

AMSPECBLOG

## Will Atlas Shrug?

By Doug Bandow on 6.25.11 @ 8:04AM

The financial collapse of 2008 and ensuing tsunami of bail-outs led to a surge in sales of Ayn Rand's books. Many of her acolytes asked: Is Atlas about to shrug? Will productive people increasingly flee what is becoming an ever more dysfunctional, distributionist state?

The writer "Monty Pelerin" warns that the time may be approaching:

Atlas is shrugging in the US. Capital is relocated to regions where it is treated more favorably. Within the country, we see capital and jobs leaving the overtaxed, overregulated Blue states and migrating to smaller government Red states. That provides partial relief, but onerous federal policies cannot be avoided by moving within the country.

The increasingly adverse climate at the federal level motivates moving outside the country. This motivation and the resulting movement has been underway for years. Initially, much relocation was due to comparative advantages in regions around the world as economics would predict and welcome. Recently, much movement of resources is increasingly a flight from onerous government policies. The process is simple: first parts of businesses leave (outsourcing), then manufacturing and finally intellectual capital (the entrepreneurs).

Intelligent and talented people investigate overseas opportunities. Jobs and opportunities are increasingly more plentiful in some areas of the world. Taxes are less onerous and living conditions have modernized. Dual citizenship is not uncommon and an attractive option for people who want/need to leave the US. Americans renouncing citizenship and living outside the US is at an all-time high. The citizenship decision is made for an obvious reason -- to escape the predatory IRS which claims partial ownership of all income regardless of where earned.

Over the next decade or two, unless we see a change in US governmental policies, a serious "brain drain" is likely to devastate the US talent pool. Our society and economy benefited immensely from the immigration of talent over the last 70 years. It was an attractive place for talented, motivated individuals. That flow is now reversing. Instead of being a destination for talent, we are becoming a departure point. Much of the rest of the world does not punish productive people.

Such a migration might be the only way to constrain the avaricious looters in Washington. They can steal wealth that has been created. But they cannot force people to keep generating wealth to

steal in the future.

And there's no need for a "Galt's Gulch" hidden away in America if other nations are willing to accept and protect entrepreneurs. U.S. politicians may rail against the ungrateful and unpatriotic rich, but the real enemies of America are those who achieve power by demonizing the successful while producing nothing useful themselves.

Will America change before Atlas shrugs? That may become the most important political question in the coming years.

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