

## Sound economics takes back seat to political 'theology'

Upon leaving President Richard M. Nixon's Council of Economic Advisors, Herb Stein was asked by the Washington press corps for some parting advice. His response was classic Stein: "One, take an economics course, and two, pass it."

Recent actions by local politicians demand redirection of Stein's advice to them.

Many people lament that politics and religion trumped science in the president's veto of federal stem cell research funding. But what has failed to attract as much attention is the trumping of well-established economic knowledge by an emerging political theology.

The most recent example at the federal level is the sacrifice of a lesser god, a minimum-wage increase, for a greater god, a confiscatory estate tax.

Statistically the nation is nearly at full employment levels. Yet low-skill, entry-level jobs, often a first rung on the opportunity ladder for inner-city minority youth, are increasingly beyond reach. In the face of this challenge to attract employers with jobs like these, such as retailers, the City Council enacted a big-box retail wage ordinance that even a C student in Economics 101 would tell you will result in fewer entry-level retail jobs.

Animated by their political theology to "do something," and not content with job-killing "living-wage" proposals, our city fathers assume the role of tourism killers. Prohibiting the sale of goose liver and threatening to ban trans fat recalls the succession of bad policies in the 1960s and 1970s that almost turned Chicago into another Detroit. Today, nothing could be clearer in the city whose reputation was built on violating Prohibition: Bans on foie gras and trans fats, and the imposition of a big-box minimum wage, will only lead to evasion or emigration by employers.

Economics says that when government raises the cost of doing business, businesses free to locate elsewhere often do so. Gov. Rod Blagojevich should have learned this two years ago when he dramatically raised the fees and taxes on small trucking firms and the state promptly lost tens of thousands of trucking jobs to neighboring states.



**Terrence L. Barnich**  
is president of the Chicago consulting firm New Paradigm Resources Group Inc.

The governor, as high priest of the political theology that worships government as the provider of first resort, ignores the lesson and continues to heap the costs of his programs on the state's job creators. Consequently (according to recent government statistics), Illinois and Chicago lag the nation and surrounding Midwestern states in job creation and retention.

Like any theology, though, political theology is resistant to facts, and we can expect some of our lesser politicians to continue to ignore accumulated economic truths to serve special interests or their personal biases. And the little guy will continue to foot the bill.

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