



Written by [Wallis W. Wood](#) on January 18, 2014

## More Evidence We're Losing Our Freedom

The latest "[Index of Economic Freedom](#)" has come out, and the news for the United States [isn't good](#). The study, a joint effort of the Heritage Foundation and the *Wall Street Journal*, concludes that economic freedom in the United States has declined again. This is the seventh year in a row this has happened.

For more than 200 years, the United States led the world in economic freedom. For many of those years, we were also the most prosperous Nation in the world, as we demonstrated that economic abundance was one of the happy consequences of economic freedom. Now, many other nations are confirming the same thing.



But we aren't. Now, we're not even in the top 10 of the 178 countries the study measured. Thanks a lot, Barack Obama! And Congress. And, yes, even the U.S. Supreme Court. All have been complicit in the unrelenting assaults on free enterprise in this country.

In an opinion piece in the *Journal*, Terry Miller, one of the study's directors, had this to say: "It's not hard to see why the U.S. is losing ground. Even marginal tax rates exceeding 43% cannot finance runaway government spending, which has caused the national debt to skyrocket."

But out-of-control government spending is just one of the areas where the United States is in decline. As Miller wrote: "The Obama administration continues to shackle entire sectors of the economy with regulation, including health care, finance and energy. The intervention impedes both personal freedom and national prosperity."

So if the U.S. is losing economic freedom, how is the rest of the world doing? Believe it or not, economic freedom is actually improving in most of the world. According to the study, 114 countries of the 178 in the study enjoyed an increase in economic freedom in the past year. And some 43 countries scored their highest ranking ever in the index's 20-year history.

Leading the list once again is Hong Kong, which scored 90.1 on the 100-point scale. Following it in the "free" category are Singapore, Australia, Switzerland, New Zealand and our northern neighbor, Canada.

Rounding out the top 10 in the "mostly free" category are Chile, Mauritius, Ireland and Denmark. Then comes Estonia. The United States finally shows up next, at 12th on the list. Yes, it's hard to believe, but even Estonia did better than the U.S. this time.

Maybe that shouldn't be a surprise. It turns out that several countries in Eastern Europe that used to be dominated by the Soviet Union are thriving now that they have embraced free-market economies. According to the study, Estonia, Lithuania and the Czech Republic are the European countries that gained the most economic freedom in the past 20 years.



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Congress, are you listening?

According to the study, 18 countries in Europe have reached new highs in economic freedom. They include Germany, Sweden, Poland and Georgia. On the other hand, five countries — Greece, Italy, France, the United Kingdom and Cyprus — scored lower than they did when the first index appeared 20 years ago.

No surprise on which countries are on the bottom of the list. In descending order, they are Iran, Eritrea, Venezuela, Zimbabwe, Cuba and North Korea. All are known for despotic governments, government-run economies and few, if any, property rights — oh, and one other thing: the abject poverty endured by most of their citizens.

The study measures economic freedom in 10 different categories under four broad areas, which it calls the pillars of economic freedom. They are:

- The Rule of Law, which includes property rights and lack of corruption;
- Limited Government, measured by fiscal freedom and controls on government spending;
- Regulatory Efficiency, such as business freedom, labor freedom and monetary freedom; and finally,
- Open Markets, as measured by freedom to trade, investment freedom and financial freedom.

Does it really matter how a country scores on economic freedom? Absolutely!

“Countries achieving higher levels of economic freedom consistently and measurably outperform others in economic growth, long-term prosperity and social progress,” Miller wrote.

It is an outrage that this country, whose freedom and prosperity made us an inspiration for the world, is now measurably on the decline. The report says that the U.S. has suffered “particularly large losses in... control of government spending.” But we already knew that, didn’t we?

The latest jobs report from the U.S. Bureau of Labor Statistics confirms just how shaky things have become in the U.S. economy. While forecasters expected new jobs in December to exceed 200,000, the BLS number came in at a lowly 74,000.

Yet even with that disappointing number, the unemployment rate in this country somehow dropped 3/10 of a point, from 7 percent to 6.7 percent. How is that possible?

It turns out that nearly five times more people stopped looking for work in December than found new jobs. An estimated 347,000 Americans left the labor force and are no longer counted among the unemployed.

Clearly, there’s the solution to make the unemployment numbers look good. If enough people who don’t have jobs simply give up looking for them, unemployment in this country would drop to zero. Wouldn’t that give the Obamaites something to crow about?

The sad truth is that the actual number of people with jobs in this country — the so-called “labor participation rate” — is at a measly 62.8 percent. That’s the lowest number since 1978.

“[T]his year’s index demonstrates that the U.S. needs a drastic change in direction,” Miller wrote.

Indeed it does. But as long as Harry Reid holds the reins as Senate Majority Leader, we’re not going to get it. Happily, that could change in a big way this November, when he could receive a well-deserved demotion to Minority Leader.



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I'll have a lot more to say in coming days on the key elections that could make that happen. In the meantime, keep reminding your friends that Ronald Reagan got it right when he said: "Government is not the solution to our problem; government is the problem."

The latest "Index of Economic Freedom" confirms the wisdom of the former President's remark. The more government gets out of the way, the more a country will prosper. The results of five years of Obama prove that the opposite is true, too.

Until next time, keep some powder dry.

***Chip Wood** was the first news editor of The Review of the News and also wrote for American Opinion, our two predecessor publications. He is now the geopolitical editor of Personal Liberty Digest, where his Straight Talk column appears weekly. This article first appeared in [PersonalLiberty.com](#) and has been reprinted with permission.*



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