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The Free Market Is the High Road **by Bart Frazier**

Nothing could raise our standard of living more than freeing the economy from our meddling government. When people are able to live free of government regulation, they prosper — goods become cheaper, standards of living go up, and individual liberty is expanded.

Today, government regulates almost every aspect of our lives, including how we educate our children, what we build on our land, how chicken is packaged, how much gas our cars use, what we use for money, what we spray in our gardens, what countries we visit, what we ingest, what we're paid for our work, how many and what kind of fish we can catch, where we protest, how much money we give to politicians, sex, marriage, and just about every other facet of life that should be no one's business but our own.

This is costly, not only in terms of liberty but also in terms of prosperity. Free markets maximize both.

Succinctly put, regulated markets are not efficient — they misdirect and waste resources by distorting the price system. A rise in the price of a good tells both sellers and buyers that, for whatever reason, conditions are different than they were before, and that the good is now harder to obtain. When the government blocks this process, buyers and sellers receive distorted or even false information.

For instance, in the case of the gasoline shortages of the 1970s, consumers were not receiving the market signal that gasoline had become harder to get because the government had

mandated a maximum price that could be charged for gasoline. Thus, people demanded more gas than retailers were willing to sell and the infamous long gas lines were the result.

This is exactly what happens when the government mandates a change in *any* market — the intervention manipulates market prices and causes resources to flow to less efficient users.

- Rent controls cause the construction of new rental units to decrease, causing shortages of apartments and increased construction of luxury homes.

- Mandating more fuel-efficient cars raises the price of new automobiles, pricing low-income people out of the market and keeping older cars on the road longer.

- Imposing import quotas on sugar increases the price of sugar and any product that contains sugar. Did you know that the American consumer pays about double the world price for sugar because of government regulation?

A recent study by the Mercatus Center (see www.mercatus.org/regulatorystudies/article.php?id=558&print=1) found that government regulation costs the average household \$8,000 per year. That is not chump change. Most people would have a different outlook on the regulatory state if they were given the stark choice between keeping their \$8,000 and providing the 25 feet of shelf space that is required to hold the current Federal Register.

Though the financial benefits of ending regulation are enormous, they are not the most important reason for freeing the economy. A free market is superior to a regulated one because individual liberty is the only moral foundation on which to base a society.

If the government is going to regulate the economy, it cannot do so without violating people's rights. If I am willing to work for a prospective employer for \$2 per hour, that is my right. The government has no authority to prevent me from doing so through a mandatory minimum-wage law. If I wish to inject heroin into my veins, that is my right. Even though it might not be good for me, it is morally wrong for the government to stop me, for I am not violating anyone

else's rights in the process. If I desire to build a golf course on the wetlands in my backyard, it is my right as long as mutually agreed-upon covenants do not prevent me from doing so.

This is the central idea on which our country was founded — that the purpose of government is to protect, not regulate or destroy, the fundamental and inherent rights of the people. The individual would be left alone so long as he did not violate the rights of others and, for the most part, that was the role of the federal government for the first 100 years after the country's founding. With the tragic exception of slavery, the United States was a bastion of freedom in that golden age, with the government overseeing very little of the private lives of citizens. The result was an explosion of ideas and a creation of wealth that the world had never seen before. It is that philosophy that we have abandoned.

Government regulation is the result of the majority violating the rights of the minority. This is nothing more than tyranny. The moral path is to let people live in peace so long as they do not violate the rights of others. This is the essence of a free-market society, it is the path to prosperity, and it is the only honorable way to live with one another.

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