

Murdo, Patricia

From: Big Sky Business Journal [dmpyburn@gmail.com]
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To: Murdo, Patricia
Subject: comments on government licensing

Starting out many years ago with the licensing of Grade B dairies, as a reporter, I began to see the real point behind licensing and permitting—to get rid of the competition. Lip service is always given to “health and safety” as though it were a consumer issue, but over some 30 years of reporting, I was never called upon by consumers who were demanding such intervention – it was always the “industry” itself. The target is usually “upstart new comers” who are making life tough for the establishment.

Not that there aren’t sometimes legitimate concerns, but it is seldom clear how instituting bureaucratic permissions solves the problem. And often the problem is caused by earlier regulations or is really an industry attempt to remove a cost of doing business by creating an agency of government to do it for them.

And, there is never a weighing of benefits. There is never a balancing of supposed “health and safety” benefits against the loss of future innovation, prices, value or entrepreneurship. An ideal example was the licensing of appraisers. As a service it is not rocket science, and every prospective home buyer does some of it themselves in the edges of the newspaper classifieds, and yet it had to be licensed. Established appraisers saw a golden opportunity and it was indeed golden for what is almost a government franchise. The problems that may have existed could have been resolved by lenders doing a better job of due diligence—but it was less expensive for them if they could push that responsibility onto government.

Again, the real reasons for institution rules and regulations are always for purposes other than looking out for consumers. And, while the winners are always obvious, the losers aren’t, but they often include the very consumers they ostensibly want to help, and quite often that comes in higher prices and reduced choice. The other losers are would-be entrepreneurs....it is through this process that we in Montana have sent our children and grandchildren out-of-state to make their fortunes, because in Montana we carefully parcel-out opportunity by permitting and licensing everything.

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I have been reporting on business in Montana for over thirty years.

As some one who believes in open and free markets, I have found Montana’s approach to curbing and stifling entry into our markets as a travesty that we pay for in many ways every day in higher prices, low wages, little choice, less opportunity and as lonely grandparents. We have a judicial process that is there to address infractions WHEN THEY ACTUALLY happen, let’s bolster that process (the courts) and use it, and let free the spirit of our entrepreneurs.