

Need to precommit to defending your property via a military leader with strong principles.

Money is created so that involuntary taxation is possible.

• Gold standard is important

• Conscription

• Price controls for military goods (and rationing)

• All of these policies are radically opposed by economists

• Educational subsidies

• Price controls and subsidies via tax loopholes for certain industries

The government's most vital role is national defense. They also fix many externalities along the way.

International cartels: (1940s and 1950s)

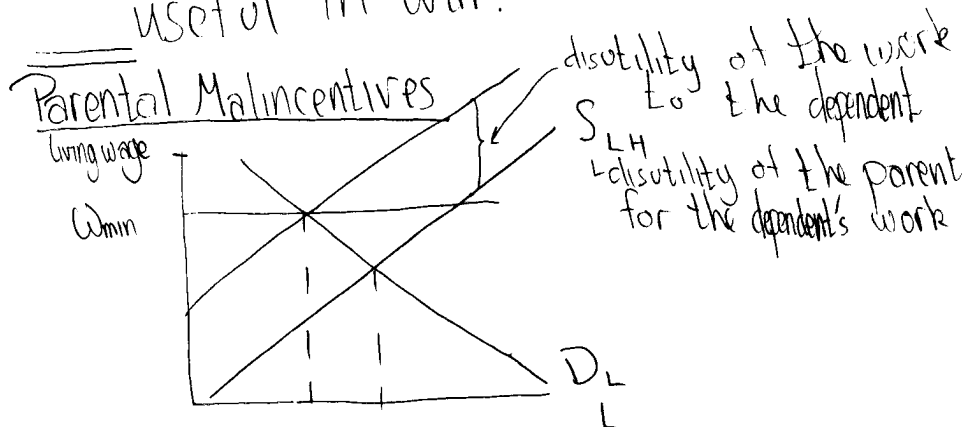
We allowed the cartels to form against us. They were only formed in industries that we price controlled. The allowed cartelization was our way of subsidizing industries.

• Given a right to sell that is proportional to their capacity

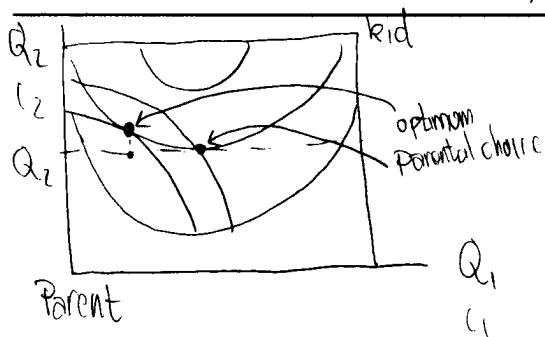
• Investment subsidy.

• This applies to OPEC. Capital subsidies

Educational subsidies - you learn stuff that would be useful in war.

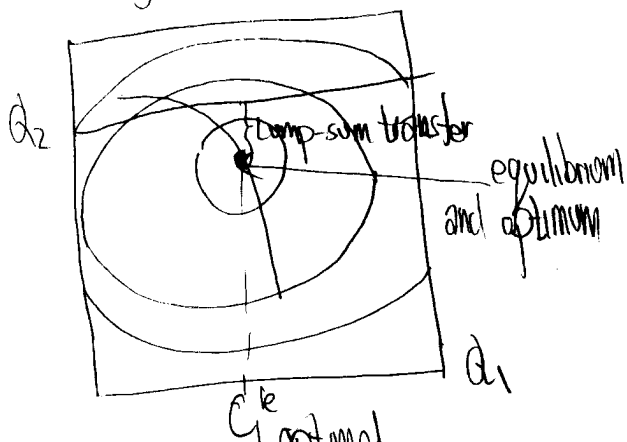


The w_{min} must be below the living wage, or else the people affected would not be dependents.

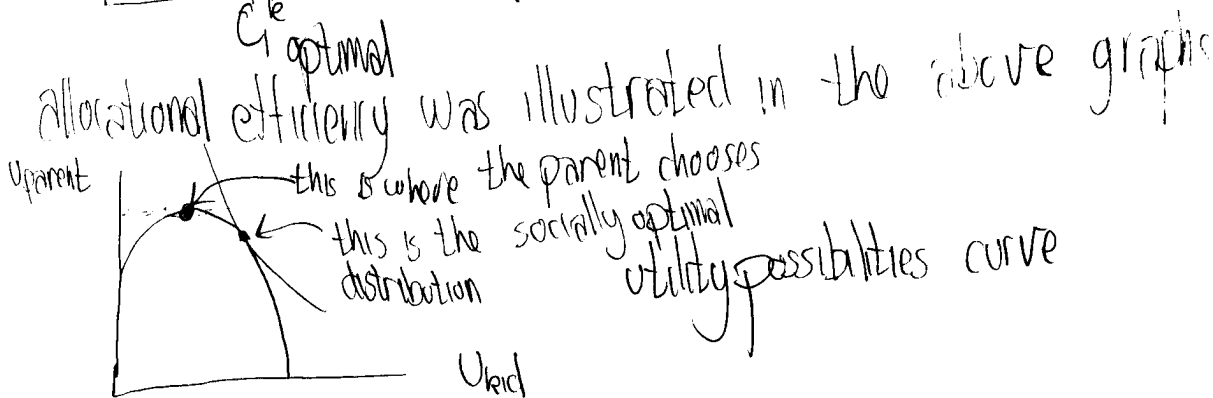


$$U_p(c_1^p, c_2^p, u_k(c_1^k, c_2^k))$$

Wealthy or benevolent parent



An unconstrained parent will give the optimal amount of consumption to the child



The child is never spoiled enough.