

THE HIGH COST OF STATE SOCIALISM IN A FREE MARKET ECONOMY

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PINE BLUFFS — Socialism has once again reared its ugly head, this time in Maryland, my former home state. Wyoming, although mostly free of that mindset, should take notice. Here's why.

Under a string of liberal Governors, The Line State has never fostered a friendly climate toward business. So unemployment has been high and prices higher. Healthcare is so expensive that 740,000 of Maryland's 5.5 million residents cannot afford basic health insurance. Attempting to "fix" that problem in 2005, the overwhelmingly liberal Democrat Legislature enacted a law requiring companies operating there with more than 10,000 employees to spend 8% of their payroll on employee health care programs, or pay the difference into a state healthcare fund. That law, known as "the Wal-Mart bill," was vetoed by Maryland's fiscally conservative Republican governor, himself an anomaly in Maryland politics, where before his election there hadn't been a Republican in Annapolis since the days of Spiro Agnew, thirty years before.

In the first week of the 2006 legislative session, the Legislature voted to override Governor Ehrlich's veto, a move the Republican minority was powerless to stop. Major media gloatingly reported nationwide that Maryland had "responsibly tackled" the pesky issue of healthcare benefits and had "fixed" the problem.

But here's what they didn't tell us. The morning after the override vote, Wal-Mart

announced termination of plans to build a new distribution facility in Maryland, thus depriving the state of 800 new jobs, each paying at least \$2.50 above the average hourly wage in the county where the new facility would've been located.

Fortunately, conservative Republicans recognize more effective ways of combating the problem of inadequate healthcare. Solutions include reforming the 'small group' insurance market by increasing competition among insurance carriers, thereby reducing costs; reducing the number of health mandates required for a company to offer insurance; providing tax incentives and credits to small companies so they can more easily offer employee health benefits; enacting medical malpractice reform to protect healthcare providers from frivolous lawsuits — part of the problem addressed by our Legislature last year — and more.

In a free market economy, bad decisions like the Wal-Mart bill have severe consequences. Certainly, businesses should be generous to employees when offering healthcare benefits. Of course, businesses should protect our environment from possible harm caused by their operations. But it's inappropriate for state government to require a company of any size to spend a certain amount of money on employee benefits.

The well-intentioned Maryland Legislature gave government more power but did not anticipate the harmful result. At least one major Wyoming newspaper believes that Maryland's solution is a good one. That presents the danger that public and legislative opinion here might become confused and we might, some day, follow suit.

Mr. Sacco, a licensed private investigator, is the author of [The China Connection and Little Sister Lost](#). He holds a B.S. degree in Political Science from Loyola College and a Doctorate in Law from the University of Maryland. E-mail him at anthonyjsacco@hotmail.com and visit his web site at www.saccoservices.com.