## CONTENTS

|    | Thou Congress got as into the mortgage assistates area.  |    |
|----|--|----|
|    | Preface  | xi |
|    | PART ONE   |    |
|    | The Foundations of Economic Analysis 1   |    |
| 1. | Death by Bureaucrat  (when bureaucratic choices mean life for some people— and death for others)             | 4  |
| 2. | Ethanol Madness (how one government policy illustrates the nature of all government policy)                  | 10 |
| 3. | Flying the Friendly Skies?  (how safe is commercial air travel? How safe should it be?)                      | 14 |
| 4. | The Mystery of Wealth (why some nations are rich and others are poor)  | 19 |
|    | PART TWO   |    |
|    | Supply and Demand 25   |    |
| 5. | Sex, Booze, and Drugs (the unintended and often harmful consequences of prohibiting voluntary exchange)      | 29 |
| 6. | Kidneys for Sale (does a market for human organs make sense?)  | 36 |
| 7. | When High Prices Are Low Prices (why "record high prices" are often much lower than they seem)               | 42 |
| 8. | Are We Running Out of Water?  (on a planet that's two-thirds water, how can we be running out of the stuff?) | 47 |

| 9.  | The (Dis)incentives of Higher Taxes (how high taxes illustrate the old adage that "there is no free lunch")                           | 53  |
|-----|---|-----|
| 10. | Bankrupt Landlords, from Sea to Shining Sea (when governments lower rents, tenants can suffer)  | 58  |
|     | PART THREE Labor Markets 65   |     |
| 11. | (Why) Are Women Paid Less? (why are women paid less while men are working less?)  | 67  |
| 12. | The Effects of the Minimum Wage (how a "living wage" can ruin the lives of minority youngsters)                                       | 72  |
| 13. | Immigration, Superstars, and Poverty (are the rich getting richer and the poor getting poorer—and if not, why does it look that way?) | 76  |
| 14. | A Farewell to Jobs (why efforts to "save jobs" make us all poorer)  | 83  |
| 61  | PART FOUR  Market Structures 89   | 4.  |
| 15. | Big Oil, Big Oil Prices? (does ExxonMobil really decide how much we pay at the pump?)   | 92  |
| 16. | Contracts, Combinations, and Conspiracies (why the NCAA and OPEC have more than four-letter names in common)                          | 97  |
| 17. | Coffee, Tea, or Tuition-Free? (who wins and who loses from price discrimination)  | 102 |
| 18. | College Costs ( and Costs and Costs) (college costs have tripled, but the quality of the product hasn't; what's going on?)            | 107 |
| 19. | Keeping the Competition Out (when the government steps in, the competition steps out)   | 112 |

## PART FIVE Political Economy 117

| ne Dragon, and the luture  |                                    |
|--|------------------------------------|
|  | 121 (do Okina, Ind<br>of America?) |
| 21. The Political Economy of Collapsing Bridges (when shortsighted political decisions lead to long-term troub | 127<br>bles)                       |
| 22. Is Your Bank Manager Headed to Vegas with You (how deposit insurance encourages risky behavior by comme    |                                    |
| 23. Raising Less Corn and More Hell (how your tax dollars end up in farmers' pockets)                          | 137                                |
| 24. Crime and Punishment (incentives matter—especially to criminals)   | 143                                |
| 25. The Graying of America (America is getting older, and you will foot the bill)                              | 148                                |
| PART SIX Property Rights and the Environme   | ent 153                            |
| 26. The Trashman Cometh  | 156                                |
| (the costs and benefits of recycling)  |                                    |
| 27. Bye-Bye, Bison (why some species are endangered and others aren't)   | 163                                |
| 28. Smog Merchants (how markets can reduce pollution)  | 170                                |
| 29. Greenhouse Economics (the economics of global climate change)  | 175                                |
| PART SEVEN   |                                    |
| Globalization and Economic Prospe  | erity 181                          |
| 30. Globalization and the Wealth of America  | 183                                |

(is globalization all bad?)

|       | The \$750,000 Steelworker the economic consequences of restricting international trade)               | 189 |
|-------|---|-----|
|       | The Lion, the Dragon, and the Future do China, India, and other modernizing nations herald the demise | 194 |
|       | f America?)   |     |
| O 127 | Glossary  | 199 |
| S     | elected References  | 209 |
| Li In | Caising Less Corn and More Heart status as the remaining xabn   | 219 |