

## Essays on Political Philosophy, Part 3

Nonoy Oplas  
February 12, 2010

### Introduction

Part 1 of my “Essays on Political Philosophy” was produced in February 2009, Part 2 in August 2009, and here is Part 3.. These are posted in my blog, <http://funwithgovernment.blogspot.com>, some were also posted as part of my weekly articles in the online magazine, [www.thelobbyist.biz](http://www.thelobbyist.biz).

Here is the list of the short articles in this compilation.

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Bienvenido “Nonoy” Oplas, Jr.

## Facebook and liberty

August 10, 2009

Facebook, Google, Yahoo and other free web and social networking services, are among the best examples of the free market system and individual liberty. Zero tax money, zero government borrowings, and no State bureaucracy to create and sustain them. Like most private enterprises, they exist to give utmost service to the public, free services to the majority in fact, and only those who are convinced there is value for their money, place ads and other revenue-making services to them. The whole arrangement is purely voluntary among the service providers and consumers. No coercion, no mandatory subscription, and other forcible arrangements that characterize government service.

Facebook is the world's top social networking service. It rose to that height at the expense of other private enterprises in their sector. Like Friendster, Multiply, Tagged, and similar online networking services. But that's the reality in capitalism and the free market system. All real entrepreneurs understand and appreciate that reality. It allows them to be creative, it forces them to become innovative, and it removes complacency and irresponsibility from their work habit. But there are lazy and shrewd capitalists who do not like that arrangement, so they run to the government to create various barriers to competition and protect them.

Currently, millions of Filipinos are hooked up, some are "addicted", to Facebook. From gamers to hobbyists to advocates of certain public policies, they use Facebook to post the things that occupy their minds or hands at the moment. The most recent example is the death of former President Cory Aquino.

Most Filipino readers of this article can attest that their Facebook accounts were peppered with postings of personal grief, personal reflections, and hope of unity from the day Cory died to the day she was buried. Or any other stuff that are mostly very personal which they wish to blurt out in public, at least to their friends. For me it's the most effective, most interactive, and most spontaneous communication and networking among people. Zero external censorship, not even by the owners and administrators of the online service. Only the individual can exercise self-censorship, which among his/her ideas and feeling would he/she share with other people, and which ones to keep.

I wrote two personal notes in my Facebook account about the Cory funeral, one when her body was transferred from La Salle Greenhills to the Manila Cathedral, and one on her funeral march and motorcade to Manila Memorial Park. Both notes are with pictures, and both attracted a number of comments from my friends, even from some people I do not personally know but stumbled on it. One of them later became my friend.

My other friends in the free market and liberty-oriented groups and institutes both here and abroad, use Facebook to post good quotes from respected intellectuals, mostly from the past. One such friend is Larry Reed, currently the President of the Foundation for Economic Education ([www.fee.org](http://www.fee.org)), a free market think tank in the US. Here are among the quotes that Larry posted, all of which have attracted plenty of comments from among his friends.

- "The state is the great fiction by which everybody seeks to live at the expense of everybody else." -- Frederic Bastiat, 19th century French economist, statesman and philosopher.
- "The only constructive idea that I can in all conscience advance, then, is that the individual put his trust in himself, not in power; that he seek to better his understanding and lift his values to a higher and still higher level; that he assume responsibility for his behavior and not shift his responsibility to committees, organizations, and above all, to a superpersonal state." -- Frank Chodorov, July 1949.
- "The worst evils which mankind has ever had to endure were inflicted by bad governments. The state can be and has often been in the course of history the main source of mischief and disaster." -- Ludwig von Mises, greatest economist of the 20th Century.
- "The natural effort of every individual to better his own condition ... is so powerful, that it is alone, and without any assistance, not only capable of carrying on the society to wealth and prosperity, but of surmounting a hundred impertinent obstructions with which the folly of human laws too often encumbers its operations." - Adam Smith, *The Wealth of Nations*, 1776

I made a comment to this posting by Larry. I wrote, "Yes, about 95 percent of all time, laws = prohibitions. More laws, more prohibitions. Rule of law = rule of prohibitions. For rule of law to prosper, there should be very few laws (like laws against killing, stealing). Then humanity will be off to self-driven improvement and growth." My article last week, "Rule of Law and the Lawless State" is related to this.

Anyone in Facebook can post his/her political and philosophical ideas – libertarian or statist, liberal or conservative, capitalist or socialist – and post good quotes from other authors that summarize those ideas. All of which are expressions of individual liberty.

The big irony though, is that it is those private enterprises like Facebook – receiving zero tax funding and hiring zero government personnel – that allows and encourages those spontaneous expressions of personal opinions and feelings to all people around the world who would bother to read those opinions and feelings. Compare this to government agencies and institutions that live off on tax funding and hire a multitude of personnel and bureaucrats, are engaged in hiding certain public information, and in a number of cases, harass people and declare external censorship about their ideas and opinions.

And this brings us to one painful realization. Government is force. It is a monster institution of coercion. From taxes that are coercively removed from our pockets and savings account, to bureaucrats and politicians that we were coerced to select and sustain, even if some of us do not believe in the necessity of creating and sustaining the various political offices and agencies that employ and give power to those politicians and bureaucrats.

Why is this so? Read again the quotes from Frederic Bastiat and Ludwig von Mises above.

## **Philippine capitalism under Pres. Arroyo**

August 14, 2009

Peter Wallace, an Australian businessman who has been living in the Philippines for more than 30 years now, wrote an article today in Manila Standard entitled "We don't want you", below. Peter is into business consulting, he deals with lots of multinationals doing business in the country. So his perspective is a good barometer of how foreign capitalists view the Philippine's business environment.

Here, he is saying that under the current administration of President Gloria Arroyo, Philippine capitalism is falling more and more into bureaucratic control. The telecomms, petroleum and pharmaceutical industries are clear examples. He wrote,

He also mentioned me and my position on drug price control (which will officially start tomorrow) in this article.

And looking at the current breed of major candidates from big political parties for the Presidential elections just 9 months from now, I think no one is in the mood to assert a more free market capitalism. Not even the candidate from the Liberal Party, supposedly the party that should advance liberal politics and liberal economic agenda. Liberal in its classical definition, not the US definition. Even the aspiring politicians from small political parties and political formations who also aspire to become President, almost everyone seems to be statist and socialist, hiding as nationalist.

That's the peril of people advancing the free market and competitive capitalism. You are set for big disappointments. Unless you have a big and determined heart to pursue the advocacy. It is also very important to have an international network of fellow free marketers because it is very rare to find guys with similar belief with us in our respective countries.

Below is Peter's article.

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<http://www.manilastandardtoday.com/insideOpinion.htm?f=/2009/august/14/peterwallace.isx&d=2009/august/14>

We don't want you

Wouldn't you think that with somewhere around 45 million people without a half-way decent life and some 6.4 million of them without a half-way decent job, or for another 4.1 million of them without a job at all, plus eight or nine million who've fled because they couldn't get a job here, that the leaders of this country might, just might care? And want to fix the situation by encouraging businessmen...

## **Abolish the party-list system**

August 25, 2009

Here's another reason why the Party-list system should be abolished. Cockers and cockfight gamblers think their staff are marginalized, so they should be in Congress too, to represent their marginalized staff?

<http://newsinfo.inquirer.net/inquirerheadlines/nation/view/20090818-220812/Cockers-enter-party-list-contest>

The Commission on Elections (COMELEC) said that so far, 264 party-list groups are seeking accreditation. So many "marginalized" sectors and sub-sectors in Philippine society.

If there are so many marginalized sectors and groups in the country, then the geography-based (congressional district) Congressmen and women are a total failure. They have not addressed the various needs of the marginalized groups in their respective districts.

So either the district-based or party-list system should be abolished. It is not wise to keep both.

## **The rich getting richer is good**

August 29, 2009

Most people shudder at the thought that the "rich are getting richer" because the next phrase or sentence will be, "and the poor getting poorer". While concern for inequality in society is understandable, it should not be used as a reason or excuse to pull down the super-rich via high taxes and multiple regulations, so that the government will have more money to subsidize and uplift the poor.

By being super-rich, they immediately pull up many people out of poverty. Compare a middle-income person who earns \$1,000 a month, and a super-rich man who earns \$1 million a month. In Philippine context, the former will be driving his own car and will have one house helper and would probably be renting a house. The latter will have 3 or more big houses and each house will have several employees (cleaners, cook, gardeners, electrician, etc.), will have a fleet of cars and have several drivers and mechanics, will have one or more big corporations hiring several thousands of staff and personnel.

While remaining poor for several generations in a clan is a bad thing, poverty for some is self-inflicted like the lazy, irresponsible and dishonest. They may be hard workers but if they are also party hard too often (say they work 6 days a week but they also drink and party 6 or 7 nights a week) and do not save enough for the rainy days, then poverty is the logical consequence.

Societies will be better off if inequality among people is respected. There is no limit to what the super-efficient, highly ambitious and hard working people can do. And there is also no limit or bottom to the poverty and misery of the incorrigible irresponsible, zero ambition and lazy people.

Thus, instead of demonizing the super-rich, societies should respect and encourage more people to become super-rich.

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Meanwhile, Forbes magazine ([www.forbes.com](http://www.forbes.com)) released early this week its "The Philippines' 40 richest"

[http://www.forbes.com/lists/2009/86/philippines-billionaires-09\\_The-Philippines-40-Richest\\_Rank.html](http://www.forbes.com/lists/2009/86/philippines-billionaires-09_The-Philippines-40-Richest_Rank.html)

Name	Net Worth (\$mil)	Age
1 Henry Sy	3,800	84
2 Lucio Tan	1,700	75
3 Jaime Zobel de Ayala	1,200	75
4 Andrew Tan	850	57
5 John Gokongwei	720	82
6 Tony Tan Caktiong	710	59
7 Eduardo Cojuangco Jr.	660	74
8 Enrique Razon Jr.	620	49
9 Manuel Villar	530	59
10 George Ty	515	76

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This report was picked up by some Philippine broadsheets, like this report,

"RP's richest getting richer"  
The Philippine Star, August 29, 2009

<http://www.philstar.com/Article.aspx?articleId=500397&publicationSubCategoryId=68>

On the above list of 10 richest Filipinos, 3 of them can be suspected of having gotten very rich because of politics. Cojuangco got very rich during the Marcos administration and was able to sustain his wealth in the succeeding administrations. He heads a big political party while 2 of his sons are Congressmen. Villar is a politician, was former House Speaker and former Senate President, now still a Senator running for President in May 2010 elections. While Razon is closely connected with past and current administrations.

All the other 7 super-rich Filipinos made money out of entrepreneurship. Of course, in an environment of heavy government regulation and intervention, it is impossible for any entrepreneur to become very big unless they have to play some politics. But such practice is kept to the minimum as the bigger part of work is on consolidating and expanding their businesses.

## **LP and liberal socialism**

September 22, 2009

A number of my friends in facebook are fans and supporters of Sen. Noynoy Aquino for President in the May 2010 elections. Me too, am a supporter of the man. One posting today by a friend is the “acceptance speech” yesterday of Sen. Mar Roxas as the running mate for Vice President of Sen. Noynoy. Sen. Mar said the “Noynoy-Mar team up” will

“...Ito ang magbibigay ng trabaho sa taumbayan, dahil hindi na kokotangan ang mga mamumuhunan. Ito ang magpapaabot-kaya sa presyo ng gamot, dahil hindi na makikipagsabwatan sa mga abusadong pharmaceutical companies.”

(This will create jobs because there will be no more extortion of entrepreneurs. This will bring down medicine prices because there will be no more connivance with abusive pharmaceutical companies.)

As usual, I always ask, “where is the liberal philosophy here? I still have to hear the classic liberal agenda like less government and less corruption, less taxes and less bureaucracies, more enterprise competition and more personal responsibility.”

I see a contradiction between Sen. Mar’s 1st and 2nd sentences. The first wants to encourage entrepreneurship and free market capitalism. The second discourages some entrepreneurs by accusing the pharma industry of abuse, and the subsequent moves by Sen. Mar to force drug price control.

Price control is a favorite advocacy by the socialists and socialist-leaning groups and individuals. They believe that competitive capitalism is not working and should not be allowed as much as possible because this will later result in the emergence of monopolies and oligopolies. But monopolies are almost always created by governments – through executive or legislative franchising, so that other potential players are shut out.

Sen. Noynoy is closer to liberal philosophy than Sen. Mar. The former has few interventionist legislative proposals, while the latter lately sounded like a liberal-socialist.

So for now, my vote will go to Sen. Noynoy for President, and will still think of the VP candidate.

## **Facebook and youtube capitalism**

September 22, 2009

Another friend in facebook posted this trailer,

TRAILER: Michael Moore's 'Capitalism: A Love Story' - OPENS NATIONWIDE  
OCTOBER 2nd!

<http://www.youtube.com/watch?v=lhydyxRjujU>

There's a caption after the trailer, "It's a crime story. But it's also a war story about class warfare. And a vampire movie, with the upper 1 percent feeding off the rest of us. And, of course, it's also a love story. ..."

I commented on my friend's wall, "Hi, facebook and youtube are a product of capitalism. Also google, yahoo, iphone, starbucks. We all have a love story with facebook here and facebook capitalism." My friend commented, "hahaha, nonoy, so true."

I think we should be thankful of capitalism. It depends on pure, voluntary exchange. Youtube, facebook, google, etc. go the extra mile to give excellent services at zero financial cost to us, and still they make big money somewhere. They get the money they wish for, we get the social networking we wish for. There are terms in joining the social networking, zero registration or joining fee, people accept it. Zero taxation and coercion, zero bureaucracies involved.

A guy satirically commented, "thank you capitalism". I know him, he's a leader of an anti-globalization, anti-capitalism movement. And Michael Moore's movie is indeed critical of capitalism. I think Moore is critical of big government capitalism (like Mr. Bush and Mr. Obama administrations), like the recent bail-out capitalism, and not really of competitive capitalism.

Once competitive capitalism is severely weakened, State capitalism aka socialism, will set in. But the break up of the former USSR, the fall of the Berlin Wall 2 decades ago, are proof that socialism is wrong.

We should be thankful also of airline capitalism. For both jet-setter pro-globalists and jet-setter anti-globalists. Also ipod and iphone capitalism, disneyland capitalism,... :-)

## **Liberalism and equality**

October 5, 2009

A friend posted in his facebook status the good performance of the liberal party FDP in Germany, partly because of the leadership of a young German liberal, Guido Westerwelle.



I'm a fan of liberal philosophy, the rather classical liberal definition (or currently termed as "libertarian"). I'm a bit carefully particular in the use of the word "liberal" as applied in politics and political parties. Also, the Friedrich Naumann Foundation (FNF), the foundation for liberal politics in Germany with global presence, added an emphasis to its name and logo, "für die Freiheit" (or "for Liberty") to refer more to emphasize the importance of individual liberty.

Another person commented and asked, "What is a liberal? One is liberal if you follow 3 values - 1) equitable redistribution of the wealth; and 2) support free markets (free trade), and 3) decentralized decision-making."

While I believe that # 2 and 3 are part of liberal philosophy, I doubt that #1 is part of it. That is greatly a part of welfarist or socialist philosophy. That is why, to help clarify things, FNF and the German liberals have added "für die Freiheit" the FNF logo in 2008. The German liberals (who fund FNF, in whole or in part) notice that there is high restriction on individual liberty as the German State has taken on a big Nanny function, taking over even those functions that are better left as individual responsibilities.

Another person insisted that redistribution of wealth is part of liberalism. I think that one implication of encouraging more individual freedom is that social inequity will worsen. Not so much because the "poor are getting poorer" but because the very efficient and hard-working people, very ambitious and responsible, will become richer and richer. A group of scientists for instance, who can extract chemicals from ordinary mango or narra leaves to successfully treat AIDS will become super-super rich because their cost of raw materials is practically zero while the value of their invention will be sought worldwide.

When a State or political party advocates forced equality and mandatory redistribution of wealth under such situation, that is not a liberal philosophy, it is socialist. If the super-rich will voluntarily disperse their wealth, say they put up a foundation to tackle certain social problems close to their heart, that is part of liberal philosophy. It respects -- and encourages -- personal responsibility, minimal or zero coercion by the State.

The "super rich will voluntarily disperse their wealth" is a hypothesis, not a theory or statement of fact. Maybe the case of Bill Gates delisting several billion \$ from his personal wealth and transferred to the Bill and Melinda Gates Foundation will qualify in this hypothesis. Warren Buffet also divested several billion \$ of his personal wealth and donated it to the Gates foundation.

One of the top liberal intellectuals in the middle of the last century, Friedrich Hayek, argued that inequality is good for society. All new inventions were experienced by a few first, who enjoyed their benefits, and/or endured their negative effects. It was through trial and error experienced by the few where the majority would later benefit.

## **Liberty, democracy, price control and tax competition**

October 17, 2009

SINGAPORE – Liberty is a state of the individual or a collective where there is absence of external coercion in his life or their lives. Democracy does not mean the 51 percent of the population bullying the other 49 percent, but the ability of the minority to protect themselves from being bullied by the majority. Price control is economic coercion by the State dictating upon private enterprises how they should price their products or services, often regardless of the full cost of their cost of production and marketing. And tax competition is a good way to pressure governments not to impose too many and too high taxes on private enterprises as the latter have other alternative places to locate their businesses to.

These four concepts were among those discussed in the two-days (3rd) Pacific Rim Policy Exchange held in Pan Pacific hotel, Singapore, last October 14-15. These definitions may or may not be acceptable to other people, but that is how some speakers and reactors defined those terms during the conference. The event was sponsored by five think tanks: Americans for Tax Reforms (ATR), Property Rights Alliance (PRA), Acton Institute, International Policy Network (IPN) and the World Taxpayers Association (WTA).

Barun Mitra, the founder and director of the Liberty Institute in India, spoke on the first panel, Land reform and Property in the Pacific Rim. His discussions on democracy, property rights and rule of law, has provoked a number of constructive discussions and reactions from the audience. It was good that Barun mentioned that the “smallest minority is the individual”. Thus, bullying by the majority of the minority should be tempered through the promulgation and respect of the rule of law, and the respect of private property rights of the people. Two other speakers, from China and Thailand, spoke on the state of rural development, or underdevelopment, of their respective countries, and the pathways to overcome those hurdles to rural poverty.

I spoke on the second panel, Access to Medicines, and my paper was entitled “Access to medicines through politics: a preliminary assessment of the drug price control policy in the Philippines”. I explained that heavy politics, more than rational consultation with the affected players in the local health sector, was the main reason for the declaration of price control. Because of this, the policy has produced predominantly negative effects to certain private players in the sector (pharma companies, both multinational and local, drugstores, hospitals, pharmacists, physicians, and so on). The short-term effect to patients is of course positive as they will be able to save on certain drug prices, but the long-term effect will be negative: patients in the country may be deprived of more effective, more powerful drugs that are initially sold at higher prices as producers of these more revolutionary drugs will be scared of government confiscation of the success of innovation. The second speaker in the panel was Philip Stevens of IPN, who spoke on their recent paper, “Keeping it real: Combating the threats of fake drugs in poor countries”. Philip’s presentation attracted lots of discussions because of the gravity of the problem at the global level.

The third panel was on International Intellectual Property Challenges, and the speakers were from the Institute for Public Affairs in Australia, and from Philip Morris

Hong Kong. Issues tackled by the speakers ranged from parallel imports of books, IPR issues like compulsory licensing for emission-cutting technologies, among others.

On the second day, the fourth panel was an exciting one, about International Tax Competition. One of the speakers, Daniel Mitchell of Cato, USA, fluently emphasized the importance of tax competition among countries. Economies that impose the least tax burden, both in low tax rate and simple procedures to comply, all other things being equal, are attracting more investments, that create more jobs, that promote more economic development among its people. Two other speakers, Sinclair Davidson from Australia, and Peter Wong of the Lion Rock Institute in Hong Kong, equally lauded the importance of tax competition, the “tax havens” and the economic growth that they encourage.

Panel number five was on Removing Barriers to Trade, and 3 good friends were the speakers. Chris Derry of Waycross Partners, USA, Wan Saiful Wan Jan of Malaysia Think Tank, and Alec van Gelder of the IPN, UK. Chris showed examples how they pressure the state government of Kentucky towards more transparency, the fantastic growth in traffic volume of their website. Wan discussed the dilemma of an independent, non-partisan think tank that promotes free trade and free market or liberal economic policies, in dealing with a government that is generally liberal in economic outlook but has unpopular political practices like crackdown on opposition. Alec discussed the development in the Freedom to Trade (F2T) global campaign, how many countries turn protectionist as they grapple with the global economic crisis, though there are some good news like countries proceeding with trade liberalization via bilateral arrangements.

The last panel was a discussion on efforts to Replace Income Taxes by Consumption Taxes. All the 3 panel speakers and moderator were again, my friends from recent years. The moderator was the Sec. Gen. of the WTA, Bjorn Tarras-Wahlberg. The 3 panel speakers were the heads of 3 of the biggest taxpayers’ associations in Asia: Japanese for Tax Reforms (JTR), Korea Taxpayers Association (KTA) and Momentum 107 of Hong Kong. Mr. You of JTR said that at current 5 percent VAT, it is possible for the Japanese government to abolish personal income tax and get the same overall tax revenues by raising VAT to 12.5 percent. Mr. Kim of KTA discussed the philosophical and practical possibility of moving away from income taxation to VAT or consumption taxation. Raymond Ho of Momentum 107 showed pictures of the dozens of events they conducted to pressure the Hong Kong government to stick to its Resolution 107, which states that expenditures cannot increase if they are not covered by sufficient revenues, a move for persistent balanced budget.

The conference also featured two dinner speakers, William McGurn of News Corporation on day one, and Dr. Iftekhar Chowdhury, head of the Institute for South Asian Studies, Singapore on the last day. ATR President, Grover Norquist, was the lunch speaker on day 1 while a new documentary on climate alarmism, “Not Evil, Just Wrong”, was shown on the lunch of the second day.

In addition to the various panel discussions and dinner or lunch talks, the networking and small group discussions among participants proved to be very effective in

clarifying certain things and issues, and in forging some organizational alliances and partnerships.

As more governments become bigger and more statist, resulting in the usurpation of more individual rights to collective and government rights, the fight to assert individual liberty, personal responsibility, the rule of law and limited government becomes even more pressing.

The Pacific Rim Policy Exchange is now on its 3rd annual event. It is becoming a consistent big forum for independent think tanks and institutes from countries across the four continents around the Pacific Ocean. Lessons from the economic might of North American countries, from the roaring dragon economies of East Asia, among others, are subjects that continue to be probed by this important international event, the annual Pacific Rim Policy Exchange. I am very thankful to the main sponsors of this event, for the opportunity to attend the past 3 conferences, and even to present a paper and discuss one aspect of big government folly like price control in the Philippines.

## Why many intellectuals oppose capitalism

November 25, 2009

My former Prof. in UP about 26 years ago, basic philosophy subject, also a friend in facebook, Dr. Zosimo Lee, posted in his status that some academic leaders are shallow and mediocre.

I also notice that, a number of academics have shallow research work, often driven by funding rackets. This reminds me of the article, "why do intellectuals oppose capitalism?" by Robert Nozick. I wrote a discussion paper about it, along with 2 other articles, by Karl Popper and Isabel Paterson. It's available at [www.minimalgovernment.net](http://www.minimalgovernment.net), entitled "Intellectuals, capitalism, self-enslavement and limits to humanitarianism."

Sir Zos Lee noted that while Nozick's concept of the State is interesting, the concept of welfare state is stronger because "market forces alone cannot bring about public good."

I argued that this is not true. If we notice, there is NOT a single government restaurant, govt. carinderia, govt. fastfood chain, govt. supermarket -- and yet people are eating. Compare that in education and healthcare, where there are thousands of govt. schools, govt. hospitals and rural health units, drug price control, govt. health insurance, etc., and problems seem to be expanding. Where there is govt. intervention and heavy regulation, distortions and corruption happen heavily too.

A lady friend of Sir Zos argued that the reason why fastfood chains make big profit is because the Philippine government subsidizes rice imports from a country with strong state, Vietnam. And bottled water, now a commercial commodity.

Her statements are wrong. One, the Philippine government does not subsidize rice imports. It taxes rice imports. Two, I do not suggest totally removing subsidies to public health care, even public education. I believe there is role for govt. health care for pediatric and infectious diseases (malaria, dengue, etc.). Three, the reason why food business survives even with zero govt. resto or govt. carinderia, is capitalist competition. If people think jollibee meals are expensive, then there are cheap carinderia food alternatives. And four, people have the option to buy bottled water or not, there is zero coercion there, unlike taxes and govt subsidies to favored firms and sectors which are pure coercion.

The lady further argued that the "reason why free markets alone is not enough to bring about a just, fair and FREE society is because enterprises' purpose for being is PROFIT alone. Business will downsize, cut costs, layoff workers, move from pt a to b to c with only one goal in mind: to keep cost down and increase the bottomline."

Yes, profit is good. Facebook will not do this free online networking if it does not make a profit. Mcdo and Chowking and Aling Caringderia won't put up their foodshop if they do not make profit. Because they desire profit, they hire workers, they produce and sell food, they open up their store 24 hrs a day, etc.

The opposite of capitalism and profit motive is socialism. The opposite of deregulation is monopolism and heavy government regulation. Giving politicians and government bureaucrats heavy power to say who can do business and who cannot, and how they should do their business, is inviting abuse and corruption.

Meanwhile, yahoo, google and facebook capitalism are among the best things that capitalism and capitalist competition has brought to mankind.

## **Rule of men, Maguindanao-Malacanang Connection**

November 27, 2009

Rule of law is the single biggest guarantee of individual rights and freedom. It is the most important protection so that no unnecessary coercion of the majority over the minority, of the armed over the unarmed, of the politically powerful over the less-powerful or powerless, will not be made. Because the rule of law simply says that the law is above anyone, no one is exempted from the law, and no one can grant exemption from the law.

Rule of men is the exact opposite of the rule of law. Men and women with power and arms rule, not the law. These are people who can make restrictive laws, or flaunt to implement those laws made earlier, but those restrictions apply only to other people, most especially to their enemies, while they and their friends are exempted from those laws.

Thus, the law against stealing and corruption, law against political harassment and terrorism, law against killing, murder and massacre, apply only to other people. Those who have political and armed power in a given country, province or locality, are exempted from such law. At least in their minds, they think they are exempted.

Such was the state of mind of the Ampatuan clan in Maguindanao province. And it is that rule of men mentality that prodded them, at least Mr. Andal Ampatuan, Jr. and his armed men, to commit the massacre of 57 people in the province early this week. Victims included the wife, family members and supporters, of the political rival from another clan. Other victims were the 18 media people who accompanied the convoy, and some innocent motorists whose car was unluckily following the convoy within minutes.

What exacerbated the absence of the rule of law in that province, was the absence of any arrest, or even the issuance of an arrest warrant, and perhaps not even a serious impartial investigation by the local police, three days after the heinous crime.

The administration and implementation of the rule of law – law against killing and massacre, in particular – lies mainly in the hands of the police. If the police is an impartial body of the State that will throw its full armed forces against armed men who have zero respect for the right to life, right to liberty and right to private property of other people, the police should have made arrests within hours, or at least within 1 day, after the heinous crime. It was not an ordinary murder of killing 1 or 3 people where only a few criminals are involved. It was a multiple murder case annihilating

57 people or more, that involved dozens, if not a hundred plus armed men, so that leads can easily be traced. The use of government property like the provincial backhoe to bury the bodies and vehicles deep should make the crime investigation easier in terms of identifying the perpetrators.

But the provincial and municipal police did not make any arrest for 3 days! During that period, it is possible for the perpetrators, the mastermind and the big number of men who were ordered to shoot and kill the victims to hide. Or even to commit more murder to terrorize more people like potential witnesses and independent media investigators. What if 50+ more people were killed while the armed thugs and murderers were covering their tracks and making sure that no potential witness will come out to speak?

The silence of the provincial and local police was directly proportional to the absence of explicit indignation at the Office of the President. If the President was horrified by the massacre, she should have lambasted the inefficiency and laziness of the local police to make immediate arrests, if only to partially immobilize those murderers who were still roaming around with their guns and killer instincts intact. There was "condemnation" in front of TV cameras and journalists' cameras but beyond that, there was no strong arm of the state to implement the rule of law.

One can connect the close ties between the President and the Ampatuan clan. In the 2007 elections, if my memory is correct, the clan who controlled politically the entire province delivered huge political victory for the President and her Senatorial candidates. The province was among the few, if not the only one, where all 12 Senatorial candidates of the administration won. Not a single opposition Senatorial candidate, even those coming from Mindanao and from big political parties, won in the province. Which is a big discrepancy from the overall national result where only about 5 or less administration candidates won. Which implies that large-scale cheating in favor of the administration happened in the province. Courtesy of the Ampatuan clan.

If this is the case, then the President has big political debts to the clan. And penalizing the latter instantly for their acts of multiple murder and massacre, was something that was a non-option for the administration.

Without widespread public anger, without large-scale protests and condemnation from almost all sectors of the Philippine society especially the media, without international pressure, the no-arrest situation and perpetuation of the rule of men would have persisted.

The widespread political and media pressure coerced the President and some agencies under her like the Department of Justice (DOJ) and the National Bureau of Investigation (NBI) to make the necessary arrest. That was four days after the massacre. Somehow, the rule of law was administered, even partially. Because only the suspected mastermind, Mr. Andal Ampatuan, Jr., was arrested. There was no report yet of even one person among the men he ordered to shoot and kill, that was also arrested.

The rule of law in this case did not come voluntarily from the State. Which is a shameless and dangerous situation. The promulgation of the rule of the law is the

single most important function of the State. Remove that single function from the State and all its other functions, from the most bleeding-heart welfare and subsidy programs to the mundane ones are meaningless.

And this will have serious implication for the coming Presidential and local elections five months from now. Citizens and voters should insist and reiterate that their chosen candidates will promulgate the follow the rule of law. The law against stealing and corruption. The law against killing and massacre. The law against non-obedience even to ordinary traffic rules.

When there is a rule of law, there is peace, order and growth in society.

When there is continued rule of men, there is only chaos, fear, stealing and killing in society.

## **Electing socialists**

December 15, 2009

In one of my various discussion ygroups, there was one proposal to support a politician from the left-leaning BAYAN MUNA (country first) for Senator because she's a fellow UPSE alumni.

I have to spoil the party, err the proposal, as always. Electing to a higher legislative office politicians who believe that price control (petroleum, medicines, house rental, etc.) is good economics, is not a wise move.

Any candidate campaigning on near-socialist economic agenda, we should junk. Unless people think that socialism and forced collectivism is good. Socialism simply means that they will socialize health care, socialize education, socialize credit, socialize pension, etc., including socialize our pockets, socialize our personal bank savings, socialize personal efforts and ambitions or the lack of them.

Modern socialists don't even call themselves as such. But one can easily identify them through their words and actions:

- \* More and higher taxes to provide welfare and subsidies to the poor -- even if poverty is caused by plain laziness and personal irresponsibility.
- \* More business regulations and costly business compliance processes, more rigid labor laws to protect workers from "capitalist exploitation" .
- \* More financial regulations to "prevent" future financial crisis.

Such socialists serenade us during elections. Some socialists work in multilateral institutions, oppose any significant income tax cut but themselves are not subject to mandatory and confiscatory income withholding tax.



Double talk and hypocrisy is also very evident in the minds of those socialists. For instance, they shout "cheaper medicines" but are totally silent, if not absolutely supportive, of continued taxes on medicines (5% import tax + 12% VAT + other fees) that contribute to expensive medicines.

So, whether they are fellow UP alumni or not, if they act like modern robbers who, in the name of "welfare for the poor", would confiscate more from our pockets, or force private enterprises to provide mandatory subsidies to the public while collecting endless taxes from such enterprises -- what exactly happened with drug price control and oil price control -- we should junk them.

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Two political quotes:

(1) "As a politician, these are my principles!  
If you don't like them, well, I have others."  
-- Groucho Marx

(2) "If it moves, tax it.  
If it keeps moving, regulate it.  
If it stops moving, subsidize it."  
-- Ronald Reagan

The 2nd somehow alternatively defines what socialism is. The politicians who make promises along those lines, often implicitly, may call themselves "Bayan Muna", or "Dyos Muna" (God first), "Nacionalista", "Liberal", "Nationalist People", etc.

But their mark or signature is one and the same, regardless of their label or political party: they just love more regulation and more taxation.

## **Democracy and coercion**

January 2, 2010

A good friend of mine from India, Barun Mitra, heads the Liberty Institute in Delhi. Their primary website is [www.indefenceofliberty.org](http://www.indefenceofliberty.org), and they have other, secondary websites related to promoting democracy in India, intellectual property, climate, etc.

Barun has written and talked a number of times on liberty and democracy. During the (3rd) Pacific Rim Conference in Singapore last October 14-15, Barun was the 1st speaker of the 1st panel of the conference. Barun spoke about democracy and why it's not equivalent to mob rule and the majority oppressing the minority (the smallest minority is the individual). During the open forum, more than half of the questions were directed to Barun :-)

I agree with Barun that democracy should be taken wholistically. Both economic and political democracy. But as I argued earlier, democracy per se, is not the problem or the solution. It's the coercion, state coercion using the laws, law enforcement

agencies (police, armed forces, prison system), the legal system (courts and appeal courts), that makes whatever economic and political system potentially dangerous to the individual.

Most or all people will agree to the statement, "everyone should eat properly and have decent life."

If there was no state coercion involved, then it is assumed that everyone, the able-bodied and able-minded people, should work, so they will have money and resources to eat and live a decent life for their family and community. But ever since coercion was invented as a necessary part of government, certain sectors of society have mastered the art of political lobbying, not real working, as a way to feed themselves, their family, and other sectors.

First there is a big group of people who produce not a single kilo of food or transport a single person to do a service for a fee; these are the people who have become full time regulators and government administrators all their lives.

Second, there is another big group of people who rely on welfare and transfers. They may have zero work or work very little, but the entitlement system in society allows them to eat and have regular form of allowance and health insurance.

The US is the biggest democracy (or 2nd biggest, next to India?) in the world. Yet we hear many voices complaining that too much entitlement, expensive welfare system, all enabled by coercion in a democracy, is dragging the US economy and leaving a huge dent on the democratic process.

In a free market outside of government regulations and restrictions, there is full democracy without coercion. People patronize a particular food shop or barber shop or clothes and shoes shop, while ignoring the other shops. This forces the ignored ones to further improve their services or bring down their prices to attract more buyers.

So full democracy without or minimal coercion is possible. In government system, there may be full democracy (still subject to debate) but there is always coercion involved. And this makes the essence of government democracy questionable in the first place.

Anyway, just pondering on that nagging issue why I think it is coercion, not democracy or other forms of government structures and policies, that should concern us.

Of course I am not saying that it is possible to banish coercion from the face of the earth. There WILL always be coercion, happening in our daily lives, mostly done at the micro and household level. For instance, if our kids will not stop watching tv and they don't do their school assignment or will not go to bed early, we use our authority as parents or guardians to coerce those kids to stop watching tv all night. That's micro level of coercion. So as Hayek said, coercion is a matter of degree. Some coercion are at the household level, some at the societal level.

Some government coercion are useful and necessary, like the law against killing and murder, law against stealing and kidnapping, law against counterfeit and substandard medicines, law against adulterated and expired food and drinks, law against air and water pollution, and so on. They are deemed useful because they are meant to protect the citizens' right to life, right to private property, right to liberty and dignity.

It is those new set of coercion and social entitlement that has become problematic for social thinkers.

## **Surplus under socialism**

January 3, 2010

One member of my discussion yahogroups posted his definition:

"Capitalism gets the profit and distributes it to owners.  
Socialism/communism gets the profit and distributes it to workers."

His definition of forced collectivism (aka socialism/communism )is wrong. The surplus or profit goes to the leaders of the communist party, not the workers. If workers did benefit, the Berlin Wall and "proletarian states" would still be around.

Another member suggested that the 2007-08 financial turmoil was a "market debacle". Again, I will say that this is wrong.

We could say that it was Lehman debacle, AIG debacle, etc., but never a market debacle. Many big capitalist firms are still around -- big airlines, big hotels, big fastfood chains, big coffeeshop chains, big internet portals, etc. The market economy only wobbled, and it must experience that. Expansion and bankruptcy are 101 percent part of capitalism.

Greed is practiced not only by the big guys. It's also practiced by the small guys. Notice how tricycles would lobby, if not sabotage, the entry of jeepneys in some routes that they have monopolized for many years. Notice how jeepney operators and drivers would lobby, if not sabotage, the entry of air-con FX and vans in some routes that they have monopolized for many years.

Stiff competition among players provide the "invisible hand" that lead players' greed to serve public interest. An auto repair shop owner, driven by greed and profit, would open his shop 10 hrs a day, 7 days a week, no lunch break, order his staff to be extra courteous to clients, and not charge his customers too high -- in order to get more customers, to survive the competition by other auto repair shops nearby.

## Leeches and the rule of law

January 7, 2010

"Leeches on both ends of the economic spectrum challenge crafters of government policy, specially when resources aren't that plentiful and have to be managed rationally. But the situation becomes even more of a challenge when these leeches are represented in the lawmaking body of the land."

I think that statement is wrong. Only leeches from the socialists and monopolist-minded capitalists applaud more government intervention. Free market capitalists want zero government intervention in business. Except in business practices that result in death and harm to people's health. Like selling counterfeit or substandard medicines. Or selling expired and adulterated food and drinks. Or selling poisonous toys. Or selling bombs. Or issuing bouncing checks. All of these are covered by existing laws and prohibitions against threats to people's health and life.

On another note, there was a suggestion that we still need the Bureau of Customs (BOC) to collect VAT and to police the entry of hazardous materials like guns and bombs through the ports. I believe that VAT collection can be done by the lean BIR, while checking the entry of guns and bombs is a police function, not BOC. Whether the guns come from Iran or Cagayan, whether from Russia or Zamboanga, the police should monitor and confiscate those whenever necessary.

On abiding simple rules, the "rule of law" is a very radical concept. It says that the law rules over men. No one is exempted from the law, and no one can grant exemption. The law applies equally to unequal people.

When the law says no stealing, then no stealing -- whether by the President or the King or the most desperate and the poorest people. No stealing, period. No ifs, no buts, no exemption.

When the law says "No left turn" or "No counter-flow", then no left-turn or no counter-flow should be allowed.

Unfortunately in this country, the WORST violators of the rule of law, especially of traffic rules, are the Office of the President, the Presidential Security Group, and the police (PNP).

For this group of people, there is only rule of men, no rule of law. They are the WORST violators of the rule of the law, and we call them "public servants" and we part with a big portion of our monthly income to feed those shameless and arrogant people.

The President and her military escorts, they are the WORST violators of the rule of law, at least of traffic rules. Shame on them.

## Law and Economics

January 7, 2010

I heard from some friends in my alma mater, the University of the Philippines (UP), that there is a plan to offer a course in Law and Economics that will be co-taught by both the UP School of Economics (UPSE) and the UP College of Law.

I believe this is a good and bright move. Law and economics.  
Rule of law + proper allocation of limited resources.

I suggested to them an unsolicited opinion. That one of the focus of the subject should be on property rights. Both physical property and intellectual (or non-tangible) property.

Property rights is the cornerstone of a free society. For instance, remove or garble the security of your property rights to your car, then other people can say, "Your car is also my car, so I can open and drive it anytime I want". Extend such absence of exclusive property to your house, your cell phone, your land, etc., and you will have zero peace of mind.

It's the same with invention and intellectual property rights (IPR) for certain patents like a new medicine or new vaccine. The current Cheaper medicines law allows compulsory licensing (CL) in cases of national health emergencies as determined by the DOH Secretary. While there are safeguards against its abuse, this provision nonetheless would allow, if not encourage, some local or non-innovator pharma companies to say, "The cost of your expensive R&D, the losses to your unsuccessful drugs are yours and yours alone. But your successful, blockbuster and highly saleable drug invention is also my invention."

Then we can see the impact on the economy. Certain studies have shown that countries that promulgate the rule of law and private property rights have more developed economies. While countries that make a mockery of the rule of law and private property rights are underdeveloped. See for instance, [www.internationalpropertyrightsindex.org](http://www.internationalpropertyrightsindex.org).

That's law and economics. That should be an exciting subject in the future in both prestigious colleges in UP.

## Liberalism, Democratism and Authoritarianism, Part 2

January 18, 2010

I just got a long comment from a reader, Terry Daly, in my blog entry, "Liberalism, democratism and authoritarianism", posted last January 9, 2009, <http://funwithgovernment.blogspot.com/2009/01/liberalism-democratism-authoritarianism.html>

Below are Terry's comments, and further below, my additional discussion:

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You confuse 'democratism' with 'democracy'. Fatal error.

As you say in your essay, 'democracy' is always prefaced by the words 'liberal', 'social', 'Christian', 'Moslem' et al. There is one major consequence to this. These ideologies and theologies always take precedence over 'democracy'. The 'democracy' element consists merely in individual citizens having one vote every five years - to elect a dictatorship (liberalist, socialist, Islamist, Christian et al), which is then at 'liberty' to act in blatant defiance of the will and wishes of the democratic majority in each and every piece of legislation it enacts and in each and every action it undertakes. Impressed? I'm not.

Take the present Obama health care legislation being rushed through the US Senate. All the polls show that the majority of the American people are against it. It's still being forced through. Take fundamental UN 'climate change' legislation. All the polls show the democratic majority of the people in America, Europe and many other places don't think such legislation is necessary. It's still being forced through. I could go on.

Now let me define 'democratism' for you. It's the will and rule of the democratic majority in all things at all times in every institution in every country. That's democratism. It hasn't happened yet. We're in the pre-democratism age.

Democratism as defined here, I'm sure you'll agree, bears no meaningful relationship to 'liberal democracy' or 'social democracy' or 'Islamic democracy' or 'Christian democracy'. These latter are all liberal, social, Islamic or Christian dictatorships, nothing more, nothing less.

I'm a democratist. I suggest you embrace democratism in place of your present classical liberalism. Classical liberalism has long ago lost the battle to social liberalism. Even if it hadn't lost the battle, classical liberalism in its heyday was never anything more than elective dictatorship - the antithesis of democratism - and therefore no different to contemporary social liberalism diktat and dictatorship.

Democratism as I have defined it here is a living, dynamic organism that gives each individual citizen a vote and a debate on everything, continuously, not merely once every five years to choose a dictatorship. Modern technology and the internet make all this possible. Everywhere.

Get ready. 2010 is about to witness the birth of democratism in Britain, America, Canada, Australia, Europe and elsewhere. From the bottom up.

Happy days.

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There is one very important concept in my earlier essay that Terry failed to notice or failed to discuss: coercion. The use or non-use of coercion separates the philosophies among liberalism, democratism, authoritarianism, and other ideologies.

Take this quote, for instance: "Everyone should eat and be entitled to quality education, quality healthcare." The related or consequential quotes or policies will be, "No one should die early of certain diseases because he or his parents is/are poor."

In a society of no coercion to materialize such vision, each able-bodied and able-minded person should have a job and/or sufficient savings. Other people will have extra resources to take care of people with special needs, like people with physical and mental problems (the blind, autistic, paralyzed, etc.) and with special health needs.

In a society of institutionalized coercion, even the lazy and irresponsible who are very articulate and influential in political lobbying, will eat and be entitled to certain social and economic subsidies, courtesy of governments (democratic, authoritarian, etc.). Governments do this via high and multiple taxation, then redistribute the tax revenues from the industrious to the less-industrious and the various bureaucracies in government agencies that will implement the multiple tax collection and monitoring, agencies that will implement the distribution of subsidies and perks.

Barun Mitra of Liberty Institute in Delhi, India ([www.indefenceofliberty.org](http://www.indefenceofliberty.org)) has a good but different definition of democracy. Barun wrote,

"Democracy is Not majority rule. Democracy is the recognition and respect of dissent; democracy is appreciation of the rule of law; democracy is protection of minority opinion as the individual is the smallest minority; democracy is recognition of individual rights and property rights."

See his presentation here,

<http://www.minimalgovernment.net/media/barunmitra20091014.pdf>

Compare Barun's definition of democracy with Terry's. Terry wrote above,

"Democratism... is... the will and rule of the democratic majority in all things at all times in every institution in every country."

This "rule of the majority" is what can be dangerous. As Barun argued, the smallest minority is the individual. If the majority is affiliated with a particular religion and one or two person/s believe in another religion, then religious persecution is possible to implement the will and rule of the majority.

Is a society of zero or little coercion possible?

Definitely. We are actually seeing and experiencing it everyday. When we go out to buy food outside, thousands of food vendors, food shops, food manufacturers and distributors, are competing with each other to get our attention, to get our patronage and support. There is zero external coercion involve when we choose milk C over milk A, B, D, E, F, etc.

This society is the free market out there. Those who fail to get enough consumer attention and support will later be forced to close shop, and/or be forced to move to another industry or sub-industry and try their luck in attracting customers and clients there.

So a vote for classical liberalism and individual liberty is a vote for a society of less government intervention, less government regulation and taxation, and a society of more personal and parental responsibility.

Authoritarianism need not be practiced by a political minority, say a dictatorship with a big army and big police. Authoritarianism can also be practiced by the majority, by enacting into laws certain public policy measures that subsidize and favor certain sectors in society, while over-taxing and over-regulating other sectors of society.

## **Rule of law in facebook**

January 29, 2010

I got an email interview from an academic friend who also works as consultant at the ADB. His 2 questions were,

1. What, in your view, have been the top three impediments to rapid and broad-based (inclusive) growth in the Philippines?
2. If you were the President, what top three concrete measures (i.e., strategic measures which you believe that once achieved, would lead other issues to fall into place) would you implement to achieve rapid and broad-based (inclusive) growth for the Philippines?

I emailed back my answers to him. Then just curious, I posted yesterday morning in my facebook status to see some friends' comments. See those comments below.

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Nonoy Oplas:

A consultant of ADB asked, What's the top impediment to rapid growth in the Philippines? My answer: Lots of laws but no rule of law. Laws and prohibitions (no stealing, no killing, stop on red light, etc.) apply only to ordinary people but those in govt, especially the top leaders, are exempted from the law.

Franklin: you bet.

Helio: Love it Nonoy!



Nonoy: Thanks. Half-implementation of the rule of law means govt. leaders can steal, can change rules and create new prohibitions arbitrarily, discouraging investments and job creation.

Rodney: you hit the bull's eye, noy!

Norman:

Funny that she started out carrying the motto "Strong republic" 'no. So, does this mean you're vouching for Bayani? ;)

Rodney: but the worst is colonialism... all the energy of the country is bent on consuming american cultural goods....

Porky: mismo! :)·

Leah: korek ka jan pareng noy!! happy valentines!!

Jude: And as somebody asked before, what needs to be done? :-)

John: My answer was high barriers to entry and lack of competition. But you're right - Philippine government sucks at implementation and is obsessed with mere formalism (i.e. getting an E.O. or R.A. passed)

Nonoy: Rule of law is a radical idea. No one is exempted from the law, no one can grant exemption from the law, and the law applies equally to unequal people. One implication is that the number of laws should be as few as possible. So, candidates who authored plenty of laws are dangerous.

Porky: the sad truth is, some are more equal than others... :(

Antonia: bingo! nothing's changed then eh...

Rica

The ADB Know it themselves. The top impediment to rapid growth is red tape and corruption. Probably even in that order.

Nonoy: Yes, the ADB knows about the corruption and robbery, the absence of rule of law in the administration of public finance, happening in the countries they're lending to incl. the Phils., but generally keeps silent about it and just keeps lending.

## Rule of law and Supremacy of the law

February 7, 2010

There is a brief discussion in my other discussion group, about democracy. Democracy is a popular concept and most politicians and political groups around the world say they are democrats, very often with an adjective before it -- like social democrat, liberal democrat, christian democrat, and so on.

A friend from India, Barun Mitra of Liberty Institute, made a good presentation about democracy and property during the "3rd Pacific Rim Policy Exchange" held in Singapore last Oct 14-15, 2009. Entitled "The politics of property", it's available at: <http://www.minimalgovernment.net/media/barunmitra20091014.pdf>.

It's 27 slides (powerpoint), lots of philosophical discussion about democracy. I like one of Barun's arguments: Democracy is not majority rule because the smallest minority is the individual.

A friend from Georgia (Europe, not US) opened up a new topic, "Rule of Law is not the same as Supremacy of Law."

While I am familiar with the definition and discussion of the "rule of law", I am not familiar with the latter. The former, at least in the Hayekian definition, is very clear. The law is above everyone. No one is exempted from the law, no one can grant exemption, and the law applies equally to unequal people.

A quick search of the "supremacy" shows that the latter means that in case of a conflict between a local or community law with a national law and/or a federal or union law (say in the US or the EU), one has the supremacy over the other.

Another source made this definition,

"The rule of law requires both citizens and governments to be subject to known and standing laws. The supremacy of law also requires generality in the law. This principle is a further development of the principle of equality before the law." (<http://www.ourcivilisation.com/cooray/btof/chap181.htm>)

I don't remember Hayek discussing or mentioning the topic, "supremacy of law", at least in his book, "The Constitution of Liberty" (1960). Hayek's definition of the "rule of law" covers both -- application of the law to everyone and such laws are abstract and of general application to all.

Another thing, Hayek did not consider all laws emanating from the parliament or legislature as real "laws" in the sense of being abstract, general laws. For him, only general laws that mention no individual, no institution, no group or sector, can be considered as real "laws".

Thus, we can consider the "law against killing" as a general law. Also, the "law against stealing". These laws make no mention of any individual or institution or group, nor make any exemption. Whether the killer or theft is a king or president or

prime minister or the poorest of the poor, killing and stealing is prohibited, period. No ifs, no buts, no however.

In contrast, laws on financial bail-out, agricultural subsidies, trade subsidies, health/housing/education subsidies, tax holidays, etc. are not abstract, general laws. Such "laws" contain too many details. When there are too many details, there are many potential loopholes and exemptions.

From Hayek's definition and discussions, therefore, we can infer that "rule of law" is similar to "supremacy of the law".

## **Facebook and liberty, part 2**

February 9, 2010

Last August 10, 2009, I wrote and posted this::

"Facebook, Google, Yahoo and other free web and social networking services, are among the best examples of the free market system and individual liberty. Zero tax money, zero government borrowings, and no State bureaucracy to create and sustain them...."

A Filipina friend now based in UK, Antonia Hopkinson, made these comments (she gave me permission to post her comments here):

"Facebook and liberty...I think you have forgotten the famous econ adage 'there is such thing as free lunch'...

"Actually joining FB and other social networking websites is actually not free...in exchange for the free use we are actually giving them our personal details which they can sell to companies or use to create new products...have you noticed the applications available in FB such as farmville? information we give in the net and patterns of use is also being used to profile us in creating new commodities.

"its so unfortunate that we fell on the trap of voluntarily giving our personal details disguised as liberty. in the west not only companies benefit from our personal details but also fraudsters and identity thieves."

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Yes, no such thing as a free lunch. But I think people, me included, enter into this networking voluntarily, and can get out or unsubscribe anytime. As long as there is perceived net advantage (advantages are larger than disadvantages), people will stay. When an individual perceives there is net disadvantage, then it is time to get out. So there is fair game there.

Compare that in government, even if our Mayor or Governor or Cong. or President is/are the most corrupt guys around, we still have to sustain them against our will. Zero voluntary arrangement there, unless one will become too radical and call for another "people power" revolution, local or national.

Antonia made another comment. She wrote,

"Free sites in the web have their own machination to entice people to join to achieve their motive. i remember ebay used to be free. once it got all the information of people buying and selling in its site it gradually introduce fees. now it is very expensive and people dont even realise it. they have been conditioned it's free and even introduced paypal as the only method people could use to pay in the guise that they are protecting the safety of their memebers. but sellers has to pay 10% to take the money buyer had paid out on top of the 10% commission ebay charges from the sale of the item. then there are fees for photos and other special features.

"It is also very hard now for other businesses to compete with ebay as people have been hooked to ebay now."

On "being hooked", I think it's the same with SM malls here all over the country. Food and shops at SM are not cheap, except when there are bargains, but people still flock to their malls with or without bargains. There are other big malls by big corporations that offer competition to SM malls. There is market competition.

Between being hooked with something (ebay, facebook, SM, a cell phone brand, etc.) and not being hooked due to absence of stable or reliable competitors, many people choose the former.