Published on *Adam Smith Institute* (http://www.adamsmith.org)

Comfort on the brink [1]

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The general tone of all the media this week has been pretty depressing. By most accounts, we are hours, days or weeks from the end of civilisation as we know it. To avoid this apocalypse, we?re told that all we need is the eurozone to pull another rabbit out of a hat, for Republicans in the U.S. to find religion in tax increases and for Britain to come up with a Plan B.

So as you teeter on the brink, consider a few events this week to restore your faith in markets, free enterprise and unbridled initiative.

Next to the looming apocalypse, the biggest story this week was the death of Apple?s Steve Jobs. A sad event, to be sure, but a salutary reminder of what really drives wealth and progress ? a good idea that meets consumer demand. The passing of Mr Jobs could mean the eventual demise of Apple but that?s how creative destruction goes.

Meanwhile, over in India, they?re launching [3] a $35 tablet called the Aakash to give poorer folk access to what richer folk have been enjoying lately. Will this be a success? It comes with backing from the Indian government (a bad sign) and in a country where 3G access is expensive and Wi-Fi spots few and far between. The stumble of the cheap Nano car is another warning. Still, let?s have a go!

Finally, a study by Boston Consulting Group [4] says rising Chinese labour costs are driving jobs back to the U.S. [5], perhaps up to 3 million by 2020. One example is an outfit called Chesapeake Bay Candle [6] which has created 50 jobs this year and likely another 50 next week as a result of this ?re-shoring?. Half its production is now US-based whereas last year, it was all imported from China. Again, market-driven economics is righting the imbalances, not government-driven plans for jobs.

Try not to despair as our ruling elites wave spreadsheets, bandying about their billions and trillions. Think of Apple, think of Aakash and think of Chesapeake Bay Candle and have a little faith, as suggested in this clip:

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