There are numerous interventions whose burdens on the market are difficult, when not impossible, to calculate. How, for example, can the impact of zoning restrictions be determined? There is no way to know how many purveyors of goods have been kept out of the market. And what of such government monopolies as that of collecting and delivering first class mail? Not only does this keep people out of the business who would like to compete but also it denies to customers the services they might perform at better prices.

Hampering Regulations

Government price setting tends to drive the price of many commodities, such as milk, butter, cheese, electricity, tobacco, and so on well above what they might otherwise be. Government safety regulations covering all sorts of things from working conditions to automobiles to drugs to the packing and preservations of meat add to the cost of providing all these goods. The difficulties, and hence the cost, of building, have been greatly increased by all the environmental protection regulations. James J. Hill pushed the Northern Pacific Railroad through the Rockies in little more time than it would take nowadays to get the approval from all the government agencies to build a railroad station. In short, there are tens of thousands of government regulations which hamper the market in numerous ways at virtually incalculable cost to all who trade in the market.

But in no area does government intervention hamper the market with more devastating results than in that of employment. Intervention has gone on so long there and now reaches in so many directions that the buyers and sellers of labor, in many instances, can no longer be served in the market. The market cannot be cleared of either demand or supply. Many job openings go unfilled while many millions are unemployed. The work force has been drastically reduced over the years (in the proportion of the total population working) on the one hand; yet, on the other, many who would work cannot find acceptable employment. These remarks cover not only the situation at the current time but also long-term conditions.

Price Controls on Labor

The most basic government intervention in the labor market has been in price. Alterations and fluctuations in price are the most basic means for clearing the market for labor, as for other goods. The government has long since instituted downward price inflexibility by the minimum wage for most occupations. This inflexibility occurs at a considerably higher level in most government and union jobs. Moreover, the inflexibility extends to a whole range of wages and salaries (where there are established scales) in most government and union covered jobs. This downward inflexibility prices many people out of the market. It is a major cause of unemployment, both that which appears in government statistics and much that does not.

But government intervention in the labor market goes much beyond price controls. There are also regulations about hours of work, prohibitions against child labor, encouragement of early retirement, compulsory school attendance laws, numerous subsidies to keep people off the labor market ranging from unemployment compensation to the food stamp program to grants and loans for attending schools and colleges, and all sorts of safety and job regulations which make the way of employers hard.

There are fringe benefits which tend to make labor much more expensive than it would otherwise be, such as retirement programs, medical and life insurance, and so on. These are usually not mandated by government, though many of them have been acquired by unions, all of whom operate under government auspices, but the fringe benefits are often granted to employees as pay increases not subject to taxes. Nonetheless they add to the cost of labor.

Government intervention not only makes it difficult to find employment but also contributes to the shortage of workers of the particular skills and abilities that are wanted. All programs which keep people off the market tend to do that. In addition, government sponsors training, much of which may have little or nothing to do with job opportunities. But also some of the government interventions tend to foster inflexibility, intractableness, and refusal of employees to accommodate themselves to the work the employer provides. That has been the tendency of minority hiring prescriptions, legal prescriptions as to what is and is not a part of the job, and, in general, a government or union hardnosed attitude toward employers. Such attitudes and behavior burden the market by making it difficult to provide goods and services that may be wanted.

Avoiding the Market

Government intervention, then, tends to burden the market. As it mounts and spreads, it increases the cost and reduces the attraction of trading in the market. The thrust of government intervention is to set the stage for people to find ways to survive outside the framework of the legal market. When the burden becomes too great people may seek to avoid the legal market entirely. By so doing, they revert to more primitive means of satisfying their wants.

There have been indications for