February 12, 2014

David Harsanyi puts the olympics in proper context.

A few months prior to the 2008 Summer Olympics games in Beijing, there was an Olympic torch running ceremony in the Tibetan capital of Lhasa. There, the nation's Communist Party leader, Zhang Qingli, declared that "China's red flag with five stars will forever flutter high above this land" before dropping a bit Jesse Myerson-ish rhetoric on folks, explaining that China would "totally smash the splittist schemes of the Dalai Lama clique."

Qingli saw the Olympics as optimal moment to launch into some political haranguing, because the Olympics is a political event. Always has been. And sporadically, regimes in various stages of authoritarianism, say the Nazis or the Chinese Communists or the Russian Putinists, use this overhyped and overrated sporting exhibition to try and convince others of the superiority of their regimes. This is why the Germans made a spectacle in 1936, why the Soviets spent decades trying to create Ivan Dragos — and also why, the 1980 United States ice hockey victory over Soviet Union team was, for many of us, the greatest sports moment of all time.

Here's how Charles Lane put it in a superb column detailing the uselessness of the event:

Whatever might be said for that idea in theory, it hasn't panned out in practice. The ostensibly apolitical Games have been marred by several boycotts — of Montreal in 1976 (by African nations protesting apartheid), of Moscow in 1980 (by the United States and other Western countries protesting the Soviet invasion of Afghanistan) and of Los Angeles in 1984 (by communist countries retaliating for 1980).

The Games also have created a target for extremists, from the Palestinian terrorists who killed 11 Israeli athletes at Munich in 1972 to ultra-rightist Eric Rudolph, who placed a deadly bomb at the 1996 Summer Games in Atlanta. Consequently, these celebrations of international conviviality proceed under heavy military guard.

On the bright side, Sochi has been utter embarrassment for Vladimir Putin ...

Victor Davis Hanson says California has two droughts; the first is lack of water, the second is lack of common sense.

There is little snow in the state's towering Sierra Nevada mountains, the source of much of the surface water that supplies the state's populated center and south. The vast Central Valley aquifer is being tapped as never before, as farms and municipalities deepen wells and boost pump size. Too many straws are now competing to suck out the last drops at the bottom of the collective glass.

The vast 4-million-acre farming belt along the west side of the Central Valley is slowly drying up. Unlike valley agriculture to the east, which still has a viable aquifer, these huge farms depend entirely on surface water deliveries from the distant and usually wet northern part of the state. So if the drought continues, billions of dollars of Westside orchards and vineyards will die, row cropland will lay fallow, and farm-supported small towns will likewise dry up. ...

... Yet there are really two droughts — nature's and its man-made twin. In the early 1980s, when the state had not much more than half its current population, an affluent coastal corridor convinced itself that nirvana was possible, given the coastal world-class universities, the new dot.com riches of Silicon Valley, the year-round temperate weather, and the booming entertainment, tourism, and wine industries. ...

... The California disease is characteristic of comfortable postmodern societies that forget the sources of their original wealth. The state may have the most extensive reserves of gas and oil in the nation, the largest number of cars on the road — and the greatest resistance to drilling for fuel beneath its collective feet. After last summer's forest fires wiped out a billion board feet of timber, we are still arguing over whether loggers will be allowed to salvage such precious lumber, or instead should let it rot to enhance beetle and woodpecker populations.

In 2014, nature yet again reminded California just how fragile — and often pretentious — a place it has become.

Just north of CA is another state making bad choices **Joel Kotkin** has the story of Oregon which has some factories that have fled CA, but unfortunately also has some ideas that came from some of CA's flakiest.

Oregon is a beautiful place, and, for many of the state's well-heeled residents, including many refugees from equally beautiful but overpriced California, economic growth not only is unimportant but is even a negative. Rather than create opportunity, the real issue, according to Gov. John Kitzhaber, is making sure the state ranks high on "the happiness index." Forget sweating the hard stuff, and cozy up with a hot soy latte.

There's a problem with this. Oregon's unemployment rate remains above the national average and underemployment – the measure of people working part-time or well below their skill level – stands at nearly 17 percent, behind only Nevada and California. Since 2007, the state has lost over 3.4 percent of its jobs, a performance much worse than the national average and even California.

"You have to wonder about the rhetoric of happiness," suggests economist Bill Watkins, who predicts the state won't be back to 2007 employment levels till next year. "You need jobs for people to be happy, you would think."

This dearth of opportunity extends even into Portland, the state's dominant city. One recent study showed that earnings for educated males in the city are among the worst in the country. Portland, the land of Ph.D.'s driving cabs and working in coffee shops, notes geographer Jim Russell, "attracts talent for the sake of attracting talent" but does little with them once they arrive. No surprise then that the place has become widely described the "slacker capital of the world."

Indeed, notes economist Bill Watkins, Oregon over the past five years has lagged in job growth behind not only the nation, but, in particular, its demographic twin, Washington state. Seattle has emerged as the most potent competitor to Silicon Valley, while Oregon's tech sector is largely propped up by Intel's plant in suburban Hillsboro, itself a byproduct of California's regulatory over-reach. There has been no widespread stirring of tech, or for that matter, any strong industry in Oregon. ...

From **Forbes Magazine** we learn about another unintended consequence of the affordable care act. And one more bureaucrat learns a lesson we must all pay for.
After the flawed rollout of the Affordable Care Act, most of Washington focused on repairing and delaying the law's most obvious problems. However, a handful of lawmakers have finally noticed one of the law's hidden regulations: a strict calorie labeling requirement for chain restaurants, vending machines, and other food distributors. What at first appeared to be more bureaucratic but harmless government do-gooding is now proving a verifiable nightmare for small business owners and federal regulators alike. ...

... The calorie label clause, buried deep within the ACA's 10,000 pages, seems harmless enough at first glance. Each restaurant chain with over 20 locations is required to display the calorie content of each food and drink item it serves on signs and printed menus–with vending machine distributors subjected to the same rules. But the regulation also covers "similar retail food establishments," a clause vague enough to give FDA regulators sweeping power to determine who does and doesn't have to comply.

FDA Commissioner Margaret Hamburg admitted that she "actually thought [calorie labeling] would be one of the more straightforward tasks…but little did I know how complicated it would be." Hamburg's concerns are hardly unfounded, but it's small business owners and franchisees—not FDA bureaucrats—that will feel the most pain under the new law. ...

Mark Perry posts on the NY Times when they had some sense.
It's pretty amazing how the New York Times editorial board has changed its position over the last 27 years on the ***government-mandated wage floor that guarantees reduced employment opportunities for America's teenagers and low-skilled workers:***

Here's what the NY Times editorial wrote in January 1987 ("The Right Minimum Wage: $0.00"):

There's a virtual consensus among economists that the minimum wage is an idea whose time has passed*. Raising the minimum wage by a substantial amount would price working poor people out of the job market. Most important, it would increase unemployment: Raise the legal minimum price of labor above the productivity of the least skilled workers and fewer will be hired.*

If a higher minimum means fewer jobs, why does it remain on the agenda of some liberals? A higher minimum would undoubtedly raise the living standard of the majority of low-wage workers who could keep their jobs. That gain, it is argued, would justify the sacrifice of the minority who became unemployable. The argument isn't convincing. Those at greatest risk from a higher minimum would be young, poor workers, who already face formidable barriers to getting and keeping jobs.

The idea of using a minimum wage to overcome poverty is old, honorable – and fundamentally flawed. It's time to put this hoary debate behind us*, and find a better way to improve the lives of people who work very hard for very little.*

What a change, following several decades of "economic amnesia" at the NY Times, which editorialized in today's paper ("The Case for a Higher Minimum Wage"): ...

The Federalist
In Praise Of Sochi Schadenfreude
Here's why we should celebrate Russia's failure
by David Harsanyi

A few months prior to the 2008 Summer Olympics games in Beijing, there was an Olympic torch running ceremony in the Tibetan capital of Lhasa. There, the nation's Communist Party leader, Zhang Qingli, declared that "China's red flag with five stars will forever flutter high above this land" before dropping a bit Jesse Myerson-ish rhetoric on folks, explaining that China would "totally smash the splittist schemes of the Dalai Lama clique."

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The Games also have created a target for extremists, from the Palestinian terrorists who killed 11 Israeli athletes at Munich in 1972 to ultra-rightist Eric Rudolph, who placed a deadly bomb at the 1996 Summer Games in Atlanta. Consequently, these celebrations of international conviviality proceed under heavy military guard.

On the bright side, Sochi has been utter embarrassment for Vladimir Putin – or, in other words, though it's hardly started, it's been the rare entertaining Olympic experience. (update: *Yes, this includes opening ceremonies, with its Cirque du Soleil celebration of 20th -century tyranny.*)

We've seen an avalanche of tweets from Western journalists about the crude amenities in Sochi, the architectural challenges, the unfinished hotel rooms, the stray dogs, the yellow drinking water, the garbage, not to mention the embargo of imperialist Greek yogurt to American athletes.

Vladimir Yakunin, a Russian plutocrat who, unlike some less vigilant magnates, knows where his black bread is buttered, groused about Western journalists who were "feeding hysteria about Russia." Some people wondered if it was fair? Here's Julia Ioffe at the New Republic:

There's a fine line between fair criticism and schadenfreude, and the Western press has been largely well on the side of the latter. I'd also argue that there's something chauvinistic, even Russophobic in it.

Russophobic? As in harboring negative prejudices, dislikes and fears about Russia and Russians? The place that gave us Dostoyevsky, Stravinsky, Solzhenitsyn and so on and on and on …? Hardly. Is it Russophobic to have a good laugh at the expense of a crooked government that squanders an estimated $50 billion on a publicity party when its per capita income is less than that of Equatorial Guinea or Gabon? A country that is 140th in on the economic freedom index, according to Heritage Foundation, slotted between Tajikistan and Burundi.

These Olympics might even end up doing the Russians a favor by bringing attention to their plight. Maybe Sochi will be seen as an event emblematic of the deeper problems in the country, As Garry Kasparov puts it:

Do not mistake the epic graft in Sochi as unusual or incidental. Corruption is the overriding principle of Putin's 14 years in power and looting the Russian treasury and the Russian people is itself the goal. For all the foolish attempts to interpret Putin's geopolitical strategy and personal ideology, the common denominator is always whether or not an action helps him maintain the cash flow that in turn enables him and his clique to stay in power.

We don't even have to bring up the fact that Putin has consistently undermined American interests, abetting brutal dictatorships in Syria and North Korea – not to mention, shielding Iran's nuclear ambitions. Surrounded by an army of 40,000 soldiers and police in a "ring of steel," Bob Costas can whitewash his host's misdeeds, but Russia's government is not only corrupt, and not only is it intolerant of gays, but according to Amnesty International, human rights violations by the government include killings, enforced disappearances and torture, and they are "frequent." According to Freedom of Information index by Reporters Without Borders, Putin belongs on a list with Chinese President Xi Jinping, North Korea's Kim Jong-un, Iran's Ayatollah Ali Khamenei, the Italian Mafia and Chechnya's Ramzan Kadyrov.

That's not to say that Russians, with or without Putin, don't have a long way to go. It's not to say that the Russian people don't have their quirks. But if Sochi is, as Putin claims, a vision a "new Russia," lots of people around the world will see that the new Russia is extraordinarily similar to the old Russia.

This is his Olympics. We should all get in a good laugh at his misfortune.

National Review

California's Two Droughts

An affluent society didn't bother to add to the inherited system of canals and reservoirs that made it thrive.

by Victor David Hanson

Despite recent sporadic rain, California is still in the worst extended drought in its brief recorded history. If more storms do not arrive, the old saying that California could withstand two droughts — but never three — will be tested for the first time in memory.

There is little snow in the state’s towering Sierra Nevada mountains, the source of much of the surface water that supplies the state’s populated center and south. The vast Central Valley aquifer is being tapped as never before, as farms and municipalities deepen wells and boost pump size. Too many straws are now competing to suck out the last drops at the bottom of the collective glass.

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There is a terrible irony to all this. Never have California farm prices been higher, given huge Pacific export demand. Never have California farmers been more savvy in saving water to produce record harvests of nutritious, clean, and safe food. And never has farming been so central to a state suffering from the aftershocks of a housing collapse, chronic high unemployment, overregulation, and the nation’s highest sales, income, and gas taxes.

Yet there are really two droughts — nature’s and its man-made twin. In the early 1980s, when the state had not much more than half its current population, an affluent coastal corridor convinced itself that nirvana was possible, given the coastal world-class universities, the new dot.com riches of Silicon Valley, the year-round temperate weather, and the booming entertainment, tourism, and wine industries.

Apparently, Pacific-corridor residents from San Diego to Berkeley had acquired the affluence not to worry so much about the old Neanderthal concerns like keeping up freeways and airports — and their parents’ brilliantly designed system of canals, reservoirs, and dams that had turned their state from a natural desert into a man-made paradise. They have become similar to the rarified Eloi of science-fiction writer H. G. Wells's *The Time Machine*, who live dreamy existences without any clue how to supply their own daily necessities.

Californians have not built a major reservoir since the New Melones Dam more than 30 years ago. As the state subsequently added almost 20 million people, it assumed that it was exempt from creating any more "unnatural" Sierra lakes and canals to store precious water during California's rarer wet and snow-filled years.

Then, short-sightedness soon became conceit. Green utopians went further and demanded that an ailing three-inch bait fish in the San Francisco delta receive more fresh oxygenated water. In the last five years, they have successfully gone to court to force millions of acre-feet of contracted irrigation water to be diverted from farms to flow freely out to sea.

Others had even grander ideas of having salmon again in their central rivers, as they recalled fishing stories of their ancestors from when the state population was a fifth of its present size and farming a fraction of its present acreage. So they too sued to divert even more water to the sea in hopes of having game fish swim from the Pacific Ocean up to arid Fresno County on their way to the supposedly ancestral Sierra spawning grounds.

The wages of both nature's drought and human folly are coming due. Unless it rains or snows in biblical fashion in the next 60 days, we could see surreal things in California — towns without water, farms reverting to scrub, majestic parks with dead landscaping — fit for Hollywood's disaster movies.

Instead of an adult state with millions of acre-feet stored in new reservoirs, California is still an adolescent culture that believes that it has the right to live as if this were the age of the romantic 19th-century naturalist John Muir — amid a teeming 40-million-person 21st-century megalopolis.

The California disease is characteristic of comfortable postmodern societies that forget the sources of their original wealth. The state may have the most extensive reserves of gas and oil in the nation, the largest number of cars on the road — and the greatest resistance to drilling for fuel beneath its collective feet. After last summer's forest fires wiped out a billion board feet of timber, we are still arguing over whether loggers will be allowed to salvage such precious lumber, or instead should let it rot to enhance beetle and woodpecker populations.

In 2014, nature yet again reminded California just how fragile — and often pretentious — a place it has become.

Orange County Register

Oregon's sad focus on 'happiness'

Oregon leaders seem more focused on the nebulous concept of 'happiness' than on economic growth, to the detriment of much of the population.

by Joel Kotkin

Oregon is a beautiful place, and, for many of the state's well-heeled residents, including many refugees from equally beautiful but overpriced California, economic growth not only is unimportant but is even a negative. Rather than create opportunity, the real issue, according to Gov. John

Kitzhaber, is making sure the state ranks high on “the happiness index.” Forget sweating the hard stuff, and cozy up with a hot soy latte.

There's a problem with this. Oregon's unemployment rate remains above the national average and underemployment – the measure of people working part-time or well below their skill level – stands at nearly 17 percent, behind only Nevada and California. Since 2007, the state has lost over 3.4 percent of its jobs, a performance much worse than the national average and even California.

“You have to wonder about the rhetoric of happiness,” suggests economist Bill Watkins, who predicts the state won't be back to 2007 employment levels till next year. “You need jobs for people to be happy, you would think.”

This dearth of opportunity extends even into Portland, the state's dominant city. One recent study showed that earnings for educated males in the city are among the worst in the country. Portland, the land of Ph.D.'s driving cabs and working in coffee shops, notes geographer Jim Russell, “attracts talent for the sake of attracting talent” but does little with them once they arrive. No surprise then that the place has become widely described the “slacker capital of the world.”

Indeed, notes economist Bill Watkins, Oregon over the past five years has lagged in job growth behind not only the nation, but, in particular, its demographic twin, Washington state. Seattle has emerged as the most potent competitor to Silicon Valley, while Oregon's tech sector is largely propped up by Intel's plant in suburban Hillsboro, itself a byproduct of California's regulatory over-reach. There has been no widespread stirring of tech, or for that matter, any strong industry in Oregon.

“The good news is all Intel,” said Watkins, who has studied the state's economy for a decade. “The place is run by the complacent and the comfortable. It's a place of consumption, not production. It's a great place, though, to relax.”

'small is beautiful'

Oregon's parallel-universe approach to economics persisted even during the worst of the 2007-09 recession, with the state tightening its regulatory vise while raising income taxes to the highest levels outside California and Hawaii. It seems hard to imagine why a tech entrepreneur from California or Taiwan would choose a hyper-regulated, high-tax home in Oregon when they can establish themselves in Washington state, which has no income tax but many of the same physical amenities, and access to Seattle's world-class airport.

Perhaps I am missing the point. Growth these days is for Neanderthals and conservatives. In the past, social democrats like the great auto union leader Walter Reuther, after World War II favored economic growth as a way to create “a whole new middle class.” Many of today's progressives actually seem to want a quainter economy, dominated by homey small farms, trendy farm-to-table restaurants and artisan cheese stores.

Although this approach is now cloaked in progressivism, it also mirrors the biases of traditional Tories, who were fierce opponents to suburban development and utterly dedicated to the preservation of the countryside. Old conservatives in Britain generally favor strict controls on suburban and new town development, which, notes film-maker Martin Durkin, have made British housing prices among the highest and least-affordable in the world. Keep the peasants, that thinking may go, in the apartment blocks, so the gentry can better enjoy the pleasures of the countryside.

In his influential “Small is Beautiful” (1973), the British author E.F. Schumacher opposed economic growth and favored returning to “the good qualities of an earlier civilization.” This mantra has been increasingly adopted by what is considered the left side of the political spectrum, largely due to the rise of environmentalism. Indeed, there's a growing movement, and not just in the United States and Britain, to embrace what some call “eco-economics,” which essentially favors steady state, “sustainable” slow growth that focuses on the metric of “happiness.”

Bhutan, a small Himalayan kingdom of less than a million people and the site of a recent Kitzhaber pilgrimage, has emerged as the “happiness” poster child. And what a fine role model this country makes for Oregon and the rest of us. One Asian development expert recently described the country as “still mired by extreme poverty, chronic unemployment and economic stupor that paints a glaring irony of the ‘happiness' the government wants to portray.”

In this other “happiest place on Earth” one in four people lives in poverty, nearly 40 percent of the population is illiterate, and the infant mortality rate is five times higher than in the United States. Bhutan also has a nasty civil-rights record from expelling members of its Nepalese minority from the country.

Bhutan, of course, is a pastoral country, but progressive urbanists also increasingly apply their “happiness” ideal to cities. Canadian academic Charles Montgomery, for example, celebrates what he sees as high levels of happiness in the city slums of developing countries. Montgomery points to impoverished Bogota, Colombia, for example, as “a happy city” that shows the way to urban development. If we can't do a Bhutanese village, we can all aspire to life in a *favela*.

These ideas have gained currency among some climate-change campaigners, such as the Guardian's George Monbiot, who acknowledges that his goal is nothing less than “a battle to redefine humanity” and replace the notion of growth with what is commonly referred to now as “degrowth” – a planned, ratcheting down of mass material prosperity.

Forbes

Obamacare's Restaurant Calorie-Label Mandate Is A Complete Mess

by Jason Stverak

After the flawed rollout of the Affordable Care Act, most of Washington focused on repairing and delaying the law’s most obvious problems. However, a handful of lawmakers have finally noticed one of the law’s hidden regulations: a strict calorie labeling requirement for chain restaurants, vending machines, and other food distributors. What at first appeared to be more bureaucratic but harmless government do-gooding is now proving a verifiable nightmare for small business owners and federal regulators alike.

Recently, Senator Angus King (I., Maine) proposed legislation to exempt certain businesses, including pizzerias, grocery stores, and convenience stores, from the labeling mandate, but Congress ought to take a step further. The mandate will be costly, ineffective, and nearly impossible to enforce, and Washington ought to strangle it in the crib.

The calorie label clause, buried deep within the ACA's 10,000 pages, seems harmless enough at first glance. Each restaurant chain with over 20 locations is required to display the calorie content of each food and drink item it serves on signs and printed menus–with vending machine distributors subjected to the same rules. But the regulation also covers "similar retail food establishments," a clause vague enough to give FDA regulators sweeping power to determine who does and doesn't have to comply.

Margaret Hamburg, Commissioner of Food and Drugs

FDA Commissioner Margaret Hamburg admitted that she "actually thought [calorie labeling] would be one of the more straightforward tasks…but little did I know how complicated it would be." Hamburg's concerns are hardly unfounded, but it's small business owners and franchisees—not FDA bureaucrats—that will feel the most pain under the new law.

Although the law is designed to target corporate fast-food giants, in practice it will largely affect individual franchises that effectively operate as independent small businesses. For example, over 80 percent of McDonald's locations are owned and operated by franchisees. Each of these franchisees will now be tasked with complying with the mandate–paying for new signage, removing profit-generating advertisements to make room for the calorie data, updating menus every time recipies change, and accommodating inspectors.

Moreover, the regulation itself is so poorly constructed that it presents unforeseen hurdles for franchisees. Pizzas, sandwiches, and burritos, among other common fast-food meals, can be custom-ordered in hundreds of combinations, and the law arguably requires restaurants to provide customers with calorie data for each. It's also unclear whether non-traditional food retailers—for example, bookstore cafes, hotel minibars, and food trucks—will be subject to the labeling requirements. Furthermore, it's unclear what penalties restaurateurs will face if they inadvertently fail to comply.

This mess of red tape might have a better case if calorie labeling was effective in combating obesity and raising general nutrition awareness, but multiple studies have found that this simply isn't the case. A study of mostly low-income adults in Philadelphia, which recently enacted its own calorie labeling mandate, found that the regulation had no effect whatsoever on fast-food consumption, and that two-thirds of McDonald's customers didn't even notice the labels. The same research team, led by an NYU Medical School professor, found similar results in New York City. Now, the federal government expects different results nationwide.

The Philadelphia labeling experiment has not only proven ineffective, but burdensome for the city. An official from the city's Department of Public Health recently admitted that, "we have not been able to enforce the law," and the city has found that ensuring accurate calorie counts is both expensive and time-consuming for inspectors.

Had the architects of the ACA done their homework, they would have realized that mandated calorie labeling is an ineffective method of fighting obesity. Instead, the FDA will create an estimated $537 million in costs for a regulation that is doomed to fail from the outset. When these businesses pass compliance costs on to consumers, we'll all pay the price for Washington's inability to keep its hands off our lunches.

Jason Stverak is President of the Franklin Center for Government and Public Integrity.

American.com

NY Times on the minimum wage: 1987 ($0.00) vs. 2014 (at least $10.10, maybe $18). They had it right 27 years ago.

by Mark J. Perry

It's pretty amazing how the New York Times editorial board has changed its position over the last 27 years on the **government-mandated wage floor that guarantees reduced employment opportunities for America's teenagers and low-skilled workers:**

Here's what the NY Times editorial wrote in January 1987 ("The Right Minimum Wage: $0.00"):

There's a virtual consensus among economists that the minimum wage is an idea whose time has passed. Raising the minimum wage by a substantial amount would price working poor people out of the job market. Most important, it would increase unemployment: Raise the legal minimum price of labor above the productivity of the least skilled workers and fewer will be hired.

If a higher minimum means fewer jobs, why does it remain on the agenda of some liberals? A higher minimum would undoubtedly raise the living standard of the majority of low-wage workers who could keep their jobs. That gain, it is argued, would justify the sacrifice of the minority who became unemployable. The argument isn't convincing. Those at greatest risk from a higher minimum would be young, poor workers, who already face formidable barriers to getting and keeping jobs.

The idea of using a minimum wage to overcome poverty is old, honorable – and fundamentally flawed. It's time to put this hoary debate behind us, and find a better way to improve the lives of people who work very hard for very little.

What a change, following several decades of “economic amnesia” at the NY Times, which editorialized in today’s paper (“The Case for a Higher Minimum Wage“):

The political posturing over raising the minimum wage sometimes obscures the huge and growing number of low-wage workers it would affect. An estimated 27.8 million people would earn more money under the Democratic proposal to lift the hourly minimum from $7.25 today to $10.10 by 2016. And most of them do not fit the low-wage stereotype of a teenager with a summer job. Their average age is 35; most work full time; more than one-fourth are parents; and, on average, they earn half of their families’ total income.

(Note: I’m not sure that’s accurate. This BLS report shows that 64.4% of minimum wage workers are part-time and the average age is closer to 30 than 35.)

None of that, however, has softened the hearts of opponents, including congressional Republicans and low-wage employers, notably restaurant owners and executives.
But the results of the wage debate are clear. Decades of research, facts and evidence show that increasing the minimum wage is vital to the economic security of tens of millions of Americans, and would be good for the weak economy.

There’s no perfect way to set the minimum wage, but the most important benchmarks — purchasing power, wage growth and productivity growth — demonstrate that the current $7.25 an hour is far too low. They also show that the proposed increase to $10.10 by 2016 is too modest.

The peak year for the minimum wage was 1968, when its purchasing power was nearly $9.40 in 2013 dollars, as shown in the accompanying chart. Since then, the erosion caused by inflation has obviously overwhelmed the increases by Congress. Even a boost to $10.10 an hour by 2016 (also adjusted to 2013 dollars) would lift the minimum to just above its real value in 1968. So while it is better than no increase, it is hardly a raise.

The situation is worse when the minimum wage is compared with the average wages of typical American workers, the ones with production and nonsupervisory jobs in the private sector. From the mid-1960s to the early 1980s, when one full-time, full-year minimum wage job could keep a family of two above the poverty line, the minimum equaled about half of the average wage. Today, it has fallen to one-third; to restore it to half would require nearly $11 an hour, a better goal than $10.10.

The problem is that the average wage, recently $20.39 an hour, has also stagnated over the past several decades, despite higher overall education levels for typical workers and despite big increases in labor productivity. People are working harder and churning out more goods and services, but there’s no sign of that in their paychecks. If the average wage had kept pace with those productivity gains, it would be about $36 an hour today, and the minimum wage, at half the average, would be about $18.

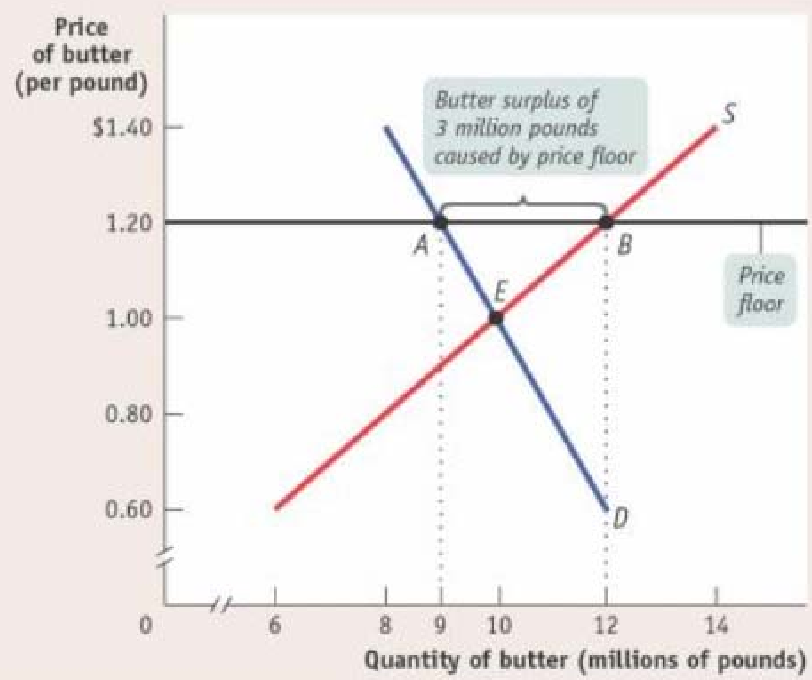
That is not to suggest that the hourly minimum wage could be catapulted from $7.25 to $18. A minimum of $18 would be untenable with the average hovering in the low $20s. But it does confirm that impersonal market forces are not the only, or even the primary, reason for widespread wage stagnation. Flawed policies and changing corporate norms are also to blame, because they have allowed the benefits of productivity gains to flow increasingly to profits, shareholder returns and executive pay, instead of workers’ wages.

The real argument against it is political, not economic. Republican opposition will likely keep any future increase in the minimum wage below a level that would constitute a firm wage floor, though an increase to $10.10 an hour would help tens of millions of workers. It also would help the economy by supporting consumer spending that in turn supports job growth. It is not a cure-all; it is not bold or innovative. But it is on the legislative agenda, and it deserves to pass.

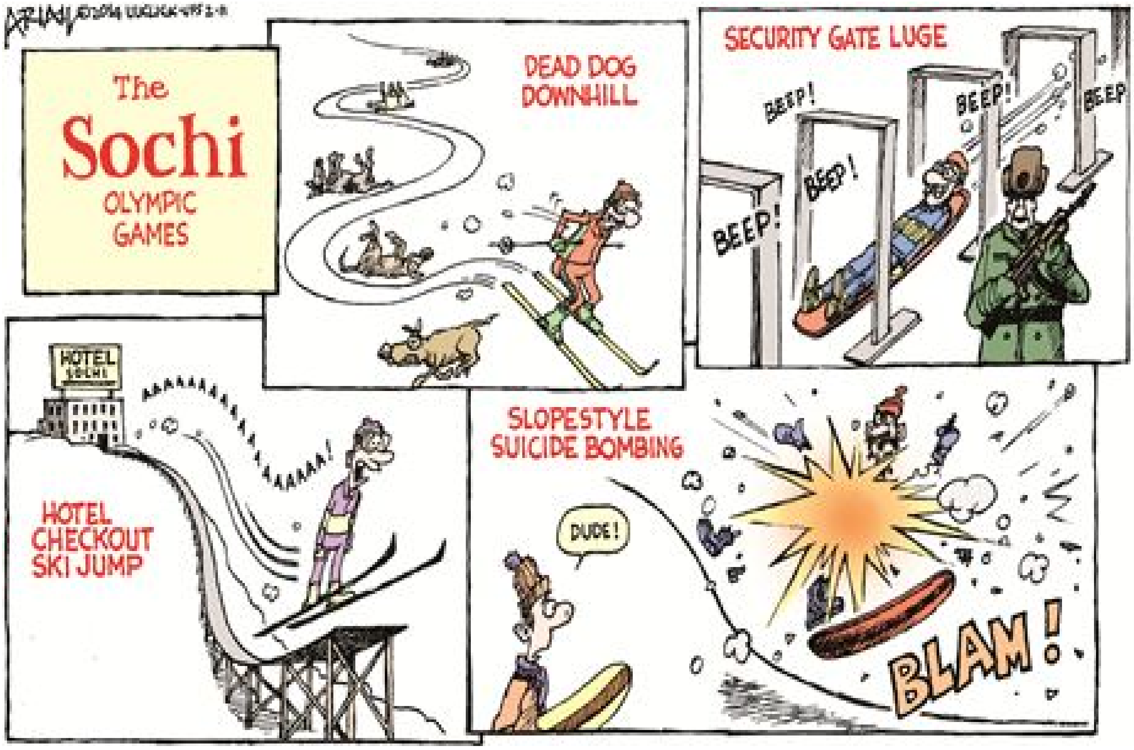
MP: I think The NY Times editorial board needs a little remedial education on the effects of government price controls. They could start by reviewing NY Times columnist Paul Krugman's textbook "Microeconomics," especially the coverage of "price floors" in the section on "Price Controls and Quotas: Meddling with Markets" in Chapter 5 (Supply and Demand). As Krugman's chart above shows (from p. 138), a government mandated price floor above the market-clearing level like the minimum wage generates two effects: a) a decrease in the quantity demanded (of low skilled workers for example in the case of the minimum wage) and b) an increase in the quantity supplied (of low skilled workers in the case of the minimum wage). Together, those two inevitable effects lead to an inevitable and unfortunate result: a surplus of low (and unskilled) workers. What's another name for a surplus of low (and unskilled) workers? Increased unemployment of low (and unskilled) workers, e.g. teenagers, and especially minority teenagers.

FIGURE 5-6 The Effects of a Price Floor

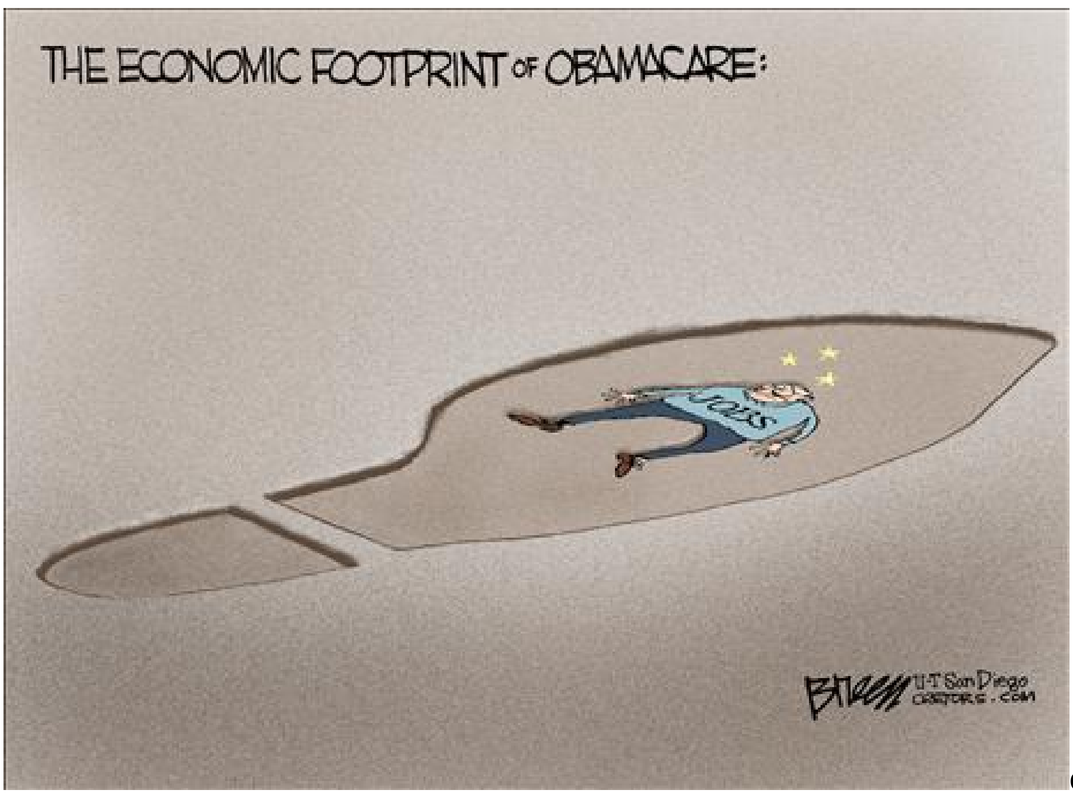
The black horizontal line represents the government-imposed price floor of $1.20 per pound of butter. The quantity of butter demanded falls to 9 million pounds, and the quantity supplied rises to 12 million pounds, generating a persistent surplus of 3 million pounds of butter.



If the goal was to guarantee that many low (and unskilled) workers would be unemployed, one of the most effective ways to achieve that goal would be to increase the minimum wage. And the higher the increase, the higher the level of unemployment. Despite the wishful thinking of politicians, unions and the NY Times editorial board, the laws of supply and demand are not optional. The NY Times had it right in 1987 – the right minimum wage is $0.00.



The Sochi OLYMPIC GAMES
DEAD DOG DOWNHILL
SECURITY GATE LUGE
BEEP!
BEEP!
BEEP!
BEEP
BEEP!
HOTEL SOCHI
AAAAAAAAAAAAAAAAAAAAA!
HOTEL CHECKOUT SKI JUMP
SLOPESTYLE SUICIDE BOMBING
DUDE!
BLAM!



THE ECONOMIC FOOTPRINT OF OBAMACARE:
JOBS
U-T San Diego
CAGLECARTOONS.COM

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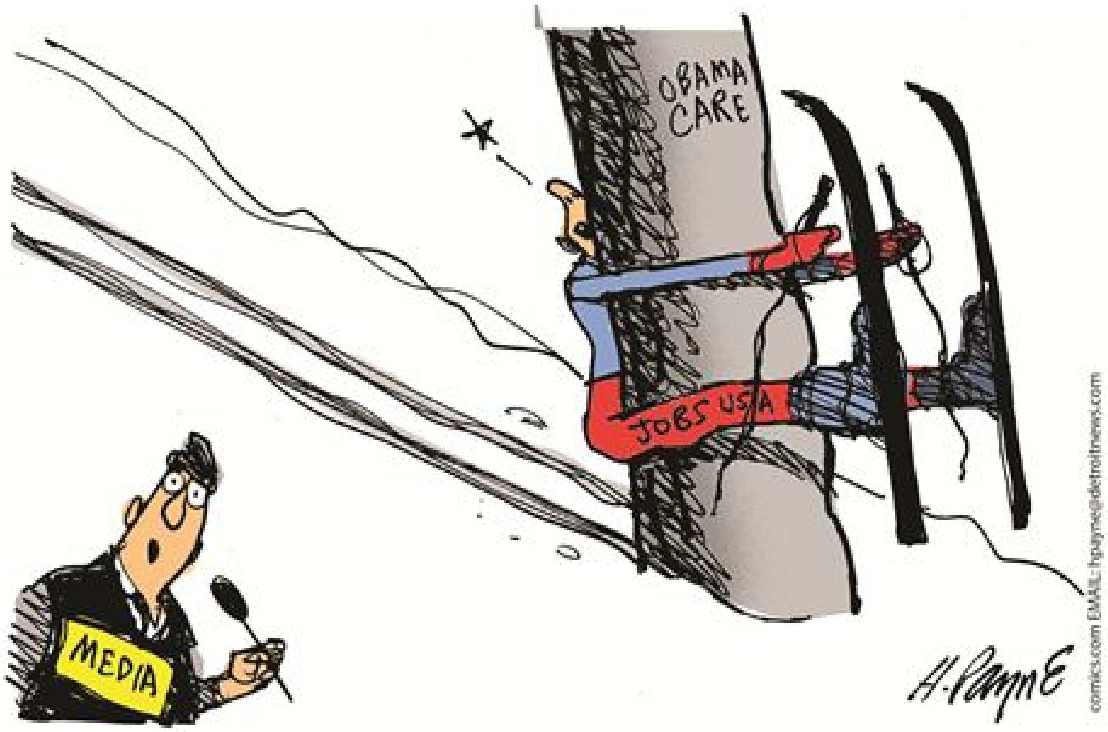

"ANOTHER DISAPPOINTING RESULT HERE, CHRIS, AS WE TRY TO FIGURE OUT WHAT WENT WRONG."


THE PRESIDENT IS WORKING ON HIS ENDORSEMENT SPEECH FOR MS. FLUKE.
UNFORTUNATELY.
IF I HAD A SON, HE'D LOOK LIKE SANDRA.
FLUKE TO RUN FOR STATE SENATE