

## Seattle Grocery Stores and Ayn Rand

I often make the joke that every time I read *Atlas Shrugged*, the part that seems really timely is later in the book.

I haven't read it in a while but something happened recently which made me think, "Oh, we're in that chapter now."

(clip from Seattle)

I have a lot of problems with Rand (maybe for another video) but her ability to predict how the socialist downfall of the US would happen is pretty good

Now New York City has elected a guy promising rent control, State-run grocery stores, and free buses (find them at the corner of tragedy and commons) without any consideration of the consequences of those moves

And in Seattle we have a new mayor saying she "won't allow" grocery stores to close, as if that addresses anything meaningful.

It's funny and a little sad how the simplest second-order consequences of a policy escape these people. And they're supposed to be our leaders?

Okay, you have a climate-controlled vehicle that runs not just from point a to point b, but in a loop around the city all day. What happens when you let people on for free, indefinitely? Those seats fill up with people who have nothing better to do and love to make things around them worse.

Who's going to stop them? The bus driver? No. Police? No, these socialist types believe the police shouldn't harass the destitute, even when their destitution is of their own making. Kropotkin said that once everyone had bread, they wouldn't commit crimes anymore. The simple falsity of this belief hasn't stopped modern socialists from pretending it's true.

Therefore, what's the final result? The buses are filled with homeless and junkies and become unavailable for productive people. That means the productive people need to move toward personal vehicles or ride-sharing or carpools, which increases traffic. Exactly the opposite result from what the socialist claimed he wanted.

So he'll double down, and put a special tax on private cars, and create another problem somewhere else.

Dysfunctional and filthy buses also provide a justification to add more funding for cleanup, which gets more people doing busy-work instead of something actually productive.

What about "keeping grocery stores open?" Well, we haven't gotten to the point yet that a Seattle mayor can enslave grocery store employees (I hope), so it probably means expropriating those stores from the owners, and then attempting to run them as State services, at a loss of course.

What does that mean? First off, waste. Wasted food being sold below cost. More government employees wasting tax dollars. Sub-optimal uses of building space. Because tax-funded organizations aren't subject to the loss incentives to reduce waste.

Such is the effect of most government action: resources used in ways that sane people wouldn't use them, for the purposes of encouraging more waste, rather than better productivity. Gradual reduction of the "pie" of the economy. The small surpluses that most people are able to create turned into massive deficits, but so gradually that the source of the problem is unclear to most people.

Ask yourself this: if food is available at below-cost rates at these State-run grocery stores, how will they prevent real grocery store owners from simply buying out the shelves? The simplest method is rationing. 1 unit per customer stuff. But in typical tyrannical (anarcho-tyrannical) fashion, this will only be enforced against certain people, probably denoted by their willingness to smash-and-grab stuff, and whether or not they have anything to lose by doing so. And that's the best case scenario.

More realistically, these State grocery stores will gradually consume more and more resources, be poorly maintained, and gradually reduce the value of itself as real estate and its neighbors, due to the clientele it will attract.

More local grocery stores that are privately owned will give up and abandon the area, since some fraction of their customers will tolerate the State stores (at least at first) and jump ship, either for monetary or ideological reasons. This will accelerate the problem.

Remember that tax money doesn't simply teleport from taxpayers to the State-run stores, either. A new class of bureaucrats will be needed to make those transfers, taking more workers out of productive jobs and wasting more real wealth on paper-pushing. These bureaucrats will not be incentivized to do their jobs efficiently or well; failures will lead to demands for more funding in the same way that contrived "successes" might.

Wasted food will also reduce overall supply and push up the market prices of food in the private sector. If the prices of food in the State-run stores are set, as they likely would be, at some percentage of cost (say 90%, with the remaining 10% subsidized by tax money), those prices will end up rising as well, which will lead to further deterioration.

The need for more tax money to pay for this growing network of State stores will discourage businesses and productive people from staying in or entering the jurisdiction. Before long, the money these State stores get will end up coming from the very people they are intended to help. But many of them will not see the connection between their high taxes and the below-market prices they pay for food, and see it as a win.

That's *if* the system doesn't collapse first.

These various second-order effects will all happen to greater or lesser degrees, depending on the circumstances. But the point is that these politicians stand up and claim things will be cheaper or free, and average people accept that as if there are no trade-offs or second-order effects. And those negative effects will continue to build, hurting the poor while lining the pockets of politicians and bureaucrats at their expense.

And before long we'll end up at a later point in Ayn Rand's book.