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| ***Be Thankful for Price Gouging in Houston*** |  |
| ***The Daily Bell*August 29, 2017****Did the hotel crew need the rooms? No. They came to “cover” the storm.****But people fleeing Hurricane Harvey were in desperate need of hotel rooms. And the news crew was complaining about paying a high price.****The news team reported on the terrible incident of gouging. But they actually demonstrate exactly why prices need to go up when demand goes up.****I wonder if they decided to bunk up together and buy fewer rooms because of the high price. After all, that is the whole point of “gouging.”****When demand shoots through the roof, the reason prices need to go up is not simply business greed. Higher prices slow demand.****One family might choose to stay with their annoying in-laws instead of getting a room. Great, one more spot for someone who doesn’t have family in the area.****Another family with three kids might decide to book only one room instead of two. Again, this helps keep rooms available for other people in need. Yes, they will have to spend a bit more, but they will have a place to sleep.****The basic economics of supply and demand is apparently something neither this news crew, nor the Texas Attorney General’s office understand.****Hotels aren’t the only ones guilty of price gouging as Houston grapples with continued rainfall and flooding from Hurricane Harvey, the most powerful storm to hit Texas in more than 50 years. Over the weekend, more than 500 complaints of price gouging were lodged with the Texas attorney general’s office, according to CNBC—including $99 cases of bottled water, gas at $10 a gallon and hotels tripled or quadrupled in price.****“These are things you can’t do in Texas,” Texas Attorney General Ken Paxton told CNBC in an interview Monday. “There are significant penalties if you price gouge in a crisis like this.”****Is this news team willfully ignorant, or actually that clueless? The Attorney General I’m sure just wants to get re-elected.****$100 cases of water means people only buy what they really need, thus leaving a case for the next person in dire need. Otherwise, why not stock up on ten cases of water? You may have six cases leftover at the end of the disaster, while twenty other people dehydrated or desperately drank contaminated water.****Let’s see, $10 per gallon gas? I better only fill up on four gallons to get me out of the area, to another gas station with normal prices. That means four times as many people have gas available to get out of the city, instead of people filling up their tanks like normal.****This is not rocket science. Yes, it can be frustrating and emotional if you are in the situation, but it actually benefits the people in the disaster. What is spending a few hundred extra dollars to avoid drowning, starving, dehydrating, or sleeping in the streets? I bet they spend $600 on a phone without the blink of an eye.****The compassionate thing to do is actually charge higher prices so that supply is spread across more people in need.****If the prices don’t go up, it is first come first serve. That means the lucky ones get all the supplies, and the late comers are left with nothing. Would you rather miss the chance to get a $5 pack of water, or have the opportunity to buy a $100 case of water?****Same goes for generators. When you find out power is going to be out for a week, you want to go out and buy a generator. But to run the air conditioner at the normal temperatures, while keeping the big screen TV on, and every light in the house, you need two generators.****What?! Generators now cost three times what they cost last week! I guess we will conserve electricity, and only cool the house to 75. We can buy the second generator after the situation blows over, and we will be prepared for next time.****But the news team, and the government encourages people to document the gouging and hold businesses legally accountable. Good job guys, you have ensured shortages for the late-comers.****They may be able to keep “honest” businesses in line with the threat of legal action, but haven’t they ever heard of ticket scalpers?****Someone will buy all the cases of water, and then price gouge on the black market instead of the legally accountable government controlled market. Why not buy up all the generators if you know they will be in low supply and high demand? Or are people not allowed to sell their own generators for a high price either?****Stores could limit customers to only buying one. But how do they stop a customer from sending their wife in to get the next one, then their son, brother, or some random guy in exchange for $20?****By the way, shout out to all the preppers who don’t need to buy $100 bottled water, and who already have their generators. They are probably saving the [butts] of people who were ridiculing them last week for their paranoid nature.****If hotels are gouging, then news crews are vultures. Aren’t they making money on the disaster as well?****We hope everyone in the areas affected by Hurricane Harvey stays safe, and are able to acquire all the supplies they need.** |

1. Define “price gouging”.
2. What is the main idea?
3. How does the title relate to the main idea?
4. What details support this idea?