



Billions for Broadband, But Not One Sense of Liberty

This Independence Day weekend Americans have been reminded once again of the immortal words of the Declaration of Independence: "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty ... and broadband?" Believe it or not, Finland has just declared broadband a legal right of all its citizens, with the government guaranteeing that every home has access at one-megabit speed.



Back in the United States, while not quite declaring broadband a right, President Barack Obama likewise offered to spend other people's money to ensure that more Americans have access to broadband Internet connections.

According to Cecilia Kang, blogger for the Washington Post:

President Obama on Friday announced 66 new broadband grants and loans totaling \$795 million, part of the administration's continued rollout of Recovery Act grants meant to expand high-speed Internet connections across the country.

The awards range from a \$5.2 million network infrastructure grant in McCarthy, Alaska to \$17.5 million to projects at 190 anchor community institutions in economically distressed areas of Washington[,] D.C. The District government applied for the grant, saying the funds would help bring better Internet service to 650,000 residents and 30,000 businesses.

The money is being disbursed as part of the so-called stimulus bill, which offered up \$7.2 billion of taxpayers' money for such projects. Where the federal government gets the constitutional authority to do this is anybody's guess.

One might also ask why Obama would wish to help more people get connected to the Internet at a time when some Senators are pushing <u>legislation</u> to permit the President to shut it down at will. Further, why promote web surfing, a sedentary activity, at the same time as <u>Michelle Obama</u> is engaged in a fight against Americans' obesity? Then again, consistency has never been a hallmark of government.

The real reason for the spending, of course, is to buy votes for President Obama in 2012. Thus the President claims that "the new awards will result in 5,000 immediate jobs," according to Kang, who noted that this is in response to criticism that "the broadband grants haven't resulted in the immediate jobs benefits that the stimulus plan was intended to generate."

Even if, as Obama asserted, the spending really does create 5,000 jobs, and even if the jobs and the benefits of the newly available Internet access continue after the federal money runs out, all this proves is that the government can transfer jobs and benefits from one sector of the economy to another. As Frederic Bastiat once observed, one must consider both what is seen (the promised 5,000 jobs) and what is unseen (the money diverted from others to fund these new jobs).



Written by Michael Tennant on July 5, 2010



The federal government has only three ways to fund this spending: (1) taxation, (2) borrowing, and (3) inflation. Every one of these methods involves the taking of money from individual Americans by force (borrowing eventually requires either taxation or inflation or a combination thereof to pay off the interest and principal). Consequently, every one of them reduces the number of jobs and other benefits that those on the losing end of the transaction would have created through their own spending and investment had they been allowed to keep their own money.

In fact, given that the private sector is far more efficient than the public sector, it is almost certain that far more jobs and benefits would have been derived from the \$7.2 billion the government is expending on its broadband initiatives than the grants themselves will ever create. In addition, those jobs and benefits would have been created based on an actual need as determined by the market rather than on a perceived need as dictated by politics.

The "right" to broadband, like so many other newly minted "rights," necessarily involves the expropriation of some for the benefit of others. Therefore, it cannot be a right — for *genuine* rights, such as those to life and liberty, can be exercised by everyone without requiring others to surrender theirs (i.e., for Bob to live, Bill need not die; but for Bob to get state-subsidized broadband, Bill must give up some of his property rights).

Let's hope that some of those who receive broadband access as result of Obama's spending use their newfound access to look up Bastiat, Thomas Jefferson, and other liberty-minded thinkers. It's the last thing Obama has in mind, of course, but it would be the best thing for the future of our republic.





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