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NEWS BULLETIN

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STOP BEZOS AND A LESSON IN ECONOMICS

Every few months Bernie Sanders goes to the well to find another bogeyman. The current villain has so captured the senator's attention that Sanders named a piece of legislation after him: the "Stop Bad Employers by Zeroing Out Subsidies," or Stop BEZOS. Jeff Bezos is, of course, the CEO of Amazon.

The bill would levy a special tax on large companies equal to 100 percent of the welfare benefits those companies' workers receive from the government. Sanders' intention is to force employers like Amazon to pay a "living wage" by having them reimburse the government for welfare benefits their workers receive.

This is the sort of bill only someone with virtually no understanding of economics would concoct. Sanders claims that thousands of Amazon workers rely on welfare to survive. Amazon counters that Sanders exaggerates by including part-time and temporary workers in his calculations. This dicker obscures what Sanders' bill will actually do. It will make workers on welfare more expensive to employers, and it will make them more expensive in direct proportion to how much welfare they receive.

<https://www.insidesources.com/stop-bezos-and-a-lesson-in-economics/>

ROW YOUR BOT

Indian companies and consumers are increasingly interacting with chatbots now, creating a new economy while integrating themselves into the larger universe of artificial intelligence. Venkatesh Ganesh and Jinoy Jose P log into the bot economy to track the trend.

<https://www.thehindubusinessline.com/specials/india-file/row-your-boat/article24918434.ece>

HOW HAS GST IMPACTED MANUFACTURING

India's manufacturing sector grew at 13.5% in the quarter ending June 2018. This is a remarkable turnaround for a sector that shrunk in April-June, 2017 (partially as a result of manufacturers delaying production before the GST rollout).

<https://timesofindia.indiatimes.com/business/how-has-gst-impacted-manufacturing/articleshow/65652455.cms>

‘ONE NATION ONE POLL’- GOOD ECONOMICS NEED NOT BE GOOD POLICY

The Law Commission of India has favoured the idea of "one nation one poll" and has recommended necessary amendments in the constitution and statutory law to bring in 'simultaneous elections'. It is seeming economic and administrative benefits which is the reason behind it. However, there are huge costs behind it.

<https://www.livelaw.in/one-nation-one-poll-good-economics-need-not-be-good-policy/>

CHELSEA CLINTON’S TWISTED ARGUMENT ABOUT ABORTION AND ECONOMIC GROWTH

Has abortion made America more prosperous? Chelsea Clinton seems to think so.

The former first daughter spoke recently at a “Rise up for Roe” event in New York City, one of a series of meetings organized by NARAL and Planned Parenthood to oppose the confirmation of Brett Kavanaugh to the Supreme Court. In the course of her remarks, she suggested that one way to strengthen support for keeping abortion legal and readily available is to emphasize what a boon Roe v. Wade has been for the US economy.

<https://www.bostonglobe.com/opinion/2018/08/22/chelsea-clinton-twisted-argument-about-abortion-and-economic-growth/6ajP713rANYAOizO30hLeN/story.html>

BANDH EVOKES MIXED RESPONSE IN COMMODITY MARKETS

The Bharat Bandh called by the Congress-led opposition parties on Monday to protest the fuel price hike had a mixed impact on commodity markets across the country on Monday. While trade in plantation commodities such as rubber and pepper remained suspended in Kerala, agriculture market yards in Gujarat and Madhya Pradesh, among other States, were largely functional.

<https://www.thehindubusinessline.com/economy/agri-business/bandh-evokes-mixed-response/article24922892.ece>

UNIVERSAL BASIC INCOME WOULD UNDERMINE THE SUCCESS OF OUR SAFETY NET

The American safety net is not perfect — not by a long shot — but it does a good job of ensuring that low-income Americans have enough support to meet their basic needs. The data are clear about that: Consumption poverty, which measures the wellbeing of the poor after accounting for safety net assistance provided by the government, declined to an all-time low of 3 percent in 2016. Thanks to a good economy and strong public assistance programs, very few Americans live in deprivation.

Universal Basic Income (UBI) would be an unaffordable way to undermine our social safety net's successes. UBI would transfer money away from those who need it most, change the distinctly American relationship between citizen and government, and sharply raise taxes or the national debt (or both). And critically, it would fail to improve upon our current safety net's biggest weakness: UBI would destroy — not improve — incentives to work.

<https://www.insidesources.com/universal-basic-income-undermine-success-safety-net/>

FAULT LINES IN THE GLOBAL ECONOMY

Markets often fail to predict major market-moving events even though in retrospect, they should have been obvious to anticipate. A prime example of such a failure was the 2008 global market bust, which followed the extraordinary U.S. housing and credit market bubble.

An earlier example was the world equity market panic in late July 1914 that followed the outbreak of World War I and that occasioned the closing for a few months of both the New York and London Stock Exchanges. As historian Niall Ferguson reminds us, on the eve of World War I, markets remained buoyant even though all the signs were long since pointing in the direction of the world sleepwalking toward a catastrophic war.

<https://www.insidesources.com/fault-lines-global-economy/>

THE REAGAN TAX CUTS — A FAILURE FOR WORKERS

Thirty-seven years ago Ronald Reagan signed the tax cut that provided the centerpiece for his election campaign. This measure reduced tax rates by an average of 25 percent, with the top tax rate lowered from 70 percent to 50 percent.

Five years later, Reagan was back with another round of tax cuts. This lowered the top rate further to 28 percent. The 1986 tax cut also featured a big reduction in the corporate tax rate, lowering it from 46 percent to 35 percent

<https://www.insidesources.com/reagan-tax-cuts-failure-workers/>

WILL NOT LET MANIPULATORS CASH IN ON MARKET VOLATILITY: SEBI

Market regulator Securities and Exchange Board of India (Sebi) Tuesday warned that the manipulators will not be allowed to take advantage of the volatility in the stock market.

A combination of global and domestic factors have affected investor sentiment, with the benchmark indices registering around 500 points decline in the last two days.

The renewed concerns over an escalation of the trade war between the US and China pulled down global markets, while the domestic markets are.

<https://m.economictimes.com/markets/stocks/news/will-not-let-manipulators-cash-in-on-market-volatility-sebi/articleshow/65768103.cms?from=desktop>
