

Democrats again display mistrust of the market

I'm still trying to understand what our new Democratic majority is thinking in its efforts to regulate Colorado's economy. Politics is usually about pragmatics, sometimes about principle, but both seem to be completely lacking in the current debate on gas, groceries and HB-1208.

For a long time, grocery stores sold gas at a discount. They did this because cheaper gas is something their customers value. Supermarkets made a guess that they'd be able to make up the lost revenue on other products, along with the added volume from more customers. Since the practice proved popular, I'd say they were right. Some chain stores did the same thing for drugs.

It turns out, however, that there's a 1937 law on the books that makes this illegal. People who want you pay more for gas found out about the law, sued under it, and won. So HB-1208 is now working its way through the Legislature, trying to modify the old statute so that discounting is OK, as long as there is no "intent to monopolize." How one is supposed to tell that is anybody's guess.

But leaving that aside, what exactly are Democratic second-guessers of the marketplace trying to do? What is the noble societal goal they are trying to achieve?

Are Democrats committed to lower fuel prices? When gas hit \$3 a gallon, they fell over themselves demanding government "do something." But they also don't like grocery store discounting. High prices are bad, and low prices are, too.

Is this about "predatory pricing," where companies take losses, kill competition and then raise prices through the roof? Let me put this as plainly as possible: It doesn't happen. There is no example in all American economic history of low pricing leading to monopoly pricing for any reasonable length of time. Provided, of course, that government stays out of the way.

"Predatory pricing" ought to trouble Democrats for another reason. It's punishing people for doing something good (lowering prices), because later they'll do something bad. Democrats claim to be better than Republicans on issues such as civil liberties and due process. Why then are they



OPINION

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so casual about threatening people with jail solely on the grounds of future behavior?

Is it about helping the little guy? Hardly. Who exactly do Democrats think fuels up at the Piggly Wiggly? The rich business executive in his Mercedes? Or the single mom in her Buick? Who benefits the most from saving a few cents on a gallon of gas?

I'm trying to imagine the Democratic Caucus as it develops a position on gasoline discounting. My best guess on the back room discussion of the Democratic Philosophy

of Gas and Grocery Pricing goes something like this: "All right everybody, listen up. Selling gas for a high price is bad, because that's evil corporate profiteering. Unless the high price is because of gasoline taxes, since that's Democratic energy policy. But selling gas for a low price is also bad because it's unfair to the little guy. Provided the little guy is an independent gas station owner and does not actually drive a car.

"Oh, and by the way, we may need to punish people even though it looks like they're doing good, because they might eventually do something bad. But there's no evidence this actually happens. Now, is everybody together on this?"

Enough already. It's obvious that there's no pragmatic goal or philosophical principle behind the Democratic "Dead Dinosaurs, Drugs and Dry Goods Discounting" Debate, except for "will this keep me in office?" HB-1208 has some bipartisan support, which is good, but by the time it gets to the governor's desk it'll be so watered down with exceptions and nitpicks that it'll be worse than useless.

There's a better way. Repeal the 1937 statute. Seventy years ago, who knows why it was passed, but in our modern, hyperdynamic capitalist economy we sure as heck don't need it now. Here's the pragmatics: In the long run, market prices serve the public interest. Here's the principle: If you're an honest business, you've got a right to be left alone.

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