

In other words, a presumption of merely “following the science” can open the wedge for more and

more government and the cooping of individual choice or voluntary avenues of cooperation in handling societal problems. “In sum, therefore, scientific knowledge could aid or even produce pressure for government action by seeming to give this pressure intellectual justification and provide practical means of implementation.”

But what was the science saying and in whose view and interpretation? Greenleaf quotes one British government official at the end of the nineteenth century who wondered outloud, “I do not know who is to check the assertions of experts when the government once has undertaken a class of duties which none but such persons understand.”

How many of the younger generation have read or even heard of Higgs’s analysis of the “ratchet effect”?

Greenleaf discusses and details far, far more, and in many different and interesting directions, on the historical paths by which government has grown in a country such as Great Britain, than can be mentioned and summarized here. Some who have read this brief and very abridged summary of Greenleaf’s historical interpretation of the rise

of collectivism may have noticed similarities with that of the libertarian economic historian Robert Higgs in *Crisis and Leviathan*, which was published in 1987, a few years after Greenleaf’s work.

Winning liberty

But how many of the younger generation of those interested in classical liberal and libertarian ideas have read or even heard of Higgs’s analysis of the “ratchet effect,” that when government grows during a crisis, it rarely returns in size and scope, as Greenleaf also explained, to the pre-crisis status quo? Understanding this process and the frequency with which it happens needs to be appreciated, because without it the friend of freedom may too easily fail to see that it is the reason that any and all increases in government activities have to be challenged before they are implemented and take effect, even when the cry is made that there is an emergency and government has to “do something.”

Once the ideologists of power and paternalism establish a new domain of social engineering, individuals and groups develop a vested interest in retaining and expanding the new government area of control, and reversing it becomes that

much more difficult. Obamacare is a very recent example of that.

That is why those interested in liberty in all its facets — philosophical, personal, political, economic, social — must realize the importance of taking seriously the study of the ideas and history of freedom, and the challenges that have brought about the counterrevolution against a free society that we are once again confronting.

That is the message that one old geezer has for all the young whippersnappers who say they care about liberty.

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NEXT MONTH:

**“Edwin Cannan:
An Economist Who Protested
against Big Government”
by Richard M. Ebeling**

The issue today is the same as it has been throughout all history, whether man shall be allowed to govern himself or be ruled by a small elite.

— Thomas Jefferson

My Case against Minimum-Wage Laws

by George Leef



Minimum-wage laws are again in the news, as Joe Biden and his political allies in Congress seek to push the national minimum from its current level of \$7.25 per hour up to \$15 per hour. Some politicians, Sen. Bernie Sanders for one, declare that people can barely survive even on \$15 per hour. If the law takes the minimum up to \$15, we can expect pressure to raise it still further in the future.

After all, why shouldn't the government be compassionate and improve the lives of millions of low-wage workers? Many Americans think that's one of the reasons for democracy — so that the government can respond to people's needs.

There is a great deal wrong with minimum-wage laws and I'd like to set forth my case against them. I'm not just against the current move to

raise the wage, but against the very concept of laws dictating the terms of contracts between people.

Whenever two people agree on a contract for goods or services, they have peacefully consented to the deal because both expect to be better off as a result. Peter might agree to pay Paul \$50 to clean the leaves out of his gutters; Jennifer might agree to pay Jane \$8 per hour for cleaning up her restaurant. All four are satisfied. They would probably prefer to receive more or pay less, but they are content with their contracts.

No other person has any right to interfere with them. If Joe were to threaten violence against Peter unless he pays Paul \$60, or if Nancy were to threaten violence against Jennifer unless she pays Jane \$9 per hour, they would be guilty of a violation of the criminal law.

But if the threat comes not from meddlesome citizens like Joe and Nancy, but from the government, that is supposed to make threats of force all right. When governments enact minimum-wage laws, or increase existing minimum wages, that's what they are doing — threatening to use force against peaceful individuals for not paying what government officials have decreed to be enough. Unfortunately, few

Americans think there is anything wrong in doing that.

There is something wrong, though. The responsibility of government is to protect the rights of its citizens, not to threaten them with punishment for peacefully going about their lives. However passionately you might believe that Paul, Jane, and all other workers need or deserve more, you should agree that it's morally wrong to accomplish that through coercion. There are noncoercive means of assisting people in need. Peaceful action is better than using force.

What else is wrong with minimum-wage laws?

The most common objection is that they cause unemployment among workers with low skill levels. If Peter can't afford more than \$50, he won't hire Paul and instead do the work himself. If Jennifer can't afford to pay Jane \$9 per hour, she might invest in automated cleaning equipment. For some workers, therefore, the mandated minimum will not mean more income, but less, as they find it hard to contract (legally, anyway) with someone who values their work at the government's new minimum level.

When you point out to minimum-wage advocates that some people are certain to lose their cur-

rent jobs and others who haven't yet entered the labor market will be unable to find any job at all, they are nonplussed. They will tell you that some studies by economics professors show that unemployment due to the minimum wage isn't "too severe" and say that the gains to workers who get jobs at the higher wage outweigh the losses.

**Peaceful action is
better than using force.**

That's elitism for you. How can anyone claim to know how much harm is done to a person who cannot find legal employment? How can you measure the losses to a young person or an unskilled immigrant who never finds an honest job because of the minimum wage? Even if it's true that some workers benefit from higher pay, their gains can't be compared with the long-term suffering of those who are rendered unemployable.

Furthermore, that utilitarian "gains versus losses" calculus is bogus because many of the apparent winners would have earned raises to or above the minimum wage anyway. With the experience they acquire from entry-level jobs at the minimum wage, most workers earn raises or find jobs that pay more. In-

creasing the minimum wage merely hastens the point in time where they would naturally — that is, without government coercion — have increased their incomes.

Minimum-wage increases are therefore wholly responsible for the devastating losses of unemployability, but for little if any of the apparent benefits of higher earnings.

Opponents of minimum-wage laws have been pointing out the long-run harm they inflict on low-skilled workers for many, many years. They have shown particular instances of workers who were let go and businesses that had to close, as well as economic research on the extent to which minimum-wage laws increase unemployment generally. But I have never heard of a single politician who said that the evidence has caused him to change his mind and vote against minimum-wage increases, much less to advocate repeal of the law.

That, I contend, is because minimum-wage laws are not really intended to help the working poor. They're intended to help politicians get and keep what they crave: power.

The intention

My argument is based on Public Choice theory, which looks at poli-

ticians not as high-minded devotees of the social welfare, but as ordinary people who are interested in their own welfare.

When they vote for minimum-wage increases, politicians get to bask in the light of their supposed compassion, claiming credit for having “raised people out of poverty.” That gets them votes and financial support from those who believe that it is the government’s job to reduce poverty.

Minimum-wage laws are not really intended to help the working poor.

But what about all the people who are thrown out of work, or aren't able to land their first job? A few of them might accurately pin the blame for their plight on their “representatives” who supported the minimum-wage law, but most won't know that. They don't follow politics that closely. Losing those few votes is piddling in comparison with the gains for the politicians who favor higher minimum wages.

Moreover, unemployed workers are easy marks for the rhetoric we constantly hear from progressives about their plans to create an economy “that works for everyone.” Frustrated workers who can't find

jobs but don't understand why they can't, are easily lured into the web of statism with promises from politicians to help them through governmental welfare and training programs.

Finally, those same politicians love to foster the illusion that the way for people to better their lives is to demand action by the government. The big "Fight for \$15!" rallies are a delight for politicians who want people to believe that good things come from the state rather than from voluntary action by individuals and private organizations. Minimum-wage laws don't just inflict economic damage, but they also damage the fabric of civil society by encouraging a "the govern-

ment is your savior" mindset in people.

Frequently we hear criticism of minimum-wage laws that goes like this: "The laws are well intentioned, but have bad consequences." I cannot agree. Minimum-wage laws are not well intentioned. They are evil in their methods (coercion) and evil in their goals (to make people believe they're dependent on government.) If we could ever abolish them, the United States would be a much better nation.

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The excellence of a teacher can be judged by the students who finally excel him.

— Leonard Read

Nothing is more certain, than that trade cannot be forced; she is a coy and humorous dame, who must be won by flattery and allurements, and always flies force and power; she is not confined to nations, sects, or climates, but travels and wanders about the earth, till she fixes her residence where she finds the best welcome and kindest reception; her contexture is so nice and delicate, that she cannot breathe in a tyrannical air; will and pleasure are so opposite to her nature, that but touch her with the sword, and she dies: But if you give her gentle and kind entertainment, she is a grateful and beneficent mistress; she will turn deserts into fruitful fields, villages into great cities, cottages into palaces, beggars into princes, convert cowards into heroes, blockheads into philosophers; will change the coverings of little worms into the richest brocades, the fleeces of harmless sheep into the pride and ornaments of kings, and by a further metamorphosis will transmute them again into armed hosts and haughty fleets.

— John Trenchard

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