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The Witch Hunts Continue

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February 9, 2022

The *Washington Post* recently **invited** some people to **offer ideas** on how to fight **inflation**. A majority of these suggestions aren't just bad, they are stunningly bad. Behold!

Robert Hockett recommends that the government makes America produce again.

The president and White House Cabinet, in consultation with experts from industry, should plan a national reindustrialization across industries in every region of the country, and the Federal Financing Bank within Treasury can fund projects devised by all relevant federal agencies.

We can once again make the United States the world's workshop for democracy. That will reverse not only inflation, but also four decades of decline.

If this sounds like a good old industrial policy, that's because it is. Why it never works see **this**, and **this**, **this**, **this**, **this**, **this** and **this**. And those people who think that the best way to 'fight' China is for the U.S. to adopt Beijing's anti-market/pro-industrial policy approach, check **this** out.

Lauren Melodia recommends government-subsidized child care to address …

…our nation's complex history of underfunding, undervaluing and under-compensating care work and women's labor more broadly [generating] the gender pay gap … where they make 83 cents on the dollar to men. … [T]he child-care industry is built around low wages and thin, unsustainable profits that have contributed to the failure of the market to deliver a greater supply of child-care centers to meet demand.

Lastly, the government's existing consumer subsidies program, while making child care more affordable for many, has not resulted in the growth of the supply of child care.

It would take too long here to correct all the fallacies and the overall economic illiteracy in Melodia's allegations about a 'pay gap' and other market 'failures.' It's also amazing that some truly believe that constraining the supply of child care through **minimum wage** and other requirements was ever the way to address high prices. Some reading on this particular question can be found **here**, **here** and **here**. Oh, and don't miss **this warning** from the Cato Institute's Ryan Bourne about letting the government take over child care.

William Spriggs recommends more taxes on wealthy investors.

The economy proved far less resilient to the shock of the global coronavirus crisis than most people had expected…. A tax on short-term capital gains and dividends would disproportionately target wealthy Americans who are currently responsible for very high demand. This would alleviate the pressures on the supply chain without leading to a broader economic slowdown.

This passage would be funny if it weren't so depressing. The economy proved itself to be remarkably resilient considering that the government ordered much of it shutdown, and then created all sorts of disincentives to return to normal at a time when people were panicked about getting sick. As for the idea that class-warfare taxation is the solution to inflation, read Dan Mitchell **here**.

Lindsay Owens recommends antitrust intervention:

[N]o one is claiming that taking on corporate consolidation and profiteering will "fix" inflation on its own…. corporate concentration has hollowed out and nearly eliminated redundancy in our supply chain… This extreme consolidation has also left us with a **bare-bones workforce** and just a handful of companies in industries that are absolutely essential to the functioning of our supply chains.

Second, monopolies leave us more vulnerable to price-gouging, collusion and pandemic profiteering. …

The whole thing is amazing, including the language of profiteering. I am the first one to complain about cronyism, but in my view it's the existence of government's ability to grant corporate privileges that creates such noxious business behavior. Upon reading things like this piece, there is a part of me that wishes that these economically ignorant people experience life in alternate universe where all their favorite government policies are implemented. In any case, a few things on this **here**, **here** and **here**.

Todd Tucker recommends **price controls**:

There are some sectors where price controls have particular appeal — in monopolistic or otherwise highly concentrated industries; for products and services essential to human flourishing; and in "upstream" sectors that produce the inputs many other industries use.

I wrote about Tucker's proposal **here**.

But of all the many wackadoodle analyses in the *Washington Post* piece, the wackiest-doodliest is the one offered by Darrick Hamilton and Derreck Drummer, who assert that inflation is a plot to hurt Progressives:

We are nowhere near an inflation crisis. The real pain families are feeling from price increases today is not a result of stimulus spending. Rather, it is structural — the result of policy failings and an economic policy infrastructure that has been for years designed to keep wages low and enable the hoarding of economic resources by the super wealthy and the upper-middle class. To be clear, we do not want to see hyperinflation. But the political anxiety around inflation is a straw man intended to curtail a progressive agenda.

I think this one speaks for itself.