



A Plan for When ObamaCare Unravels

Steve Forbes, Forbes Staff

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The Affordable Care Act bets that more regulation, price controls, effectiveness panels, and “accountable care” organizations will force efficiency, innovation, quality and service from the top down. Has this ever worked? Did we get smartphones by government pressure on the 1960s AT&T T -0.39% phone monopoly? Did effectiveness panels force United Airlines and American Airlines to cut costs, and push TWA and Pan Am out of business? Did the post office invent FedEx FDX +1.17%, UPS and email? How about public schools or the last 20 or more health care “cost control” ideas?

Only deregulation can unleash competition. And only disruptive competition, where new businesses drive out old ones, will bring efficiency, lower costs and innovation.

We need to permit the Southwest Airlines LUV +0.38%, Wal-Mart, Amazon.com AMZN +1.95% and Apples of the world to bring to health care the same dramatic improvements in price, quality, variety, technology and efficiency that they brought to air travel, retail and electronics. We’ll know we are there when prices are on hospital websites, cash customers get discounts, and new hospitals and insurers swamp your inbox with attractive offers and great service.

—John H. Cochrane, *professor of finance, University of Chicago Booth School of Business; senior fellow, Hoover institution; adjunct scholar, Cato Institute; in Wall Street Journal*

Washington Rules by Force, Not Law

Every now and then one sees a cute article like [a recent] *Los Angeles Times* piece lamenting that Congress is “ineffective” because it passed only a few laws in 2013.

Some people—most, perhaps—truly believe in no bounds; government should be doing a lot of stuff all the time. All you have to see is a *Rolling Stone* article [last month] rallying millennials to the causes of government-guaranteed work for everybody and collective ownership of everything.

After soaking in government schools for 12 years, few recognize anymore that it’s supposed to be hard to pass laws. There shouldn’t be all that many in a free country. Government operates solely by force; we should endeavor to improve society by persuasion, not force. Usually, to turn the famous phrase on its head, “There ought *not* be a law,” because most things are not and should not be public policy issues.

In any event, Congress passed and the President signed into law 65 Public Laws in 2013. Still, the *LA Times*, *Rolling Stone*, and fellow travelers wish there were more laws.

Well, wish granted. Congress may have passed “only” 65 Public Laws before Obama left town in December but federal agencies, whom no one votes for, took up the slack. Agencies issued 3,659 rules and regulations in 2013. That’s 56 rules and regulations for every law.

—Wayne Crews, Competitive Enterprise Institute, OpenMarket.org

Dumb as a Doorknob

Vancouver is doing away with doorknobs. The city’s new building code mandates that all new construction must install levers instead of twistable knobs on doors, and on faucets as well. While private citizens won’t be required to replace existing knobs, some government buildings have already done so. The art deco doorknobs on the historic City Hall building were replaced with levers last year. Levers are easier for elderly and disabled people to operate, not to mention anyone carrying something. “It is simply good design,” said former building inspector Will Johnson, who helped write the new code. “It allows for homes to be built that can be used more easily by everybody.”

—*The Week*

School Districts—and Choice—on the Decline

In 1940, there was one school district for every 1,573 Americans, making school districts small and allowing for more diversity for American families. By 2010, however, there was only one public school district for every 23,102 Americans, giving a local area of 75,000 residents, on average, only three school districts from which to choose.

Before his untimely death, Charles Tiebout, an economist and a contemporary of Milton Friedman’s, made a very interesting and important contribution to our understanding of government-provided goods and services. Tiebout suggested that families could “vote with their feet” and move among local jurisdictions, which would help ensure that locally provided government goods and services would be produced in a cost-efficient manner that would also conform to the tastes and preferences of local residents. With regards to the latter, different local governments would provide different amounts and types of goods and services, and citizens would sort themselves into different communities based on their different preferences and desires. Tiebout concluded his famous 1956 paper, “A Pure Theory of Local Expenditures,” with these words: “local government represents a sector where the allocation of public goods (as a reflection of the preferences of the population) need not take a back seat to the private sector.”

As America’s public schools become more centralized, American families have been given less and less opportunity over time to hold public schools accountable by voting with their feet—less opportunity to find a public school district that matches the needs of their child, and less opportunity to find a public school district that provides a given quality of education at the lowest possible taxpayer cost.

—Dr. Benjamin Scafidi, Ph.D., professor economics and director, Economics of Education Policy Center, Georgia College & State; senior fellow, Friedman Foundation for Educational Choice; in *School Choice Advocate*

Portland Pontificates

A group of highly compensated education consultants has managed to convince the managers of the government schools in Portland, Ore., that the common peanut-butter sandwich is a potential tool of racism. Principal Verenice Gutierrez recently argued that using the humble PB&J as an example in the classroom threatened to exclude Somali and Hispanic students—“who might not eat sandwiches.”

Beyond the racist PB&J—which often is, after all, clothed in white sheets of bread—the Pacific Education Group, which has provided a half-million dollars in diversity services to the Portland schools, has warned educators to be on the lookout for such markers of exclusively white culture as an emphasis on “self-reliance,” the belief that “hard work is the key to success,” “rational, linear thinking,” the primacy of the nuclear family, monotheism, “adherence to rigid time schedules,” the belief that one should place “work before play,” and more. Which is to say, official Portland in 2013 thinks more or less the same thing of nonwhites as rural Mississippi did in 1830, a paradoxical time capsule brought to you by people who call themselves “progressive.”

—*National Review*

Hiding Behind Silence

Officials at Rhode Island’s Alan Shawn Feinstein Middle School suspended Joseph Lyssikatos for three days and barred him from a class field trip after finding he had a gun-shaped keychain charm slightly larger than a quarter. They refused to discuss the matter with local media, saying they can’t talk about student discipline issues. The boy’s parents say the principal and superintendent have also refused to talk to them.

—Charles Oliver, *Reason*