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The best solution is to do nothing

By Thomas Firey

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Some argue that Maryland government should intervene further in state horse racing, perhaps by providing regular subsidies, buying tracks and controlling races. I suggest an alternative: Do nothing.

I say this not because I don't value the environmental impact of horse farms or the tracks' economic benefits. Rather, Maryland horse farms face little threat from racing's decline, and a horse racing industry that needs ongoing government support offers little economic benefit.

There are more than 3,000 horse farms in Maryland. Intervention supporters claim that, without the tracks, those farms could be replaced by development. But how many of Maryland's 30,000 horses are race horses? And how many of them run only at state tracks? A 2008 study found that the majority of state purse money in 2007 went to out-of-state owners.

Gov. Martin O'Malley's office claims that horse racing provides 5,800 direct jobs. Those workers certainly want to remain employed, but would it really benefit the state economy to maintain the jobs at taxpayer expense? Economic growth comes only when workers improve at producing valued goods, but horse racing is declining because consumers value other things more. Government intervention would only transfer resources away from higher-value, economy-boosting activities.

One other consideration counsels doing nothing: What special expertise does Maryland government have in horse racing?

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