



11350 Random Hills Road, Suite 800, Fairfax, Virginia 22030 Phone (703) 934-6101 Fax (703) 352-3678

[fff@fff.org](mailto:fff@fff.org) [www.fff.org](http://www.fff.org)

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## **Need a Ride? Try Freedom and the Free Market**

**by Scott McPherson**

The promulgators of government control are no longer content to fabricate rights to such things as education, health care, and a smoke-free workplace. Now they're even demanding that people have a right to a taxicab. In the process, they're also deflecting attention away from the negative consequences of their own controlling tendencies.

In a meeting of the Washington, D.C., Committee on Public Works and the Environment held last December, some residents of the District told council members that a long-standing atmosphere of racism pervades local taxicab services. One complainant has even gone so far as to file a grievance with the city's Office of Human Rights.

The meeting came on the heels of a report by the Equal Rights Center, published in October, that found "blatant, widespread and persistent race discrimination" by taxicab companies and cab drivers against minority residents of the city. Black residents testified that they are routinely ignored when hailing a taxi on the street; one man said he once even used a white friend to flag a cab, only to have it speed away when the driver realized who his actual passenger would be.

Predictably, members of the council expressed shock and alarm at these testimonies. D.C. Council member Carol Schwartz, a Republican, said they made her "sad and angry" and called for greater enforcement of laws requiring that taxi services respect passengers' civil rights.

Lee Williams, chairman of the D.C. Taxicab Commission, indicated that such steps have already been taken. Between September and December 2003, 32 tickets were issued to taxi drivers for refusing service to riders. Efforts are also under way to require instruction on civil rights laws as part of the taxi-driver-licensing process.

There's just one problem with all this outrage and political posturing: discrimination against passengers appears to be based not on race, but safety. A cab driver who testified before the committee, Nathan Price, said that drivers "go into neighborhoods that police don't go into," while a second, Ted King, added that drivers "don't get help from the police department" when they are robbed. Both drivers are black.

Like it or not, minority neighborhoods tend to have higher crime rates than nonminority neighborhoods. There are many reasons for this — the minimum-wage law destroys low-paying jobs; “urban renewal” destroys affordable housing and creates homelessness; and the government’s wars on drugs, guns, and poverty create chaos, bad incentives, and gang warfare — but none can be fixed by the local taxi company. Nor is it their duty to do so.

Businesses operate for one simple reason: to make a profit. When someone establishes a business providing taxi services, he hopes to make money by offering transportation in exchange for compensation. Why else would he bother?

There are factors that go beyond the selfish pursuit of profit, however. Certain realities cannot be overlooked. For example, there are costs involved with running such an operation. Cars must be purchased and maintained. Insurance fees must be paid. Labor, including drivers, demands a market rate of return.

Safety, too, must be considered. This is important not only for the protection of material investments, e.g., cars and vans, of passengers, and of other vehicles on the road, but also to ensure that drivers are not abused to the point where they are unwilling to work. A taxi fleet without drivers isn’t going to haul many passengers. As indicated above, this is the most likely motive for any discrimination, a fact that would appear to be confirmed by one taxi dispatcher’s statement to a customer: “My cabs don’t like coming to your neighborhood.”

It doesn’t make sound sense for a taxi company to needlessly discriminate against a certain group of customers merely on the basis of race, ethnicity, or other distinguishing characteristics. It would be cutting out an entire chunk of its clientele. Money is, after all, the great equalizer. Not many business owners would risk losing out to a competitor just to engage in spiteful prejudice.

That said, there is also the matter of freedom of association to take into account. Should a particular cab company desire not to do business with a certain minority group, for whatever reason, that is their right, as distasteful as such discrimination may be.

Of course, the prevailing wisdom on this subject holds that unless government compels businesses to serve minority customers, we will return to the days when blacks were banned from lunch counters and obliged to sit in the back of the bus. But segregation was not just a social convention — it required the force of *law* to stay in existence.

Remember, too, that despite this country’s many racist laws in those days, blacks and other minorities were able to create thriving enterprises throughout our history to serve their own needs and even those of outsiders. Many large cities still have their Chinatowns and Little Italys, which prospered in their hey-days of the mostly laissez-faire 19th century.

Another example is the Greenwood district of Tulsa, Oklahoma. During the early part of the 20th century, this district was known as the “Negro Wall Street” because blacks had become so successful in their trading relationships, even doing a great deal of business with whites. (Sad to say, it was burned to the ground during a [brutal race riot in 1921](#).)

Racism remains an unfortunate reality in our melting-pot society. It has always existed, and very likely will continue to do so in one form or another.

Still, as our own history has shown, it is virtually powerless against the far more dominant impulses of the free market.

But there is a major obstacle to the fluid workings of the marketplace. Government at all levels has spent the last century bringing more and more industries under its control, thwarting the natural process of the marketplace to satisfy the needs and wants of paying customers.

Consider this: D.C. Council member Adrian Fenty claims that “people in this city know that cabs do not stop ... for minorities.” There’s one quick way to find out whether that’s true: allow existing cab companies to charge higher rates to those going into riskier neighborhoods — allow taxi services in effect to “discriminate” by passing on the higher “safety cost” to applicable customers.

Or this: lift the city government’s regulatory burden on forming new taxi services. What if someone wanted to start a new taxi service to operate in areas of the city currently underserved by existing companies?

Better yet, imagine that a young, energetic black man in Washington, D.C., decided to combat perceived racial discrimination or fear of crime by starting his own taxi business, to serve his own neighborhood. Who is most likely to stand in his way — racists ... or the city council? Licensing and other business laws only prevent new ventures from forming and protect existing ones from competition.

The problem, quite simply, is government control.

To judge from the number and intensity of complaints aimed at taxi companies, there is a huge gap in the taxi market in desperate need of filling. A large number of people are going without a highly desired service: transportation. If necessity is the mother of invention, then discrimination (racial or otherwise) could surely breed financial opportunities for anyone who cared to capitalize on that unmet demand. *If* he’s able.

Instead, through a quagmire of bureaucratic hassles, red tape, licensing laws, tax laws, permit requirements, and other impediments to economic development, government has rendered the peaceful, productive, and empowering forces of the free market inaccessible to the average citizen. While they could be improving economic opportunities in minority neighborhoods and serving the needs of customers, would-be entrepreneurs are instead becoming complainants to the Office of Human Rights.

This works out well for a number of interests: existing cab companies are not threatened; civil-rights activists can channel racial tension into support for their (often) statist agendas; tax revenues (and the programs they fund) are protected; and grandstanding politicians who are “angered and saddened” by discrimination get to impose “reforms” in exchange for votes.

The only thing in need of reform is our cultural dependence on government to solve our problems. No one has a right to the services of another. As free people, we should be able to control our own destinies, even if that means doing things or behaving in ways that others find offensive, wrong, or even discriminatory.

At the same time, a free people should not have to ask permission to form businesses and serve customers when economic opportunity presents itself. Instead of inventing “rights” out of thin air and fanning the flames of racial conflict, the government which manages the capital city of this supposedly free country ought to reexamine its dedication to the “economic interests” of the few and open up the market to competition from the many.

*Scott McPherson is a policy advisor at The Future of Freedom Foundation.*

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