

**Episode 2,401: “Social Justice” Arguments Smashed**

**Guest: Keith Knight**

**WOODS:**  Keith, you are – maybe I've said this before, and my middle-aged brain is not good at remembering things I've said and done. But, I do not mean this in a patronizing way, that you are a genuine up and comer in the movement. In fact, maybe you have already arisen in the movement.

But, I mean, the work you do, the amount of work you do, the reading you do, the study, the time and care that you put into everything you do. You are always trying to learn more, master more of the material, be able to respond to more criticisms.

And thank goodness you have that energy because this guy no longer does. I mean, I've got the Tom Woods Show. I'm doing my various things. But man, you are like a guy with a mission, on fire.

And I'm really glad to see it because after the Ron Paul movement, I thought, because of all those young people who flocked to him, that we were going to have like a renaissance of all these young, articulate people defending our ideas.

And frankly, that never really panned out. I was surprised and disappointed at that. But you, my friend, are an exception to the rule. So, welcome back.

**KNIGHT:** Tom, thank you so much for having me, along with the very kind intro. I think the thing that keeps me so motivated is just knowing, once I learned about opportunity cost, and I really understood the cost of me going to school for "free" was actually 12 years of my life, five hours a day.

I thought: *Gosh, when I get on at the Institute, I've got to make sure that any time someone clicks on my stuff, they start learning things I wish I would have learned when I was in facts class, history class, English class, et cetera.*

So, I'm glad to know that it's paying off.

**WOODS:** That's exactly what I try to do. And I try to meet them where they are by saying: *Look, I realize that what I'm about to tell you probably sounds a little bit out there. Believe me, I understand that.*

I think if you acknowledge that you're saying things that run contrary to what they expect you to say, you sound less crazy. It kind of bothers me sometimes when people just jump right in to blowing up people's brains.

Prepare them for that and say: *Look, I used to be where you are sitting now saying, "Oh, come on, you're full of it", but when you start looking at the world the way I do and the way I think you ought to, you'll see things quite differently.*

Also, there's no fluff in what you do. Now, we're going to get to the substantive stuff here in just a minute here. But it's very important, I want Keith to be an example for the world. There's no fluff in what he does.

I was just listening to the talk you gave at PorcFest, and there's no fluff. If anything, it might need a little extra fluff, because it is overwhelming the amount of data and the arguments you were making. I mean, it's irresistible.

I mean, it's like you're taking a baseball bat to every bad argument in the world. And just relentless, just when it tries to come up for air, you're just smashing it and smashing it and smashing it. I like that because I have limited time.

You know, as you say, opportunity costs. There are many other things – I could be learning another language. I could be vacationing, or doing a lot of things. So, I want my time to be used valuably, in a way that is highly value-productive for me.

And when I read your stuff or listen to you, there's no wasted time. Now, there's a funny irony about this, that I'm talking about how there's no wasted time in your material, and yet I've completely wasted the first four minutes of this episode.

All right. Well, in any case, Keith, let's jump in here. So, Thomas Sowell, do you know offhand how old he is now? He's in his 80s, right?

**KNIGHT:** 93.

**WOODS:** Oh, he's 93? I think it's just that I just don't want him to be 93, so I have it in my head that he's perpetually in his 80s. Because – oh, I know what it was. I think when he discontinued his newspaper column, he was in his 80s, and then at that point he kind of froze there in my mind.

So, he just released a new book. Now, doggone it, if when I'm 93, I release a new book, I expect serious congratulations. But anyway, congratulations, Thomas Sowell. I don't want to bother you when you're 93, just relax.

So, I have Keith Knight here, we're going to talk about it. It's called *Social Justice Fallacies*. And man, there are many of them. And he's like you, Keith. I mean, just brutal, brutal beat downs of these things. Apparently, it just came out.

So, you've read the whole thing. The great thing about this book is (as you were saying before we started recording) it's a great summary of Sowell's work. So, explain how that is the case.

**KNIGHT:** So, what Sowell does is he sort of merges three books, from what I gather. One is a book titled *Civil Rights: Rhetoric or Reality?*, where he talks about the implications of the Civil Rights vision.

This is generally the claim that we know that the Civil Rights Act was beneficial to Blacks, because after the passage of the Civil Rights Act, we saw an increase in Black incomes, after the Civil Rights Act was enacted.

What Sowell says is, that is the worst year you can pick because that's the very year that it starts. In order to actually see if this was something that grew out of the civil rights movement or the Civil Rights Act, what we have to do is look at the two previous decades and ask whether or not this was a trend that was already occurring or not.

So, I had actually asked Larry Elder at FreedomFest, I said: You have so many stats, just always at the top of your head. What's one statistic that you would give to people?

And he said: *I think I would say to people that Black poverty from the year 1940 to 1960 decreased from 87% to 47%, before any civil rights legislation, before any affirmative action took place.* *That's the most important thing*.

So, that is *Civil Rights: Rhetoric or Reality?* He then merges it with two other books, *Basic Economics* and *A Conflict of Visions.* That's why *Social Justice Fallacies* is so good. In 140 pages, you get, like, 50 years of research and wisdom.

**WOODS:** Well, I am quite fond of *Civil Rights: Rhetoric or Reality?* It's a book that's not mentioned that much. When people talk about Sowell's work, they talk about *A Conflict of Visions*. They talk about *Knowledge and Decisions*. And those are great books.

But *Civil Rights: Rhetoric or Reality?* is a fantastic book. And the fact that this summarizes that argument – and brings it up to date, because that's an old book, from the mid '80s – is very, very valuable.

And incidentally, I have a review of *Civil Rights: Rhetoric or Reality?* on Amazon from 2001 that I'm very proud of. And I just went recently and looked at other reviews on there, and there's a review from 2022 who the entire review is: *The package was open when I received it.*

Why is it that in this day and age, people still don't understand what the point of an Amazon review is? I don't care what condition the book was in I mean, what kind of a boomer are you? The Amazon review is about the contents of the book, the substance of the book.

But anyway, so let's dig into some of this. I mean, Sowell had a late-talking child, and so he wrote a book called *Late-Talking Children*. I mean, he was just that kind of guy. He would become intensely interested in something and then he could just write a whole book on it like he was the world's foremost expert.

And I also think that he's a great model. If you want to become a good writer, read a lot of Thomas Sowell's prose, and you will absorb what it means to be a good writer, and to be able to explain complicated things very clearly and simply.

**KNIGHT:** Yeah, definitely. What I love about his ability to summarize in this book is he really gets to it. So, he'll say that there's basically three reasons we should be skeptical of the civil rights worldview. That first, all disparities are proof of discrimination.

Second, these disparities justify surrogate decision makers, which he calls them. Also, he does make the point that it's not just you delegating to a surrogate, it's a coercive surrogate on your behalf. So, that is really important.

He says that there's three things that we need to look at in order to really refute the idea that the problems of today are the result of what's referred to by social justice advocates as the "legacy of slavery".

He says the first reason we should be skeptical is a lot of these problems that are attributed to the Black community do not apply to Blacks who are immigrants to America. Now, I'm well aware that there's a selection process.

People don't immigrate through lottery or anything random. But if the problem was the white racists in America, you would have to then claim that they pick and choose which Blacks to be racist against, whether or not they are immigrants or were born in America, before choosing how to interact with them.

So, Sowell is not surprised to see that we see a 30% income difference between native Blacks and immigrant Blacks. Critical theory, social justice advocates, cannot explain this disparity.

Now, people like Ludwig von Mises obviously could, in his book *Planning for Freedom*, where he says, *"Wages rise as the result of capital investment, competition, and people acquiring skills."* That is very clear.

The second reason we should be skeptical of the social justice vision is that a lot of these problems, such as high homicide rates, out-of-wedlock births, high rates of poverty, diminished homes, all of these riots that we see, we did not see these problems when racism was much worse.

This would be the 1920s, '30s, '40s and '50s in America. You actually saw Blacks going into high skilled, highly paid professions at a faster rate the decade preceding the civil rights movement than you did in the decade after.

The third reason to be skeptical is we see a lot of these problems among poor Whites when it comes to an increase in single parent households, when it comes to an increase in homicide rates.

So, those are the three pillars that Sowell says we should be very skeptical of the social justice movement, because the problems don't apply to Black immigrants as much. They do apply to poor Whites.

And historically, when racism was much worse, the problems didn't exist or were much smaller than they are today.

**WOODS:** He gives the example of married Black couples. And he says that the rate of poverty of married Black couples in the United States has never risen as high as 10%. So, much lower than for the general Black population.

Now, if racism were the explanation for everything we see and all the disparities, why would this matter? Do you think racists go around asking if Blacks are married or not before they begin to mistreat them? They probably don't even know or care. Why would that happen?

And then secondly, he says that if you look at single parent households, whether headed by men or women (but particularly by women) they have at least twice the poverty rate of households that are headed by a Black married couple.

Now, well, how could this be? If White supremacy were everywhere, how would that be possible? Why have the White supremacists been so unable to do anything about that particular disparity? So, his point is, there's a lot to be said for behavior.

There are behavioral differences that can actually help you get ahead or make you fall behind. And so, again, not everything can be explained with this comic book level explanation.

But then also, one of the great things about his earlier book (replicated to some degree here) is that he'll go through – and remember, he also wrote the book *Ethnic America*.

He was very good friends with the late Stephan Thernstrom at Harvard, who was the editor of the *Encyclopedia of American Ethnic Groups*. So, he was very interested in these sorts of things. He knew all about different disparities.

And he would say that: *Look, we're not allowed to say that Germans are known for being hard workers, but yet when we have anecdotal data from all over the world of everybody in South America and Asia and everywhere around the world, saying that Germans are very hard workers, like, what does this mean?*

Or that the Germans – or other groups, like the Armenians, in some cases. You have groups that own more mills than the native people or have more than twice the income of the native people, over and over and over. This is replicated time and again.

He gives the example of the Ottoman Empire. And he says, if you just look at the early 20th century, like, a hundred years ago – well, I guess before, a little bit more than a hundred years ago, before while they still had the Ottoman Empire.

None of the 40 private bankers listed in Istanbul was a Turk, even though Turks ruled the empire. None of the 34 stockbrokers in Istanbul was a Turk. Of the capital assets of 284 industrial firms in the Ottoman Empire that employed five or more workers.

50% of these firms were owned by Greeks and another 20% owned by Armenians. This is not unique. So, there have been many cases in where racial or ethnic minorities have owned more than half of entire industries.

So, the Chinese in Malaysia, the Germans in Brazil, Lebanese in West Africa, Jews in Poland, Italians in Argentina. And he goes on and on and on and on. And in effect, he says: *Show me anywhere in the world – anywhere in the world – where you have had exactly the same representation in whatever it is, an industry, a particular course of study or whatever, that is exactly proportionate to a particular minority group's representation in the population.*

Can't find it, you won't find it. There are a million reasons why you won't, and virtually none of them are sinister.

**KNIGHT:** Exactly. The example that he uses of when it comes to places like Democracy Now!, we'll say, we know that discrimination occurs because we see a difference between White incomes and Black incomes.

So, what Sowell says is: *Well, can I find similar disparities between two other groups in America?* So, what he does is he finds almost the same exact pattern when you compare Japanese-Americans to Mexican-Americans.

And when it comes to median income, it turns out in this White supremacist society of ours, Whites come out roughly 11th if you look at – I believe Sowell cites both the *New York Times*, along with current population review.

These people get their statistics from the census data. So, Sowell says that there's a number of groups that have a higher income than whites on average, and these include Indian-, Pakistani-, Vietnamese-, Filipino-, Taiwanese-, Chinese-, Hmong-, and Japanese-American immigrants.

Again, I concede this selection process, that people don't come here at random. But when they got here, wouldn't the racists hate them even more, and then discriminate against them more? So, that is another fallacy that the social justice advocate will do, point to one disparity.

It's generally summarized as the "Asians don't exist" problem. So, when it comes to Whites versus Blacks, when it is in regards to being less likely to get loans, turns out, well, Asians are even less likely to get denied for loans than Whites.

When it comes to student discipline, you also get the same thing. Sowell uses the example of Japanese-Americans coming to America, speaking very little English, in the 1940s, being sent to internment camps and having their property stripped from them.

By the year 1959, their incomes were relatively equal to Whites. And by 1969 the amount of wealth they had on net was roughly one third higher than the average person who was White in America.

None of these social justice advocates could explain such a thing, nor could they explain Thomas Sowell's citation in the *New York Times*. Where it turns out six out of the ten poorest counties in America have a population that is between 90% and 99% white.

This is generally the area in the Appalachian Mountains of Kentucky. So, on the racial issue, there is just basically nothing left. The only thing I wish he would have gotten into (just because it's at the heart of the social justice movement) are the major claims of Black Lives Matter.

Recently – well, not too recently. This would have been July of 2017. Roland Fryer, who has a PhD at Harvard University, one of the youngest professors to get tenure there, actually dug into the research of 18 cities.

When it comes to the central claim of Black Lives Matter, Blacks are disproportionately targeted by police. Fryer says, well, the first thing is that we see a huge disparity when it comes to men and women. Men are 95% of those killed by police.

But before looking into that, is there even a disparity between the races when it comes to those who are killed by police? So, Roland Fryer's research paper is titled "An Empirical Analysis of Racial Differences in Police Use of Force".

And after studying 18 cities across America, his claim is that on the most extreme use of force (officer-involved shootings) we find no racial differences in either the raw data or when contextual factors are taken into account.

And even when you have individual examples like a White woman, Justine Damond, who was murdered by a Black officer, Mohamed Noor, in Minnesota – she was unarmed. It got no attention. Ashli Babbitt, unarmed White woman murdered by a Black officer, Michael Byrd.

He gets on *NBC* and just explains the situation, and there's no talk of a trial at all. So, yes, there are people out there who are racist, who judge by skin color as opposed to the content of character. It's basically all Democrats and progressives at this point.

The book is excellent. I highly recommend it.

**WOODS:** Well, in connection with that, I might mention the case of Eric Stewart, who was a professor at Florida State who was recently fired. Because it turned out that he – well, he was accused of being guilty of extreme negligence in his scholarly work.

And he did work that was disproportionately influential in making people think that there was systemic bias, racially, among the police. And that people have wildly inflated numbers in their heads of what the police have done and so on and so forth.

So, he was removed recently. And the provost at Florida State said that Stewart demonstrated extreme negligence in basic data management, resulting in an unprecedented number of articles retracted, and numerous other articles now in question.

And then said, *"The damage to the standing of the university, and in particular the College of Criminology and Criminal Justice and its faculty, approaches the catastrophic and may be unalterable."* Now, I don't think that many people know that this even happened.

I mean, could you imagine if Heather McDonald, who has spent quite some time trying to debunk some of these claims, if she'd been fired from an institution? Well, the whole country would know all about it. We'd never hear the end of it.

But this guy, one of the key architects of the BLM's theory of life, was actually fired as a professor. And to be fired as a professor, you almost have to – I mean, you could probably murder somebody, and they would look the other way sometimes with some of these systems.

But it was that bad. His level of negligence was that bad. So, you're right that that is an area where Sowell's book would have benefited a bit more. But you've definitely covered this. Like, if you were to ask people – maybe you know the numbers offhand. If you were to ask people – let's say you categorize people into "liberals" and "conservatives".

Now we know that's an oversimplification, but let's just say, if you ask self-identified liberals and self-identified conservatives: *What do you think the number of unarmed Black men killed by the police is in a given year?*

They have wildly crazy answers for that. Now, that doesn't mean that I'm an apologist for the police. It just means I want the truth to be told. I don't want to believe a lie.

**KNIGHT:** Yes, I believe it was. Skeptic magazine – this is Michael Shermer's magazine. They had surveyed liberals and conservatives and asked them, how many unarmed Blacks a year – I mean, George Floyd, we have the case of Eric Garner as well. How many in total?

And it turns out 44% of self-identified liberals said between 1,000 and 10,000 unarmed Blacks per year are killed by the police. The number in 2019, according to the *Washington Post*, was there were 41 unarmed people killed by the police that year.

Nine were Black and 19 of them were White. This total, including armed and unarmed, came to 1,004 people killed by police. So, the total number is not one tenth of what a portion of liberals think unarmed Blacks are killed. It's just so wildly out of proportion.

I had an intelligence officer, Chase Hughes, on my show some time ago. And he said: *Keith, I've researched MKUltra, and I've done thousands of hours of research into mind control. And if I had to describe mind control in one word, it would be "repetition". That is how you are able to control people's minds.*

And I thought: *You know what? That probably is the reason why people will just automatically associate child labor with capitalism.* Because child labor never existed until Andrew Carnegie? And they've done this research.

No, it's literally just been repeated again and again and again: *America's racist. America's racist*. So many times it's been repeated without a single shred of evidence. So, that is how the corporate press is able to get away with such a lie without ever going to the direct evidence.

**WOODS:**  Well, of course, I have this book coming out on the Covid craziness. And the situation is analogous there, because if you were to ask exactly the same people: *If you were to be diagnosed with Covid, what is the likelihood that you would need to be hospitalized?*

They're off by orders of magnitude. They have absolutely no way of assessing the risk level involved there. None whatsoever. I mean, dramatically off. Even the self-described conservatives were vastly overstating the likelihood of that.

I love Sowell's style so much. And so, I want to share, if I may, just another example from this early section in the book. And he quotes a headline in a San Francisco newspaper. The headline reads, "Why are Black and Latino people still kept out of tech industry?"

And what gets Sowell is the "kept out". Like, people are actively trying – there are firms that would slit the throats of their own grandmothers if they could manage to hire more Black and Latino people. They're desperate to do that.

So, the idea that actually they're trying to keep them out is utterly preposterous. So, Sowell's response is: *Look, are Asians being "kept out" of professional basketball, or Californians kept out of the National Hockey League?*

And he says: *Look, there are ethnic differences in educational qualifications here.* He says Asian Americans have more college degrees in engineering than either Blacks or Hispanics, each of whom outnumbers Asian Americans in the population.

And he says that the PhD level – Asian Americans' engineering degrees (even though they as a percentage of the population, are very, very small) outnumber, in raw numbers, the engineering PhDs of Blacks and Hispanics combined.

And he says: *And by the way, such disparities in engineering degrees are not peculiar to the United States.* And he gives a favorite example of the Chinese minority in Malaysia. In the 1960s, the Chinese minority in Malaysia received 408 engineering degrees. The Malaysian majority received four engineering degrees.

And so, this is not a matter of "keeping anybody out". And he says there is no way that Chinese in Malaysia could keep out Malaysian students in universities that were run by Malaysians, and subject to the authority of the Malaysian government, which was also run by Malaysians. I mean, it's just a brutal, brutal, brutal beatdown. It's just like one young Keith Knight might give.

**KNIGHT:** Yes. And he also gets into the culturalist aspects of things. So, first, we have critical theory, three general ideas to explain disparities among groups. Critical theory disparities are the result of discrimination. Genetic determinism, the races evolved in different climates.

Or God has designed the races in different ways with different benefits and different costs. What Sowell says is: *If you actually look at different cultures embraced, this actually explains things like disparities in IQ*.

The examples he uses of we see a big disparity in IQ starting in the First World War between Blacks and Whites. But when you look at Blacks in the North versus blacks in the South, you actually see less of a disparity between the races, and a blatant disparity between those in the North and those in the South.

He also uses the increasing IQ of Jews within a generation or two, citing the research of James Flynn. And he looks at how different areas of Europe evolved at different times. So, if it was just "one race is better and other races are worse", it's hard to explain why the Chinese were the earliest civilization to have things like writing.

It's hard to explain why Greece and Rome came onto the scene much sooner than places in Britain, yet the British started the Industrial Revolution. If all we have are these deterministic aspects, we would see all the races at different parts in history and then more or less stagnant and increasing or decreasing at the same rate.

But we don't see that. At the end of the book, he says: We have tons of poverty in Singapore. And the Singaporeans (thanks to people like Lee Kuan Yew) were able to drastically increase their wealth as a causal result of increasing the amount of free trade and private property. Saw the same thing in Hong Kong.

The example of South Korea. China, after Mao, and Deng Xiaoping brought in some free market reforms. He uses the example of India in 1991, So, the social justice mindset gets you into the idea that there's basically nothing you can really do until you overthrow the entire system, until we have more of a global acceptance of social justice.

If there's ever an injustice somewhere, if there's ever one or two racists sort of lingering around, then the entire system is corrupt and there's nothing you can actually do. Well, he actually shows us, not only on a large scale, on an individual scale.

So, he gets into the idea that wages have stagnated and all the benefits in the last 50 years have all gone to the top 10%. Sowell says it's important to know that "the 10%" is actually just a category, and it doesn't actually specify individuals who move in and out of this category.

The example I use is, it's like you're looking at the average age of a freshman in the year 1980. And you say: Okay, the average freshman is 18 years old. And then 40 years later you go back to that college and the average age of a freshman is still 18 years old.

So, it turns out people aren't aging at this college! Well, that is just a group of people. Those are not actual human beings. That's just one demographic people move in and out of. So, he finds that about 5% of people after 20 years are still in the same income bracket.

This is why we see a vast disparity in the median income of the average 20-year-old and the average 45-year-old in America. He also uses the example of Canada because there is income mobility. When people get more on the job skills, they get their foot in the door and they're able to increase the wage that they demand.

He also mentions in 1948 there was a higher White youth unemployment rate than Black youth unemployment rate. Which throws another wrench into the social justice worldview that disparities today are the result or legacy of racism.

Sowell says: *Why did it take more than 150 years for the legacy of slavery to actually have this effect, which the social justice advocates are telling us we have?* Just so many examples of that all throughout the book.

**WOODS:** I want to go back to something you said about, given the way social justice people would have us think, no progress can be made until the entire system is overthrown. Well, I think some people are probably a little too impatient for that, so let's give them some happier news.

And Sowell recalls a story that Barack Obama told about – maybe you remember this – about a Black young man he was talking to who had wanted to become a pilot, and he'd thought of joining the Air Force, but he decided not to because he decided there's no way the Air Force would ever let a Black man fly a plane.

Now, this is decades after there was a whole squadron of Black American fighter pilots in World War Two, and then beyond. But he had become so convinced – and who can blame him, given what he's told 24 hours a day – that this was impossible, that he wasn't even going to try.

It reminds me when I had Wanjiru Njoya on the show from the University of Exeter. And she was saying kind of something along the lines of what Sowell is saying. Sowell is saying: *Look, it's not that there are no people who treat others unjustly on the basis of race.*

It's not that there's nobody like that. It's that in this day and age, given that you have limited time, given the concept of opportunity cost, you have limited resources, is it better for you to expend that time and those resources on an increasingly fleeting amount of "racism"?

Or is it better just to spend it on building up your skills? Or as she said: *We have so many people who, in effect, can't read. Could we just get them to read?*

Go ahead and change the name of their high school because it was named after an oppressive person, if you want to. But the problem is the kids in that school still can't read anything.

So, maybe you could just focus a little bit on that, that they can't read. And then later maybe do other things. But starting with getting them reading might make more sense.

**KNIGHT:** That might make more sense. Unfortunately, there's very little incentive to do so. Corey DeAngelis is an excellent school choice advocate. He cites the National Institute for Educational Statistics and finds that there's been a 280% increase (adjusted for inflation) since 1960 when it comes to per student spending on education.

And they're so explicit that even the teachers don't brag about their results. They go: *You know what, kids? Basically, everyone needs to go to college*. Now, would they be saying that if they were so proud of what they just had the kids doing for the last 12 years?

They'd say: *You don't have to go to college. We've done so much with all this money and all this time you've given us. If you want to go to college, I bet there's nothing else you'll learn because we did such a darn good job*.

No. They are constantly conceding that no matter how much money you give them, it's never a management problem. It's never an incentive problem. It's always a matter of dollars and cents. And this is just very classic. You have people like Jonathan Haidt doing research that the average person will have an intuition that they want more money, they want more power, they want a higher social status, and then come up with justifications as to why those things should happen.

We see it everywhere. There's no reason we shouldn't think people like professors or politicians or members of the media do the exact same thing.

**WOODS:** There's a study in here that I have to mention – a couple of studies. That even though they're somewhat tangential to the thesis, they're so interesting that I want to bring them up to you and with the listening audience.

And it's in the context of Sowell saying that yet another contributor to, let's say, a prosperous, stable society, is a level of social trust, of honesty in the society. And that's something that is hard to measure, or it's not something that we normally would try to place a number on.

And so, it's easily overlooked by historians and statisticians and social critics, let's say, but it's very real. And so, he gives the example of a study from about ten years ago in which a dozen wallets were placed in various, very obvious and open spots in different cities.

And the test was to see how many of these wallets would be returned with the cash inside them still in there. And so, what they found was, in Helsinki – so, in Finland you had 11 of the 12 wallets returned.

In Portugal, in Lisbon, only one of the 12 wallets was returned, and that was returned by a couple visiting from the Netherlands. So, no Portuguese person returned any wallet at all. So, another study found that in Norway all the wallets were returned, every last one.

In the US, two thirds of the wallets were returned, in China, 30%, and in Mexico, 21%. Now, this doesn't mean that, genetically, people in Finland return wallets. But it does mean something, though. It's a very surprising and very interesting result, let's say.

Maybe it's not entirely surprising, but it's an interesting result. And it goes to show if even something like this could be so drastically different in the way people think, or the way they interact with others, then why would we think that all other aspects of human endeavor would wind up being exactly equal.

If even on something as simple as being a decent enough person to return a wallet, we get these drastically different results, then probably you're going to get drastically different results in everything. So, just give up.

You're never going to get equality on those things, ever. You've never, ever had (as Sowell says) perfectly proportionate results racially in any society, measurement of anything.

And not to mention, he also points out, all the groups that have surpassed Whites, and all (as you say) the disparities between some ethnic groups in the US and others that are larger than the White/Black differential, even though the factors that are alleged to account for the White/Black differential are not present in those cases.

So, as I say, it's a brutal, brutal, brutal beat down. But I just had to mention that, because I instantly memorized those statistics. Because I'm going to share this study with everybody I know about the wallets because I just found that so interesting.

**KNIGHT:** And he also uses in his honesty example the number of parking tickets paid at the United Nations.

**WOODS:** Yes. So, they don't have to strictly pay them because they have diplomatic immunity. But they could pay them anyway. So, yeah, yeah. That's a great example.

**KNIGHT:** Yeah. We constantly see these disparities everywhere. A guy in, I think 1912, his last name is Michels, came up with the Iron Law of Oligarchy, saying that any organization, no matter how democratic it starts out, because of domineering personalities and for the sense of efficiency, an oligarchy will be created.

So, this is why we see drastic inequalities in every society since Aristotle, was very unequal to the average person in Greece. The greatest champions of equality today, Alexandria Ocasio-Cortez, have more money and institutional power than 99.99% of her constituents ever will.

Because we constantly see this everywhere. The example he uses is of a union. That not everyone goes to the union meeting. Not everyone speaks at the meeting. Not everyone has equally as good ideas. Not everyone is equally good at communicating those ideas and getting people on board.

So, you end up with Jimmy Hoffa and a few of his pals running the entire union for tens of thousands of people. So, any time people organize – examples that Sowell uses is, what percentage of golfers are as good as Tiger Woods? What percentage of comedians are as funny as Chris Rock?

Oh, the example he uses is the Manning family. Archie Manning, Peyton Manning, and Eli Manning are three of the greatest quarterbacks ever. What percentage of people are as good, athletically, as they are?

So, we constantly see these disparities everywhere. It's an iron law within every institution, within every society, so we should expect nothing different. That's why he calls it the "invincible fallacy". That no matter what – people assume that in the absence of discrimination, we'd see total equality among the ages, the races, and the genders, and the nations.

But we don't see equality between North and South Korea, where there's a large amount of similarities within their history. Racially, they're more or less the same. But we see a disparity, and it is because of cultures and institutions that people embrace.

**WOODS:**  I want to elaborate on that point about the parking tickets at the UN. So, the idea is they don't strictly have to pay these tickets because they have diplomatic immunity, so nothing's going to happen to them if they don't pay.

And at the end of a five-year study, it was found that Egyptian diplomats had thousands and thousands of unpaid tickets. Whereas the Canadian ones had none. The British ones had none. The Japanese had none, even though they had twice as many diplomats as Egypt.

Another thing – in a minute, I want to read a passage to you and get your commentary on it. But before I do that, I want to point out that in this day and age, in 2023, given the technology we have, given the Internet, the amount of capital you need to start a business has been drastically slashed.

In the same way that the amount of money you need, let's say, to become a musician is drastically slashed. Or the connections you need – I mean, yeah, you might not be world-famous instantly, but you don't have to be signed by Capitol Records to get your music out there.

Likewise, to become a documentary filmmaker. You see people making documentary films on a shoestring budget all the time because the technology has made that possible. There's been a tremendous leveling of opportunities for people.

So, it seems to me if I were a leader in the Black community, I would say: *Look, whatever we think there is out there that's holding us back, there's no excuse for not teaching our young people how to harness the resources they have right now, to build things for themselves, to build businesses and incomes in ways that our ancestors couldn't have dreamed of, and White ancestors couldn't have dreamed of. We have these possibilities.*

Most people are pissing their days away unproductively Now, I'll get yelled at for that, but you know what I mean. There are opportunities everywhere, and most people are instead just complaining, and: *Woe is me, and I can't believe I have to pay back my student loan or whatever.*

But a really ambitious person in this day and age will be alert to the many, many opportunities out there. And I would be training young Black people. I would say: Here's how you build a business, you do the following things.

And here's how you find a niche to get yourself into. And here's how you find out what the market wants. And here's how you find out what you are particularly suited to produce, or how you can get yourself suited to produce it.

Or that instead of sitting around complaining that you're not earning enough, you think: *All right, well, what have you been doing during your time at home to make yourself a more desired employee? Where have you carved out that extra hour?*

*Yeah, I know it's hard, I know it means you won't get as much sleep. But that's what it takes to get ahead*.

I would be doing that. And instead, it's all political agitation, which is a complete total dead end. Now, let me read this to you, and I want to get your comment on it.

This is from Sowell, *"There have been many examples of peoples and places around the world that lifted themselves out of poverty in the second half of the 20th century. These would include Hong Kong, Singapore, and South Korea.*

*In the last quarter of the 20th century, the huge nations of India and China had vast millions of poor people rise out of poverty.*

*The common denominator in all these places was that their rise out of poverty began after government micromanaging of the economy was reduced. This was especially ironic in the case of China with a communist government."*

And here's the key, *"With social justice advocates supposedly concerned with the fate of the poor, it may seem strange that they seem to have paid remarkably little attention to places where the poor have risen out of poverty at a dramatic rate and on a massive scale.*

*That at least raises the question whether the social justice advocates priorities are the poor themselves, or the social justice advocates own vision of the world and their own role in that vision."*

What do you think of that?

**KNIGHT:** Well, this is what we inevitably get when people in high positions of power "pay no price for being wrong", as Sowell likes to put it.

So, they don't actually have a huge incentive to say: *All right, so it's the poverty and the injustice I'm against. What sort of processes or what sort of general institutions could we as a society embrace to increase the likelihood that people will have income mobility and will have more justice than we otherwise would?*

So, instead of embracing the ideas of, say, Booker T Washington, they've embraced the ideas of Al Sharpton, just because they're more likely to arouse the passions of the feeble minded, so to speak.

So, when it comes to things Alexandria Ocasio-Cortez could say when she has a microphone in front of her, she could say things like: *I was watching Keith Knight Don't Tread on Anyone the other day.*

*And it turns out he did a ton of research when he worked at Walmart, and found out the primary reason people got fired at all Walmart locations was as a causal result of a lack of attendance and showing up on time. This is something within our control. We could leave earlier. We could bring books to places and get there and work early.*

You could also see that there's a great deal of correlation between people who get early on the job experience, get their foot in the door, start networking, start asking questions, start being more ambitious on the job and looking for opportunities.

Those people will have higher incomes than they otherwise would. So, just those two things, gaining on the job skills and asking questions, and having your attendance in line. By the way, that happened at Walmart and Dish Network.

When I worked at both places, attendance was the number one reason people lost their job. Those are much more within the control of the average person than: *You know what? I can't control what time I get to work, but I can end systemic racism by voting once every four years.*

**WOODS:** Exactly!

**KNIGHT:** So, the fact that they don't have the incentive to do that is one thing. But the fact that they constantly avoid such obvious, much more productive avenues of how to actually teach people to do things effectively, does get to the question as to how really sincere they are.

But then again, they don't have much incentive to be sincere when they're not generally held accountable. Because it's not that you win elections based on how much truth you tell, it's how many emotions you rile up and get people to vote for you.

So, yeah, Sowell is definitely correct. And how could we falsify whether these people are really, really well intended? I mean, the example of AOC is just so bad. She posts a picture saying: Look, my abuela's home in Puerto Rico has been devastated.

She needs money. We need to pass this law to give them more money. So, Matt Walsh of the Daily Wire says: *You know what, if you, Tesla driver, congresswoman in America, aren't going to help her, I'll raise a bunch of money.* And the Daily Wire raised $100,000.

And AOC's campaign got ahold of the GoFundMe Indiegogo people and said that we won't be accepting the money. Now, when we get something like that, how is that possibly seen as having some sort of innocent explanation?

Are you telling me Barack Obama, Harvard graduate, president of America, believes that corporations pay men 25% more just because they're male. There's just almost no innocent explanation for any of this.

And I think that's a great way that Sowell sort of nudges people into saying: *If you really cared about this, here's how I'd be able to tell.* So, you can change, and you can admit you're wrong. And that's how I can differentiate the good people from the bad people, the well-intended, from those who don't really care about the effects of their policies.

So, yes, that was an excellent part of the book.

**WOODS:** Ayn Rand gets criticized for being selfish and not caring about the poor and all that. But her argument was: *Look, obviously these people don't care about the poor. If you cared about the poor, you would look around the world and say, what is it that makes the poor better off?*

Answer: *A market economy, period*. There's no argument about this, a market economy, and that is the one thing they are dead set against and that they try to put as many obstacles in the way of, is a market economy.

So, therefore, I'm sorry, they do not deserve the benefit of the doubt that they're just dumb and they just don't know any better.

If they cared, they would pencil into their busy schedules the five minutes it would take to survey the world and notice that the more economic freedom a society has, the fewer deprivations the poor there suffer.

It would take five minutes to find that data. You just do a search for it. You can find it. So, therefore, we can rule out that that's what they care about.

Now, I don't mean to absolutely exclude the possibility that there are some people who are so lazy that they haven't even bothered to look into how places become rich and why they stay poor.

I'm sure there are intellectually lazy people, but then those people are so contemptible that they can't even look into the very thing that they're supposedly passionate about, that I just don't care about their opinion.

**KNIGHT:** Yeah, it's certainly hard to care about the opinion. When I was doing research for a speech, I found out that something like 1,000,000,000 hours of Netflix is watched collectively by Netflix users. And I go: *There's just no way that I could still excuse those things.*

If it's like people spend 99% of their days working in the mines of the greedy capitalists, and they only get a few minutes a day to sleep, then I could say: *Well, maybe you could be ignorant of these things. There's just no excuse at this point.*

Yeah, start with East Germany and West Germany and then social justice advocates, get back to me on which side was wealthier. The great example that Niall Ferguson uses, is he uses the example of the Chinese inside and outside of the republic to determine whether or not we can see why some people are wealthy and others are impoverished.

And I love what Sowell does, where he says that if it's true about the economic social injustice, that the wealth of the rich comes at the expense of the cost of the poor, the wealthy are wealthy as a result of impoverishing the poor, we could actually find a way to falsify this.

And the second he throws that line at you, you know you're in trouble. So, he says, Let's look at where the most billionaires are in the world, either as a total number absolutely, or on a per capita basis. It turns out that America has more billionaires than all of Africa and the Middle East combined.

And the average American has a higher standard of living than the average person in Africa or the Middle East. So, the entire exploitation narrative, just based on that irrefutable metric, is one way you can refute the social justice narratives.

He then gets into, how did places fare once they kicked out the Jews, the Lebanese, the Egyptians, and all of these other demographics who are seen as parasitic.

**WOODS:** Or Asians in Africa.

**KNIGHT:** Asians and Africa, yes. The Chinese in the Philippines is the other example he uses. He goes: Once we kick out these parasites, and once we confiscate all the wealth from the rich, well, then we could have this prosperity.

But it turns out, once all the wealth is taken – it turns out, you kill the golden goose, you have less golden eggs. Someone's going to have to look into that and see why it is. And he also has a great section on the amount of money that's confiscated from the state and a lack of appreciation from the social justice advocates.

So, first, he says that just because you have higher tax rates doesn't automatically equate to more revenue. But also, in years like 2022, the federal government got $6.27 trillion to spend. And people aren't, like: *Oh, governments 30% better than it was four years earlier when they only got $4.2 trillion because of Covid and the Cares Act*.

So, even when they get all the power that they beg for, they still have nothing to brag about.

**WOODS:**  There's so many of these little nuggets – and I'm going to let you go in a minute, but there are so many of these little nuggets of information that you wouldn't ever think of. And then as soon as you learn them, you realize that it explodes all these bumper sticker slogans that substitute for thought.

And so, for example, in Sweden, we're told: Well, the Swedes do well because they have the giant welfare state. But what's interesting is if you follow the Swedes around the world, they have a low poverty rate wherever they go.

For whatever reason, it doesn't matter if they're in a welfare state. They do even better when they're in a more market economy. Again, if you know only one fact, then sometimes that's not – I mean, usually they don't even know one fact, they have a distortion.

But even sometimes if you know only one fact, it's not enough. You need to know the other complementary fact that then explains and contextualizes the first fact, like the example of the Swedes. So, you know what's interesting? This is a very unusual episode.

I have one other time I did an episode on a Thomas Sowell book. Well, actually, matter of fact, I might have done a solo episode on one of his books. But did one with Michael Malice on *A Conflict of Visions*, which I like very much.

But here we are. You and I have been talking about somebody else's book. It's *Social Justice Fallacies* by Thomas Sowell. I'll link to it in the description of this video. I'm doing video now, but unfortunately, I've completely destroyed my YouTube following because for years and years I wasn't releasing any video on here.

It was just a still shot and the audio of the show. So, now I've got like 75,000 YouTube subscribers, none of whom bothers to look for videos by me anymore. So, I burned them all out. Now here I am trying to do it.

But anyway, also on the show notes page, which is TomWoods.com/2401. But for you, Keith, what should we link to? Because I bet we have some new Keith Knight fans as of today.

**KNIGHT:** I would say my recent speech at PorcFest. It took me probably six or eight months of reading tons of books, including Ibram X Kendi, including the 1619 Project by Matthew Desmond and Nikole Hannah-Jones.

I summarized all that research in a speech that I titled "Three Social Justice Lies: Racism, Sexism, and Homophobia." That is probably a good place to start if you're looking for videos.

If you're looking for something to read, *The Voluntarist Handbook* is always free as a PDF at LibertarianInstitute.org. Those are the 50 essays that I read that took me from being a progressive to being a libertarian.

People from the right, like Joe Sobran, are in there. People on the left, like Sheldon Richman are in there. It's a very good compilation to introduce people to in a very time-efficient manner to our ideas.

**WOODS:** Yes, I agree completely. That is a terrific book. So, I will link to that as well. So, check out the description or also TomWwoods.com/2401. Thank you, Keith. This was pretty intense. Like, I'm exhausted after this conversation. Thank you so much, always a pleasure talking.

**KNIGHT:** Always a pleasure, Tom. Thank you.