



## Do Republicans like free markets or not?

By Alex Walsh | May 14, 2013

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How much government regulation is needed to keep markets in working order? It's a centuries-old question that won't be resolved anytime soon. Typically, conservative politicians are the ones advocating for fewer controls. Has that changed?

Days after Republicans in the North Carolina Senate moved to block Tesla from selling its electric cars there, it's time to recap the moves of some Alabama politicians with respect to competition and free market pricing.

- In March, U.S. Sen. Jeff Sessions, R-AL, lauded a decision by the U.S. Department of Commerce to increase the price of catfish imported from Vietnam, saying it would help protect U.S. farmers. "The Commerce Department's decision... helps correct unfair competition and ensures that jobs and industry in our state are protected," Sessions said in a statement.

John Cochrane, a professor at the University of Chicago's Booth Business School and an adjunct scholar at the Cato Institute, had a different take. "Lovers of free markets and free trade, this is for you," he wrote. "Who gets hurt here? US catfish consumers," who would now pay higher catfish prices.

Cochrane, among the most laissez-faire of the U.S.' prominent economists, offers an alternative solution for the catfish issue. "Usually when low-price low-quality competitors appear (and frozen catfish from Vietnam is clearly that), the answer for a domestic producer (if Congress doesn't protect it) is to change to high-value skill-intensive products," he wrote.

- Throughout the month of April, legislators in the Alabama State House toyed with the idea of tightening up regulations on the payday lending industry.

A bill offered by Senate President Pro Tem Del Marsh, R-Anniston, would have reduced the maximum allowable fee on a payday loan, limited the number of loans a consumer could take out in a year, and create a government database to track lending activity.

"I don't want to put the industry out of business, but I do want some protection for the people using these," Marsh said.

Max Wood, a payday lending industry representative with Borrow Smart Alabama, said that reducing fees and limiting lending would close businesses, especially those operated by independent owners.

"They are not large national corporations. They don't have the maneuvering room to absorb those kind of hits to their income," Wood told AL.com's Kim Chandler. "They are going to go away and it's going to cost jobs."

- This month, it's back to Sessions, who now counts himself as a member of the "Steel Caucus."

"The steel industry has long been a foundational industry for Alabama's economy and the nation's," Sessions' office said through a press release last week. "Despite unfair and illegal trade practices from foreign competitors, American steel remains strong even during these tough economic times. But the legitimate interests of the American worker must be defended on the world stage."