



November 21, 2017

## Principles as a Policy

With low taxes and fewer regulations, Texas is known as a business friendly state. But it really depends on what business you are in. This was evident in the 2017 legislative session when law makers imposed new restrictions on small breweries. Craft brewers who produce more than a specified amount of beer and sell directly to consumers must first sell their beer to distributors, and then repurchase that beer from the distributor before they can sell it to consumers. Beer distributors supported the bill, while craft brewers opposed it.

While this regulation impacts a relatively small number of businesses (about 200), it's not the number of victims that makes this a dangerous piece of legislation. It's the principle that underlies the legislation that poses the danger. While regularly speaking about the need to protect property rights, the legislature brazenly trampled on property rights.

The right to property means the freedom to create, use, trade, keep, and dispose of values. The right to property protects the freedom of craft brewers to make the products of their choosing and sell those products to willing buyers on terms that each finds acceptable. The legislation violates property rights by prohibiting craft brewers from disposing of their products as they judge best.

At the same time it was decrying local governments for tree ordinances, bans on plastic bags, and other laws that dictate how owners can use their property, the state government passed a law dictating how craft brewers can use their property. If it is wrong for local governments to violate property rights, why is it proper for the state to do so?

Morally, there is never a legitimate reason to violate property rights. Exceptions to a principle invalidate that principle. If there are exceptions to the principle of property rights, then legislators can violate them whenever it is politically expedient. And that is precisely what occurred in this instance.

If property rights can sometimes be violated, then the only issue up for debate is whose rights and when. State legislators will be morally disarmed and will have no rational defense of their inconsistent and contradictory policies.

Moving forward, legislators have three options:

1. They can continue their inconsistent approach
2. They can explicitly reject property rights
3. They can protect property rights consistently and with no exceptions, as a matter of principle

The first option leaves the legislature open to additional cries of hypocrisy and cronyism. And such claims have merit. It is hypocritical to proclaim one's support for property rights while

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simultaneously voting for legislation that violates property rights. Further, such violations frequently benefit political supporters of the legislators pressing the bill, as happened with this bill. Beer distributors supported the bill and lobbied for its passage.

The second option is unlikely, given the broad support for property rights in Texas. Explicitly rejecting property rights would likely be political suicide in most districts.

The third option is also unlikely. To protect property rights consistently, legislators would have to say no to many of their supporters and donors. And that would require an intransigent devotion to principles, which sadly, is a characteristic exhibited by few legislators. However unlikely it is to be implemented, the third option is the only one that will provide long-term benefits for Texans.

The third option is the only one that can be morally defended. It is the only one that will protect and promote economic liberty. And without economic liberty, individual flourishing is impossible.

The status quo will simply result in the slow erosion of our economic liberty. Today, it is craft brewers. Tomorrow, it may be farmer's markets. Next week, it might be your business. If it is proper to violate property rights on some occasions, then the only issue up for debate is whose rights and on what occasions. And then property rights are no longer an intransigent principle, but merely a loose guideline that can be violated whenever it is convenient and enough political pressure is applied.

Integrity matters. Integrity is the virtue of acting in accordance with one's state convictions. If members of the legislature proclaim support for property rights, then integrity demands that they act accordingly. To proclaim one thing and do another is not integrity. It is hypocrisy.

Justice matters. Justice is the virtue of judging others by rational standards and treating them accordingly. Property rights are one means for implementing justice in a social context. Property rights ensure that individuals are secure in what they have earned—what they deserve. Violating property rights is not justice. It is a gross injustice.

Principles matter. Principles are the means by which we judge truth and falsehood, good and evil. If violating property rights is evil (and it is), then it does not matter who the violator is. In principle, it is evil. And this is true whether the violation is signed by a mayor or the governor.

Legislators have a choice. They can act on principle, or they can act on political expediency. They can follow through on their stated convictions without exception, or they can abandon those convictions when it is convenient. They can remain true to the principles of property rights, or they can say one thing and do another. If legislators truly want to defend property rights, then acting on principle should be their policy.

An intransigent devotion to a principle is not easy. But abandoning the principles of property rights is not practical. Just ask the people of Venezuela and North Korea.



The Texas Institute for Property Rights provides analysis, training, and resources for legislators, businesses, organizations, and property owners.

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