

## LEXICON OF ECONOMIC THOUGHT\*

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As the title states, this book is a lexicon of economic thought. Each of the several hundred economic definitions is one to three pages in length. But unlike other lexicons and dictionaries, this one presents a view--rather than just a series of dry definitions. The definitions and examples take a Canadian slant (the book is published in Canada) but have value to a worldwide audience.

Many of the references contain humour. For example, the caption for "scalpers" starts off: "Next to husbands, scalpers are the most misunderstood group in our society." The "politics" entry cites H.L. Mencken's famous quote that elections are a kind of futures market in stolen property. (There is no doubt that government is going to continue putting its hand into your pocket; elections just determine whose hands take your money.)

The "social justice" definition sounds like it could have been written by F.A. Hayek. Social justice does not exist. Only individuals can be just or unjust and only individuals can be treated justly or unjustly. The concept of social justice is used by government as an excuse to justify all kinds of intervention ranging from affirmative action (reverse discrimination) to the progressive income tax.

The concept of affirmative action means that employers who want to hire someone must look not only at an applicant's intelligence, hard-working character and experience but also whether the person is a woman, a native

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\* Walter E. Block and Michael A. Walker, Vancouver, Canada: The Fraser Institute, 1989. 390 pages. Softcover.

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Canadian or handicapped. The American view of affirmative action would include other groups as well. The authors state that this policy is unjust and give economic and ethical reasons for their view.

In the airline deregulation caption, the authors mention George Stigler's position that government regulation does not really protect consumers but actually serves to create a kind of cartel for producers. In the case of airline regulation, it limits competition, thereby putting up barriers to market entry; since competition is reduced, there is less pressure to reduce prices or improve quality, so the consumer suffers. Since Canadian and American airlines have deregulated, prices have fallen and the number of consumers who travel by air has increased. The increase in air traffic has caused some congestion since the same number of airports now have to handle more traffic. The authors also debunk the fallacy that deregulation has caused travel-related deaths to increase. One study they cite found that lower air fares caused some travellers to take airplanes rather than cars, which reduced auto fatalities. Since air travel is safer than auto travel on a passenger mile basis, overall safety has increased since deregulation.

The caption on broadcast regulation debunks some of the more popular myths about this widely misunderstood subject. The authors relate the story of the hearings the Canadian Radio-Television and Telecommunications Commission has been having on the question of whether religious organizations should be allowed to have their own broadcasting licenses. They point out that having to ask permission to broadcast is the same, in substance, as having to ask government permission to publish newspapers, magazines and journals. Broadcasting is a form of free speech, and just like other forms of free speech, there should be no need to ask government permission.

However, the argument goes, broadcasting is different from other forms of free speech. The electromagnetic spectrum is not the sort of thing that can be privately owned. It is a public good, and as such, must be controlled by government. But such is not the case. All that is needed is to insure that proper boundaries are set on the spectrum so that one station does not encroach on another's wavelength. It is a property rights solution.

Another argument that is so often advanced is that there are not enough frequencies to go around, so government has to allocate who gets a frequency and who does not. But this argument just points out the fact that economic scarcity exists, which is nothing new. Scarcity is a near universal phenomenon, and government intervention is not needed to allocate other scarce goods and services so why should it be needed to allocate scarce airwaves? Besides, only 2% of the available UHF Canadian bands are currently being used, so there is no need for government to allocate at all for this segment of the spectrum.

Another argument that has been put forth for government regulation is that programming should be balanced and be in the public interest. After all, if private groups were permitted to own the airwaves there is a possibility that they would not operate in the public interest. Yet private groups own the print

media with no adverse consequences. While many newspapers and journals are not "balanced", it does not really matter because readers can read or not read from a vast selection of publications. The same would be true of the broadcast media. The alternative, having bureaucrats determine what is balanced and what is not, would be extremely dangerous to free speech, since government officials would be able to dictate what is said.

This book analyzes nearly 200 slices of economic thought along the same lines as these few examples. Each topic is short and can be read in a minute or so, which makes the book attractive to someone who does not have large blocks of time to devote to reading. The book is also a handy reference guide for anyone who wants to learn quickly the free market position on a particular topic.