

Black Markets and Human Nature

With black market operators being put in jail, and black market patrons being pilloried by the newspapers, an inquiry into the cause and effect of this social phenomenon should be of interest. GEORGE BRINGMANN, associate editor of THE FREEMAN, undertakes the task, and emerges with a conclusion that may be at variance with commonly accepted ideas. Whether you agree or not, we think you will find his article distinctly interesting.

★ **BLACK MARKETS!** A dreadful designation, connoting, particularly in the case of uninspected meats, sickness, disease and plague, in the shape of such unpleasant visitants as hookworm, roundworm, tuberculosis, trichinosis or turelema. These and other hidden dangers stalk the patron of the black market, and, indirectly, those with whom he comes in contact.

But the black market is not a new social phenomenon. It is a not-so-new name for the age-old pastime known as smuggling. It is nothing more nor less than illegal trafficking in goods and commodities which the government seeks to control.

In all scientific research and experiment, the practitioners, when seeking to eliminate certain effects, will concern themselves with first causes. In the heroic fight to conquer malaria, it was finally discovered that the disease carrier was the female of a certain species of mosquito. The next step was to wipe out the breeding grounds. Because malaria was intensively studied for years, the Army knows how to cope with it in parts of the world where it is impossible to drain swamps and fight mosquitoes. That scourge of the East, bubonic plague, was found to result from the bite of a flea that had previously bitten an infected rat; hence, stamp out the rats. Because men had gone back to first causes and learned how to control yellow fever in South America, they are able not only to aid our troops and the native population in Africa but to pile up more knowledge of a disease which can take more lives than bullets. In no case did the scientist attempt to legislate the evil out of existence; he sought only to remove the cause.

But not so the social scientists who serve the government and thus, it is assumed, the people. They are wont to pursue other methods, to resort to legislation and bureaucratic edicts. Yet a moment's reflection should take them to the heart of the matter. It should be clear to all that black markets could not exist without customers; that customers patronize such markets of their own free will and accord and not by any coercion; and, finally, that desire prompts human action—the desire for satisfaction. Social scientists may not know, however, that man's desires are unlimited, and that when an individual patronizes a black market he does so because, despite the higher prices which he must pay, the black market affords him, everything considered, the most satisfactory and, sometimes, the only means of gratifying his desires.

Concerned as the social scientist must be with public health and wellbeing, and with the danger of contamination from uninspected meats, he might well consider this social phenomenon: Prohibition does not prevent. Removal of the cause is the only method by which the dangers inextricably associated with black markets can be dissipated. In other words, do away with the black markets themselves. No lesser course will avail.

Black markets come into being because restrictions imposed on trade offer an opportunity for large and unusual profits on the one hand, and a more readily available supply of goods and commodities for which there is widespread demand on the other. Restrictions on international trade, making more difficult the importation of foreign commodities, make smuggling the source of a profitable though precarious livelihood. Any denial to the free exchange of commodities in our local domestic markets brings precisely the same result—dealers and customers setting up illegal markets for the greater satisfaction of their desires.

Laws and governmental edicts seeking to check or deny the operation of the law of supply and demand are actually attempts to thwart man's normal instinct to gratify his desires with the least effort, to call forth from nature more and evermore to supplement what to him is *always* an insufficient supply.

The only way to eradicate the black market with its menace to public health is to *make it unprofitable*. Even the death penalty for violation of laws attempting to restrain the basicly human instinct to trade has failed of its purpose. It has resulted merely in increased prices to compensate for increased risk.

Human nature cannot be legislated out of existence. The sole remedy for black markets, as well as for every other one of our economic ills, is *freedom*. If we would do away with black markets we must establish completely free markets into which all the supply, however inadequate it may be at times, can flow unhampered, there to be distributed under the conditions which *have characterized every free market since time began—competitive bidding and supply and demand.*