



America is slipping away

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The America we have known is slipping away. A report by the Cato Institute and the Fraser Institute of Canada on “Economic Freedom of the World” shows that America has slipped to number 12 among countries of the world. The study surveyed 152 countries and territories and found we have dropped from number 2 in 2000 to now number 12. This drop has resulted in fewer new businesses and less freedom for us.

The study was done by dozens of leading scholars and assumed its present form in 1996. It measures 5 broad factors that impact the economy: 1. Size of government; 2. Legal structure and security of property rights; 3. Access to sound money; 4. Freedom to trade internationally and; 5. Regulation of Credit, Labor and Business. Countries where citizens are freer to engage in business and trade and property and legal rights are protected by the rule of law will score higher.

The higher the countries score the better they do economically and they also create more wealth. The 10 freest economies in the world are: Hong Kong, Singapore, New Zealand, Switzerland, Mauritius, United Arab Emirates, Canada, Australia, Jordan, and Chile and Finland tied for 10th.

America’s fall of economic freedom is disturbing, and even more disturbing is what is behind the fall. The biggest drop in our economic freedom has been our legal structure. The report notes that, “increased use of eminent domain to transfer property to powerful political interests, the ramifications of the wars on terrorism and drugs, and the violation of the property rights of bondholders in the auto-bailout case have weakened the tradition of strong adherence to the rule of law in United States.”

The rule of law has been the cornerstone of our economic power and freedoms. America’s ranking in this area has fallen to 36th place in the world. This, combined with increased regulation is holding back our economic growth. The report notes, “The United States has experienced a significant move away from rule of law and toward a highly regulated, politicized, and heavily policed state.”

Our America is slipping away because government is putting more and more regulations in place which suffocates business and takes away property in the guise of Eminent Domain or higher taxes. The foundation of our freedoms was; personal choice, free trade, freedom to compete,

protection of people and their property. Think about how each of these indicators of freedom have been and are being eroded. Government should not have the right to take from some and give it to others. Nor does anyone have the right to demand that others provide things for them. Yet isn't that exactly what is happening. A simple example is free phones, why am I forced to give a phone to someone and pay for its use? Why should a town be able to take someone's property to "redevelop" it into a big project for more tax revenue?

In a free society, the primary role of government is to protect individuals and their property from aggression by others. The above report is designed to measure the extent to which the government is fulfilling that role. We are going away from freedoms and toward government control of everything. What does this cost us? The report said that will trim our growth rate from a long term 3% to half of that. I think that the last few years have given us a good look of the impact of losing our freedoms and things will not get better.

This report is a look at the challenges facing us. The largest threat is the accumulation of thousands of rules and regulations that stifle innovation and undermine our personal and property rights. Yes, we need to reduce the number of regulators and the size of government but all is lost if the rule of law has been undermined. And it is being done every day. Election Day is almost upon us, what are you going to do?