

## Free Market Economics

I am not now nor have I ever been a communist, Marxist, socialist, anarchist, fascist, Nazi, radical, or any of the other simplistic labels fear-mongers use to derail rational thought. I am, however, a historian, and I have studied in some depth the origins and consequences of the movements these fear-inducing labels describe. I can say with certainty that I would never inflict the pain they have caused on my beloved country.

Our democratic republic (both labels are appropriate for the kind of government our forefathers and mothers have bequeathed us) has indeed been threatened by all these extremists from time to time, and this may be one of those times. But now, as in the past, the power of government can be used to *prevent* the rise of extremism and *preserve* the free market system that we embrace. Let me give just a few examples from the past, and I'm sure you can think of many more.

In the early 20th century, socialism and anarchism promised to solve such serious problems as child labor, disastrous industrial accidents like the Triangle Shirtwaist fire, and unsafe marketing of food and drugs. Children worked cheap, industrial safety cut into profits and money could be made selling contaminated food, but none of these threats to health and safety were necessary for a free market to be profitable. Farsighted Republican and Democratic political leaders (Teddy Roosevelt and Woodrow Wilson, to name just two) stepped in to prove we can have both profits and safety.

Then in the 1930s, once again the free market was stressed to the breaking point with the onset of the Great Depression. The banking industry collapsed, unemployment reached 25%, wages fell for those who did keep their jobs by over 40%, business operated at a loss, farm loans were foreclosed and the stock market lost almost 90% of its value. Socialists loudly proclaimed that Marx's predictions had come true and capitalism was doomed.

Instead the free market proved resilient and adaptable. Just a few of the reforms of that era illustrate the point:

- The WPA and the CCC provided temporary jobs for the unemployed;
- Social Security created a safety net for those that the free market left out (the elderly, the disabled, the unemployed);
- the FDIC instilled confidence in banking;
- the FHA secured home loans, opening a vast new market;

- the REA brought electricity to rural America and helped create our consumer economy;
- the Labor Relations Act empowered unions to secure higher wages and job safety;
- several programs stabilized the agricultural market;
- minimum wages established a floor below which paychecks cannot fall.

All of these programs ultimately became acceptable components of a successful free market, not a wedge for socialism to overthrow it. The market has actually worked better, as every developed country in the world adopted similar approaches. When Franklin Roosevelt was accused of being a socialist, he remarked that it was as though he had pulled a drowning man out of the water and he complained because he lost his hat.

More recent examples of this government/free market dynamic include Medicare to provide health care where profits would be minimal for a free market and the G.I Bill to send veterans to college. Business and banking rescue programs in the Great Recession of 2008-09 and the COVID stimulus checks of this disastrous year passed with bipartisan support and little fear of a socialist take-over. On the other hand, recent efforts to turn traditionally public programs into free market enterprises (education and prisons, for example) have mostly proven disastrous.

Let me hasten to add that I know government programs can go too far. Bureaucracies become stagnant and unresponsive to the public. With guaranteed government support, businesses take on too much risk. Programs intended as a safety net can stifle individual ambition and initiative. That's why we need two political parties—one to advocate for reform and the other to rein in overly ambitious demands. Neither one is the "enemy of the people;" both are necessary for a healthy, functioning democratic republic. So, please, let's stop the name-calling, recognize the positive contribution of competition, and acknowledge that neither side has perfect solutions. Both sides want the best for our country and can still work together to achieve their common purpose: a just, free and prosperous republic.