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Prof. Sowell Gets Angry

Thomas Sowell's latest book is an indictment of the prevailing vision of the world widespread among intellectuals, journalists, and politicians. That this vision is immune to debate, evidence, or even logic makes Professor Sowell very angry. Rightly so.

The E.C. Harwood Library catalogue lists 16 books by Thomas Sowell. Only two of these are compilations of his newspaper and magazine columns. As should not be surprising for so prolific an author, Professor Sowell tends to repeat himself. His latest work, *The Vision of the Anointed* (New York, 1995, Basic Books, 260 pp. plus notes and index, \$25.00 hardbound) draws from his works on the economics of race and the history of economic thought, but it would seem to be mainly built upon just two of his previous books: *A Conflict of Visions* (1987) and *Knowledge and Decisions* (1980).

In *A Conflict of Visions*, Sowell described the divergences of what he called the "constrained" and the "unconstrained visions" of the world. Briefly (and with great injustice to the book's rigor and historical sweep), those with the unconstrained vision see only "problems" and "solutions" where those with the constrained vision see "trade-offs."

In *Knowledge and Decisions*, the author discussed the differences between incremental and categorical decision-making. Incremental decision-making, exemplified by the market and electoral processes, reflects the (often unarticulated) views and preferences of large numbers of people as continuously modified by experience. Categorical decision-making, as exemplified by judicial and bureaucratic rule-making, reflects the *a priori* opinions of relatively few (but highly articulate) people who remain insulated, to

Erratum: In the table "Selected Employment Data" in the January 1, 1996 *Research Reports*, the column heading "Feb. '94-Nov. '95" should read "Feb. '92-Nov. '95." We regret the error.

Note: The shutdown of the Federal Government has delayed the release of nearly all economic data published by the Commerce Department and other government agencies. We will resume our monthly review of business conditions as soon as data become available.

varying degrees, from the consequences of their actions.

Who are the Anointed?

The current book is subtitled "Self-Congratulation as the Basis for Social Policy." For Sowell, the "anointed" are clearly those with what he called the "unconstrained" vision in his earlier work. Those who do not share the vision of the anointed, whom Sowell calls the "benighted," share what Sowell now calls the "tragic" vision (which seems to be the

"constrained" vision of the 1987 book).

The anointed are found mainly among intellectuals (Sowell has elsewhere used Hayek's definition of the name: "second-hand dealers in ideas"), the media, politicians, bureaucrats, and judges. Their vision is dangerous, the author believes, because of "the dogmatism with which the ideas, assumptions, and attitudes behind that vision are held."

What really infuriates Professor Sowell, however, is that "those who accept this vision are deemed to be not merely factually correct but morally on a higher plain. Put differently, those who disagree with the prevailing vision are seen as not merely in error, but in sin."

...The contemporary anointed and those who follow them make much of their "compassion" for the less fortunate, their "concern" for the environment, and their

PATTERNS OF FAILURE

A very distinct pattern has emerged repeatedly when policies favored by the anointed turn out to fail. This pattern typically has four stages:

STAGE 1. THE "CRISIS": Some situation exists, whose negative aspects the anointed propose to eliminate. Such a situation is routinely characterized as a "crisis," even though all human situations have negative aspects, and even though evidence is seldom asked or given to show how the situation at hand is either uniquely bad or threatening to get worse. Sometimes the situation described as a "crisis" has in fact already been getting better for years.

STAGE 2. THE "SOLUTION": Policies to end the "crisis" are advocated by the anointed, who say that these policies will lead to beneficial result A. Critics say that these policies will lead to detrimental result Z. The anointed dismiss these latter claims as absurd and "simplistic," if not dishonest.

STAGE 3. THE RESULTS: The policies are instituted and lead to detrimental result Z.

STAGE 4. THE RESPONSE: Those who attribute detrimental result Z to the policies instituted are dismissed as "simplistic" for ignoring the "complexities" involved, as "many factors" went into determining the outcome. The burden of proof is put on the critics to demonstrate to a certainty that these policies alone were the only possible cause of the worsening that occurred. No burden of proof whatever is put on those who had so confidently predicted improvement. Indeed, it is often asserted that things would have been even worse, were it not for the wonderful programs that mitigated the inevitable damage from other factors.

— from *The Vision of the Anointed*, p. 8

being “anti-war” for example — as if these were characteristics which distinguish them from people with opposite views on public policy. The very idea that such an opponent of the prevailing vision as Milton Friedman, for example, has just as much compassion for the poor and the disadvantaged, that he is just as much appalled by pollution, or as horrified by the suffering and slaughter imposed by war on millions of innocent men, women, and children ... would be a very discordant note in the vision of the anointed. If such an idea were fully accepted, this would mean that opposing arguments on social policy were arguments about methods, probabilities, and empirical evidence — with compassion, caring, and the like being common features on both sides, thus cancelling out and disappearing from the debate. That clearly is not the vision of the anointed. One reason for the preservation and insulation of a vision is that it has become inextricably intertwined with the egos of those who believe it. Despite Hamlet’s warning against self-flattery, the vision of the anointed is not simply a vision of the world and its functioning in a causal sense. *It is a vision of differential rectitude.* It is not a vision of the tragedy of the human condition: Problems exist because others are not as wise or as virtuous as the anointed.

Among other things, this means that there can be no genuine debate on the issues of our time, for, as the author observes: “These are not debating tactics. People are never more sincere than when they assume their own moral superiority.”

... no matter what happens, the vision of the anointed always succeeds, if not by the original criteria, then by criteria extemporized later — and if not by empirical criteria, then by criteria sufficiently subjective to escape even the possibility of refutation. Evidence becomes irrelevant.

Thus, for example, despite the goal expressed by President Kennedy — “We must find ways of returning far more of our dependent people to independence” — which was endlessly repeated by President Johnson when initiating the “war on poverty,” the utter failure to achieve that goal is simply ignored.

...At a twentieth anniversary commemoration of the Johnson administration’s social programs, [a] former aide to President Johnson referred to “the vision that excited and inspired the nation.” Mrs. Johnson spoke of the “sense of caring” and the “exhilaration” of her husband’s efforts. Finally it was asserted that things would have been even worse, were it not for these programs. “The question is not what the bottom line is today — with poverty up — but where we would be with these programs not in place?” asked Professor Sheldon Danziger... “I think we’d have poverty rates

over 25 percent.” Even though poverty and dependency were going down for years before the “war on poverty” began, Professor Danziger chose to assert that poverty rates would have gone up. There is no possible reply to these heads-I-win-and-tails-you-lose assertions, except to note that they would justify any policy on any subject anywhere, regardless of its empirically observed consequences.

Senator Goldwater predicted at the time that these programs would encourage “more and more people to move into the ranks of those being taken care of by the government.” This is precisely what happened. In

Coming To America: The Benefits Of Open Immigration*

With renewed debate about how immigration will affect America's future, it is worthwhile to review the argument for a return to America's past, when we welcomed all who wished to come.

For centuries, the American culture has been a beacon of hope to the oppressed peoples of collectivist economies and authoritarian or totalitarian governments throughout the world. Why then do the American people—descendants of immigrants, beneficiaries of open and unregulated immigration, whose culture, economy, government, and way of life are so deeply tied to open borders — exude such a passion against free immigration? Why do they wish so desperately to deny late twentieth century immigrants the benefits to which their own eighteenth- and nineteenth-century ancestors were privileged? What do Americans have against open borders?

American immigration policy is a labyrinth of regulations and barriers to free travel and migration. One wishing to enter this country must possess all the legal and “proper” documentation in order to be permitted entry. The poverty-stricken and homeless foreigners who expect to benefit most from immigrating into the American economy rarely possess resources adequate for legal entry. Hence, they are denied. Such immigration policy is based upon a xenophobic confusion regarding economics, the mobility of labor, the American welfare state, and cultural diversity.

Immigration and Labor

Many Americans argue that free immigration would destroy “working class”

particular, the improvement of the living conditions of most blacks, which had been going on for decades, stopped dead in its tracks and even reversed.

Thus, as an Afro-American, Professor Sowell has much reason to be outraged at the blithe assumption that the “war on poverty” helped the poor. Evaluation of the programs on the basis of the intentions of its proponents or unsupported conjectures on what would have happened without the programs rather than on what actually happened or on how the outcome compared to predictions is especially frustrating. But that is the way of the “anointed.” □

Americans’ ability to earn a living. They claim that allowing free and open borders to any and all immigrants would put decent, hardworking Americans out of work. Perhaps what these Americans really fear, however, is that someone will emerge from the “immigrant class” who would be willing to work for less than they while producing equal or greater output.

The present immigration policy of the United States amounts to nothing less than a tariff or barrier to entry on the commodity of labor, and harms American consumers in the same manner as tariffs and trade barriers on other capital or consumer goods.

A policy of open immigration would indeed force unskilled American laborers to compete for their jobs at lower wages. However, far from being an evil, this is a desirable outcome, one which should form the basis for a new immigration policy. By inviting competition into the American labor markets, artificially inflated labor costs could be eliminated and a greater level of labor efficiency could be achieved.

As the cost of labor (itself a cost of production) decreased, entrepreneurs and producers could produce more efficiently, enabling them to offer products and services at lower prices as they compete for consumers’ dollars. Lower prices in turn increase the purchasing power of the American consumer, and thus enhance living standards for everyone. This is happening even now as some small business owners use “illegal” immigrant labor to lower their operating costs and thus lower consumer prices: “... small-business executives do agree that some of their competitors who knowingly or unknowingly hire illegal immigrants use the cheap labor to undercut prices of business owners who play by the rules.”¹

*By Thomas E. Lehman. This article is reprinted from *The Freeman*, December 1995, published by the Foundation for Economic Education (FEE), Irvington-on-Hudson, New York 10533. Dr. Lehman is Adjunct Professor of Economics and Western Civilization, Adult and Professional Studies Division, Indiana Wesleyan University, Marion, Indiana.

This is good for both consumers and the economy at large. As immigration makes the American labor market more competitive, costs of production are reduced and prices decline. In the long run, even the domestic laborer who is forced to lower his wage demands is not any worse off, since what he loses in terms of lower nominal wages he may well regain in terms of lower prices on the goods and services he purchases as a consumer. Meanwhile, everyone else benefits, and no one is privileged at the coerced expense of anyone else.²

Immigration and Welfare

Another argument used in favor of immigration controls concerns the American welfare system and its potential abuse by immigrants who migrate into America merely to feed at the public trough of social services. The claim is made that the welfare system, not potential economic freedom, is the lure which draws immigrants into the American economy. Immigrants—unproductive, slothful, and indigent—constitute a dead-weight loss on the American economy, and further increase the tax burden on productive Americans. Therefore, we must police our borders and keep out the undesirables.

This argument is statistically and theoretically flawed. Contrary to prevailing public opinion, current immigrants do not “abuse” the public welfare system, even in the areas where immigration (legal or illegal) is most concentrated. In fact, immigrants have little effect on the current system of taxation and wealth redistribution. As Julian Simon relates:

Study after study shows that small proportions of illegals use government services: free medical, 5 percent; unemployment insurance 4; food stamps, 1; welfare payments, 1; child schooling, 4. Illegals are afraid of being caught if they apply for welfare. Practically none receive social security, the costliest service of all, but 77 percent pay social security taxes, and 73 percent have federal taxes withheld. ... During the first five years in the United States, the average immigrant family receives \$1404 (in 1975 dollars) in welfare compared to \$2279 received by a native family.³

Some may disagree with these statistics. Others would no doubt argue that if immigration controls were eliminated and borders completely unpoliced, a massive number of immigrants would enter the United States and overload the welfare system, causing taxes and the national debt to skyrocket. Certainly this is a possibility. But, even if we grant this argument the benefit of the doubt and concede that unrestricted immigrants would indeed

flood the welfare system, the answer to the problem lies not in closing off the borders or “beefing up” border security. The answer lies in eliminating the American welfare state, and prohibiting anyone, native or immigrant, from living at the coerced expense of another.

Immigration and Culture

A final argument against immigration comes surprisingly from those generally supportive of liberty and the philosophy of the limited state. These critics are concerned for the preservation of what they see as a distinct American culture and its traditional heritage of European-style limited government and market economies.⁴ Their fear is that this traditional culture is being sabotaged by an influx of immigrants who are unfamiliar with and perhaps even hostile toward its institutional framework. They contend that immigrants of the late twentieth-century variety do not possess the same ethnic characteristics of earlier immigrants, and therefore do not have an appreciation for the “American way of life.” Such an argument suggests that recent immigrants who hail from Third World nations controlled by regimes of despotism have no understanding of the traditional institutions that have made America great. Allowing these immigrants of vastly different culture and ethnic heritage into the United States will result in a grave polarization of our society into racial enclaves that will run roughshod over our most sacred political and economic institutions.

To political conservatives, and even some libertarians, this argument may appear compelling at first blush. However, it is flawed. First, preserving “tradition” merely for the sake of tradition is pointless. The idea of tradition is meaningless unless we define the essence of that tradition in terms of the ideas that comprise it. Tradition alone is not what has made America great. Rather, it has been the reciprocal relationship between a limited state and economic and social liberty that has made the American way of life so coveted—in other words, the philosophy of liberty underlying the American tradition.

Expanding the power of government in order to preserve tradition is a sure path to the destruction of liberty. Americans ought to be particularly aware of this fact since the American tradition is bound together so tightly with the philosophy of freedom and limited government.

Yet, it is not the first time Americans have been down this road. U.S. public education began as a concerted effort to preserve the Protestant “traditions” of the American culture against the perceived

threat of Catholicism. By subjecting the education establishment to the decisions of legislators and bureaucrats in local, state, and eventually national governments, Protestants hoped to stem the tide of Catholicism flowing into America on a nineteenth-century wave of immigration. As Samuel L. Blumenfeld relates,

There was another reason why the Protestant religionists decided to join the secularists [socialists] in promoting the public school movement. They shared a common concern with, if not fear of, the massive Catholic immigration to the United States during that period [It was] argued that Protestants had to put aside sectarian differences and unite to defend Protestant republican America against the “Romish designs.”⁵

By making schools public rather than private, Protestants sought to use the power of the state to exclude the teachings and influence of Catholicism on their children, thereby preserving the Protestant “tradition” in America by way of majority vote. In retrospect, the bankruptcy of the American public education system ought to serve as a somber reminder that expanding state power to preserve “tradition” is a sure path to statism.

There is another flaw lurking in the argument that open immigration leads to the decline of a nation’s cultural and institutional framework. Contrary to the anti-immigration position, the American traditions of limited government and free market economies are not based upon ethnic or racial origins. They are based upon ideas. Western cultures cannot suppose themselves to have a monopoly on the philosophy of liberty, nor can Americans argue that the political values of the limited state cannot be inculcated in non-American immigrants. The ideas of freedom that have created the American tradition can apply to any ethnic or racial make-up.

But what happens if, over time, America absorbs so many immigrants that, through their influence, the ideas of limited government and the free market economy become diluted? What happens when our political system falls victim to immigrant forces that seek to expand government power? These are good questions. The fact remains, however, that these fears are now being realized, and the foes of liberty in America are largely home-grown. Twentieth-century Americans have turned their backs on the philosophy of the limited state.⁶ They have generally refused to acknowledge the advantages of a laissez-faire market economy. It is not the foreign element, but rather the domestic element that we should fear. Before we begin to castigate potential immigrants

for the damage they may do to our freedoms, we need to acknowledge the damage we have already done on our own.

The answer is to return once again to a government “of laws and not of men.” In other words, the state must be radically limited in power and scope, with only minimal duties which are explicitly defined. This will put state power beyond the reach of those individuals or voting blocs that would seek to exploit it for personal gain. We then would have no reason to fear immigrants, regardless of their ideological or political persuasion. Their ability to “sabotage” our freedoms would be removed not because we expand state power to keep them out, but because we diminish state power in all areas and allow them in.

Immigration and Freedom

Immigration policy should not be viewed differently than trade policy: free, unregulated, unpoliced, open borders, devoid of taxes, tariffs, or any other barrier to entry. This is the policy of freedom to which America owes her heritage. Unilateral free trade, free immigration, and free emigration, where individuals possess unobstructed and unregulated mobility and trade, is a cornerstone of a free society. In fact, the free movement of peoples is no less important than the freedoms of speech, expression, and association. Liberty is indivisible; the laws of economics apply equally to all peoples.

Americans must begin to accept the fact that free trade and open borders are to their utmost benefit. By embracing the philosophy of free immigration and free labor mobility, we benefit from the productivity, ingenuity, and entrepreneurship not only of those within are borders, but also of those from without. Expanding the division of labor into the international marketplace makes available a vastly enlarged array of resources, thus enhancing the living standards of everyone. □

1. John S. DeMott, “Immigration Policy’s Double Impact,” *Nation’s Business*, December 1994, p. 28.

2. See the compelling example offered by Jacob G. Hornherget in “The Case for Unilateral Free Trade and Open Immigration,” *Freedom Daily*, November 1994, p. 6.

3. Julian L. Simon, *Population Matters: People, Resources, Environment, & Immigration* (New Brunswick, N.J.: Transaction Publishers, 1990), p. 265.

4. Perhaps the most developed argument from this position can be found in Peter Brimelow, *Alien Nation: Common Sense About America’s Immigration Disaster* (New York: Random House, 1995).

5. Samuel L. Blumenfeld, *N.E.A.: Trojan Horse in American Education* (Phoenix, Afiz.: The Paradigm Company, 1984), p. 27.

6. For those who would argue that the decline

in American liberty during the twentieth century is related somehow to immigration and open borders, the reality is otherwise. Twentieth-century America has never practiced open immigration to the extent I am suggesting. Further, twentieth-

century Americans have become more nationalistic than their eighteenth- and nineteenth-century ancestors, thus reflecting, at times, an extreme degree of suspicion or even hatred toward foreign peoples.

How to Stop “Harmful” Immigration

Despite evidence to the contrary, a significant portion of the public today apparently believes that, on balance, continued waves of immigration to the United States threaten the well-being of the current population. From a historical perspective, however, most of the proposed political solutions to this perceived problem would seem naive. Despite their evident appeal, neither a “Maginot line” of trenches and fences stretching thousands of miles across our southern and northern borders, nor a shorter “Berlin wall” located at the most heavily favored corridors for illegal

immigration, seem practical. Moreover, they are vastly at odds with American traditions.

Nor are proposals to monitor the population electronically (via a National Identity Card or some other device) apt to succeed. If the current reported trade in forged “identities” is any indication, the introduction of sophisticated new products into this market probably would simply enrich the suppliers.

As noted in the accompanying article, even curbing welfare and other public assistance available to newcomers might have negligible effect on incentives to immigration, because immigrants generally are *not* lured mainly by the promise of public benefits. (In this respect, it is worth noting that even U.S. residents who might be better off elsewhere rarely emigrate to those “egalitarian” countries where public benefits are more generous — and taxes higher — than here.)

At bottom, net immigration to any country or region is an indication that more people believe opportunities are greater there than those who believe that opportunities may be greater elsewhere. Above all, immigration is an indication that the host country enjoys a relatively robust economy — a fact reflected in historical patterns of migration to the United States. From this perspective, the logical way to curb immigration (outside of precipitating world war) would be to adopt policies that run the economy into the ground.

The data seem to confirm this view. As shown in the Chart above, outside of wartime there was one and only one historical episode when immigration to the United States came to a virtual halt: the Great Depression. Apparently the bread lines, dust bowl devastation, hobo camps, and other images that marked the Depression era were sufficiently discouraging to keep the foreigners out.

It is not surprising that the immigration debate has yet to be cast in such terms. But fundamentally that is what it is about.

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