

FREE MARKET THINK TANK ENDORSES SOCIALISM¹

Eric de Place[©]

Bummer. My quixotic endeavor to lure free marketeers into rational parking policy has hit another bump in the road. Here's Michel Ennis over at Washington Policy Center's blog:

*“Seattle Mayor Mike McGinn's war on cars proposes to significantly increase the price of **public parking**. He claims that higher prices will free up supply. And Seattle Councilman Tim Burgess has a similar plan, just applied in a more sophisticated way. They both argue that increasing price will create a balance between supply and demand. They claim the current price is too low, which makes demand higher than supply. This is why drivers can never find street parking and leads to greater traffic congestion on surface streets. So their solution is to raise price. Price will bring balance to supply and demand but it will be accompanied with negative externalities.”*

And:

*“The supply/demand/price equation is out of balance not because of price, but because of supply. **The city has been eliminating parking spaces for two decades...**”*

Whoa. Let's take a moment to absorb this. Is this really the cry for socialism that it sounds like?

Yes. Here's why. Under current law and practice, on-street parking is pretty much a textbook case of socialism. It works like this: the government raises revenue, builds streets, and then mandates portions of the public property be set aside exclusively for storing private vehicles. In most cases, the government gives away the storage for free. But in a few cases, such as downtown, the government meters the spaces, albeit far below market rates. The result is completely predictable: we get Soviet bread lines. No, drivers in Seattle aren't huddling in long gray lines in the winter chill. But they're doing the automotive equivalent: circling the block again, hunting for government-subsidized bargains, and creating all kinds of congestion problems.

Why not let the market just sort things out? There are, after all, any number of fine locally owned and operated parking businesses that would be delighted to provide for your parking needs. Downtown, and in other business districts, you can locate these places by looking for signs with the word "parking" in large letters, usually accompanied with prices that reflect precisely what the local market will bear. Normally, you can find a spot at one of these places; and not to worry, they are located wherever parking is scarce. They even spring up quasi-spontaneously when there's a sudden increase in demand for parking, such as before baseball games or state fairs. That's the magic of the market.

Unfortunately, subsidized on-street government-provided parking really harms these businesses. It's unfair. For my money, the government should no more undercut these retailers of parking than it should start selling subsidized shoes or handbags or Argentinean steaks or martinis or hotel rooms. I mean, why on earth would we treat car storage any differently? The fetish for cheap public parking is weird not only on ideological grounds, but also because the government has not, in fact, been eliminating parking spaces. Or more precisely, the government has been eliminating some *public* spaces, but by regulatory mandate it is actually

¹ The daily Score, Sightline Daily, Sightline Institute, November 15, 2010

increasing *private* parking. In fact, virtually all new buildings -- whether residential, commercial, industrial, retail, etc. -- are forced to supply parking, often in excess of the number of people actually expected to use the building. In fact, the government is so determined to flood the market with unpriced parking that even drinking establishments are required to provide a parking space for each 250 square feet of barroom. Talk about negative externalities!

The rational free market approach, of course, would be to eliminate parking minimums on private property. If developers want to provide parking, great. If they don't, so be it. But the government shouldn't be intruding with regulatory mandates that drive up the costs of development and housing, unless there's some overriding public good to serve. And I'm just not convinced that cheap car storage qualifies. At the end of the day, I don't think you can be intellectually consistent as a free market type and also call for maintaining -- and even increasing! -- the supply of a government subsidized good that private businesses can supply more efficiently. That said, I generally enjoy reading Michael's more analytical pieces, so I wonder if this particular issue just escaped his better judgment.

I mean look, when I'm a driver I like free parking as much as the next guy. In the same way that I'd like a free whiskey and soda at my next happy hour. And I'd like a free pair of new skis. Who knows? Maybe I'll get lucky and somebody will comp me. But I don't expect the government to take care of these things for me.