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“Libertarian” Stossel Marginally Less Statist Than Trump

Kevin Carson

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Seemingly John Stossel never sits down to write without the goal of further lowering the bar for qualifying as a libertarian. This time (“My Trump Problem,” *Reason*, Nov. 11), he’s managed to push the criterion to the all-time low of being somewhat less statist than Donald Trump.

Stossel’s first problem with Trump allegedly centers on what he (Stossel) calls “free trade.” “Free trade,” he says, “is mutually beneficial. Everybody wins.” But Stossel goes on to make it clear he has no idea what “free trade” even means: “[I]t’s appalling when Trump calls trade agreements a ‘disaster’ and says he’d ‘punish’ Mexico with higher tariffs...” So if Stossel equates “free trade” to “trade agreements,” he’s really no more pro-free trade than Trump is. He just favors a different form of protectionism. Trump favors old-fashioned tariffs, and Stossel favors the kind of “intellectual property” protectionism which is built into so-called “Free Trade Agreements” and is actually their primary purpose.

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“Intellectual property” is no less protectionist than tariffs, and indeed is arguably more so. Tariffs no longer serve the needs of transnational corporations. In fact they impede their business model, based on distributing production across globalized supply chains and importing finished goods produced under contract in other countries. “Intellectual property” serves the same protectionist function for corporations, on a global scale, that the now-outmoded tariffs once did back when American manufacturing corporations produced goods inside this country. Both tariffs and “intellectual property” serve the same function of giving the corporation a monopoly on the sale of a particular good in a particular market; the difference is that while tariffs operated at national borders, “intellectual property” gives the corporation a monopoly on disposal of the outsourced product wherever in the world it happens to be produced or sold.

So on “free trade,” Stossel isn’t even marginally less statist than Trump. In fact he may be more so.

On eminent domain, Stossel really does come out ahead of Trump — by a hair’s breadth at least. Trump flat-out calls eminent domain “wonderful.” Stossel, in contrast, says it “can be” wonderful — if, that is, “it’s put to important public use, say, claiming land for highways, railroads or a pipeline.” So eminent domain is corrupt “crony capitalism” when it’s exercised in the interest of local real estate interests — but an “important public use” when it socializes a major operating cost of large corporate interests on a nationwide scale.

The railroad land grants were a major component of the corporatist corruption for which the Gilded Age is infamous over a century later. They involved the total transformation of the American economy through the use of government power, with a centralized, high-capacity system of national trunk lines rendering artificially profitable the distribution of goods from national manufacturing corporations over nationwide wholesale and retail networks. The result was artificially large production units and artificially large

market areas, which were profitable only because distribution was rendered artificially cheap and the big players were given an unfair competitive advantage over otherwise more efficient local producers.

The nature of the “public use” served by the Interstate Highway System is suggested by the “What’s good for GM is good for America” quip from former General Motors CEO Charlie Wilson, who oversaw the project. Not only did the project spark a new wave of concentration in food processing and retail, but it gave a massive government-subsidized boost to urban sprawl and the car culture — “good for GM” indeed.

As for pipelines, why is it illegitimate for Trump to use eminent domain to get land for a casino from an unwilling seller, or for a price they considered unacceptable — but totally legit to do the same thing to a farmer or Native tribe in order to subsidize the fossil fuels industry and provide artificially cheap inputs to energy-guzzling big business?

Once again Stossel demonstrates that, when we scrutinize the core of his “libertarian” principles, “there’s no there there.”