

Musical appendix

For readers who may be musically inclined, songs can be an effective and entertaining way of illustrating and highlighting basic economic concepts. Indeed, authors of this book have been known to pull out their banjos and guitars to help their students through the learning process. In this Appendix we cite a few folk songs that illuminate some key ideas, and we offer one song of our own.

1. The *MTA Song* as sung by the Kingston Trio, tells the tale of a subway price increase that leaves Charlie stranded on the train for want of a nickel to get off. This song is good for discussing the concept of rationality – why does Charlie’s wife hand him a nickel rather than a sandwich “as the train comes rumbling through” and indeed does a system that collects fares for riders leaving the train make sense? Other issues such as the efficiency and fairness of the pricing scheme can also be discussed.

“MTA Song,” p. 19 in Peter Blood and Annie Paterson, *Rise Up Singing*, Bethlehem, PN: A Sing Out Publication, 1992

2. *Waist Deep in the Big Muddy* as sung by Pete Seeger, tells the story of a platoon on a training mission in Louisiana during the Second World War led by a captain who is trying to get his platoon back to the base in the middle of the night. He orders the platoon to ford a river and keep marching forward in the mud, despite the fact that the river gets deeper and deeper. Refusing to listen to his sergeant, the captain eventually drowns while his troops turn back. The song nicely illustrates the concept of sunk costs!

<http://www.songlyrics.com/pete-seeger/waist-deep-in-the-big-muddy-lyrics/> (accessed June 24, 2018)

3. *Ruben* as sung by Joel Mabus, chronicles the predations of a ruthless business tycoon who monopolizes more and more parts of the economy – transportation, communications, pharmaceuticals, retailing – making people’s lives more miserable at each juncture. Clearly a good song to discuss market power!

<https://www.amazon.com/Golden-Willow-Tree-Joel-Mabus/dp/B00H8CR48O>

4. *This Land is Your Land* by Woody Guthrie lays claim to the land in the U.S. as a public good for all (endless skyways, golden valleys, diamond deserts, rolling wheat fields) and decries restricted use as private property. The song illustrates the notion of public goods and the roles of excludability and rivalry in distinguishing public from private goods.

“This Land is Your Land,” p. 5 in Peter Blood and Annie Paterson, *Rise Up Singing*, Bethlehem, PN: A Sing Out Publication, 1992

There are of course many more such songs with economics lessons contained within them. This Appendix is intended to encourage teachers and students to explore the possibilities. Here is an original, set to the tune (and following the idea) of *Dr. Freud* (<https://www.elyrics.net/read/d/david-lazar-lyrics/dr-freud-lyrics.html>). We call it *Dr. Smith*. It reviews many of the concepts discussed in this book.

Dr. Smith

**Oh it started up in Scotland some three hundred years ago
The industrial revolution sparked that land
When a great economist
By the name of Adam Smith
Wrote his theory of the invisible hand**

Chorus

***Oh Dr. Smith, oh Dr. Smith
Perfect competition's just a myth
Because business acts improperly
It always seeks monopoly
And deadweight loss is what we're coping with***

**Supply and demand they need to balance
That is of course the challenge
With buyers and sellers so diverse
But does competition save the day, when folks don't want to pay?
And competitors collude and make things worse?**

**Now aside from their banality
Markets spew out externalities**

**Like pollution , noise and benefits forgone
Market failures need some patches
Like regulations, laws and taxes
Or we'd all be going back to work the farm**

**Now did you hear about the lemons
That get sold on used car lots?
It's so hard to tell the good cars from the rest
Imagine our frustration with asymmetric information
When we can't even pass our emissions test!**

**Yes, we know that you're hard chargin'
When you're thinking at the margin
It's so nice when we can maximize our gains
But it just leads to paralysis when we do cost-benefit analysis
And politicians don't even know our names!**

**Oh we know your theory's great, oh
Though it doesn't cut it with Pareto
Cause not everyone really stands to gain
But we'll never solve the crisis, if we don't know the prices
As a measure of our economic pain**

**So our demand is inelastic
Even if the market's spastic
Despite your theory of the invisible hand
'Cause we've got Kaldor-Hicks and we just hope that it sticks
When equilibrium comes to our land**

And one more, on the woes of social enterprise financial management. To the tune of *God Rest Ye Merry Gentlemen* (https://www.carols.org.uk/god_rest_ye_merry_gentlemen.htm). To be sung Acapulco (ahem) style.

**God rest ye merry gentlemen,
Let nothing you dismay.
Cause Santa doesn't sell his toys
He gives them all away.
He has no profit margin,
Long in business he'll not stay,
Cause his NEA grant has gone away
Gone away
And even elves need pay on Christmas Day.**