

THE DAILY BEAST

Big Business Vs. Libertarians in the GOP

By David Boaz

June 12, 2014

Republicans who don't do the bidding of corporations are getting bull's-eyes this primary season.

Big business took a big loss in Virginia Tuesday, as House Majority Leader Eric Cantor lost his seat to little-known Tea Party favorite David Brat, who had criticized Cantor for his business ties and pledged, "I will fight to end crony capitalist programs that benefit the rich and powerful."

Around the country, though, big business is devoting a surprising amount of effort to trying to defeat the small number of libertarian-minded members of Congress and state legislatures. Why, for instance, did big companies spend so much money to defeat a Republican Georgia legislator last month? Apparently Rep. Charles Gregory was just too libertarian for the Georgia Chamber of Commerce and the companies like Coca Cola, Delta Airlines, Georgia Power, and AT&T, who suddenly set up a the "Georgia Coalition for Job Growth" to oppose him and other tea party legislators. It's not the only example this primary season.

In Kentucky, business leaders lobbied hard though unsuccessfully to persuade Steve Stevens, head of the Northern Kentucky Chamber of Commerce, to run against Rep. Thomas Massie. Massie, a businessman himself, is a strong fiscal conservative, but some local business leaders don't like what they see as his stand-off approach.

A Washington business consultant has moved to northern California to challenge anti-earmarks Rep. Tom McClintock, because he "thinks representatives should deliver for folks back home," in the words of a local reporter.

And that's just it. It isn't gay marriage or foreign policy that seems to annoy big and politically connected businesses. They just object that libertarian legislators don't play the game, don't bring home the bacon, and actually take seriously the limited government ideas that most Republicans only pay lip service to.

In Michigan business leaders are funding financial consultant Brian Ellis's primary challenge to Rep. Justin Amash. Since his election in the 2010 tea party wave, Amash has emerged as the most libertarian member of the House of Representatives. He's second to McClintock on the National Taxpayers Union spending-vote ratings. He organized a bipartisan effort to rein in the National Security Agency that came within a few votes of passing the House. He heads the House Liberty Caucus. He Amash told the *New York Times*, "I follow a set of principles, I follow

the Constitution. And that's what I base my votes on. Limited government, economic freedom and individual liberty."

So why wouldn't Grand Rapids business leaders be proud to have such a widely admired young representative? They say they want a congressman who will work with others to "get things done." Andrew Johnston, the political director of the Grand Rapids Chamber of Commerce, told the *Wall Street Journal*, "There is frustration among those who think his rigidity makes it difficult to move forward on legislation." He promised that Ellis "will have access to funds that will be helpful to his campaign."

It's not just local businessmen. Washington lobbyists are rallying around Ellis. He's also put \$400,000 of his own money into his campaign – in the form of loans, which can be paid back out of more lobbyists' contributions if he wins the race.

In an interview with the *Weekly Standard*, Ellis strikingly dismissed Amash's principled, constitutional stand: "He's got his explanations for why he's voted, but I don't really care. I'm a businessman, I look at the bottom line. If something is unconstitutional, we have a court system that looks at that."

Most members of Congress vote for unconstitutional bills. Few of them make it an explicit campaign promise.

As with all these libertarian-leaning officials, Amash has friends as well as enemies among the business community. Several members of Amway's DeVos and Van Andel families have contributed to his re-election, and he remains popular with national free-market groups.

"He's the gold standard of principled constitutionalism in Congress," Dean Clancy, then vice president of public policy at FreedomWorks, told *The Hill* newspaper. "We have heard that the K Street establishment wants to knock him off — and we intend to defend him punch-for-punch."

Similarly, it was economic issues that led the big mules of Atlanta business to organize and take out Representative Rep. Gregory, a big fan of former presidential candidate Ron Paul. He wasn't trying to legalize drugs or bring the troops home from Afghanistan. No, the ads and the special website that the Georgia Coalition for Job Growth ran accused him of voting against education spending and against an intrusive measure to require drug testing for food food-stamp applicants.

The real issue is probably that he wouldn't go along with pork-barrel projects that benefit business, such as taxpayer funding to help the Atlanta Braves move to Cobb County. One lobbyist involved in the business effort told the *Atlanta Journal-Constitution*, "We're not going to let liberty Republicans throw business out of the Republican Party."

It seems unlikely that a free-marketer like Gregory wants to "throw business out." But he might want to persuade the Republican Party to stop supporting subsidies and sweetheart deals for \$700 million businesses like the Braves.

This clash between politically minded businessmen and free-market libertarians is an old one. Adam Smith wrote "*The Wealth of Nations*" to denounce mercantilism, the crony capitalism of

his day. Milton Friedman wrote, “There’s a common misconception that people who are in favor of a free market are also in favor of everything that big business does. Nothing could be further from the truth.”

T. J. Rodgers, the outspoken CEO of Cypress Semiconductor, worries about the corrupting interplay between business and the Republican establishment: “The political scene in Washington is antithetical to the core values that drive our success in the international marketplace and risks converting entrepreneurs into statist businessmen....Republicans claim that their party stands for free markets, but they have proven [in the Bush years] to be as big spenders as are the Democrats.”

That’s what the liberty movement is trying to change, and business leaders who try to purge libertarian-minded office holders just confirm their suspicions.

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