



## Smugglers as Heroes

Smugglers are heroes of sorts. The essence of what a smuggler offers is: “Government tyrants want to either prevent or interfere with peaceable voluntary exchange among individuals. I can reduce the impact of that interference.” Let’s look at smuggling, keeping in mind that not everything illegal is immoral and not everything legal is moral.

Leading up to our War of Independence, the British, under the Navigation Acts, had levied taxes on a wide range of imports. One of those taxes was on molasses imported from non-British islands. John Hancock, whose flamboyant signature graces our Declaration of Independence, had a thriving business smuggling an estimated 1.5 million gallons of molasses a year. His smuggling practices financed much of the resistance to British authority. In fact, a joke of the time was “Sam Adams writes the letters (to newspapers) and John Hancock pays the postage.”



Hancock’s smuggling, as well as that of many others, made the people of our nation better off by providing cheaper prices for molasses used for making rum. British oppressors were worse off by having lower tax revenues.

In 1920, the 18th Amendment, prohibiting the production, distribution and sale of alcoholic beverages in the United States, went into effect. It had wide public support. In my opinion, no case can be made for stopping another person from enjoying beer, wine and whiskey. That’s oppression, but along came heroes to the rescue. The ink hadn’t dried on the 18th Amendment before smugglers started smuggling beer and whiskey from Canada and Mexico. Ships lined up along our shores, just beyond the three-mile limit, to off-load whiskey onto speedboats. Smugglers and bootleggers spared millions of Americans from do-gooder oppression.

While the smuggler qua smuggler is my hero, several important negative effects surround his activity. Smuggling is illegal. It becomes a sometimes-nasty criminal enterprise because those who engage in it tend to be people with an overall lower regard for the law. Since smuggling is illegal, disputes must be settled with guns and violence instead of courts. Plus, police and other public officials are corrupted. Worse of all is the reduced respect for laws by the public at large. After the 18th Amendment’s repeal, virtually all of the crime and corruption associated with Prohibition disappeared.

Not many Americans are aware of today’s big smuggling activity — cigarette smuggling. Confiscatory taxes that are as high as \$7 a pack, in New York City, making one pack of cigarettes sell for \$13, have encouraged a thriving smuggling business across our country. Like Prohibition, confiscatory tobacco



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taxes are popular with Americans.

A recent study by Michael LaFaive and Todd Nesbit of the Midland, Michigan-based Mackinac Center for Public Policy titled "Cigarette Taxes and Smuggling" shows that states with the highest cigarette smuggling rates are those with the highest tobacco taxes such as Arizona (51.8 percent of the state's total consumption are smuggled), New York (47.5 percent), Rhode Island (40.5 percent), New Mexico (37.2 percent) and California (36.3 percent).

Cigarette smuggling, like yesteryear's whiskey smuggling, has become a livelihood for criminals. The Bureau of Alcohol, Tobacco, Firearms and Explosives has found that Russian, Armenian, Ukrainian, Chinese, Taiwanese and Middle Eastern (mainly Pakistani, Lebanese and Syrian) organized crime groups are highly involved in the trafficking of contraband and counterfeit cigarettes. What's worse is that some of these groups use their earnings to provide financial assistance to terrorist organizations such as Hezbollah and Hamas. That means tax-hungry politicians and anti-tobacco zealots are providing the means for aid to America's enemies.

The solution to cigarette smuggling, and the criminal activities associated with it, is to eliminate the confiscatory taxes. Unfortunately for tax-hungry politicians and anti-tobacco zealots, who see confiscatory taxes as a tool in their moral crusade against tobacco, only benefits count. For them, the costs of their agenda are irrelevant or secondary at best. And, as novelist C.S. Lewis put it, "Of all tyrannies a tyranny sincerely exercised for the good of its victims may be the most oppressive."

*Walter E. Williams is a professor of economics at George Mason University. To find out more about Walter E. Williams and read features by other Creators Syndicate writers and cartoonists, visit the Creators Syndicate Web page at [www.creators.com](http://www.creators.com).*

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