

[TANSTAAFL](#) [1]

Written by [Tim Worstall](#) [2] | Saturday 31 May 2008



Yes, of course we all recognise that acronym, it's Robert Heinlein's "There Ain't No Such Thing As A Free Lunch". I take it to be one of the more basic points of economics. That we can't just wave a magic wand and create world peace, universal wealth and a pony for all: there are always tradeoffs to be made. We can make the world better in aggregate over time, to be sure, but there really are no magic bullets like passing this or that law, confiscating this or that amount of money or outlawing that other thing which will create immediately the outcomes we all desire.

Which is why I rather [like this](#) [3] from the kickAAS site. It's run by a Guardianista and was originally set up with the paper's implicit backing which makes it a rather odd place for me to praise you might think. But it is true that there are still pockets of that Manchester Liberalism which was the founding voice of the paper and this is one of them.

But hang on. If I am doing the math correctly that \$289 billion is costing the US's 300 million citizens approaching \$1,000 each. So if subsidies were abolished two things would happen. Developing countries, freed from unfair competition, would be able to grow crops they are good at - such as cotton and sugar - giving them the biggest economic boost in recent memory. Second, not only would this not cost the US (and, of course Europe and Japan) anything at all but they would get a cashback of \$1,000 for every citizen. There is such a thing as a free lunch.

Indeed, we have in fact found our mystical free lunch. A policy that makes people the world over better off and one which is both simple and understandable. In fact, it is so simple that we don't in fact have to design any complex structures, realign incentives in any complicated manner, nor even ponder hard on what it is that we want the politicians to do. We just want said politicians to stop doing one of the (more) damn fool things they are already doing.

Now all we have to do is convince the rest of the Guardianistas that the free lunches are in curtailing, not expanding, government....

[blog comments powered by Disqus](#) [5]

Source URL: <http://www.adamsmith.org/blog/miscellaneous/tanstaafi>

Links:

[1] <http://www.adamsmith.org/blog/miscellaneous/tanstaafi>

[2] <http://www.adamsmith.org/taxonomy/term/5778>

[3] <http://kickaas.typepad.com/kickaas/2008/05/queue-up-for-a.html>

[4] http://disqus.com/?ref_noscript

[5] <http://disqus.com>