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Economic Review

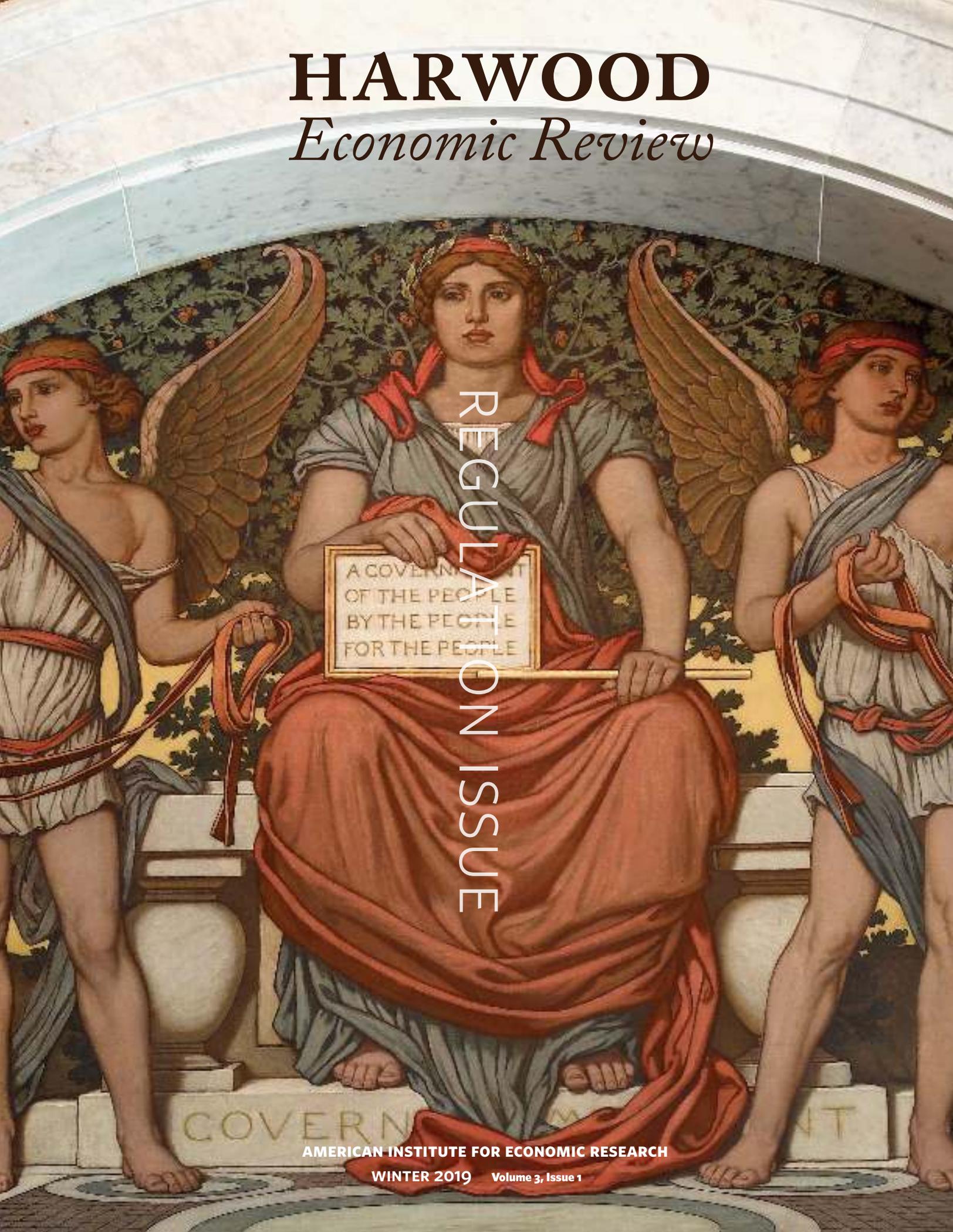
REGULATION ISSUE

A GOVERNMENT
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BY THE PEOPLE
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GOVERNMENT

AMERICAN INSTITUTE FOR ECONOMIC RESEARCH

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In This Issue

Edward Peter Stringham, President

Writing in defense of high tax rates, Paul Krugman offered a chart in his weekly column. This chart showed high rates of economic growth in the postwar period accompanied with high marginal rates of taxation. Thus we are led to conclude that taxes cause economic growth!

What does the chart leave out? Saving rates, monetary policy, trade policy, government spending, and so much more. Most importantly, the chart says nothing about regulation. Regulation is a major factor in why we had higher rates of economic growth in the 1950s and 60s than we have today. It's remarkable to consider that in the highest rates of growth in late 19th century America, we had very little government regulation at all.

Regulation is a fancy term for laws about what you may not do. Unlike private governance structure, state regulations are enforced by the threat of violence. They cut off options for private enterprise. They diminish competition, circumscribe creativity, subsidize incumbent industries

against startups, and impose huge and unnecessary costs. These costs are incalculable because they mostly consist in technologies not realized, stores not open, businesses no created, investments not made, and growth not realized.

In America today, regulation affects every conceivable good and service. Some people want to measure the scope by reference to pages in the Federal Register, but the truth is that a single page or a single line of law can demolish an entire industry.

The articles in this special issue barely scratch the surface of the topic. To gain a comprehensive understanding of the regulatory state would require several lifetimes of study. What are we to do? Deregulate in every area, as much as possible, as soon as possible. We've barely begun the process. Until the process is complete and we can restore a genuine free enterprise system, we cannot really say we are free.

Edward Peter Stringham

Edward Peter Stringham

The Imperial Presidency Embodies Political and Economic Hubris

Richard M. Ebeling

Historian Arthur M. Schlesinger coined the term *imperial presidency* in the 1960s. It was meant to indicate that the role of the president of the United States had dramatically grown in the 20th century from being an important but fairly limited position of implementing the laws of the land as specified in the Constitution and congressional legislation to being the national chief executive wielding wide discretionary powers over both domestic and foreign affairs.

Most presidents from Woodrow Wilson to Barack Obama have relished having and extending such powers. Wilson believed the traditional Constitution, with its division of powers not only between the three branches of the federal government but between Washington, D.C., and the individual states, was out of date, an anachronism of an earlier time that needed to be superseded by a concentration of authority and control in the central government.

Franklin D. Roosevelt presided over a new and vast growth in federal power with the New Deal agenda during the Great Depression of the 1930s and then during the war years of the 1940s. An alphabet soup of government agencies, bureaus, and departments swarmed over the country, extending the tentacles of Washington's control over nearly every facet of social and economic life, including in the early years of the New Deal a comprehensive fascist-like central planning over industry and agriculture. Government spending and taxing also had never been so large, coming along with a new era of budget deficits creating a massive (for that time) national debt.

Presidential Powers at Home and Abroad

In the post-World War II era, another dimension to presidential power was added in the form of foreign wars and major military actions without congressional approval through official declarations of war. President Harry Truman initiated America's participation in the Korean War through declaring it a *police action* approved by the Security Council of the United Nations.

American military intervention in Vietnam came from a trick by President Lyndon Johnson involving a made-up incident in the Gulf of Tonkin in 1964, in which the White House claimed that North Vietnamese gunboats had

attacked U.S. naval vessels in international waters. At home, the Johnson administration instituted a series of domestic wars on poverty, illiteracy, racism, inequality, and on and on, all bringing with them new federal programs, departments, and agencies with increasing power over economic and social affairs under the oversight of the chief executive in the Oval Office, with diminished state-level responsibilities and accountability to the citizens of the states. (See my article *Paternalistic Follies of the 1960s: Vietnam and the Great Society*)

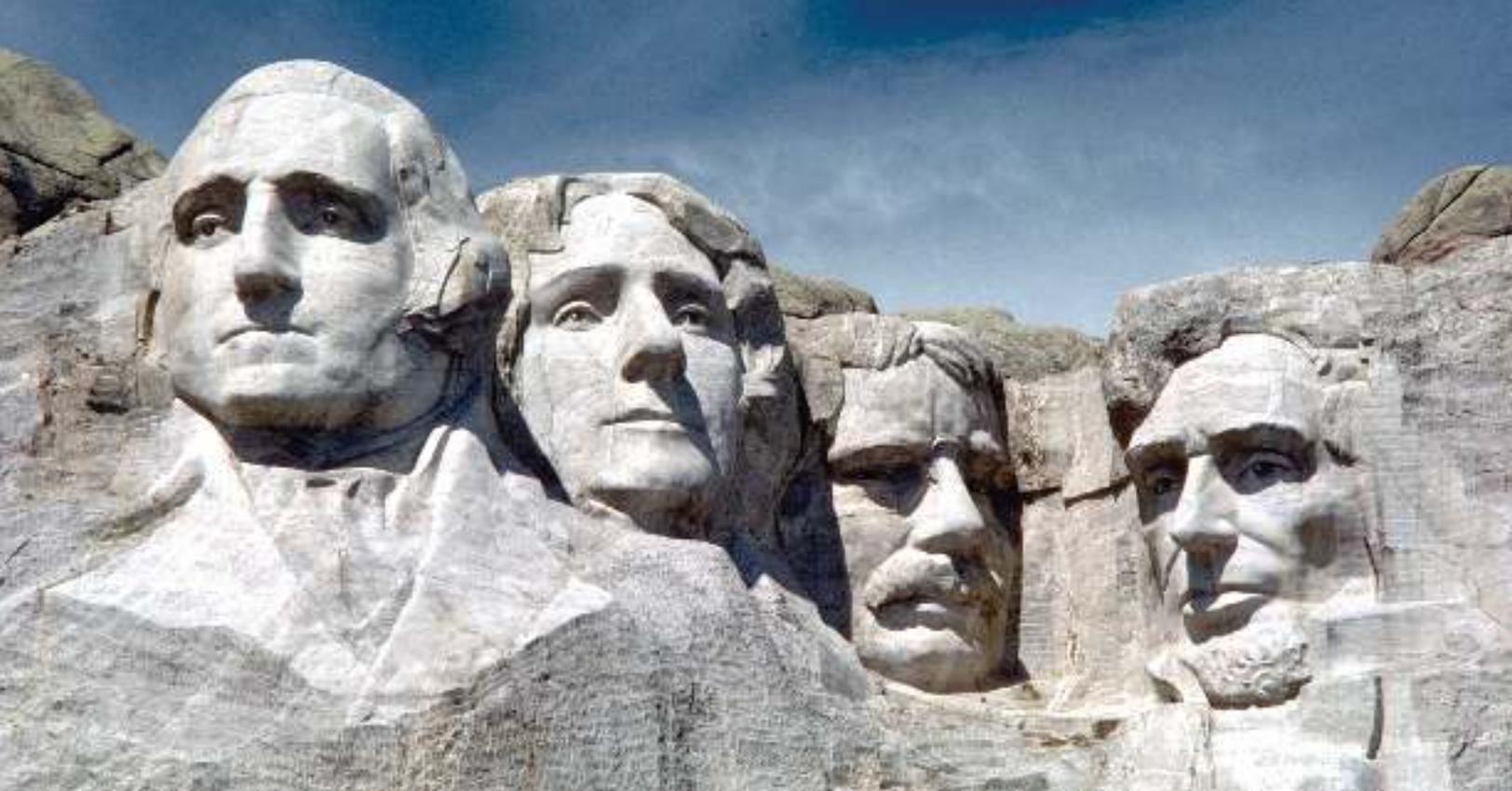
This trend has continued ever since, from Ronald Reagan's invasion of Grenada and George H. W. Bush's military intervention in Panama, to Bill Clinton's military action in Somalia and bombing of Serbia, to George W. Bush's invasions of Afghanistan and Iraq, to Barack Obama's involvement in the overthrow of Muammar Gaddafi in Libya and the new world of drone warfare in various places in the Middle East, with Obama personally presiding over the selection and ordering of the attacks on human targets.

Whether it is the growth in government spending, taxing, and regulation, or the use of discretionary presidential power both domestically and in other parts of the world, every president usually has covered his extra-constitutional usurpations and actions with soothing words and moralizing rhetoric of such ideals as justice, freedom, and fairness.

Trump Follows in the Same Footsteps, but More Crudely

The rhetoric lasted until Donald Trump assumed the office of the presidency. What drives critics in the Democratic Party and on the *progressive* political left crazy and what embarrasses a good number of conservatives and some members of the Republican Party is that Trump chooses to do many of the same things that previous administrations controlled alternately by both political parties have done, but he does not envelop it with the same candy-coated rationales.

For more than 70 years, American administrations beginning with FDR have played nice with the House of Saud in Saudi Arabia. President after president has usually looked the other way in the face of authoritarian policies and religious intolerance and persecutions that have kept the Saudi family in power in that desert kingdom.



The Saudi government has tortured and executed opponents of the regime; it has denied any basic civil liberties to women; and it has cultivated extremist religious sects within Islam in pursuit of domestic and foreign policies. And now an international scandal has been created with the murder of a high-profile Saudi journalist in that country's consulate in Istanbul, Turkey.

The world has been equally shocked by President Trump's response: Well, who knows if the crown prince of Saudi Arabia really was involved in ordering the murder; besides, the Saudi government buys a lot of U.S. military hardware, supports our campaign against Iran, and keeps world oil prices low. In the balance of things, bad things happen but good allies are hard to find. Cold-blooded realpolitik is the order of the day; the traditional verbal niceties be damned.

Trump's Political Demagoguery No Different Than Others'

In the current administration, the mask is torn off. Politics and presidential power are seen in all their presumption and arrogant arbitrariness. On November 25, the Washington Post ran a story on White House budgetary plans in the face of the return of \$1 trillion budget deficits with the 2019 federal fiscal year that began on October 1. A few weeks ago, the president told a cabinet meeting that he expected proposals from each department on where to cut their respective budgets by 5 percent to try to get the budget deficit down. (See my article *\$1 Trillion Deficits and the Crisis of the Entitlement State*.)

But the Post reported that when staff members suggested cuts in Medicare, Trump's response was that *Medicare is popular. . . and voters wanted it*. When Senator Bob Corker told Trump that he should push more for getting the deficit under control, the president dismissed the idea, saying, *The people want their money* in the form of the entitlement programs, according to two people knowledgeable about this conversation during a round of golf.

In almost-stereotypical populist demagoguery, the president warns of the danger of out-of-control government spending that needs to be reined in. But behind the scenes, he is planning his voter strategy for his 2020 reelection: Give the people what they want, and what they want is government-funded medical care and their Social Security payments. *The people want their money*, as he said. Political support comes from bread and circuses, as has been known since the time of the ancient Romans and the policies that brought about the demise of their empire. (See my article *The Ancient Romans, Who Went From Rule of Law to Corrupting Inflation and Price Controls*.)

But what other president in living memory, or beyond, has not primarily followed the same general strategy? As one of FDR's leading staff members summarized the essence of modern democratic politics: *Spend, spend, spend; elect, elect, elect*. Was this any less crude than Trump's reported words? Or when Richard Nixon decided to play up a *war on drugs* to weaken the black vote against him leading up

to the 1972 election? More-left-of-center presidents and politicians have spoken of social justice, income equality, socially needed programs and expenditures, and the general welfare. But in what way were the message and the motive any different than Donald Trump's?

Telling Businesses What to Do, Just Like Other Presidents

On November 26, the Wall Street Journal reported that General Motors had announced major employment and automobile manufacturing cutbacks, with nearly 15,000 workers to be let go and three factories being shut down. GM's CEO, Mary Barra, explained that this was to position the automobile company when looking years ahead from now in terms of the numbers and type of cars they will be focusing on in the future.

What was Trump's response? In an interview with the Wall Street Journal, the president said in reference to a planned closing of a GM plant in Ohio that he had told Ms. Barra, *I love Ohio. You are playing around with the wrong person.* He said to the Journal reporter, *They better damn well open a new plant there very quickly.* Trump said he had said to GM's CEO, *It's not going to be closed for long, I hope, Mary, because if it is you have a problem. . . I said, then put in a car that is selling well, but get it open fast.*

Here on display is the fullest of presidential hubris, the presumption that he can tell a prominent private sector corporate executive where to operate the company's manufacturing facilities—and it better be soon, with a clear implication that the president would be making trouble for that company if it did not listen.

How? Uncle Sam's taxing and regulatory arms extend far and wide across the land, and just a word—a hint down the chain of command from the Oval Office—and a swarm of bureaucrats can wreck hell on the financial and business affairs of any person or company in the country. (See my article *Presidential Hubris: 'Let Me Run the Country.'*)

But, again, which president has not played the same arm-twisting game to get their way with private enterprise? Harry Truman seized the steel mills during the Korean War to force a labor deal on management and the unions. John Kennedy went in for jawboning business on prices and wages. And in autumn 2008, near the end of the Bush administration, Treasury Secretary Henry Paulson and Federal Reserve Chairman Ben Bernanke forced many leading American bank executives to accept an inflow of federal money to shore up their institutions' capital position in exchange for ceding some stock ownership to the government, whether or not some of those bank executives wanted that partial nationalization of their businesses.

When Paulson and Bernanke told a group of those banking executives in October 2008 that the two would not be leaving the Treasury building in Washington, D.C., until the bankers had signed the papers transferring over partial ownership of their institutions to the government, the Treasury secretary and the Fed chairman said that this was a national emergency requiring quick action to save the country from a banking collapse. The demand was couched in patriotism, the national interest, and the good of the country. But it was arm twisting, nonetheless, in that the government was forcing a group of prominent financial leaders to accept the government's deal, regardless of whether they wanted it or needed it.

How is this any different in its essential quality—government forcing private enterprises to do what it wants under threat of political coercion — than Donald Trump's warning to the CEO of General Motors? And why the latter threat? Because Ohio helped Trump win the 2016 election, and he is damn well going to see that Ohioans are good and happy in their work so they will vote for him again in 2020.

Trade Wars Equal Imperial Hubris

Finally, there is President Trump's wielding a phone and a pen to impose up to 25 percent import tariffs on hundreds of billions of dollars of Chinese goods through discretionary executive authority. That this will significantly raise the cost of living for tens of millions of American consumers, that this will increase the manufacturing expenses of thousands of American businesses importing component parts and a variety of raw materials from China, that it is already costing American farmers parts of their export trade because of retaliatory Chinese import taxes, and that this will disrupt and imbalance many intricate supply chains through which enterprises are interconnected across the globe all falls by the wayside in the face of an arrogant and pretentious president who thinks he knows how to strong-arm other governments to get his way. (See my articles *Tariff Walls and Trade Wars Equal Government Planning* and *Trump's Economic Warfare Targets Innocent Bystanders.*)

In the interview with the Wall Street Journal, Trump was asked if he could count on the support of the American people if he slapped on new and higher import duties on Chinese goods. The president replied, "Depends on what the rate is. I mean I can make it 10 percent, and people could stand that very easily." So the trick is to bully China into doing what he wants, but not so much that the tariffs lose him votes in November 2020.

Trump a Product of Prior Presidential Power Lusting

Most politicians go about the task of getting elected and then using their office to serve the special interest groups that provided them with the campaign contributions and votes that got them the power they relish and seem to be unable to live without. But they do all in their ability to get people not to look behind the curtain, as in *The Wizard of Oz*—*behind* being where the ugly political trade-offs are made to win the plunder and privileges for which much of politics is fought.

Trump lives most of the time in front of the curtain, with the curtain partly open behind him. He *loves* Ohio, and most people understand that it is not because he loves being there or loves all things made or done in Ohio. No, it is just that it is a swing state and he will need both its popular and electoral votes in the next showdown for who lives in the White House for the four years starting in January 2021.

In many ways, in spite of all the anger and animosity that the president stirs up in a large number of people, he is really nothing more than the end product of the big government and imperial presidency that emerged and have solidified over the last more than one hundred years since before the First World War. Trump is the political establishment of power, privilege, plunder, and patronage. He worked his way up in the real estate market by knowing how to wheel and deal through many corridors of political power at the federal and state levels of government. Many Democrats who scorn him and desire to bring him down were his willing partners in taking his campaign contributions and enabling a variety of his real estate deals and hotel activities.

He is the arrogance of political power, unable to understand why he cannot just tell the chairman of the Federal Reserve Board that the latter needs to stop raising interest rates and even lower them so it's less expensive to fund the government's budget deficits. Just set the rate of interest at whatever the president wants. That interest rates, like all other prices in the market, are not arbitrary numbers, but should be the interactive result of savers and investors is a simple truth that seems to be beyond Donald Trump's understanding. (See my article *Interest Rates Need to Tell the Truth*.)

Only a Turn to Liberty Can Bring Change

Impeaching the president or defeating him in 2020, as many Democrats and "progressives" would be most delighted to do, would merely change the name of the person holding that office and wielding its power. Whoever follows Trump might make many of those on *the left* happy if it is someone of their points-of-view. And many a Republican would not mind if a dark horse were to end up running against and

defeating Trump in the 2020 primaries, and then successfully keeping the White House in their party's hands.

But whether it were to be a Democrat or some other Republican sitting in the Oval Office come January 2021 instead of Trump, what they do and how they do it will, invariably, reflect the imperial presidency. What will separate a Democrat in the White House from some other Republican is for what they use that executive authority and for what goals and purposes that vast concentrated bureaucracy of federal power will be employed. The answer to that question is no doubt important and may lead many a thoughtful citizen to vote one way or the other, if they choose to vote.

But the system will go on with a president's imperial powers and authority to be used to benefit some at the expense of others, to manipulate and command the actions and interactions of tens of millions of people, to redirect and misdirect the production and supplying of various goods and services from the paths that would have been taken if businesspersons were completely free to just decide and follow what they consider to be the patterns of consumer demands as worked out through free market competition unrestrained by government command, control, and manipulation. (See my article *Donald Trump the Creation of America's Bankrupt Politics*.)

The system will change, the *swamp* can be drained, the crony politics of favors, privileges, and plunder will be more or less eliminated, only by an end to the imperial presidency and all that goes with it in the halls of government power. That requires a restoration and renewal of the original idea and ideals of the American system that reduces the size and scope of government back to what the founding fathers envisaged and attempted to limit in the Constitution.

In other words, what is needed is a much smaller government so that free individuals can be freer to make more of their own decisions in guiding their own lives rather than a big government with an *imperial* president arrogantly attempting to command and control them.

Marijuana and Midterms

Veronique de Rugy

I detest when the government, federal or state, tells individuals what they can and cannot choose to consume, whether it is soda, salt, or sativa. And nowhere has this government paternalism been more devastating than with the ban on drugs, including that of marijuana. Thankfully, marijuana-legalization initiatives were once again incredibly successful in the midterm election, demonstrating that the pro-legalization trend is well on its way to fulfillment.

It should be a no-brainer. The decades-long war on drugs has failed miserably. According to a new report by the Cato Institute's Jeff Miron, *state and local governments spend \$29 billion on drug prohibition annually, while the federal government spends an additional \$18 billion*. Despite total government expenditures of well over \$1 trillion dollars to stop the stoner scourge, overall drug consumption has barely changed. Indeed, some drug prices are falling, and drug addiction has gone up while those who seek treatment are at increasing risk of being persecuted rather than healed.

In addition, millions of lives have been destroyed by this war. And thousands of families have been torn apart by an insane crusade that puts parents in jail for selling marijuana.

If you think the war on drugs is mostly a war on substances other than pot, think again. As Miron writes, *Absurdly, police arrest more people for marijuana violations in the U.S. than for all violent crimes combined. An ACLU study found that between 2001 and 2010, police made over 7 million arrests for marijuana-related activity—one apprehension every 37 seconds.*

He adds that, *data from the Drug Policy Alliance reveal that 89 percent of arrested individuals are charged with possessing small amounts (usually no more than a few grams) of the substance*. Finally, it is well documented that marijuana arrests are not evenly distributed across the population; these are—surprise!—disproportionately imposed on African Americans.

Because the right thing to do is to legalize all drugs, we can applaud the results of the last elections. Things have radically improved in the last few years. Before Tuesday, 31 states had legalized medical marijuana in some form or other, meaning they respect the right of individuals to choose medical marijuana to treat stress or to relieve the nausea associated with cancer treatments and epilepsy. On Tuesday, Utah approved a medical-marijuana initiative,

thus making Utah one of *the most conservative states to adopt a liberalized approach to marijuana as medicine*, explains Brian Darling, the founder of Liberty Government Affairs.

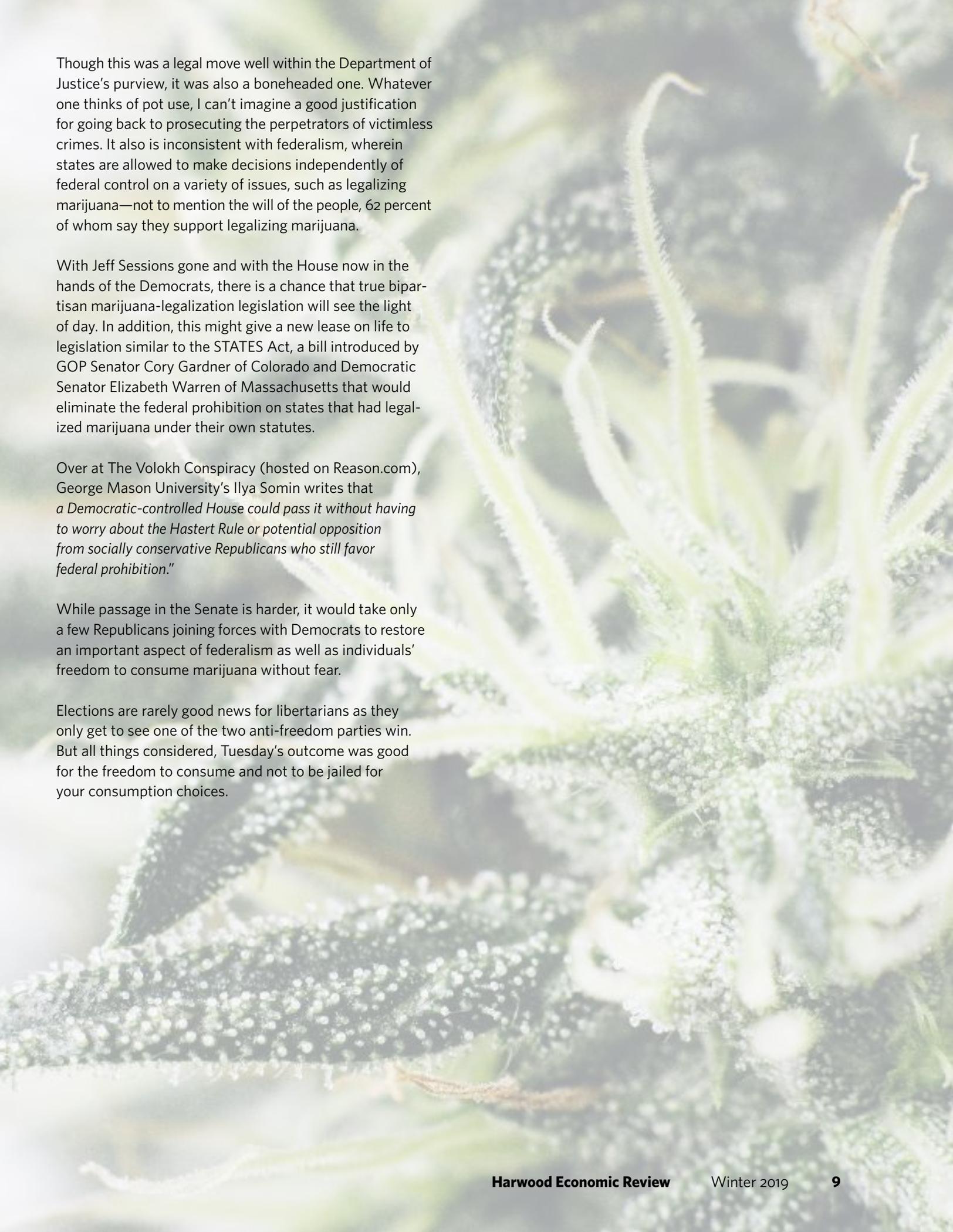
Meanwhile, nine states and the District of Columbia already allow adults to use marijuana without a doctor's prescription. And now Michigan follows these states. This liberalization is quite a contrast with the federal government's prohibition, which treats marijuana as if it were as dangerous as heroin. It is also worth noting the inconsistency of a regime that, on the one hand, treats cocaine as less dangerous than pot by recognizing cocaine's medical uses (and thus classifying it as a Schedule II drug), while on the other hand classifying marijuana as a Schedule I drug, meaning that it has no accepted medical uses and has a high potential for abuse.

Another aspect of the elections that might end up being crucial to the future of marijuana legislation is the defeat of Rep. Pete Sessions (R-Texas) by Democrat Colin Allred. Darling notes, *Sessions is very anti-marijuana federalism and used his position as chairman of the House Rules Committee . . . to block votes protecting states that allowed medical marijuana*. This reality is particularly important in light of the news that Attorney General Jeff Sessions has been ousted.

While not guaranteed, Jeff Sessions' ouster will likely take the steam away from a Justice Department all too eager to re-energize the federal war on pot and to interfere with the will of the voters in states that allow at least the medical use of marijuana.

Jeff Sessions' blind hostility to marijuana use isn't surprising. It has been evident at least since he was a U.S. senator. Sessions once said during a Senate hearing, *Good people don't smoke marijuana*. So nobody was surprised when a few weeks ago he revoked the Cole memo—a document that provided guidance to federal prosecutors about targeting sales to children, money laundering, and sales across state lines versus targeting the legal sale of medical and recreational pot.

The memo was a poor substitute for revoking the Controlled Substances Act of 1970. Still, it was a start: it provided banks, users, and dispensaries with confidence that they could operate without arrest. Unfortunately, Jeff Sessions' move signaled that this small period of peace was over and that there was once again a risk that Uncle Sam would prosecute individuals and corporations in states that allow marijuana use.



Though this was a legal move well within the Department of Justice's purview, it was also a boneheaded one. Whatever one thinks of pot use, I can't imagine a good justification for going back to prosecuting the perpetrators of victimless crimes. It also is inconsistent with federalism, wherein states are allowed to make decisions independently of federal control on a variety of issues, such as legalizing marijuana—not to mention the will of the people, 62 percent of whom say they support legalizing marijuana.

With Jeff Sessions gone and with the House now in the hands of the Democrats, there is a chance that true bipartisan marijuana-legalization legislation will see the light of day. In addition, this might give a new lease on life to legislation similar to the STATES Act, a bill introduced by GOP Senator Cory Gardner of Colorado and Democratic Senator Elizabeth Warren of Massachusetts that would eliminate the federal prohibition on states that had legalized marijuana under their own statutes.

Over at The Volokh Conspiracy (hosted on Reason.com), George Mason University's Ilya Somin writes that *a Democratic-controlled House could pass it without having to worry about the Hastert Rule or potential opposition from socially conservative Republicans who still favor federal prohibition.*"

While passage in the Senate is harder, it would take only a few Republicans joining forces with Democrats to restore an important aspect of federalism as well as individuals' freedom to consume marijuana without fear.

Elections are rarely good news for libertarians as they only get to see one of the two anti-freedom parties win. But all things considered, Tuesday's outcome was good for the freedom to consume and not to be jailed for your consumption choices.

Google's Data Breach Scandal Is About Regulation

Chloe Anagnos

A recent article in *The Wall Street Journal* revealed what we feared all along: that like Facebook, Google has a hard time keeping our data safe.

The issue identified by Google involved a software glitch that gave app developers complete access to the Google+ accounts, even those set on private mode, of users who set their profiles on a mode that only gave a handful of other Google+ users access to their private information. But while Google discovered the glitch and then fixed it in March 2018, the company chose not to disclose this information. According to *The Wall Street Journal*, this decision was due to the company's fear of drawing regulatory scrutiny.

While the tech firm claims that after investigating the bug it found no evidence of data misuse, the fact that it chose to stay mum on the whole ordeal proves the company doesn't respond to the market it serves; quite the contrary. Instead, Google responds only to government officials, who have the power to regulate similar firms completely out of existence.

As *The Wall Street Journal* explained, once Google's Privacy and Data Protection Office looked into whether the company should disclose the issue, executives ignored lawyers who explained Google was legally required to disclose the matter. What really drove the company to choose to stay quiet was the fear that revealing the data breach would result *in us coming into the spotlight alongside or even instead of Facebook despite having stayed under the radar throughout the Cambridge Analytica scandal*, a source told *The Wall Street Journal*. In the end, it would *almost [guarantee Chief Executive Sundar Pichai] will testify before Congress*.

As you can see, Google wasn't truly afraid of reputational damage, as it reigns supreme as the top search engine online. What it feared was that this data-breach problem would put it face to face with Congress.

Google's Nightmare

Valued at \$790 billion, Google's parent company Alphabet makes most of its dough thanks to the search engine and its paid search business. While Google+ came as an attempt at competing with Facebook, it didn't take off. And now we know it also exposed countless users to privacy violations. But to the company, Google+ was never meant as a money maker.

Google's tight control of the search engine market is a reality because of the firm's monopolistic nature, which was allowed to flourish because of its heavy lobbying presence: it pressed the government to pass legislation that benefits the tech giant.

As PayPal's Peter Thiel once pointed out, Google fights off the image of the big corporation because it makes the company look bad.

They know that bragging about their great monopoly invites being audited, scrutinized and attacked, the billionaire explained. *Since they very much want their monopoly profits to continue unmolested, they tend to do whatever they can to conceal their monopoly—usually by exaggerating the power of their (non-existent) competition.*

As a result, Thiel explained, they *lie to protect themselves*.

The last thing that Google wants now (or ever) is to be, once again, under the eyes of both Congress and the public, because the company does not want to appear as the giant, inconsiderate, and profit-only-driven crony capitalist that it is—in other words, a company that would not exist in a free market.

Spending millions on lobbying yearly, Google has beaten even defense giants such as Boeing, showing lawmakers the Silicon Valley giant means business. But the heightened scrutiny owing to this data-breach scandal involves Google being questioned by these same lawmakers in public, forcing their hand to press the tech giant on its practices. This would mean Google would have to get involved in the process once again, flexing its lobbying muscle to force Congress to pass regulations that would eventually benefit it, as other, smaller tech firms would not be able to afford to comply.

It's no wonder Google fought so hard to keep net-neutrality rules in place, as these standards bar smaller competitors from offering better services and trading in users' private information, a feature that would provide Alphabet's top earner with fierce competition. Now that the Trump administration put an end to the Barack Obama-era internet rules, Google is once again afraid of having to deal with a Congress that might not be as sympathetic to its point of view.

Despite this fear, we all know how this story will end.

Much like Facebook, whose congressional hearing showed just how willing CEO Mark Zuckerberg is to work with lawmakers to further regulate the internet in the name of security, Google might end up being summoned to answer a few questions on how it handles its data-breach issues, prompting lawmakers to suggest more regulation is needed. But once and if these new restrictions and rules are put in place, Google will once again prevail, as only a monopoly like this tech giant would manage to comply with so many unrealistic laws.

So as you check your nearly unused Google+ account in fear of what may have been shared with third-party companies, remember that this data breach might do nothing but benefit Google in the long run.

How Government Stifles Choice and Competition at the Pump

Max Gulker

Government subsidies and regulations are usually a mess. Each rule or payment might have its own laudable goal in a vacuum. But in many industries, aided by politics and corporate lobbying, the laws pile up on each other, twisting markets until economic logic seemingly doesn't apply.

I was confused this week when I read that the White House announced plans to remove limits on selling gas containing 15 percent ethanol (E15). The government currently bans sales of E15 in summer months because of air pollution concerns; the move this week is to lift that ban and make E15 available year-round. Has something changed since the mid-2000s, when the government notoriously mandated that all gasoline must contain at least 10 percent ethanol? Why would sellers who must be forced by law to keep ethanol content above 10 percent be itching to go up to 15 percent?

To understand what's going on, we have to enter the regulatory black hole, where multiple rules collide and tear the very fabric of markets apart. Join me, if you're brave enough.

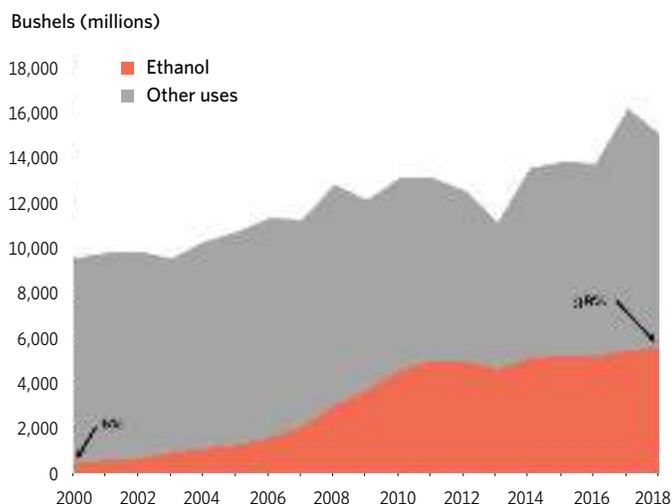
From Farm to Fuel Tank

We have to start with corn, the key ingredient in ethanol. In addition to being a dietary staple and key feed crop for livestock, corn is the most heavily subsidized crop in the United States. Last year, the government handed over \$5.2 billion in payments to corn growers, including subsidized crop insurance and payments to farmers if the national average price falls below a certain level.

While one hears lofty rhetoric about protecting small farmers (though most payments go to agribusiness) and protecting the nation's food supply, most observers see farm subsidies as pure political gamesmanship. Congresspersons in farm states, which are often also Midwestern swing states, fight hard for subsidies to keep their electorates happy. The result is that corn sells below its unregulated market price. The margin is likely significant, though estimating an exact amount is difficult.

If government subsidies artificially increase the supply of corn, government regulations on ethanol artificially increase its demand. As chart 1 shows, 38 percent of American-grown corn will go to ethanol this year, up from 6 percent in 2000.

Chart 1
Ethanol versus other uses for U.S. corn (2000-2018)



Source: <https://www.ers.usda.gov/data-products/us-bioenergy-statistics/us-bioenergy-statistics/#-Supply%20and%20Disappearance>

Ethanol-based fuel has been around almost as long as automobiles. In small amounts (well under 10 percent), it is an effective additive to make gasoline burn more efficiently. But as the concentration increases toward 10 percent, it becomes more environmentally harmful, by many measures, than petroleum-based gas.

Ethanol is almost entirely responsible for the increase in the U.S. corn crop over the last two decades. The big changes were laws in 2005 and 2007, among other regulations, that created the rule that all gasoline sold must contain at least 10 percent ethanol. The spike in demand created by those laws is easily visible. The catchphrase *breaking our addiction to foreign oil* was in full bloom around the time of those laws, but the real motivation goes right back to those corn growers in swing states.

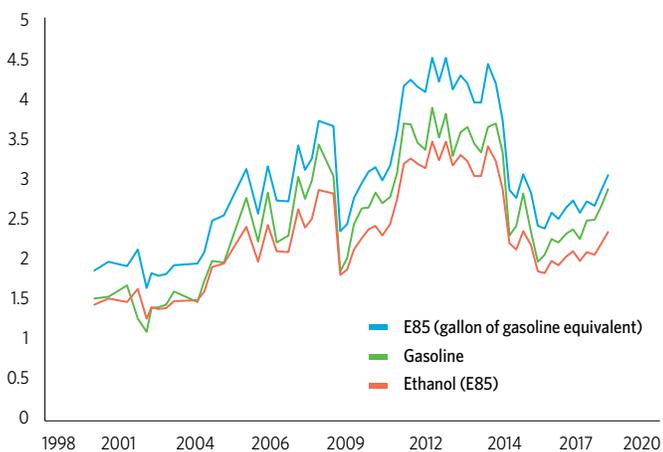
To take stock, we have subsidies that increase the supply of corn and regulations that increase its demand for use as ethanol. But where does a rule change change about what season you can sell E15 fit in to all of this?

Escaping the Maize

My first guess about the easing of E15 regulations was that the price of ethanol has dipped relative to traditional gasoline, and instead of worrying that there isn't enough ethanol in our tanks, we're now worried there's too much. Chart 2 shows that I was wrong.

For the moment, focus on the red and green lines. Since about 2005, E85 (85 percent ethanol) has consistently tracked the price of regular gasoline but sold at a discount. This discount does not appear to have grown larger in recent years, rejecting my simple price hypothesis.

Chart 2
U.S. average gasoline and ethanol (E85) prices per gallon (2000–2018)



Source: <https://www.afdc.energy.gov/publications/search/keyword?q=alternative%20fuel%20prices%20report>

Another story emerged when I considered the blue line tracking the price of E85 not in terms of its (liquid) volume but in terms of its energy. It turns out a gallon of E85 only gets you about two-thirds as many miles as a gallon of regular gas. When we make the comparison mile-for-mile, the ethanol discount becomes an ethanol premium.

If petroleum-based gas and ethanol had the same energy content, there would be a single optimal mix based on the relative prices of the two. But what the government's maze of regulations is really stifling is competition, product differentiation, and consumer choice. There may be room in the market for fuel with ethanol content below 10 percent and above 15 percent.

Without the dueling E10 and E15 rules, sellers could offer a range of products to consumers with different mixes of fuels. Well-informed consumers could pay less for fuel with lower mileage per gallon and more for higher mileage; expected usage on the highway versus the city would likely impact that calculus. Sellers could furthermore alter mixtures as the relative prices of the two fuels changed. And without that first layer of corn subsidies, we could find a more optimal mix of uses for our scarce land and other resources.

Here in Great Barrington, I base my gas station decisions primarily on the availability of iced coffee and Monster energy drinks. That's because at the pump, our web of government subsidies and rules force sellers to provide nearly identical products. That needn't be the case: in our ordinary, market-based universe, there would be more competition and consumer choice. But once industries are sucked into the regulatory black hole, it's hard to escape.



Government Is Like a Bad Football Fan

Jeffrey A. Tucker

I loved my dear father so much. A kind soul. A gentle man. Except on Sunday afternoons when the Dallas Cowboys were on television. He would sit in his recliner. Even from the kickoff, he would start yelling at the players.

Run to the left! No, you dummy! Oh, see? He took you down because you weren't looking.

It happened nearly every play.

Dumb Staubach, why are you running the ball so much? You need to pass against this defense!

Awww, dumb Dorsett, you did it again! You ran right into the iron defense instead of around it.

When his team made a touchdown, he would say:
That's the right way to do it! That's what I've been saying!

This would go on for three hours. As a child, I started to develop abiding sympathy for the players. I hoped they couldn't hear my father yelling at them. After all, he wasn't playing the game. He would have died after one play. Instead, he was sitting on a comfortable chair. They, on the other hand, were getting beat up, crashed into, bashed, and exhausted, all while being yelled at by fans.

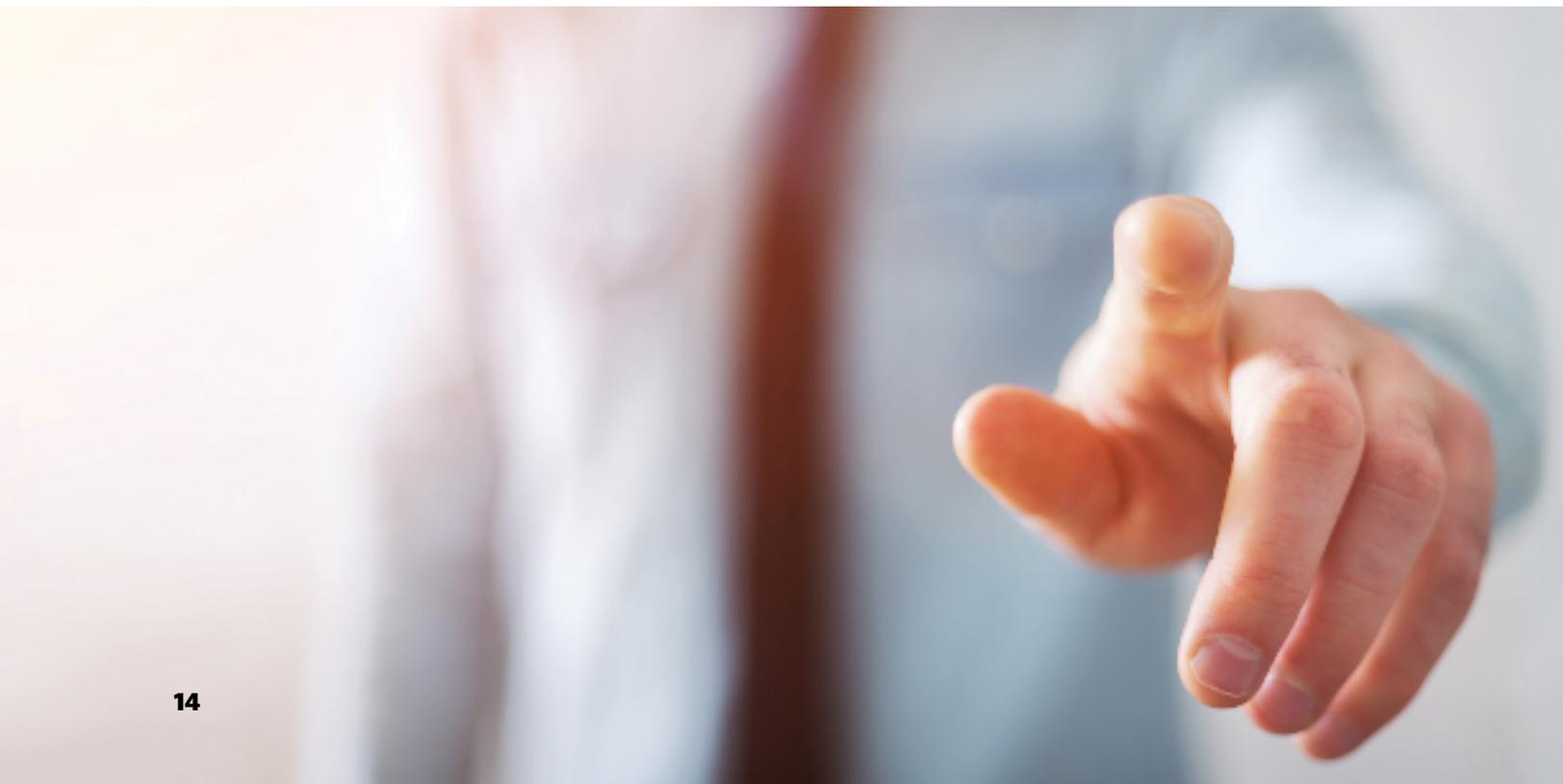
What's more, my father was only denouncing or praising them for things the players had already done. The players, on the other hand, had to make decisions about an uncertain future. They had skin in the game. He was just sitting there without having to bear any consequences at all for his lounge-chair coaching.

I sometimes wished some magical voice would appear and say, *Okay, Dr. Tucker, you are obviously very smart, to the point of high expertise. It's 4th and 10. Please call the next play and bear total responsibility for the results.* I wonder how he would have reacted. Most likely, he would have said, *No way. That's the coach's job, not mine.*

Or maybe a voice would say, *hey, why don't you try being a quarterback on the next play?*

The New Nafta

My mind raced back to those days when I saw the following report on the new trade negotiations with Mexico. Two leaders have reached an agreement on dozens if not hundreds or thousands of products—how and where they should be produced, what kinds of fees are applicable, what workers are to be paid, and so on. Here is the paragraph that struck me:



Under the changes agreed to by Mexico and the United States, car companies would be required to manufacture at least 75 percent of an automobile's value in North America under the new rules, up from 62.5 percent, to qualify for Nafta's zero tariffs. They will also be required to use more local steel, aluminum and auto parts, and have 40 to 45 percent of the car made by workers earning at least \$16 an hour, a boon to both the United States and Canada and a win for labor unions, which have been among Nafta's biggest critics.

Keep in mind that the people who are declaring all this aren't making cars, or steel, or aluminum, or auto parts. They aren't paying the workers either. They are on the sidelines, meeting in boardrooms, declaring what should be done with other people's businesses and property. Their decisions are ultimately a power game between them, and the specific results that emerge are basically arbitrary. Why 75 percent and not 78 percent? Why \$16 and not \$30? Why cars? There are so many questions.

Ultimately these people are in the same position as my father watching football. But of course there is one critical difference. They are granted the power to impose their decisions. As for the voice that came down and invited them to call the plays, they obey it and then tell people what to do. They enforce their decisions at the point of a gun.

The Fan From Hell

Government here is behaving like a pathological sports fan, a person with no real skill or skin in the game who pretends to know all and is empowered to enforce the decisions. My father had the humility to know it was not his job to either play or coach; he was just doing what fans do.

It's the same with music or book critics: they are neither singing nor writing but delighting themselves in having vast opinions about both.

Nothing wrong with that, even if it can be annoying. What's objectionable is when such people are given the power to actually dictate the results.

Think how much government does this. This tendency touches everything in life these days. That worker is underpaid. That lightbulb uses too much energy. You can't transfer that much money at once. That toilet tank uses too much water. That gasoline should include a healthy dose of corn in it. That milk is hereby banned because it is raw. You can't import or sell that many things from that country.



And so on for millions and billions of items, services, actions, and words. Government presumes the right to manage everything, even though it is not actually doing the things it is demanding control over. It is not paying workers in private firms. It is not making light bulbs. It is not trying to make a profit trying to persuade consumers to buy things.

Actually, government has no money of its own. It takes its money from people who create wealth. Then it presumes that it knows better how to do things than the people from whom it extracts the wealth.

Fans will be fans. Peanut galleries will always be with us. It's entertainment, and a major reason why we actually like sports, music, and books. Everyone is a critic. That's all fine. But let's not forget the profound difference between those who do and those who pretend to do, nor the difference between those whose wealth rests on creativity and human volition and those who bully others to get their way.

Markets and Prosperity, Not Police, Will Fix the Crime Problem

Edward Peter Stingham

Ronald Reagan famously stated, *The nine most terrifying words in the English language are: I'm from the government and I'm here to help.*

But should we apply such thinking to the police?

The answer depends on whom we ask. Many from the center-left who otherwise defend every government program and unionized job believe that the police are abusing their power. Many on the center-right who otherwise complain about unaccountable government officials consider the police department beyond reproach and say that any form of de-policing will make America less safe.

Then there is the daily experience of people that only rarely makes the headlines. Randy Balko does yeoman's work to unearth the demoralizing, dehumanizing, and wholly unjustified treatment of average citizens at the hands of the police in many places around the country.

You can read his harrowing and detailed account of a conventional traffic stop in Arkansas turned extremely dark and ended up wrecking an innocent person's life. This is one of thousands of such cases. It's not about shooting and killing; it's about harassment and the petty use of power.

And this is what is reported. How much is unreported?

The Decline of Crime

Crime has decreased significantly in the past two decades, and many attribute that outcome to the proactive *broken windows* policing first advocated by James Q. Wilson and George L. Kelling in a 1982 article. The theory goes that arresting offenders for minor crimes like loitering or drinking in public leads to a mien of order that in turn discourages major crimes. Citizens will be better off with, and thus prefer, police playing an active role in the community.

Surveys today, though, show citizen confidence in the police is mixed at best, better today than two years ago but still not high. Confidence has dropped among Americans of all ages, education levels, incomes and races, with the decreases particularly pronounced among the young and minorities.

According to a USA Today/Pew Research Center poll, only 30% of African-Americans say that they have a great deal or quite a lot of confidence in the police, and nine out of 10 say that the *police do an 'only fair' or poor job when it comes to equal treatment and appropriate force.* Nine out of 10 Americans surveyed say that officers should be required to wear body cameras to check police violence.

These last several years have seen extraordinary killings, both by police officers and of police officers, in St. Paul, Baton Rouge and Dallas. All across the political spectrum, people agree that American policing is in turmoil. But different groups emphasize different aspects of the problem of police abuse. Where Black Lives Matter protesters emphasize the danger of being killed by the police, Blue Lives Matter counter-protesters emphasize the risks faced by hard-working policemen. The issues are so polarizing as to leave little room for considered thought or discussion.

An Economic Perspective

As an economist, I'd like to advocate taking a step back and looking at the data to begin to gain some perspective. In 2015, 41 officers were slain in the line of duty. That means the 900,000 U.S. law-enforcement officers face a victimization rate of 4.6 deaths per 100,000 officers. Any number greater than zero is a tragedy, but the average American faces a nearly identical homicide rate of 4.5 per 100,000, and the average male actually faces a homicide rate of 6.6 per 100,000. Being a police officer is thus dangerous but not as dangerous as being an average American male.

In the same year, police killed 1,207 Americans, or 134 Americans per 100,000 officers, a rate 30 times the homicide rate overall. Police represent about 1 out of 360 members of the population, but commit 1 out of 12 of all killings in the United States. Many argue that these are justifiable, but are they necessary? In England and Germany, where the police represent a similar percentage of the population as in the U.S., they commit less than one-half of 1% of all killings. Are higher rates of violence inevitable in our country with its more heavily armed populace, or can things be done to reduce the growing tensions?

Former policeman Norm Stamper's book *To Protect and Serve: How to Fix America's Police* provides a first-hand account of the changes in policing over the past few decades and is a useful survey of how we got here. He started as a

beat cop in San Diego in 1966 and rose to be chief of police in Seattle from 1994 to 2000. He witnessed both the more discretionary eras of policing and the advent of broken windows policing, which was first adopted in New York City in the 1990s and evolved into an aggressive form of proactive and zero-tolerance law enforcement that spread across the nation.

Mr. Stamper joined the force out of a desire to serve the community but quickly learned that his performance would be judged on the number of tickets he wrote and arrests he made. An experienced officer told him, *You can't let compassion for others get in the way. There were quotas to fill. The people on my beat were, in a word, irrelevant*, Mr. Stamper writes.

The war on drugs was declared in 1971—then escalated in the 1980s—and Mr. Stamper noticed police increasingly treating civilians like enemy combatants. In 1994, President Clinton passed the largest crime bill in history. It allocated \$8.8 billion to hire 100,000 more police officers and \$10 billion for new prisons, and it established mandatory arrests for allegations like domestic violence and mandatory life sentences for third-time drug or violent offenders—the three-strikes provision. Incarceration rates spiked nationally. The rate at which the government incarcerates Americans is now seven times what it was in 1965.

To Protect and Serve is particularly disturbing in showing that, as antagonism toward and disregard for the public increased among policemen, it had few consequences. Officers do not report on their colleagues, and prosecutors are averse to punishing people with whom they must work closely. Mr. Stamper quotes a fellow police chief saying: *As someone who spent 35 years wearing a police uniform, I've come to believe that hundreds of thousands of law-enforcement officers commit perjury every year testifying.*

Instead of policemen serving the public, Mr. Stamper concludes, they end up viewing citizens as numbers or revenue sources. One important lesson from economics is that unaccountable government officials will not always act on the public's behalf.

Malfeasance in Policing

Another account of modern policing is *A Good Month for Murder: The Inside Story of a Homicide Squad* by Del Quentin Wilber, a newspaper reporter who spent a month alongside detectives in one of the Maryland suburbs of Washington, D.C. This attempt at a true-crime drama seems to have been meant in praise of police work, but Mr. Wilber unintentionally creates an unflattering picture. He shows us men who refer to their targets as *reptilian motherf—ers* and

conduct multi-hour interrogations in the middle of the night to elicit confessions. They throw chairs against walls to intimidate suspects, lie boldly during interrogations and happily feed lines to witnesses to use in court.

One detective jokes with [another] that he could get [a suspect] to confess to anything: *Have any open murders that need to be closed?* The Fourth Amendment to the Constitution attempts to restrict search and seizure without probable cause, but judges here grant warrants without a thought: *He just immediately signed the paper and looked at me and winked and said, 'Good luck.'* At one point, a supervisor explains that a prisoner cannot be questioned about earlier crimes without having a lawyer present. The detective retorts: *F—ing Constitution.* In the end, the policemen excuse any mistakes they made by saying they had good intentions.

A company that mistreats its customers cannot stay in business merely by saying it acted with good intentions. The police, by contrast, are a tax-funded monopoly, paid regardless of how well they serve or protect. Citizens subject to random fines or harassment cannot turn the police away if they are unhappy with their services. The Justice Department investigation of the Ferguson, Mo., police department provided an in-depth account of local politicians, police, prosecutors and judges using the legal system to extract resources from the public.

In 2010, the city finance director even wrote to the police chief that *unless ticket writing ramps up significantly before the end of the year, it will be hard to significantly raise collections next year. . . Given that we are looking at a substantial sales tax shortfall, it's not an insignificant issue.* In 2013, he wrote to the city manager: *I did ask the Chief if he thought the PD could deliver [a] 10% increase. He indicated they could try.* The Ferguson police department evaluated officers and gave promotions based on *citation productivity*, and prosecutors and judges worked alongside them to collect revenue.



In a city with 21,000 residents, the courts issued 9,000 arrest warrants in 2013 for such minor violations as parking and traffic tickets or housing-code violations like having an overgrown lawn.

When the Ferguson citizenry started mass protests against police abuses in 2015, they were met with the equivalent of a standing army. The news photographs of police in camouflage, body armor and helmets working in military formation with guns drawn were a wake-up call for many Americans, who wondered just how the police came to be so militarized. It was all part of the spread of zero-tolerance policing in the 1990s.

After the 1994 crime bill, President Clinton signed a law encouraging the transfer of billions of dollars of surplus military equipment to police departments. Mr. Stamper describes applying for military hand-me-downs of *night-vision goggles, grenade launchers, bayonets, assault rifles, armored land vehicles, watercraft, planes and helicopters.*

The Department of Homeland Security provides \$1.6 billion per year in anti-terrorism grants that police departments can use to purchase military equipment. Police in Hartford, Conn., for example, purchased 231 assault rifles, 50 sets of night-vision goggles, a grenade launcher and a mine-resistant vehicle. As recently as the 1970s, SWAT raids were rare, but police now conduct 50,000 per year. The weapons and tactics of war are common among what Mr. Clinton promised in 1994 would be *community policing.*

The question is just what would happen if law enforcement toned down its zero-tolerance policies?

Defender of the Police

One of the premier defenders of the police against critics is Heather Mac Donald, a scholar at the Manhattan Institute who publishes regularly in the nation's most popular newspapers, including this one. Her book *The War on Cops: How the New Attack on Law and Order Makes Everyone Less Safe* organizes and builds on her articles to create a narrative that warns against adjusting police tactics or lowering incarceration rates. She takes aim at groups ranging from Black Lives Matter to *the Koch brothers [who] have teamed up with the ACLU, for example, to call for lower prison counts and less law enforcement.*

Much of the book is focused on the post-Ferguson state of policing, but it also includes some of her warnings and predictions from recent years. In a chapter drawn from a 2013 article, for instance, Ms. Mac Donald worries that in the first full year after the court-mandated 30% decrease in California's prison population, the state's *crime rate climbed considerably over the national average.* And in one from 2014 she writes that the 2013 ruling that led to the elimination of *stop-and-frisk* tactics in New York has set in motion *a spike in violence.*

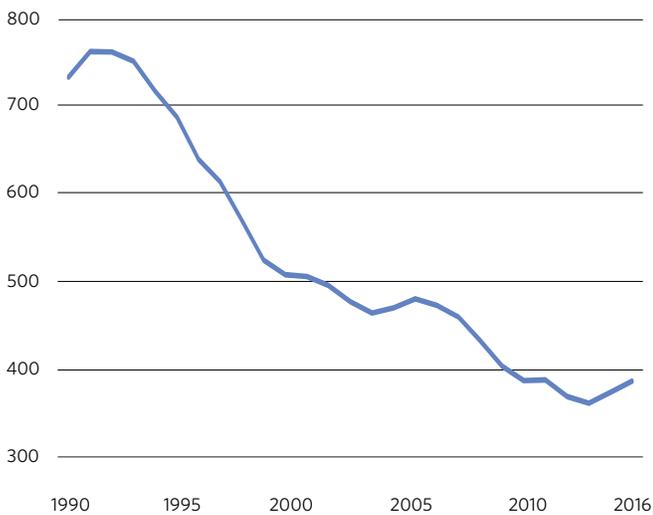
Yet between 2008 and 2014, homicides fell by 21% in California and 34% in New York; crime in other categories was down, too. In the very year when Ms. Mac Donald suggests crime rates were climbing in California, homicide rates fell 7%. This was equally true for New York City after stop and frisk was outlawed; homicide rates were ultimately down 0.5% in 2014. It appears that keeping those extra 46,000 Californians behind bars or subjecting New Yorkers to 4.4 million warrantless searches between 2004 and 2013 was unnecessary for public safety.

More recently, Ms. Mac Donald has warned about a *Ferguson effect* that has led to a *rise in homicides and shootings in the nation's 50 largest cities.* Starting in the summer of 2014, anti-police-violence protests have prompted large reductions in aggressive policing, and Ms. Mac Donald points to increases in crime in cities including Baltimore, Minneapolis, Milwaukee and Nashville. She states that we are seeing a *surge in lawlessness* and a *nationwide crime wave.* FBI data, however, compares the first six months of 2014 and 2015 and shows that violent and property crime have both decreased in dozens of large cities, including Cleveland, Detroit, Houston, New York and Philadelphia. From 2014 to 2015, violent crime did increase by 1.7% nationwide, but property crime decreased by 4.2%.

Any data series will have some fluctuation, and even with a sustained downward trend upticks are likely. The homicide rate, for example, has seen rises in four of the past 15 years but has fallen by 18% over the same period. To put the 1.7% *surge in lawlessness* into perspective, 2012 saw a 1.9% increase in violent crime and a 1.5% increase in property crime when zero-tolerance policing was still the norm nationwide. And such a modest increase from one of the safest years in decades did nothing to change the fact that crime remained—and remains—close to a record national low.

Reported violent crime rate in the United States (1990–2016)

Reported violent crime rate per 100,000 population



Source: FBI.

Ms. Mac Donald is not alone in her thinking. Gallup does an annual survey asking, *Is there more crime in your area than there was a year ago, or less?* In 14 of the past 15 years, the majority of Americans felt that crime had increased. But answering empirical questions requires looking at the numbers.

A Data-Driven Account

A data-driven book that does not engage in alarmism is *The Rise and Fall of Violent Crime in America* by Barry Latzer, a professor at the John Jay College of Criminal Justice. The long-term trends in violent crime he presents are telling: In 1900, the American homicide rate was 6 per 100,000 people. During Prohibition, it increased to 9 per 100,000 but fell to 4.5 per 100,000 by the 1950s. From the late 1960s and into the 1970s, the homicide rate spiked, reaching 11 per 100,000. In the late 1970s, it started falling, increasing slightly in the late 1980s but steadily decreasing since the 1990s to the current level of 4.5 per 100,000, among the lowest in the nation's history.

Should one attribute the decrease in crime to zero-tolerance policing and mass incarceration? It turns out that homicide rates in Canada start at a lower level but track the changes in American homicide rates almost exactly.

In the past 25 years, our northern neighbor experienced equal declines in all major crime categories despite never having ramped up its policing or incarceration rates. Those

attributing all decreases in crime to increases in American law enforcement are looking in the wrong place. As Mr. Latzer carefully says, *the jury is still out*: Violent crime rates fell off all over the nation without any clear relationship between the enormous declines in some cities and the adoption of new policing models.

Even though American and Canadian homicide rates rose in the late 1980s, the long-term downward trend clearly began in the late 1970s and early 1980s. Mr. Latzer concludes that the major determinants of a crime rate are likely cultural factors and economic opportunity. The employed family man is going to be less interested in crime than the unemployed and unattached.

Two years ago we heard predictions about the world economy's impending collapse if Britain left the European Union. Yet within a week of the Brexit vote, British stock prices reached 2016 highs, and American stock prices are at an all-time high. We can be sure that we will hear similar warnings in response to proposals for lowering incarceration rates, reducing the number of policemen, de-militarizing police departments or even privatizing much or all of what they do. Yet, as Messrs. Stamper and Latzer point out, professional police departments were only invented a century and a half ago, and in 1865 New York incarcerated fewer than 2,000 citizens at any given time, compared with upward of 80,000 today (48 per 100,000 then versus 265 per 100,000 now).

Then, as now, societies were kept safe by numerous factors beyond government-sanctioned law enforcement. These range today from the most informal eyes on the street to the more formal million-plus private security guards currently employed in America. Around New York City, business improvement districts pay for security personnel to do foot patrols, so the relevant policy choice is not between government police or no security whatsoever.

My own research has found a strong negative correlation between homicide rates and economic freedom in a society. Free markets let people put their passions into business to work for others' benefit. Restrictions on business, including minimum-wage laws that keep young inner-city residents out of the labor force, are particularly harmful.

We need more markets, not more government, to discourage and prevent crime. One need not assume that unionized, militarized, and unpopular policemen are the only option for keeping the peace and keeping Americans safe.

How Will the New Tax Law Affect You and Your Charitable Giving?

Jeff Lydenberg

The new tax law became effective on January 1, 2018. Of the numerous changes, the two most directly affecting charitable gifts are:

- 1 The increase in the standard deduction (\$12,000 for singles, \$24,000 for married couples filing jointly); and
- 2 Elimination or restriction of numerous itemized deductions (though the charitable deduction remains intact).

Both of the above will increase the number of individuals claiming the standard deduction, and thus reduce the number of itemizers who can take an income tax charitable deduction. However, if you live in a state with high income and property taxes and you have a mortgage you could find that you still itemize.

Even if you won't itemize, here are some strategies to make lifetime gifts to charity and still receive tax benefits:

Make gifts of appreciated property such as publicly traded securities to AIER. Even if you don't itemize, you will still be able to avoid capital gains tax by making a gift of appreciated assets owned by you for at least one year.

Make gifts to AIER using the charitable IRA rollover. If you are over 70½ you can make a direct transfer from your traditional IRA or Roth IRA to charity of up to \$100,000. Such a transfer is not taxable and counts towards satisfying your required minimum distribution.

Make larger gifts to AIER. If your total non-charitable deductions are close to equaling the standard deduction, a larger charitable gift may increase your total deductions enough that it makes sense for you to itemize; the additional tax savings that itemizing offers may reduce the effective cost of your gift.

Make a gift to AIER from all or a portion of what's left in your retirement plan. Assets in your IRA, 401(k), or other qualified retirement plan may be subject to income tax when distributed to heirs. Making AIER a beneficiary of a portion or all of your retirement plan will avoid the income tax that might otherwise be due from your heirs. This is an extremely tax-efficient way for you to make gifts to AIER that costs your heirs less than giving other kinds of assets.

As with any change, you should contact your accountant or financial planner to understand how the new tax law will affect your individual tax situation.



SEE
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TO GIVE
TO AIER

Socialism Sucks: Two Economists Drink Their Way Through the Unfree World with Ben Powell

February 6
Indianapolis, IN

Join AIER's Bastiat Society program in Indianapolis for a discussion with Ben Powell, director of the Free Market Institute. He will describe why socialism does not work through his firsthand travel experience to socialist countries around the world.

The Political Economy of Resource Misallocation in the Energy Sector with Jody Lipfords

March 6
Columbia, SC

Join AIER's Bastiat Society program in Columbia in hosting Jody Lipford, Professor of Economics at Presbyterian College. Lipford will discuss the misallocation of resources in the energy sector in South Carolina with a case study of South Carolina's V.C. Summer Nuclear Project.

Causes and Effects of U.S. Energy Revolution: Triumph of American Entrepreneurship with Bob Knapp

March 6
Colorado Springs, CO

Join AIER's Bastiat Society program in Colorado Springs in hosting Bob Knapp, retired UCCS Professor of Business, to discuss his energy research study.

Discrimination and the Liberal Regime with Phillip W. Magness

March 29
New Orleans, LA

Please join AIER's Phil Magness, Author and Research Fellow, for a talk during the Third Annual Philosophy, Politics, and Economics (PPE) Society Meeting in New Orleans, Louisiana. Conference registration is required.

The Future of Freedom in the Digital Age with Jeffrey A. Tucker

March 30
Chicago, IL

AIER's Jeffrey A. Tucker, Editorial Director, is giving a talk during the Philadelphia Society Spring 2019 Meeting in Chicago, Illinois. This event is invitation only.

For information about these events and more, visit **AIER.org/Events**.

AIER highlights

The Wall Street Journal***The Dangerous Fantasy of a 'Jobs Guarantee' by Max Gulker***

<https://www.wsj.com/articles/the-dangerous-fantasy-of-a-jobs-guarantee-1542239737>

The Hill***My Christmas wish: Make the trade truce permanent by Jeffrey A. Tucker***

<https://thehill.com/opinion/finance/422737-my-christmas-wish-make-the-trade-truce-permanent>

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- Reduced Capital Gains Taxes**
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I followed Colonel Harwood for many years and one thing that came through in all of his writing was that he was a great patriot and a strong believer in an honest currency. Having been in the investment business for 48 years, I think Colonel Harwood's teaching is needed even more now than it has ever been. He had a great impact on my thinking.

—Arnold Van Den Berg, Longtime AIER Member

AIER members understand the importance of AIER's mission and want others to understand too.

Annual Sustaining Membership dues and donations to our programs help AIER provide the information, tools, and analysis that Americans need to make decisions to advance peace, prosperity, and human progress. We promote personal freedom, free enterprise, property rights,

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