

# The Washington Times

## From protector to destroyer

### Overreaching regulators are squeezing liberty out of existence

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Did you ever buy a game or device for which the rule book or instruction manual was so thick and detailed that you were not able to comprehend it in a reasonable period of time, so you either discarded or failed to use the product?

Have you noticed that many government regulations are so complex and vague that it is impossible to know if you are in compliance? Examples are the 70,000-plus pages of Internal Revenue Service regulations and the reported 30,000-plus pages of Obamacare regulations. Who do you think has a self-interest in all this complexity and vagueness?

Food and Drug Administration Commissioner Margaret Hamburg does not think you have the right to get a reading of your own DNA by sending a sample of your saliva to 23andMe, a company that has developed a genotype screening test. The following is from a letter the FDA sent to 23andMe: "The Food and Drug Administration (FDA) is sending you this letter because you are marketing 23andMe Saliva Collection Kit and Personal Genome (PGS) without marketing clearance or approval in violation of the Federal Food, Drug and Cosmetic Act (the FD&C Act)." The FDA is unable to cite one example of users being harmed by voluntarily obtaining information about their own bodies. Still, the company was ordered to cease marketing its highly beneficial product last month.

The Food and Drug Administration was set up to protect us from consuming bad food or drugs. It has morphed into an agency that keeps potentially beneficial drugs from us, and now is even banning our ability to know what diseases to which we may be prone, and thus, blocking our ability to take potential corrective or preventative action. The FDA has gone from being a protector to a destroyer of health and liberty.

The IRS was set up to collect taxes. It now has become a government agent to deny the right of free and protected speech, as shown not only in the harassment of Tea Party groups, but in last

week's sleazy action of demanding that certain (but not all) traditionally tax-exempt groups start providing their contributor lists to the IRS. Groups that most often stand for liberty and less government are the primary targets. What a coincidence.

One of the basic functions of money is to serve as a "store of value," which the U.S. dollar did from 1789 until 1913 (despite occasional ups and downs, there was very little change in the wholesale-price level over that 125-year period). However, with the advent of the Federal Reserve in 1914, the dollar no longer serves as store of value, now being worth only about one-twenty-third of what it was worth in 1914.

A number of innovators and entrepreneurs have been trying to develop alternative currencies to fulfill the store-of-value function of money, which the government abandoned. A benevolent government would welcome such innovations. A vindictive government would try to shut them down, which is exactly what the Treasury and Justice Departments have been doing. For example, several years ago a medical doctor established a company to allow payments in gold over the Internet — "E-Gold." The government went after him in a most vicious way, while acknowledging that he was, in fact, providing a service that many consumers wanted. Still, the government claimed that some who used E-Gold were engaged in drug dealing, money laundering and tax evasion — that is, some of E-Gold's customers were bad people. However, the government seems not to notice that many users of U.S. dollars are also bad people — so should the secretary of the Treasury be fined and threatened with prison time?

Bitcoin is an attempt to create a very low cost, purely digital, global payments system. Now the U.S. Treasury and other regulators, such as the Commodity Futures Trading Commission, have expressed an interest in regulating it, not because it is harmful, but as way of preventing free people from engaging in a new form of global commerce outside the control of government. (Note: It is true that bad people could use bitcoins in the same way bad people use paper currency, and some may suffer losses from speculating in bitcoins, but they understand that, like mountain climbing, the practice involves risk.)

As public-choice theory explains, and as can be seen by endless examples, many regulators are more interested in gaining power for themselves than in protecting the people. The result is that the economy is drowning in a sea of endless nonproductive paperwork, useful innovations are being squashed, jobs and new businesses are not being created, and the people are increasingly fearful of their own government. It does not have to be this way. The number of useless regulations, those who write and administer them, and the associated counterproductive agencies and departments can be eliminated. However, this will only happen when the elected officials who can make these changes fear the people more than the self-interested government employees, lawyers and others members of the parasitic class who are destroying both prosperity and liberty.