

Discrimination and Liberty

(Editor's Note: We herewith inaugurate a new monthly feature: The Pursuit of Happiness. Its regular contributors will be Walter Williams, one of the most prominent defenders of liberty today, and Charles Baird, an economist specializing in the freedom of workers. Guest contributors will also occupy this space.)



How much should we care if people discriminate? In answering this question, maybe it's a good idea to say what we mean by discrimination. The most internally consistent definition is that discrimination is the act of choice. Thus, discrimination is a necessary fact of life—people do and must choose. When a person selects a university to attend, he must unselect other universities—in a word, he must discriminate. When a person chooses a mate, he discriminates against other possible contenders. In the first instance, we call it university discrimination, in the second case mate discrimination. Thus, when the term discrimination is modified by words such as race, sex, university, or mate, we merely state the criterion upon which choice is being made.

Is there a moral distinction between selecting a university on the basis of arbitrary distinctions and selecting a mate, employee, or anything else on the basis of similarly arbitrary distinctions? In mate selection, people routinely discriminate by race. How does that act morally differ from choosing employees by race? We know that social sanction is granted when race is used in selecting a mate but not granted in the case of selecting employees.

Some people might offer that when people select mates by race there is no private or social harm done, whereas in the case of race discrimination in employment there is private

and social harm. On further thought, it can be easily shown that such a proposition clearly does not hold. At the private level, when a black male indulges his racial preferences by marrying a black female, that act reduces the opportunity for white females who might have been attracted to and married the black male. At the social level, non-assortive mating (mating with those with similar attributes) has enormous consequences. Its racial component has helped perpetuate the large income and wealth differences between blacks and whites. If whites (generally having higher income and greater wealth) married blacks more often (who generally have lower income and wealth), the income distribution would be less skewed. The political rhetoric we often hear about differences between the haves and have-nots tells us that a smaller gap between black and white incomes would be socially desirable. But I have not heard calls for mandatory integration in marriage.

The fact that choosing by race reduces opportunity does not really distinguish racial discrimination from other kinds of discrimination. When people choose PC's, they "harm" the maker of Macs. When people indulge their preference for California wines, they "harm" Bordeaux manufacturers. We could produce an endless list of the "harms" done by people indulging their preferences by discriminating against one person, product, or service in favor of others.

In a free society, there should be support for people's right to choose. The true test of one's commitment to freedom of choice does not

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come when one allows others to choose in ways deemed right. The true test comes when one permits others to choose in ways he finds objectionable.

If there is a moral dimension to preference indulgence, it's when it involves threats, violence, and government subsidy. The clearest case where racial discrimination has no place is in government-financed services such as schools and libraries. If schools and libraries are publicly financed, every citizen, regardless of physical attributes, is entitled to access. If not, the government has committed the equivalent of theft, which is immoral, that is, requiring someone to pay for a service, then compounding the crime denying him its benefits.

There are numerous government acts that subsidize racial preference. One is price-fixing, such as minimum-wage laws. When the government dictates that an employer must pay a minimum of five dollars an hour to anyone he hires, that law reduces the cost of, and hence subsidizes, racial preference. Predictably people will engage in more of it. To make this more concrete, assume that ten people of equal productivity apply for a job. The employer plans to hire six of them. Since there is no economic criteria upon which to choose (he must pay the same wage to all), the employer must use non-economic criteria for his selection. A non-economic criterion might be race.

Greater indulgence in personal preferences in the wake of price-fixing is a general phenomenon. Consider a nonracial example. In a supermarket, filet mignon might sell for twelve dollars a pound, while chuck steak sells for seven. The cost of discriminating against chuck steak is five dollars a pound (the difference between its price and that of filet mignon). If a law was enacted requiring that both sell for twelve dollars, people would begin to discriminate against chuck steak. The reason is simple: the cost of indulging one's preferences goes to zero. The way that chuck steak effectively competes with what people prefer more—filet mignon—is by offering what economists call a compensating difference—a lower price.

The power of price-fixing to subsidize racial preferences has been recognized by

racists throughout history. In apartheid South Africa, white unionists argued that "in the absence of statutory minimum wages, employers found it profitable to supplant highly trained Europeans by less efficient but cheaper non-whites." In 1919, the South Africa Mine Workers Union said, "It is now a question of cheap labour versus what is called dear labour and we consider we will have to ask the commission to use the word 'colour' in the absence of a minimum wage, but when the minimum wage is introduced, we believe that most of the facilities in regard to the coloured question will automatically drop out." In the United States, in 1918, the Brotherhood of Railway Trainmen said that "where no difference in the rates of pay between white and colored exists, the restrictions as to the percentage of Negroes to be employed does not apply." Testifying in favor of the Davis-Bacon Act (a super-minimum wage law), Representative Miles C. Algood said, "That contractor has cheap colored labor . . . , and it is labor of that sort that is in competition with white labor throughout the country." In each of these cases and many others, people who wanted to discriminate against blacks recognized that mandatory wage minimums were a valuable weapon.

Price-fixing is simply one of the ways that government subsidizes preferences. Other ways are taxes on profits, economic regulation, and occupational licensure. In general, preferences are subsidized whenever government dictates the terms and conditions of exchange.

While many of us, including me, find some aspects of racial discrimination morally repulsive, we must at the same time recognize that freedom of association should be our overreaching value. Valuing freedom of association does not mean that we are helpless in registering revulsion to various forms of discrimination. There are private social sanctions that can be exercised similar to those exercised when people behave impolitely, use vulgar language, or disrespect elders. But the largest contribution to racial harmony that we can make is to keep government limited to its legitimate or moral functions, namely, preventing force, fraud, theft, and the initiation of violence. □