**Economics Is All Around**

Allen R. Sanderson

The *Journal of Political Economy*, JPE for short, established in 1892 by long-time University of Chicago faculty member James Laurence Laughlin, has long been recognized as one of the elite academic journals in economics. Published by the University of Chicago Press, the JPE was originally a quarterly journal; currently it appears monthly.

In addition to its purely scholarly, peer-reviewed articles, beginning about 50 years ago (Volume 81, Number 4, July-August 1973), with long-time University faculty member and future Nobel laureate George Stigler serving as editor-in-chief, the Journal added a new wrinkle: quotations. As “advertised”, the editorial board says that “we love quotes from literature, movies, and other sources that illustrate economic principles in new, interesting, even irreverent ways.”

These stand-alone back-cover quotations have long been a popular feature for those looking casually for amusing diversions, instructors looking for new examples of basic economics for their classroom lectures or exam questions, or for people to increase their level of economic knowledge and understanding that economics is inherently intriguing and not all math and equations. It is also possible that the general public, readers (and writers) of daily newspapers or ardent watchers of broadcast news, and policy makers could – or even have – benefited from being able to understand and translate crucial but important dry economic concepts such as tradeoffs, incentives, and costs into everyday uses (and misuses) of economics. And to see that in the end economics – or political economy – is, as famous British economist Alfred Marshall defined it, the study of mankind in the ordinary business of life.

The quotations on the following pages were submitted by Allen Sanderson, complemented with an appropriate title to tie them to the related economic principle, and published in the JPE issue as noted.

Enjoy!

**Volume 110, Number 4 | August 2002**

Averages, Marginals, and Father-Daughter Relationships

When I had finished describing the game, it was time to go to bed, unless I could convince

my father to tally each player’s batting average, reconfiguring his statistics to reflect the developments of that day’s game. If Reese went 3 for 5 and had started the day at .303,my father showed me, by adding and multiplying all the numbers in his head, that his average would rise to .305. If Snider went 0 for 4 and started the day at .301, then his average would dip four points below the .300 mark. If Carl Erskine had let in three runs in seven innings, then my father would multiply three times nine, divide that by the number of innings pitched, and magically tell me whether Erskine’s earned-run average had improved or worsened.

[Doris Kearns Goodwin, Wait Till Next Year (New York: Simon & Schuster, 1997), p. 17]

**Volume 110, Number 6 | December 2002**

The Laffer Curve Strikes Again?

One of the reasons the export tax on diamonds is so low is that to some degree, it is a voluntary tax. Diamonds are the most concentrated form of wealth in the world; millions of dollars’ worth can fit into a pack of cigarettes. Diamonds are so small, so valuable, and so easy to conceal that if taxes on them rise above a certain level, overall revenue falls because people simply start smuggling. Some people hide the stones on their person and board a plane for Belgium; others transport them overland to Guinea or Liberia and sell them on the local black market. The places to hide a diamond are almost limitless. They are heated and dropped into tins of lard. They are sewn into the hems of skirts. They are encased in wax and taken as suppositories. They are swallowed, hidden under the tongue, ,burrowed into the navel, or slipped into an open wound than is then allowed to heal.

[Sebastian Junger, Fire (New York: London: Norton, 2001), p. 185]

**Volume 113, Number 6 | December 2005**

Coase in Paris

In Paris, alterations to building exteriors require official approval, understandably. Trouble is, the process of getting permission is a long paper trail involving numerous bureaucratic departments, public architects, every member of the building’s . . . body corporate and any neighbors who might be able to glimpse the alteration by tiptoeing on their toilet seats. Usually it arrives at a dead end. Invariably someone objects. Our illegal window provides an illuminating insight into the way things get done in France, revealing just how simple life can be, how limitless the possibilities, when you ignore the tangle of red tape altogether . . . this rampant certain suppleness. On va s’arranger, someone will say, meaning they’re willing to strike a deal. It might not strictly speaking be one hundred percent legal but—and this is what counts—an agreement will be reached that keeps all parties happy.

[Sarah Turnbull, Almost French (New York: Gotham Books,2002), pp. 223–24]

**Volume 117, Number 1 | February 2009**

Behavioral Biases in Golf

In any event, there’s nothing as sickening in golf as the splash of a $4 ball in a ten-foot deep lake. That’s why I reverted to my high-school custom of deploying “water balls” on high-risk tee shots. A water ball is any ball that you don’t mind losing—preferably one for which you did not pay. . . .The ideal water ball is an inexpensive yet unmarred specimen that you stumble upon while searching the rough for one of your own. The theory behind using water balls is to provide the shaky player with a perverse sort of immunity. It’s known golfing fact that the odds of dunking a ball decline in direct proportion to its retail value. This makes perfect sense, given the warped and jangled psyche of the average golfer. I tend to take a smoother, more relaxed swing at a found ball because, what the hell, it’s a freebie. . . .Luckily, friends with connections at Titleist arranged for me to receive a couple dozen Pro VIs, which, because they were free, I fearlessly began to tee up on water holes.

[Carl Hiassen, The Downhill Lie: A Hacker’s Return to a Ruinous Sport (New York: Knopf,2008), pp. 47–48]

**Volume 123, Number 6 | December 2015**

Compensating Differentials in the Workplace

Thirty minutes later, he walked out of the office with a job. Most of the jobs remaining at the dam sight, he had been told, were for common laborers, paying fifty cents an hour. But studying the application form, Joe had noticed that there were higher pay grades for certain jobs—especially for the men whose job it was to dangle from cliff faces in harnesses and pound away at the reluctant rock with jackhammers. The jackhammer job paid seventy-five cents an hour, so Joe had put a check next to that box and stepped into the examination room for his physical.

[Daniel James Brown, The Boys in the Boat (New York: Penguin Books, 2014), p. 194]

**Volume 125, Number 1 | February 2017**

Scarcity and Opportunity Costs Yet Again

We try to take our minds off the lackluster food with conversation. Now that I think about it, perhaps that is why the Greeks were so eloquent—it was a coping mechanism, something to take their minds off the god awful food. As I pick at my salad, I wonder, if ancient Greek cuisine had been better, maybe they wouldn’t have invented democracy or philosophy or any other their other accomplishments? It’s not as far-fetched as it sounds. We only have so much creative energy; we can channel it into philosophy or soufflés, sculpture or truffles.”

[Eric Weiner, The Geography of Genius (London: Simon & Schuster, 2016), p. 47]

**Volume 126, Number 3 | June 2018**

The Coase Theorem Strikes Again

The carpet on the four narrow flights of stairs leading to her front door was in its last stages of decay, but the ground-floor tenant didn’t see why he should pay anything and the other two wouldn’t pay till he did and Gail as the unpaid in-house lawyer was supposed to come up with a compromise, but since none of the parties would budge from their entrenched positions, where the hell was compromise?

[John le Carré, Our Kind of Traitor (Penguin Books, 2010), p. 65.]

**Volume 128, Number 9 | September 2020**

Sodom, Gomorrah, and the Original Dutch Auction

Then the men turned away from there and went toward Sodom, but Abraham still stood before the Lord. And Abraham came near and said, “Would You also destroy the righteous with the wicked? Suppose there were fifty righteous within the city; would You also destroy the place and not spare it for the fifty righteous that were in it? Far be it from You to do such a thing as this, to slay the righteous with the wicked, so that the righteous should be as the wicked; far be it from You! Shall not the Judge of all the earth do right?”

So the Lord said, “If I find in Sodom fifty righteous within the city, then I will spare all the place for their sakes.”

Then Abraham answered and said, “Indeed now, I who am but dust and ashes have taken it upon myself to speak to the Lord: Suppose there were five less than the fifty righteous; would You destroy all of the city for lack of five?”

So He said, “If I find there forty-five, I will not destroy it.”

And he spoke to Him yet again and said, “Suppose there should be forty found there?”

So He said, “I will not do it for the sake of forty.”

Then he said, “Let not the Lord be angry, and I will speak: Suppose thirty should be found there?”

So He said, “I will not do it if I find thirty there.”

And he said, “Indeed now, I have taken it upon myself to speak to the Lord: Suppose twenty should be found there?”

So He said, “I will not destroy it for the sake of twenty.”

Then he said, “Let not the Lord be angry, and I will speak but once more: Suppose ten should be found there?”

And He said, “I will not destroy it for the sake of ten.” So the Lord went His way as soon asHe had finished speaking with Abraham; and Abraham returned to his place.

[Genesis 18:22-33]

**Volume 129, Number 7 | July 2021**

The Gains from Trade: Adam Smith and David Ricardo vs Garth Stein

“Pharmaceutical companies profit from the misery of others.”

[Garth Stein*, The Art of Racing in the Rain*, 2008(p. 148)]