

## Free market at risk in Idaho

By Wayne Hoffman

Somewhere, someone in Idaho is working day and night on his technological innovation. Maybe out of a dimly-lit garage. I have no idea what this innovation is. Nor do you. Nor does government. That's the beauty of the free market.

The governor and the members of the Legislature and of the business community who support the Idaho Global Entrepreneurial Mission (IGEM) believe they can outperform and outthink the uncertainty of the marketplace. They've come up with a plan, expected to be voted on Monday in the Idaho House of Representatives, which would help facilitate the commercialization of high-tech research at our state colleges and universities.

I won't get into specifics of how that works, because there are no real specifics. The yet-to-be-created IGEM Council will figure out what the state's economic objectives should be and, consequently, what projects and companies are funded. If a project is deemed a good fit for the state's economic objectives and a company appears to have the wherewithal to make things happen, the project will likely win IGEM's endorsement and funding. The return on state taxpayers' investment in such endeavors is supposed to be more and better paying jobs and great expectations for Idaho's economy.

IGEM supporters will contend the IGEM Council will be shielded from the crony capitalism that supposedly plagued the Obama administration's selection of now-bankrupt Solyndra to receive taxpayer dollars. But except for the promises that our state government is better than the federal government, there's no way to guarantee the same won't happen here.

The idea is rife with moral hazards as well. The state government's plan to boost the economy is laudable. But what of those who are already making their way in the economy? If the owner of the local spaghetti restaurant wants to expand her business, invest in new capital and add to her payroll, the government will not come and help her out. However, the spaghetti enterprise will be forced, through the owner's tax dollars, to supply the funding to help some yet-to-be-identified high-tech business, whose economic objectives have been blessed by a government board. The government board will contend such action makes sense because the firm plans to take high technology and apply it to the masses, resulting in the hiring plenty of new workers who will spend their money on tasty Italian food.

Everyone wins. Except not really. Our country's free markets are a testament to American innovation. Be it the light bulb or the telephone, the potato sorter or Facebook, great fortunes, jobs and livelihoods have been shaped and indeed improved by private sector innovations.

Back to our garage innovation friend: His loving and unflinching devotion to his project is overshadowed and undermined by the fact that government may compete against him, perhaps offer aid—moral and financial—to the companies that, by the judgment of the government, show superior worth beyond someone working out of his garage. Mr. Innovator's dreams will be crushed.

But on the flip side, Mr. Innovator will get to use his tax dollars to subsidize and participate in the development of his competition. And his demise. One wonders how that's good for the economy, or for the free market.