

PHI334 LP: Nov 13 – Political Domestic Commerce

General

We have, thus far, discussed the ways in which politics and commerce interact. Chiefly, we discussed how (1) the private economic interest mingles with the government interest in a symbiotic way, and (2) how overseas coups work and other machinations wherein the state gets involved overseas via force for some commerce purpose. Today, I wish to discuss those instances where the state directly interferes with commerce at home for some particular purpose, and why that makes it hard to live a good life. So, today is kind of like overseas meddling but at home, which is distinct from (1) in that the cahoots become more like coercive force.

Definition

What do I mean when I say domestic interference? I mean precisely that state of affairs when the government somehow directly exerts itself onto the commercial sphere of life. Specifically, when the state uses force to interfere with the natural proceedings of the market. Our history is full of these stories, and we will address them.

Monopoly on Violence

What makes a state a state? There are many theories. Name one you have heard before this class, if any. Here are some popular notions, which are all wrong:

1. Some say the state is a state, or is legitimate, has standing, whatever, because of the consent of the governed. Sure, perhaps the legitimacy comes from that, but do you really think all states on the planet are states, are in power, because the governed consent? Of course not.
2. Some say it is the constitution that makes for a state. But this is wrong too. States do not always obey the constitution. Moreover, what makes them a state is their ability to modify the constitution. The document is not really binding if you can change it.
3. Some say that a state is a state because it somehow is willed into being, it is the people taken together, with or without consent, it is the people as it were. Again, not true—there are states that are not of the people.

Look, at the end of the day, what makes a state a state is that it has a monopoly on violence. It is the only entity that can exercise force when it so pleases. It is how it obtains its legitimacy, it is why people follow laws, it is how it asserts itself in light of threats. A state is a state because it has a monopoly on violence.

Consider why you pay taxes or obey the speed limit. Do you do it because “it is the right thing to do” or because “we should because it is the law” or do you do it because you go to jail? Seriously. Imagine not paying taxes. What happens? IRS comes to visit you, they come to visit you with guns, and if you refuse to pay, you get arrested, if you resist arrest you will be beat, if you resist you will be shot. You obey the law, or at least some of them, because the state can hurt

you if you do not. The state is the state because it is the only entity that can use force as it pleases.

History

Whiskey Rebellion The first instance of the state violently asserting itself on commerce was during the whiskey rebellion following the revolutionary war, which mind you was fought over taxes. The US was broke after the revolutionary war, and so to gain money, the state decided to tax whiskey distillers. The only distillers were in west PA and WV, and they felt targeted because the wineries in the east were not taxed. They refused to pay. Washington rode in with a military and forced the rebels to pay taxes under threat of violence.

Battle of Blair Mountain (1921) This was one of the largest labor uprisings in U.S. history and the largest armed uprising since the American Civil War. The conflict occurred in Logan County, West Virginia, as part of the Coal Wars, a series of early-20th-century labor disputes in Appalachia. Up to 15,000 coal miners confronted company-supported law enforcement and strikebreakers in an effort to unionize the southwestern West Virginia coalfields. The U.S. government intervened by deploying federal troops and, notably, using aircraft to surveil and reportedly drop bombs on the striking miners. This intervention by the federal government in a labor dispute, using military force against its own citizens, is a stark example of state interference in domestic economic matters.

The New Deal Policies (1930s) During the Great Depression, the Roosevelt administration implemented a series of economic and social reforms. These included the Agricultural Adjustment Act, which regulated agricultural production, and the National Industrial Recovery Act, which controlled industrial production and prices. These interventions were unprecedented in scale, reflecting a significant increase in government involvement in the economy.

Wagner Act (1935) Also known as the National Labor Relations Act, this law redefined the balance of power in the labor market. It granted workers the right to form unions and engage in collective bargaining, which profoundly impacted the commercial and labor landscape in the U.S. It marked a substantial intervention by the government in the relationship between employers and employees.

War on Drugs (1970s-present) This campaign launched by President Richard Nixon, and continued by subsequent administrations, represents a significant domestic policy with vast economic implications. The government's efforts to control the drug trade included aggressive law enforcement, which some argue has disproportionately affected certain communities, creating economic and social disparities.

Allegations of the CIA's Involvement in Drug Trafficking (1980s) Investigative journalist Gary Webb, in his "Dark Alliance" series, alleged that the CIA was complicit in the crack cocaine trade in Los Angeles during the 1980s. Webb suggested that this was part of a larger scheme to fund Contra rebels in

Nicaragua. While the CIA denied these allegations, the story sparked significant controversy and debate. Webb's subsequent death, ruled a suicide, added to the intrigue and conspiracy theories surrounding this issue. It's important to note that these allegations remain a complex and disputed part of U.S. history.

Adding a section on the philosophical difficulties of living a good life in the context of state interference in domestic commerce requires a nuanced understanding of ethical and political philosophy. Here's how we might approach it:

Philosophical Challenges in Living a Good Life Amidst State Interference in Domestic Commerce

1. Conflict between Personal Ethics and State Power: Philosophically, living a good life often involves acting according to one's moral convictions. However, when the state imposes its will on the domestic commerce, as seen in instances like the Whiskey Rebellion or the War on Drugs, individuals may find themselves in a moral quandary. The state's use of force can compel individuals to act against their ethical beliefs, such as paying taxes on what they perceive to be unfair grounds or complying with laws they find morally objectionable.

2. Limitation of Autonomy and Freedom: A key aspect of a good life, from a philosophical perspective, is the exercise of personal autonomy and freedom. State interventions, especially those employing force, can significantly curtail individual freedoms. For example, the New Deal policies, while aimed at economic recovery, imposed strict controls over production and prices, limiting the autonomy of businesses and individuals in the market.

3. Inequality and Justice: Ethical theories often emphasize fairness and justice as critical components of a good life. However, state interventions can exacerbate inequalities, as seen in the disparate impact of the War on Drugs on certain communities. These actions can create environments where living a good life is more challenging for some groups than others, raising ethical concerns about equality and justice.

4. Trust in Governance and Societal Cohesion: Living a good life also involves a sense of trust and cohesion within a society. When the state, as the monopolist of violence, intervenes in ways that are perceived as unjust or targeted, like in the Battle of Blair Mountain or the allegations of the CIA's involvement in drug trafficking, it can erode trust in the government. This erosion can lead to societal fragmentation, making it difficult for individuals to feel they are living in a cohesive and supportive community.

5. Moral Complicity and Resistance: A philosophical dilemma arises when considering one's role in a system where the state uses its power in ways that one finds morally objectionable. The question of whether to comply, resist, or try to change the system is a profound one, impacting one's conception of living a good life. In situations like the Wagner Act, individuals and groups had to navigate these moral waters, balancing personal beliefs with the reality of state power.

6. The Challenge of Ethical Relativism: In a world where different societies have different norms and values, state interventions in commerce can bring to the forefront the challenge of ethical relativism. What is considered a ‘good life’ in one cultural or societal context might be at odds with the actions of the state, leading to a philosophical conflict between cultural relativism and ethical absolutism.