33. Property rights, rule of law, potential competition, and the possibility of failure are necessary for free markets to work.

34. Regulation and subsidies are a stimulus for lobbying, fraud, corruption, and crony capitalism.

35. Money is a medium of exchange to facilitate trade and avoid barter, and a store of value representing your net economic activity. Money is an expression of the labor you have expended and capital you have accumulated.

36. "Throughout history, poverty is the normal condition of man. Advances which permit this norm to be exceeded — here and there, now and then — are the work of an extremely small minority, frequently despised, often condemned, and almost always opposed by all right-thinking people. Whenever this tiny minority is kept from creating, or (as sometimes happens) is driven out of a society, the people then slip back into abject poverty. This is known as 'bad luck'." - Robert Heinlein.

37. Regulation increases the cost of products and services and creates barriers to new competition which might keep prices low and quality high.

38. The problem isn't income inequality; it's the inequality caused by lobbying, fraud, corruption, and crony capitalism.

39. A minimum wage is a tax on unskilled labor paid by the customers of the business. If you tax something, you get less of it.

40. The best protection against monopolies is lower barriers to entry (less regulation) for new competitors.

41. Creative destruction is the process of industrial change that revolutionizes the economic structure from within by destroying old products and replacing them with new ones. - Joseph Schumpeter

42. Politicians don't like the free market because it provides insufficient opportunities for graft.

43. Socialism is government ownership of business. Fascism is government control of business. There's no effective difference between ownership and control.

44. You can only confiscate the wealth that exists at a given moment. You cannot confiscate future wealth — and that future wealth is less likely to be produced when people see that it is going to be confiscated. – Thomas Sowell

45. Reality is non-negotiable.

Rules for Free Markets

Understanding the everyday choices you make.

If you choose between 2 items with the same price at a restaurant, rules 17 and 18 apply. Not buying something with a high price uses rule 3 and others.

1. TANSTAAFL: There ain't no such thing as a free lunch. – Robert Heinlein.

2. Price, quality, availability; pick any two.

3. Relatively high prices tell manufacturers to make more stuff and consumers to use less.

4. Relatively low prices tell manufacturers to make less stuff and consumers to use more.

5. If you want less wealth, tax it. If you want more poverty, subsidize it.

6. The free market is Mother Nature's way of organizing economic activity.

7. Corporations don't pay taxes. They collect taxes from you and give them to the government. All their money comes from customers.

8. Insurance companies don’t give you free stuff. They collect the money for it from the premiums you pay.

9. The problem with socialism is that sooner or later you run out of other people’s money. – Margaret Thatcher

10. Utopia is not an option.

11. Socialism, communism, and fascism murdered more than 80 million people in the 20th century.

12. Government has a monopoly on the legal use of force and violence. Every law is a direct or indirect threat to use force or violence against someone.

13. Those who cannot remember the past are condemned to repeat it.- Santayana

14. Smart economic decision-makers consider both the primary and secondary consequences of their actions for their group and for all groups. – Henry Hazlitt

15. Free markets impose the least societal cost because transactions are open and voluntary. Coercive transactions impose hidden costs on unnamed third parties.

16. Each person’s $1 an hour wage increase requires a $190.00 per month increase in profits to pay for it.

17. Values are subjective. A product or service is worth only what someone is willing to pay for it. You might be willing to pay X, but your neighbor is not.

18. Trade happens when the buyer believes the value of the product or service is more than the price offered by the seller.

19. Voluntary exchanges or trade are positive-sum transactions where both parties win. Coercive trade deals are either neutral transactions or negative transactions where one party wins and the other loses.

20. In a complex society, it is impossible to organize the exchange of goods and services by command. – Milton Friedman

21. You cannot have both a welfare state and open borders.

22. When business wants to be regulated, they’re probably doing it to minimize competition and keep prices high, not for consumer safety.

23. Political power allows a majority to impose its will on a minority or, in a world of factions and coalitions, even vice versa. … A strong political consensus is not a sufficient condition for enacting those preferences into law. – Richard Epstein, Simple Rules for a Complex World

24. The more corrupt the state, the more numerous the laws. – Tacitus

25. Government standards of discrimination are incompatible with the more accurate market based values which take into account the social costs inherent in any system.

26. Central planning imposes tyrannical edicts on people and fails to consider the consequences of bad choices and changing market conditions.

27. Regulation forces businesses to ignore the preferences of their employees, customers, and vendors.

28. The function of markets is to satisfy your preferences at low costs, not to change them. – Richard Epstein, Simple Rules for a Complex World

29. If a monopoly is contestable we need do nothing about it. – Tim Worstall

30. Government decision making is subject to politics, lobbying, back-room deals, and corruption.

31. If you have tariffs, then smuggling is a useful service. - Milton Friedman

32. Prices 1) transmit information economically and efficiently; 2) provide an incentive to act; 3) and are a method for distributing the income. - Milton Friedman