

Results Oriented

Tech Central Station, June 20, 2005

Some people are never satisfied no matter how easy other people make it for them to live their lives. Consider, for example, a man named Cameron Stracher, publisher of the New York Law School Law Review. In *It's Hard to be Easy*, (Wall Street Journal, June 3, 2005, W13), Mr. Stracher complains about the little fees that companies often charge for their services. In so complaining, Mr. Stracher and many others miss the big picture: how well markets serve us and how much better they make our lives by giving people strong monetary incentives to introduce time-saving technology.

Take Automatic Teller Machine (ATM) fees. Mr. Stracher points out that there was a time -- and it was less than 30 years ago -- when, if you wanted cash from your bank account, you had to show up at the bank between the hours of 9:00 a.m. and 3:00 p.m. on a weekday. For many of us, that was a huge inconvenience. Then came ATMs. Now, as Mr. Stracher points out, we can show up day or night and get the money quickly.

Hard to find fault with that, right? Wrong. Mr. Stracher finds it. It seems, you see, that some banks actually try to charge us for this service. Imagine that -- a bank having the nerve to charge us a small fraction of the value of the time they save us. Whats next? Restaurants charging for offering us the convenience of meals away from home?

My own experience with ATM fees differs from Mr. Strachers. I pay ATM fees about five times a year because I have an account with a major California bank, Wells Fargo. When I'm in California, I can almost always find a Wells Fargo ATM nearby. When I'm not in California, I gladly pay \$2 or so for the convenience of getting \$40 to \$300 up to 3,000 miles away from home. And foreign travel has become so much better. The first thing I do when I land in a foreign country is go to the ATM and get local currency at an exchange rate better than is offered by most of the foreign exchange booths.

But back to the bigger point. One of the ways you can fail to enjoy a lot of the

wonderful things in life is by looking for the bad in everything. One of my favorite movie quotes is Hayley Mills' line in Pollyanna, When you look for the bad in mankind, expecting to find it, you surely will. And that's what Mr. Stracher and many others do. While you're busy looking for the bad, you miss so much of the good.

What you miss, specifically, is just how easy markets have made our lives. I'm writing this on a Sunday morning as I'm sitting in San Diego's airport waiting for a flight home. My wife and I easily afforded a flight to a friend's wedding because Southwest Airlines made it cheap and easy to do so. Even if my time were worth only \$30 an hour, flying is cheaper than driving. And Southwest is able to run this route so cheaply because it uses advanced business practices to run efficiently and because free markets have allowed it to do so. Southwest is the only major U.S. airline over ten years old that earned its wings, so to speak, in a deregulated market. Southwest began in 1971 as a Texas-only airline, flying between Dallas, Houston, and San Antonio. That way it could avoid destructive regulation by the U.S. Civil Aeronautics Board. For making my life easier, I thank Southwest Airlines and free markets.

Or take what happened when we were relaxing in our hotel room before the wedding. Our daughter, a college student, called my wife's cell phone. What's the big deal? The fact that we see that as no big deal. My daughter didn't need to know what hotel we were staying at to be able to reach my wife. Cell phones exist because the government finally allowed them to after keeping them off the market for at least ten years, a regulatory delay that is estimated to have cost Americans over \$80 billion in lost value. (See Jeffrey Rohlfs et al., *The Cost of Cellular Delay*, National Economic Research Associates, Inc., November 1991).

And what did my daughter want? She wanted to do some laundry in her dorm but had run out of funds on her Flex Card. My wife and I, thrilled to have our daughter do laundry, headed out 15 minutes early to find the nearest Kinkos. There, while my wife logged on to transfer funds, I logged on to check my email. Ten minutes later, as we left Kinkos, our business done, my wife and I turned to each other and, almost in unison, said, Isn't technology great? (And, had we bothered to bring along our laptop, it would have been even easier, as we could have used the hotel's in-room Internet connection to transfer the funds and check

our email. In either case, we would happily have paid the nominal fee -- Kinkos few-cents-a-minute or the hotels rate for 24-hour Internet use -- for the convenience.)

It's important to remember that all this wonderful technology is a result. It comes about because we have relatively free markets -- although way too regulated, they are freer than in most other countries. That's why I sometimes vary the appreciative line from its focus on technology to focus on its cause: I say I love capitalism or I love free markets.

And in laying out the technologies that I appreciate and that, yes, their providers charge for, I have just scratched the surface. Next time you go into a hardware store, notice the variety of items there are to do a specific project. Notice, also, how specialized the items have become, all with the goal of making the project more successful and at a lower time cost to you. As I said to my cousin as we chose a tool to use on our Canadian cottage, The modern hardware store in Canada or the United States is a monument to the high value of peoples time.

Or take disease. Modern drugs, hospitals, and doctors have made our lives so much better. They exist because someone tried to make money off our sickness -- and succeeded. So next time you find yourself complaining because someone tried to charge you for a valuable service that made your life easier, stop. Instead, try saying the following to that person, something my mother taught me to say when someone helped me. It goes like this, and it's not hard to remember: Thank you.