

Black Market Colloquium Questions

Tues./Wed. Oct. 1 & 2

Assigned Readings:

(1) Jeffrey Tucker, “Notes from the Underground: America’s Sprawling Informal Economy,” *Policy Review*, Heritage Foundation, Summer 1993, pp. 76-79;

(2) Robert Higgs, “The Myth of War Time Prosperity,” *Liberty* magazine, March 1991, pp. 23f.

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Reflection Homework: Based on the reading, the colloquium, and pertinent class lecture, write 500-700 words stating your thoughts on this issue. Turn in the reflection homework at the beginning of class on Tuesday.

Notes to students:

- C In this discussion, please focus on black market activities that are *voluntary*, such as those discussed by Tucker, not coercive black markets, such as kidnapping or killing for body parts.
- C Do not focus on copyright infringement issues, such as Napster and software pirating.

1. Do you come from a country or state with significantly more black market activity than we have here? What activities are exchanged there on the black market that aren’t typically here?

2. What black market activities have you engaged in?

3. Is it wrong to engage in (voluntary) black market activities?

4. What are some typical aspects of goods and services provided on the black market, compared to the goods and services provided in a legal market?

5. In countries with much black market activity, what are the government policies like (compared to the U.S.)?

6. What changes in government policy would reduce the problem of black markets? Should the government make those changes?

3. When making policy decisions about trade between Americans and people in other countries, should we count only the well-being of American citizens, or should we care also about the people in Mexico and other countries who would trade with Americans? Defend your position both from a moral and economic standpoint.

4. Although not from the reading, the subject of “sweatshops” is worth considering. What do people mean by the term “sweatshop?” Are people in less developed countries made better off by U.S. government restrictions that prevent Americans from trading with foreign producers who use child labor, pay low wages, or have unsafe workplace conditions?

4. Must humankind eventually run out of oil or tin or copper? If not, how can that be?

5. Does Ehrlich's refusal to renew the bet undercut his claim that the result of the first bet is unimportant?

Reflection advice: The policy issue is whether governments should coerce people to recycle (by mandating or subsidizing with tax dollars recycling efforts). Please make that issue the focus of your reflection.

Drug Policy Colloquium Questions

Tues./Wed. Oct. 29 & 30

Assigned Reading: David Boaz, “The Consequences of Prohibition,” in *The Crisis of Drug Prohibition*, edited by David Boaz (Washington: Cato Institute, 1990), pp. 1-8.

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Note to Students from Professor Klein:

Some of the information in the Boaz article is dated, but the reasoning remains timely.

1. What are some features of black-market drugs common also to black-market pork chops in 1944?

2. How would many of the health risks posed by illegal drugs be remedied if legalized?

3. If drugs were legalized, do you think that drug use (marijuana, cocaine, opiates) would go up substantially?

4. Would the legalization of drugs be a good thing or a bad thing for drug users?

5. Can you think of some groups who do *not* use drugs that would have a personal interest in keeping drugs illegal?

6. Moral question: Suppose that choosing to use drugs is a sin, and that choosing not to use drugs is virtue. Let's pretend that, under drug prohibition, the law is perfectly enforced by police powers. In that case, would there be more or less sin, compared to legalization? Would there be more or less virtue?

School Vouchers Colloquium Questions

Tues./Wed. Nov. 5 & 6

Assigned Readings:

(1) Milton & Rose Friedman, "A Voucher Plan for Elementary and Secondary Schooling," in *Free to Choose: A Personal Statement* (New York: Harcourt Brace Jovanovich, 1980), pp. 150-160.

(2) National Center for Policy Analysis, "Hidden Demand for School Choice," *Daily Policy Digest*, Aug. 28, 2001.

(3) ABCNews, "Supreme Court Oks Vouchers," June 27, 2002

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Notes to students:

- C Assume that the voucher would be for \$3500.
- C Today's per pupil cost in government schools is about \$6500.
- C Today's average private school tuition is about \$4000 (Bellarmine and the like are not *typical*).
- C Under a voucher plan, parents could still send their child to the local government school without making any tuition payment.

1. What about the voucher proposal worries you the most? What is the most persuasive argument against vouchers for you?

Auto Emissions Colloquium Questions

Tues./Wed. Nov. 12 & 13

Assigned Reading: Daniel B. Klein, “Fencing the Airshed: Using Remote Sensing to Police Auto Emissions,” (abridged version), Chapter 5 in *The Half-Life of Policy Rationales: How New Technology Affects Old Policy Issues* (New York University Press, 2003).

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Reflection Homework: Based on the reading, the colloquium, and pertinent class lecture, write 500-700 words stating your thoughts on this issue. Turn in the reflection homework at the beginning of class on Tuesday.

1. Do you think the free market could solve the problem of too much auto emissions? Why or why not?
2. What percent of the pollution from cars comes from the dirtiest five percent of cars?
3. Why isn’t the Smog Check Program effective?
4. Have you or anyone you know ever tampered or bribed to get a high-polluting car through Smog Check?
5. Explain the difference between a command-and-control approach and a property-rights approach.

6. What are the advantages of a remote sensing program over the currently used Smog Check program?

7. Suppose the regional government instituted a widespread remote sensing program like the one proposed in the reading. What would be the one sure way to drive a gross-polluting vehicle yet fool the remote sensors?

8. What are possible explanations for why the government does not implement remote sensing?

4. Does the current welfare system create disincentives to getting a job? Why or why not?

5. The Welfare State is a government that imposes progressive taxes (like our income tax) and distributes goods freely or especially to the poor. Do you think the diminishing marginal utility of wealth justifies the Welfare State? Do you support the Welfare State?

6. Are today's poor worse off than the poor of 1971? Explain your answer.