P.S. to the NEWS
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GASOLINE PRICE CONTROL

Last Sunday, as my family was enjoying pot roast and discussing the energy crisis, my youngest son suddenly piped up and said, "Say, Mom, whatever happened to the beef shortage you were complaining about a couple of months ago?" The answer to that question is very simple: the Government removed price control and, like magic, the beef shortage disappeared.

There is a powerful lesson for all of us in that recent experience. The plain fact is that the principal cause of most economic problems is Government interference; and, conversely, the best solution for most economic problems is to eliminate Government interference. Present fuel shortages were caused by Government regulation -- such as blocking construction of the Alaskan pipeline for four years, forbidding offshore drilling in California, imposing price controls on gasoline and fuel oil for the last two years and on natural gas for years before that, thus inhibiting domestic exploration and increasing our dependence on Middle East Oil.

Because of many years of Government interference with the free-market system in oil and gas, it may be necessary to have temporary reduced speeds, car pools, lowered thermostats, and brown-outs. But the long-range solution of the gasoline shortage is the same method that solved the beef shortage: removing all price controls at every level.

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The free-market price system offers the best permanent method of solving the problem with a maximum of freedom and efficiency. Removing price controls on gasoline and fuel oil would put immediate pressure on every consumer -- both individual and corporate -- to conserve use and reduce consumption. It certainly is better to choose a system whereby 210 million Americans each have a separate incentive to economize, than to hire an army of tax-paid bureaucrats to waste gasoline while they supervise individual usage of gasoline and fuel oil.

Removing price controls would have just as beneficial an effect on supply as on demand. Nothing would stimilate increased production like a free-market price increase. Just as the free market encouraged oil companies to pay out nearly $1 billion four years ago for oil leases in Alaska, today a free market will encourage industry to expend its best efforts to expedite delivery, reopen marginal wells, and stimulate exploration and new refinery capacity.

The best long-term solution for gasoline and fuel oil shortages is the same solution that worked for the beef shortage: remove price controls. The price system enables millions to cooperate voluntarily with one another in our common interest. The alternative to a free market is government compulsion and the use of force to require the people to accept the dictates of the Washington bureaucrats.

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