A Strong Economy is a Free Economy

> *We have seen before how the separation of economic and political aims is an essential guarantee of individual freedom and how it is consequentially attacked by all collectivists. To this we must now add that the "substitution of political for economic power" now so often demanded means necessarily the substitution of power from which there is no escape for a power which is always limited. What is called economic power, while it can be an instrument of coercion, is, in the hands of private individuals, never exclusive or complete power, never power over the whole life of a person. But centralized as an instrument of political power it creates a degree of dependence scarcely distinguishable from slavery.*

from *The Road to Serfdom* by F. A. Hayek

HKO comment

There is a tendency to correct temporary problems in the private sector, or to avoid the pain of a market correcting itself, by transferring power to the public sector. But without the discipline of the market, this often causes temporary problems to become permanent. While it is painful when the market readjusts to excesses and reallocation, in the longer run it clears the debris to restart growth. The market decentralizes power, consistent with the idea of federalism.

Economic planning by political entities not only creates a centralization of power that is dangerous to individual freedoms, as Hayek warns; it also creates a stagnant economy. A strong economy is a free economy.