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Governmental Control Over Business:  
An Analysis of the Nader v. Friedman Argument

In the interview between Ralph Nader and Milton Friedman, “Government Regulation – Too Much or Too Little?” with moderator Hugh Sidley (1979), Nader and Friedman discuss just that. Does the United States government have too much or too little regulation on businesses, enterprises, autonomy? The importance of this discussion is because of how government regulations do affect consumers on both positive and negative levels. In agreement with Nader, there are certain regulations that consumers would not otherwise know to call out and questions for. And consequently government agencies put into place for good reason.

Nader’s argument is based off on his “community intelligence” theory, which he explains as being a major part of society as a whole. “Community intelligence” is partly Nader’s name for a specific social abstraction that could be put into terms of the general common knowledge that institutions allow the public to know. Or, Nader also explains this as being a hive-mind like organism that depends on a symbiotic relationship between all the working parts. This is a slight definition that Nader gives, forming his position of what a government is or ought to be.

In some aspects, Nader’s argument suggests that the government and its regulations are the parents to a consumer-based community intelligence. Giving examples like the chemical in

spray cans: Nader highlights how consumers cannot touch, feel, or notice at all a chemical that harms the ozone levels in the atmosphere and thus their total autonomy. Stating that it ought not to be at the risk and responsibility of the consumer to take action on harmful products. In carrying over the analogy, Nader would say that it comes down to the responsibility of the parent to not let the child harm itself with no knowledge otherwise of doing so. Reminding the audience that it was a government agency who researched products like spray cans and Nader's other examples, that it was to ensure a product was not causing damage. And therefore, Nader warns that governmental regulations are necessary to protect the public's safety, health, and welfare from the undue harm of corporate greed and/or ignorance.

Friedman's argument stands on promoting a free enterprise across the entire board of industries, outside of the government, which entails lifting all regulations off of trades such as medicine, television, and other professions that are highly under regulation today. With too much control over companies and institutions, Friedman introduces that by getting rid of regulations, companies will be able to then better their business and consumers will be able to make their own decisions; deciding personally which products or doctors to consume or go to.

Consumer and enterprise autonomy, Friedman believes, would lead to fewer harmful incidents that having regulations does. An example that he gives is medicine: that thousands of lives were lost that year due to medicine in Europe not being legal in the United States. Agencies like the Food and Drug Administration prohibit the use of underdeveloped medicines, or under-researched chemicals, Friedman proposes, and because of this, medicines that are working elsewhere are not allowed to be used here due to their lack of regulations. Another example that Friedman gives is the nuclear reactor, how the first one took 18 months to develop but then

another 10 years to create the second. He points this out by indicating it was governmental regulations that stood in the way of any scientific advancement between the first reactor and ten whole years of possibility.

To bring nuclear reactors into the argument, Friedman was lucky this was not a more casual conversation. Nuclear technologies have caused massive amounts of damage in the past and consequently needed further regulation and management. There are reasons why mad scientists are portrayed in classic science fiction movies and novels, when there is a possibility of evil-doing then evil-doing will happen. Taking Nader's "community intelligence" and my parent analogy, governments are put into place to protect those who unknowingly need protecting. Those who have the means to take advantage of those who don't, such as large corporations and big businesses, will do so. If a parent sees a bigger kid trying to smaller kid's toy, in most cases that parent would stop the unjust behavior of the larger child. And because of this big-little kid scenario being ever so prominent in every business's daily life, a larger "community intelligence" with a protective stance will then create a fairer playing ground for all companies.

In some ways, Friedman does make reasonable arguments on how because of the time it takes to put new products in the market, concerning the Food and Drug Administration (FDA), some regulations may be too harsh. But the FDA controls the output and research on foods and drugs, which are products that are consumed by persons, and potentially on a daily basis. The importance of the FDA could not be entrusted to the general public nor the business sector – consumers do not know what chemicals cause and yet still buy products with indiscernible words in the ingredients lists. And businesses use these chemicals even without complete research on longitudinal effects.

The discussion that Nader and Friedman began with their debate brought up a great deal of questions as to how controlling the government ought to be and how effective its control is currently. Nader's spray can example is a straightforward case of chemicals in products that are hazardous and out of the ability of knowledge to the consumer. When Friedman tries to argue this, he does not, in my opinion, make a strong enough point that companies would make the effort to protect consumer's health and safety before their profit margin. For this reason, I am inclined to agree with Nader's opinion that having the government set regulations protects consumers against larger businesses.