American materials and labor in various forms. It's easy enough to explain that rather obvious fact. But how can anyone believe that we can become rich and prosperous by working and producing goods and services to be given away without any return of other goods and services in trade?

Why Not Export Everything?

If prosperity could really be advanced in that fashion, we could easily treble our material well-being in the United States within one year. Our government could just put everyone to work digging up scarce raw materials, turning them into finished products, and shipping them abroad. If we would do this on an emergency double-shift basis, our annual Gross National Product would surely soar above the three-trillion-dollar mark. On the records used to record our GNP, we would appear prosperous indeed. But only on those measuring devices; for the things being measured – goods and services – would all have been shipped out of the country, never to return. Our real level of living would plummet to zero. We would still have the paper dollars, though there would be nothing left to buy with them. Could that possibly explain why prices have skyrocketed in the United States over the past several years?

Well, there is nothing I can do for persons who are unable to distinguish between measuring devices and the things being measured. Nor can I influence persons who are unwilling to separate effect from cause, or communicate with those who will not understand that scarce resources sent permanently abroad are thus rendered unavailable for use at home.

There is one thing I can do, however. There are about 150 freshmen every year in my classes in Introductory Economics. I can at least continue to insist that they identify a problem before they offer a solution, and that the solution must be designed to make the problem go away instead of to make it worse.

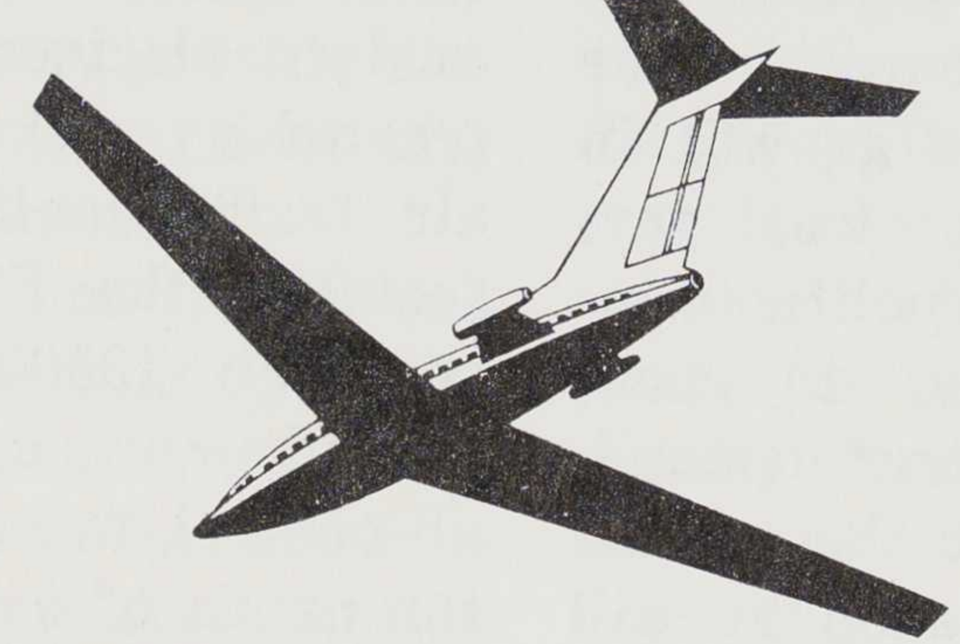
IDEAS ON LIBERTY

Let Us Now Try Liberty

AND NOW that the legislators and do-gooders have so futilely inflicted so many systems upon society, may they finally end where they should have begun: May they reject all systems, and try liberty; for liberty is an acknowledgment of faith in God and His works.

FREDERIC BASTIAT, *The Law*

fly the frenzied skies



ROBERT POOLE, JR.

A PRIVATE business whose sales volume had increased 15-20 per cent annually for seven years (and showed many signs of continuing to do so) would probably view its future with eager anticipation. In the government-controlled, privately "owned" cartel known as commercial aviation, however, the expected growth in air travel is viewed, in part, in horror. For as the volume of air traffic rises, a monumental crisis appears imminent, a crisis that threatens the complete paralysis of air transportation. What is the source of this seeming paradox? How can it be that the same industry that will be flying, fueling, and servicing the huge 747, is unable to solve seemingly simple problems of supply and demand? The answer is not at all a difficult one to arrive at, provided one views the problem in its full scope.

"Commercial aviation" consists of three distinct parts: the airports, the airways linking airports, and the airlines. Although there are 10,000 airports in the U. S., many of them privately owned, all 525 of those large enough to handle scheduled airline service are owned by city governments (except Dulles and Washington National which belong to the Federal government). Municipal airport financing comes primarily from three sources: municipal bonds (for basic equipment and taxiways), airline in-

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