

The Economics of Infantilism

by Thomas E. Woods Jr.

While this year's Winter Games were still going on, the website of the National Organization for Women was complaining that with all the Olympic coverage, the press had neglected to notice the 400-person rally, dubbed the "March for Our Lives," held simultaneously in Salt Lake City. Led by organizations from the Poor People's Economic Human Rights Campaign, part of something called the Kensington Welfare Rights Union (KWRU), the event sought to call attention to the countless violations of "economic justice" that exist throughout the country. Eventually, the organization hopes to submit to the United Nations a list of "human rights abuses" throughout the United States and then to file "a formal suit against the United States through international legal channels."

What exactly constitute "economic human rights"? The KWRU website points to Articles 23, 25, and 26 of the United Nations' Universal Declaration of Human Rights in support of "the rights due every human being." They include food, clothing, housing, medical care, "necessary social services," education, work, favorable conditions of work, "just and favorable remuneration," and the like. Naturally, no one at the organization bothers to justify the grounds

on which "every human being" possesses these "rights" other than by this argument from authority.

The closest the site comes to an "argument" is the assertion that the people for whom the organization speaks want things, and some other people have lots of things, so these latter people should be required to give up some of them. Never raised is the question of whether these people with lots of things acquired them honestly or, if so, on what precise grounds the KWRU is justified in demanding that these goods be violently seized from peaceful and honest people.

That so-called "welfare rights" are philosophically fraudulent can be demonstrated by imagining everyone exercising them simultaneously. Surely a *right* that belongs to human beings qua human beings, such as life itself, ought to be able to be exercised without difficulty by every human being at the same time. If everyone demanded the same welfare right at the same time, no one would get anything, as everyone simultaneously attempted to coerce everyone else.

The libertarian philosopher Frank van Dun recently offered a helpful example. Imagine two people on a desert island: "One can imagine what will happen if they sit there insisting on their 'right' of being employed by the other at a just and favorable wage, or to receive unemployment compensation high enough to allow them an existence worthy of their dignity. One can also imagine what will happen if, instead of

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just sitting there, they attempt to enforce their human rights against one another: their own version of Hobbes' war of all against all."¹

It is also completely senseless to claim that human beings possess "rights" to goods that in some times and places were not available at all or could be acquired only with the most strenuous toil. Rights obviously cannot be universal or natural to man if they cannot be exercised in all times and places—the very definition of *universal*.

If in some cases the less fortunate may have a *moral* claim on the generosity of their fellows, this is a far cry from staking a *legal* claim to the fruits of someone else's labor. Forcibly confiscating the justly earned goods of someone you have never met and who has done you no wrong really does require some kind of philosophical justification beyond simply, "We want free stuff!"

This is especially true when we recall the true nature of poverty in the United States. By any conceivable standard, the "poor" in America enjoy a standard of living that people in previous ages (and indeed elsewhere in the world today) could scarcely have imagined. Some 41 percent of our "poor" own their own homes, with another 75 percent owning automobiles and VCRs, and two-thirds having air conditioning and microwave ovens. Virtually all own telephones, refrigerators, and television sets, all of which were once considered luxuries. The *average poor person in America* has more living space and is more likely to own a car and a dishwasher than the *average European*. Recalling that we live in a society in which among the poor obesity is a greater problem than malnourishment further helps to put the alleged poverty problem here into perspective.²

Job Training

It is almost charming that the KWRU can seriously propose increased spending and a federal commitment to job training as the solution to "poverty" without so much as hinting at the \$5.4 trillion dollars spent on various federal, state, and local welfare pro-

grams since 1965 or the more than 60 different federal job-training programs that currently exist for welfare recipients.³

And no wonder the activists would rather make placards demanding job training than actually discuss the programs that already exist: federal job training has been one of the most notoriously wasteful government boondoggles of the past 35 years. Consider the Job Corps, a well-known vocational training program for the unemployed that began in 1965. Early on, studies found that those who completed the program had no better success in the job market than so-called "no shows" (people who had been accepted into the Job Corps but who had never shown up), despite the fact that the program cost about the same as providing a Harvard education for every participant. Worse still, throughout the program's first decade two-thirds of participants never even finished.⁴ Is it a hate crime to suggest that perhaps we have happened upon one of the reasons they have had such difficulty finding work?

We might also recall the Boston Compact, a much smaller program in the early 1990s in which private employers guaranteed a job to anyone who graduated from high school. The dropout rate actually *rose* after the Compact was announced.⁵ Such examples could be multiplied ad infinitum.

In many cases, perfectly respectable jobs that require only the most basic skills are easily available, but applicants lack even these. Unless agitators for "economic human rights" are prepared to argue that the poor are complete imbeciles who cannot even be expected to learn basic math, these unsuccessful job seekers can hardly be held blameless for their situation. According to Myron Magnet, the "higher skills" that a steel mill near Chicago recently needed but could not find "amounted to little more than being able to divide 100 by four and, going one step further, to understand the concept of 75 percent." Moreover, it generally takes "only basic math for a worker to handle the statistical process control that is one of the key recent technological advances in manufacturing."

Magnet continues: “One didn’t think of secretarial skills as being particularly elevated until recently, when corporations in big cities found that increasing numbers of applicants lacked them. Now anxious companies pay their employees bounties for bringing in qualified applicants for secretarial jobs. Anyone who wants her children . . . to escape poverty needs only to make sure they learn basic literacy, computer typing, and polite, businesslike demeanor in high school.”⁶

Can that really be too much to ask?

Staying Out of Poverty

A grand total of 3 percent of married couples who have a high school education are poor.⁷ Just complete high school and get married, and you have a 97 percent chance of not being poor. (*The Economist* reported in 1988 that an American had a less than 1 percent chance of being poor if he simply completed high school, got and stayed married, and held a job, even a minimum-wage job, for at least a year.⁸)

To be sure, we’re probably violating the “rights” of the clients of the Poor People’s Economic Human Rights Campaign by demanding anything of them; the logic of their position requires them to believe that for doing nothing at all they are *entitled* to food, clothing, a home, an education, comprehensive health care, and perhaps 77 other things. Still, sensible people probably don’t consider marriage and a high school education to be insuperable hurdles or a society that demands them akin to Nazi Germany.⁹

The fact that a few people own yachts is not a cause of the condition of the poor, nor is it just cause for resentment. But it isn’t difficult to find things that do worsen the condition of the poor. For one thing, the various job benefits that the economic human rights advocates demand naturally make it more expensive and less desirable to hire people in the first place, and therefore create more unemployment. This is one reason that some companies have simply left the United States altogether, all too happy to leave the yelping “social justice” advocates behind. For its

part, the Federal Reserve system has consistently and drastically undermined the value of the currency we use, a fact that is likely to be felt more acutely by those with less money.

The suffocating effects of federal regulation also reduce our standard of living. The 1994 *Code of Federal Regulations*, which lists all federal regulations currently in effect, comprised some 201 books, taking up an incredible 26 feet of shelf space. Its index alone numbers 754 pages.¹⁰ This makes business more costly and all of us less wealthy; some businesses never get started at all because they cannot survive the regulatory regime that has been fastened on us. Social Security confiscates wealth in exchange for a pitiful return (and indeed very likely for no return at all given the way the program is going). In what way can one suggest even jokingly that such a program does anything but defraud the poor, taking money from them that they need in the present in exchange for some indeterminate but certainly minuscule return in the future?

As libertarians well know, the only way to bring about permanent increases in wages across the board is to create a business climate in which capital investment is as unhampered as possible. Increasing the amount of capital equipment at workers’ disposal increases labor productivity and hence wages. With a forklift, a worker may well be able to move enough pallets to earn \$25 per hour; without it he’d be lucky to get \$8. If someone’s labor is worth only \$8 per hour, all the screeching, protesting, and labor organizing in the world won’t get him \$25 per hour.

Advocates of economic human rights would doubtless be at a loss to explain why, when unionism was numerically negligible and federal regulation all but nonexistent, real wages in manufacturing climbed an incredible 50 percent in the United States from 1860 to 1890, and 37 percent more from 1890 to 1914, or why American workers were so much better off than their much more heavily unionized counterparts in Europe.¹¹ It is probably safe to say that few if any of these advocates are even aware of

this fact, and probably somewhere around zero ever make mention of it.

It's time such people learned that stomping one's feet, shouting demands, and grabbing other people's things isn't really how wealth is created, or an especially dignified way for grown men and women to behave.

1. Frank van Dun, "Human Dignity: Reason or Desire? Natural Rights versus Human Rights," *Journal of Libertarian Studies*, Fall 2001, p. 10.

2. For a proper perspective on rich and poor in the United States, see W. Michael Cox and Richard Alm, *Myths of Rich and Poor: Why We're Better Off Than We Think* (New York: Basic Books, 2000).

3. The \$5.4 trillion figure covers only through 1995 and is cited in Michael Tanner, *The End of Welfare: Fighting Poverty in*

the Civil Society (Washington, D.C.: Cato Institute, 1996), p. 69.

4. Allen J. Matusow, *The Unraveling of America: A History of Liberalism in the 1960s* (New York: Harper & Row, 1984), pp. 237-39.

5. Jared Taylor, *Paved with Good Intentions: The Failure of Race Relations in Contemporary America* (New York: Carroll & Graf, 1992), p. 292.

6. Myron Magnet, *The Dream and the Nightmare: The Sixties' Legacy to the Underclass* (San Francisco: Encounter Books, 2000 [1993]), pp. 48-49.

7. Linda J. Waite and Maggie Gallagher, *The Case for Marriage* (New York: Doubleday, 2000), p. 122.

8. "Politics Without Economics," *The Economist*, August 6, 1988, p. 8.

9. U.S. Rep. John Lewis once claimed that those who would cut welfare payments are like Nazis. See L. Brent Bozell III, "The Obvious Politics of the Gaffe Patrol," April 13, 1995, www.mediarsearch.org/columns/news/col19950413.html.

10. Hans-Hermann Hoppe, *Democracy: The God that Failed* (New Brunswick, N.J.: Transaction, 2001), p. 62.

11. George Brown Tindall and David Emory Shi, *America: A Narrative History*, vol. II, brief 5th ed. (New York: W.W. Norton, 2000), p. 692.

OOPS! We Can't Find the Government!

Princess Navina has spent her young life studying the governments of other lands, but in Voluntaria she draws a blank. Reacting against their history of past violence, the people of Voluntaria have sworn off using force to manage society. As a result, they have none of the political fixtures of the modern world: no taxation, no regulation, no laws... and no lawyers!

How do they solve the problems of daily life without depending on politicians? The solution is so simple one wonders why no one has thought of it before.

Political scientist Jim Payne, the creator of the Princess Navina series, has written fourteen books on topics ranging from the Peruvian labor movement to the U. S. Congress. "After 41 years of research," he says, "I think I've figured out what's wrong with government and what we can do about it. I've put the answer in fictional form to engage youthful minds without distressing elderly ones."

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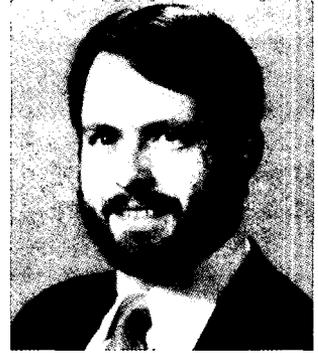
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The War on Charity

Congress is going to rebuild Afghanistan for billions, and they can't take care of 3200 people," complained Kenneth Foster, husband of one of the September 11 victims, at a public hearing earlier this year. In his view, and that of many other victims' families, who vigorously applauded his remarks, the September 11 Victims' Compensation Fund was being far too stingy, even when handing out multimillion dollar awards. Some beneficiaries also whined that payments would be reduced by pensions, life insurance, and death benefits.

But Kenneth Feinberg, the Fund's "special master," also has been attacked for handing out too much money, at least for the deaths of wealthier people. Compensation for so-called economic losses, what victims might have earned, ranges from \$300,000 to \$3.8 million. That nearly 13-fold spread galls some families of firefighters, police officers, and restaurant workers killed in the attacks.

Economists attending the January American Economic Association meeting offered their own critique. The Fund's calculation of "life-cycle earnings," they argued, inaccurately relied on data from the public rather than the private sector, artificially depressing awards. But forensic economist Donald Frankenfeld made the opposite claim, that the Fund had overestimated likely salary growth.

Representative Peter King of New York went so far as to snarl: "It would be terrible

if the families of those victims were victimized again by the regulations that are being enacted by the special master." Victimized again? Apparently receiving a few hundred thousand dollars, gratis, from the taxpayers, is equivalent to being murdered by terrorists.

In fact, the problem is not that the federal government's compensation rules are unfair one way or the other. The problem is that there are federal compensation rules at all.

The terrorist attacks of September 11 were uniquely hideous, but not unique. Americans frequently have been targeted at home and abroad with tragic results.

But until now it has never been the federal government's job to compensate the unfortunate victims, even in the Oklahoma City bombing, an attack on a public building, in which federal employees received \$100,000 each and nonfederal employees collected nothing. Responsibility has rightly rested on individuals—that's why life insurance exists—as well as their charitable neighbors.

Nearly two centuries ago the French observer Alexis de Tocqueville remarked on the unique willingness of Americans to organize themselves to meet community needs. And Americans responded in a staggering variety of ways after September 11, creating special funds, hosting car washes, providing food, donating blood, and doing much more. All told, Americans gave some \$1.5 billion to charity.

The private relief efforts have not been without well-publicized problems. Yet criticism and threats to cut off offending organizations, such as the Red Cross, disciplined

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