



Episode 1,791: Walter Williams, Hero of Liberty, RIP

Guest: Tom DiLorenzo

WOODS: Once again, I feel like I should be saying what people say at a funeral: I'm sorry we have to meet under these circumstances. But I thought, given the influence Walter Williams had on me — I read his columns when I was in high school, same with Sowell and maybe one or two other colonists. But really, Sowell and Williams were real regulars for me, and I got to meet him briefly, and I've had him on the show a couple times. But I really, really admired and respected him, so I was very sad to learn he had died. And I know you worked closely with him, too.

DILorenzo: Yeah.

WOODS: So let's talk about that. How did you get to know him?

DILorenzo: Well, I arrived at George Mason University in 1981 as a young assistant professor. I had just finished my PhD at Virginia Polytechnic Institute. They changed the name to Virginia Tech once they got a good football team. But it was VPI back in those days. And Walter got there a year before me. And it was a relatively small department, much smaller than it is now. And so we all knew each other very well, and his office was maybe five or six paces from my office. And Walter and I both taught, we were the two faculty members at George Mason at the time who taught the big sessions of 300 or more students in principles of economics. And so I got to know him originally by talking about all those things. And just our office configuration was a suite, and so you went through these big double doors, and then we all had our little sort of catacomb there, the economics department. And so we were all very close, and we saw each other a lot. And that's how I first got to know Walter.

And just over the years, many programs that were sponsored by the Institute for Humane Studies at GMU, Walter participated in, and so that's how I got to know him, up to the present day. And I got him to write the foreword to my book *The Real Lincoln* in 2003. And I told the story in the obituary that I wrote on LewRockwell.com about how, shortly after that book was published, I get a phone call at seven o'clock in the morning. The phone rings, and it's Walter, and he says, "Rush Limbaugh is sick and I'm hosting the show today. Would you like to come on?" And it's like asking me: would you like to win the lottery today? So I did. And so as a result of that, I spent a whole hour with Rush Limbaugh's audience, promoting my book, basically. And my sales ranking went to number two by the evening.

WOODS: And by the way, that's sales rank not just for nonfiction titles, which would be impressive enough.

DILORENZO: Yeah, all books.

WOODS: Right, all books. And remember that, since nobody reads nonfiction, for a nonfiction title to be number two is unbelievable.

DILORENZO: Yeah, the only book that outsold me on that day was Montel Williams' diet and exercise book. Of course, he had an unfair advantage. He has his own television show to promote his book, and I did not.

WOODS: I love that all these years later, you remember the book that beat you out. I sure would.

DILORENZO: Yeah, that's right.

WOODS: I remember words that I got struck out in spelling bees on to this day, so I don't let go very easily. But that's an amazing result and what an extraordinary thing he did for you.

DILORENZO: He sure did. Walter was a very generous man. Tom Sowell in his obituary that he wrote on Townhall.com today mentioned that, and Walter was very charitable, apparently gave away a lot of money and supported a lot of causes that were there were close to him. And he was that way with people, too. And in fact, after this happened, I sent him \$100 bottle of wine, because I knew Walter Williams was a wine connoisseur and a cheese connoisseur, for that matter. And he did me another favor a couple years later like that, and I sent him another bottle of wine, and he was kind of offended by it. You know, I'm doing my friend a favor. You don't need to send me any wine or anything like that, for that. And so that's the kind of person he was.

WOODS: Let's talk about one of his works. He wrote numerous books. I have a signed copy of his book *The State Against Black*. Somebody just wrote to me through my website to say they had read what I wrote about Walter Williams in my email newsletter, and I mentioned that book, and they said that the cheapest they can get it on Amazon now is for \$1,000.

DILORENZO: Yeah.

WOODS: And so it was: did I know how he could get one? I thought, well, you ain't getting my signed copy, that's for darn sure. But I did have him on to talk about his book *Race and Economics: How Much Can Be Blamed on Discrimination?* And you told me, I just found this out, that you actually use that in a classroom setting.

DILORENZO: Yeah, I did. I taught an undergraduate class called Law and Economics, and I use four or five different books and a lot of internet articles on it. And since race is such a big issue, it's pounded into the brains of college students from the left from birth almost, I though, this would be a good book to use in my Law and Economics class, because it is all about the effects of laws and regulations and how various laws and regulations have economic effects that have racial consequences, not necessarily *racist*, but racial effects and affect black people differently than white people. And so I use that as one of the textbooks in my undergraduate Law and Economics class.

And the students loved it. These were economics students, and they had heard all the other arguments. And the basic line by the left is that because of legacy and slavery and Jim Crow and so forth, that it's hopeless, black people can never make it on their own, they need help by white leftists to survive in American society. And Walter's research and a lot of other's too, Sowell and others, flies in the face of that. But one thing that this book does is to point out the tremendous success that black people made after slavery on their own through entrepreneurship, and it has always been the state that has interfered with their progress through occupational licensing regulation, minimum wage laws, the Davis-Bacon Act, and all sorts of things, that even if they're not motivated by racism, they have racial effects in that they create barriers to entry occupations, primarily, disproportionately for black people, they have historically in the United States and elsewhere. And so the students, the economic students liked that, because it adds a dose of elementary economic reasoning to understand these issues, rather than just the never-ending moralizing that they get from their left-wing professors.

WOODS: What seems to happen is that in the US in recent decades, state policies that harm blacks, they're not described that way. It's not obvious. There's not an act for the purpose of keeping black people down. But as you say, there are things that have that effect. Whereas if some so-called civil rights leader comes along and says, look, I got 50 new black jobs in my district, well, that's something everybody can see. But there are a lot of ways in which jobs that might have been created for blacks go uncreated or blacks can't get them, but they're not earmarked in some way that would make it obvious that this is what has happened. So it's a case of what is seen and what is not seen. So for example, what is the Davis-Bacon Act, and how does that have any effect on any of this?

DILorenzo: It's a good example. Walter Williams writes about that in his book *Race and Economics*. And the Davis-Bacon Act was enacted, one of these 1930s-era laws, and there were a state Davis-Bacon Act also, at the state level. And it says that any building that goes on that involves government money – and the federal Davis-Bacon Act means if there's a federal grant involved, even if the grant is only 1% of the total cost of some kind of a commercial development, let's say, or a road or something like that, then you have to pay what are called Davis-Bacon wages, which are also called prevailing wages, which is another euphemism for the union wage, the union scale, which is often higher than the wage that, say, some upstart contractor would charge.

And the Davis-Bacon Act has always had a discriminatory effect toward blacks, because back in the 1930s when these types of laws were originated, there were a lot of black people who came from the South, which was pretty much devastated by the Roosevelt administration and its agricultural programs, paying farmers not to raise crops and raise cattle and things like that, and so the sharecroppers disappeared, basically, and there was a flood of mostly black sharecroppers to the Midwest and the North in general, looking for manufacturing jobs. So with the Davis-Bacon Act, all these people who are coming looking for jobs, you might have a black man who was a hard worker in good shape, his physical condition is healthy, and he's willing to work a labor job for, say, \$3 an hour, but the union scale job is \$5 an hour, well, the blacks started taking these jobs on the free market. And the unions wanted to stop this. And so one tool that they used was the Davis-Bacon Act, because somebody who does not have quite the experience as a union worker who was trained as an apprentice and who has 15 or 20 years of experience, well, in that day, he was worth \$5 or \$6 an hour to employers, more than that. But the black guy from Mississippi who shows up in Chicago, who has maybe six months' experience, he can do the job, but he is not quite as good as the other guys with

15 years' experience, but he can do it for 3 bucks an hour. And so that effectively priced the black people out of a job. And that was effective.

You know, Tom, some years ago, the Maryland Chamber of Commerce invited me to testify at a hearing of the state assembly on this topic. And it was right after the Baltimore Ravens' stadium had been built. And in the room, in the hearing room were all these black businessmen who are contractors. They had small plumbing companies, small electric companies with a few electricians, and they had all basically worked for some big company, and then gone off on their own and formed their own company. And then were shut out by the state Davis-Bacon Act. They had very little work on building this gigantic stadium, which had work galore for plumbers and electricians and bricklayers and all that.

And the Maryland State Assembly, of course, was which was then, as it is now, totally in the pockets of the labor unions in the state, absolutely refused to listen to the logic of how the state Davis-Bacon Act had kept these black entrepreneurs out of the market. And so what they did instead, at the end of the hearing, they promised to impose quotas next time. They said next time we have a big building project like this that involves state money, we'll make sure 30% of the contracts go to black companies, whether they deserve it or not on merit.

So these black businessmen that were in the room with me, they were saying we want to be judged by merit. We do good work, and we charge a little less than the unionized companies, and that's how we want to compete. But the Maryland State Assembly did not want to hear it, because they didn't want to antagonize their labor union patrons, which had kept these black men out of work for several years in the state of Maryland.

WOODS: I'm pretty sure in Professor Williams his book *South Africa's War Against Capitalism*, which was a book on apartheid — it's been a long time since I've looked at that, but there must have been treatment of labor unions there. And that's one of these issues that's difficult for progressives — who, you remember when progressives used to pretend to like the working class? — to deal with the fact that their beloved unions may have had the effect, intended or otherwise — I think it was intended — to keep nonwhites out.

DILorenzo: It certainly was under apartheid. Walter Williams' chapter and verse about that in his book *South Africa's War Against Capitalism*, and things like the Davis-Bacon Act and the minimum wage act, they were very clear about it. When Walter quoted chapter and verse of the labor unions in South Africa — and by the way, their slogan in the early 20th century, the labor unions of South Africa, the slogan to support apartheid was sort of taken from the Communist Manifesto. It was "Workers of the world unite. Keep South Africa white." That was the union slogan.

And the way in which they kept South Africa white, so-called, at least the labor force, was those things as a Davis-Bacon Act, which they knew would be harmful to black workers who were trying to compete for labor jobs with white workers by offering to work for a lower wage. They have less experience. They couldn't command as high of a wage. And also the minimum wage law. They were very explicit about the minimum wage law being a way to keep these workers up, because they understood that these guys were not quite as experienced as the white unionized workers. They did not have the benefit of, say, a two-year apprenticeship program to become an electrician, although they might have known a trade like that. But they weren't quite as productive, and so therefore they couldn't command quite the wage. And they fully understood that they could price these people out of a job

with minimum wage laws in the Davis-Bacon Act, which is sort of a kind of a minimum wage law.

And another anecdote, a good story to tell you, Tom, is years ago when I taught at George Mason, I had a student Thomas Rustici, who's an old man now like me, who I think still teaches at George Mason himself now, but he was an undergraduate student in one of my classes on public choice. And he wrote a term paper on the political economy of the minimum wage law, and he read through the Congressional Record of the 1930s of the debates over the federal minimum wage law here. And he has all these quotes in his paper that he wrote from the Congressional Record of businessmen, not just businessmen, but members of Congress, representing manufacturing areas of the country, coming right out and saying, well, we've got to do something about all these black workers coming out and underpricing our good, high-paid union men, and we think the minimum wage will do the trick, will do that. And then I helped Tom rewrite the essay – and this is back in the 1980s. I think 1985. And it was published in the Cato journal. So if you go on the Cato website –

WOODS: I've got it right now. I'm looking right at it. I'll post it on the show notes page.

DILORENZO: Yeah, and so he has chapter and verse. So it was identical to what happened in South Africa, as documented by Walters book *South Africa's War Against Capitalism*. The politicians weren't quite as sleazy and sneaky in the 1930s, apparently. They came right out and said these things.

WOODS: Yeah. Yeah, yeah, yeah. I knew about that and I'd seen a couple of those quotations, but until you mentioned it just now, I hadn't known there was a full-blown paper on it.

DILORENZO: Yeah, that was Tom Rustici's paper from my undergraduate public choice course in 1985. I helped to rewrite it, and we sent it to the Jim Dorn at the Cato journal, and he published at the Cato journal. And to this day, it's still an excellent analysis of the politics of the adoption of the minimum wage and how it was intended – it wasn't just a law of unintended consequences that has deprived millions of young black teenagers of jobs, the minimum wage law. That was always the intent in the minds of a lot of people.

And another part of the intent of that was this sort of a North-South division. The South after the Civil War, it took the South an entire century to catch up to the North to where it was, in terms of the relationship between North and South economically. And so being relatively impoverished, a lot of Southern workers – not just blacks, but everybody – they weren't as skilled and experienced in the manufacturing jobs that were paying better, and so they too, white people and black people were offering to work for a little less because they were less experienced.

And Tom Rustici also documents in that article sort of a North-South Division, that manufacturers from the northern states would say things like, we've got this steel being manufactured in Birmingham now, and it underprices our steel. It's cheaper than our steel up here in Pennsylvania. We've got to do something about this. We've got to increase the wages of those people down in Alabama, making the steel, so that their steel would become more expensive. And of course, that means that the products made of steel, like automobiles, also become more expensive. And it's all to benefit the labor unions. And not just the labor units, but the corporations who are unionized. And being unionized, of course, gave them a

competitive disadvantage compared to the Southern companies that were finally beginning to be competitive in the 1930s and 1940s after the Civil War.

WOODS: I want to make sure everybody knows what the show notes pages. So this is episode 1791, so at TomWoods.com/1791, that's where you can find this article that we've been talking about just now, and then of course, the books that we've been talking about, including Tom's book *The Real Lincoln*, which you should read. And I'll also link you to Tom's most recent book, which is — is it *The Problem With Lincoln*?

DILORENZO: *The Problem With Lincoln*, yes.

WOODS: Yeah, okay, because we did an episode on that too. So looking back at the *Race and Economics* book by Williams, I see some familiar themes, themes that I would also see in Milton Friedman and in Williams' earlier work, for example, about how occupational licensing can hurt people and their ways of excluding blacks from certain trades or making their lives difficult there. And what's particularly insidious about that is that these things are made to sound fairly benign, right, they're just enacted for the sake of ensuring the public good, and that everybody is getting access to quality goods and services. And I don't think people stop to think about the consequences of that. And there's no black leader who ever got in trouble for not working to repeal these things, because people are simply unaware of the racial impact of them.

DILORENZO: Yeah, I believe Milton Friedman, he was a proponent of drug legalization, and he was a big critic of the war on drugs. And for many, many years, he wrote a lot about it, spoke a lot about it. And he distinguished between a racial effect and a racist effect of prohibition, to get off the topic a little bit. And the racial effect was that the enforcement of the drug laws disproportionately harms young black men. It's obvious to everybody who pays any attention to it. And that doesn't mean that people who wrote these laws, connived and said, "Ha ha ha, let's devise a law that will put all these young black guys in jail." No, it's a racial effect. And the occupational licensing laws, some of them have the same kind of effect, a racial effect, even if even if they weren't advocated by people who are racist and wanted to harm them, although some were. Some obviously were.

Walter documented that the apartheid laws also used occupational licensing as a way to keep black people from competing for the jobs held by white union members. So that was a racist effect there. And there have been examples here.

And Walter in his book gives another example of this, of Roosevelt's National Recovery Act, which put price supports on just about everything, and then the minimum wage law came later. And Walter documents how it's called the NRA, National Recovery Administration, and Walter documents how, at the time, it was known in the black community as the "Negro Removal Act," because the unions were empowered by the Roosevelt administration almost from the beginning. And the unions were very racist, and so their new powers given to them by the government enabled them to keep black workers out of getting good union jobs.

Tom, my father was a unionized iron worker, and this is in the mid 20th century. He retired in the 1970s. But I can remember as a teenager in western Pennsylvania, where I grew up, and in eastern Ohio, it was virtually impossible for a black man to get one of these better-paying skilled labor jobs like iron worker till the 1970s. And that was all the work of labor unions. Labor unions had such a hold on who got to have a job. And that has changed now. It's a very

different world today. But for decades and decades, that was the world we lived in. And so Walter documents that in his book *Race and Economics* about how it was called — there were a lot of names for it. One of them was the Negro Removal Act, Roosevelt's NRA.

WOODS: I want to share something that I'm fond of that shows his, I don't know, whimsical side, let's say, but at the same time, you can tell there's a serious issue involved. He was as opposed to political correctness as anyone, and he wrote this — well, first of all, did you ever see his "Proclamation of Amnesty and Pardon"?

DILORENZO: Oh, yes. I thought of including that in my obituary, but I decided it was a little too long. I might still put it up on LewRockwell.com.

WOODS: Okay, I'm going to read it out loud. Yeah, I quoted from it in my own little tribute to him yesterday. So It's Walter's "Proclamation of Amnesty and Pardon to All Persons of European Descent," because he as a black man can give amnesty. He says:

"Whereas, Europeans kept my forebears in bondage some three centuries toiling without pay, whereas, Europeans ignored the Human Rights pledges of the Declaration of Independence in the United States Constitution, whereas, the Emancipation Proclamation, the Thirteenth and Fourteenth Amendments meant little more than empty words, therefore, Americans of European ancestry are guilty of great crimes against my ancestors and their progeny.

"But, in the recognition Europeans themselves have been victims of various and sundry human rights violations to wit: the Norman Conquest, the Irish potato famine, decline of the Habsburg dynasty, Napoleonic and czarist adventurism, and gratuitous insults and speculations about the intelligence of Europeans of Polish descent, I, Walter E. Williams, do declare full of general amnesty and pardon to all persons of European ancestry for both their own grievances and those of their forebears against my people.

"Therefore, from this day forward, Americans of European ancestry can stand straight and proud, knowing they are without guilt, and thus obliged not to act like damn fools in their relationships with Americans of African ancestry. Signed, Walter E. Williams, gracious and generous grantor."

DILORENZO: [laughing] That is vintage Walter Williams. Classy and very, very eloquent too, wasn't it?

WOODS: Absolutely incredible. Now, I don't know offhand how long ago he wrote that newspaper column, but it sure seems like forever.

DILORENZO: When I got to George Mason University in 1981, Walter Williams was already a nationally syndicated columnist. So at least 40 years Walter wrote that column. And in my obituary, I mentioned, Tom, that one of the things that got me interested in economics in the first place is when I was a freshman in college, the first economics course I took, econ 101, the professor used a standard textbook and a book of readings by Milton Friedman, called *An Economist's Protest*. And Friedman was a great, very nice popular writer, a good thinker. He could explained things. There were essays about the case against military conscription and the case for privatizing the post office and things like that. And I thought, well, this is fun.

Economics is a really fun thing to study if this is what it's about. And it was. It was very much in the vein of Frederic Bastiat, the great 18th century French economist.

And Walter, I think what Walter has done with his columns is a thousand times more than what Milton Friedman ever did in terms of popular writing. And he and Tom Sowell for decades and decades, all these wonderful columns, and many of them have been made up into whole books. And so I ended my obituary in saying that I would like to think that there are thousands of young people like me when I was young who are going to stumble across this and that sort of ignited an interest and causing them to pursue this line of educating themselves. And I know that is an effect on Walter's readers. I've had lots of emails today in response to my obituary and on LewRockwell.com from all kinds of people who have never met Walter, who were never within a thousand miles of him or anything like that, but they've been reading him for decades. And they've been telling me their stories of so much that they learned. And there's no way to measure that, but he has had a tremendous impact on America in a positive way, along with Tom Sowell, his best friend.

WOODS: Well, let me point out, I don't know if you know this or not, but our friend Bob Murphy, who's been extremely prolific as an economist, credits in part Walter Williams for getting him interested in economics. So in some ways, we owe Bob Murphy to Walter Williams.

DILORENZO: Yeah.

WOODS: That's a big deal.

DILORENZO: Yeah, I hope that doesn't end up on Walter's gravestone, but that's a good thing.

WOODS: So I'm going to put also the — I had him on my show twice, and then I went back into the archive. I used to fill in, when Peter Schiff had a terrestrial radio show, I used to fill in for him. And I interviewed Walter Williams on that, and I made that later on into an episode of my show. So I've got three appearances where the two of us had a conversation. So I'll link to those all on the show notes page, TomWoods.com/1791. We'll also have the books we've been talking about, that article we mentioned, and Tom's *The Real Lincoln* book, and also his most recent, *The Problem with Lincoln*. You should read them all. There's not one of these books where you're going to say, I really regret reading this, except maybe if you spend \$1,000 for *The State Against Blacks*, you may have buyer's remorse just because of the price tag. But try and find that at your local library or get it through interlibrary loan or something. But, Tom, I appreciate your doing this at the last minute, but I wanted to do this while it's still on everybody's minds, because I felt that he deserves to have some kind of tribute on this program. So thanks for doing it.

DILORENZO: My pleasure, and I agree completely. Certainly he deserves a tribute, and thanks for doing it, Tom. Those of us who are good friends of Walter really appreciate that you have done this.