



Comment on the Commentary of the Day

by

Donald J. Boudreaux
Chairman, Department of Economics
George Mason University
dboudrea@gmu.edu
<http://www.cafehayek.com>

Disclaimer: The following "Letters to the Editor" were sent to the respective publications on the dates indicated. Some were printed but many were not. The original articles that are being commented on may or may not be available on the internet and may require registration or subscription to access if they are. Some of the original articles are syndicated and therefore may have appeared in other publications also.

3 August 2008

Editor, Washington Post
1150 15th St., NW
Washington, DC 20071

Dear Editor:

In "McCain's Problem Isn't His Tactics. It's GOP Ideas." (August 3), Greg Anrig portrays the past 30 years as a period of radically shrinking government and galloping laissez faire. Gee. Methinks he mistakes Ronald Reagan's rhetoric for reality.

In inflation-adjusted dollars, Uncle Sam's budget is now 110 percent larger than it was in 1980, the year of

Reagan's election. U.S. population since 1980 grew by only 33 percent. Although some useful deregulation has occurred during this time, the problem is hardly a retreat of government; it is, rather, government's continued insidious intrusion into ever more aspects of our lives - and, despite cuts in marginal tax rates, its continued growth. As Milton Friedman wisely pointed out, "If you cut taxes and revenues go up, you haven't cut taxes enough."

Revenues have gone up. So tax cuts have been inadequate.

3 August 2008

Editor, New York Post

Dear Editor:

You favorably quote an analyst's assertion that "motorists are getting hosed" because prices at the pump have not fallen enough recently to reflect the latest fall in oil prices ("Oil Drop Brings No Relief to the Pump," August 3).

Despite your seemingly supportive accompanying graph, this assertion is questionable.

First, according to the figures in your own graph, oil prices today are 55

percent higher than in late September of 2007 (the starting date in your graph), while gasoline prices today are 57.7 percent higher. As evidence of hosing goes, these figures are very weak indeed.

Second, if we take a longer time horizon, evidence of hosing disappears completely. In 2004, for example, a gallon of gasoline retailed for about \$2.00 while a barrel of oil sold for about \$33. Today, oil's price is higher by 275 percent while gasoline's price is higher by only 100 percent.

3 August 2008

Editor, Baltimore Sun

Dear Editor:

Brad Heavner says that "drilling off our coasts would have no significant impact on gasoline prices - not in the short term, not in the long term, not ever" (Letters, August 3). If so, then Mr. Heavner is mistaken to worry that such drilling would "increase our dependence on oil and produce more global warming pollution," for any such impact would also be insignificant. An amount of oil that would affect prices only inconsequentially is an

amount of oil that would affect global warming and Americans' use of oil only inconsequentially.

2 August 2008

Editor, San Francisco Chronicle

Dear Editor:

Barack Obama wants to help consumers cope with high gasoline prices by giving consumers a \$1,000 "emergency rebate"; he proposes to pay for this rebate by taxing oil-producers' "windfall profits" ("Obama: Dem pushes windfall tax to fund energy rebates, yields a little on drilling," August 2).

Sen. Obama should learn arithmetic. Total profits of U.S. oil companies in 2007 were about \$90 billion. If Uncle Sam took all of these profits and distributed them equally to all households in the U.S., each household would get \$750. Note that this is ALL profit, not just that portion that Sen. Obama divines to be "windfall." So suppose that the Senator determines (rather aggressively) that half of these profits are "windfall." That would mean that each household gets a mere \$375. Even if Sen. Obama's plan excludes all households in

the top half of the income distribution from receiving his "emergency rebate," his "windfall profits" tax would generate only enough funds to give each of the remaining households \$750.

2 August 2008

Editor, The New York Times
229 West 43rd St.
New York, NY 10036

To the Editor:

Gertrude Schaffner and Charles Bell want more "public investment" because "Over the last several years, we've seen evidence of infrastructure and service failure all around us: eroding levees, collapsing bridges, overcrowded classrooms, schools badly in need of repair, and outdated and inadequate mass transit" (Letters, August 2).

It's more than a tad mysterious that people such as Ms. Schaffner and Mr. Bell trust the same agency that produced these failures - government - to remedy them. And not only to remedy these problems that allegedly lie at the core of government's responsibilities, but also to cure unemployment,

improve medical care, and raise "low pay."

Indeed, persons such as Ms. Schaffner and Mr. Bell are guided not so much by trust as by an utterly naive and futile faith.

1 August 2008

Editor, DailyBreeze.com

Dear Editor:

Barack Obama proposes to deal with rising gasoline prices by giving a \$1,000 "emergency rebate" to consumers - a rebate to be paid for by taxing the so-called "windfall profits" of oil producers.

In other words, a critical part of Sen. Obama's strategy for reigning in high gasoline prices is to subsidize gasoline consumption and more heavily tax its production. This plan makes as much sense as trying to put out a fire by dowsing it with jet fuel.

1 August 2008

Editor, The New York Times
229 West 43rd St.
New York, NY 10036

To the Editor:

Disagreeing with your claim that the Federal Communications Commission ruling in the Janet Jackson/Super Bowl case was an arbitrary assault on freedom of expression, Barry Fitzsimmons mysteriously finds comfort in the fact that government policy is that "our public airwaves are to be used in the interest, convenience and necessity of the public" (Letters, August 1). How does this regrettable fact justify government oversight of private expression?

And make no mistake: this fact is regrettable. To see why, imagine if all newsprint and ink were owned by government and leased to newspapers and magazines. Imagine further that official policy regarding the print media was governed not by the First Amendment but by the proclamation that "our newsprint and ink are to be used in the interest, convenience, and necessity of the public." Finally, suppose that these glorious words were enforced by the Federal Print Commission. Would anyone pretend that America then would have a truly free press?

31 July 2008

Friends,

Were he still alive, Milton Friedman would today celebrate his 96th birthday.

The link below takes you to a short interview with him, conducted just before his death in 2006, in which he makes a moral case for ending drug prohibition.

<http://www.youtube.com/watch?v=rMJ3eX4BwTA>

I especially like his line in which he compares the freedom to ingest whatever you want to the freedom to say whatever you want: "I don't think the state has any more right to tell me what what to put in my mouth than it has to tell me what can come out of my mouth."

Indeed!

31 July 2008

Editor, New York Post

Dear Editor:

Jacob Sullum exposes the hypocrisy of Sen. Harry Reid who, like nearly all of his colleagues, buys himself high office with the currency of good intentions drawn on taxpayers' bank accounts ("Apple Pie Pork," July 31).

So H.L. Mencken was not quite right when he wrote about idealism that "Men get into trouble by taking their visions and hallucinations too seriously." This is true for most of us. But politicians - pursuing their dangerous hallucinations with other people's money and lives - achieve power and glory for themselves while they get the rest of us into trouble.

30 July 2008

News Editor, WTOP Radio
Washington, DC

Dear Sir or Madam:

Anchor Bruce Alan today reported on a study by the Economic Policy Institute. This study allegedly finds (as Mr. Alan reported) that U.S. trade with China since 2001 has "eliminated" 2.3 million jobs in America. Sounds bad, for it sounds as if trade with China caused a net reduction in paid jobs in America of 2.3 million.

But a check of the study at EPI's website reveals that the 2.3 million figure is not of net job losses. It includes "lost" jobs whose workers have found employment elsewhere. [<http://www.epi.org/content.cfm/bp219>] (That is, the figure ignores job creation.) To be sure, EPI - an organization skeptical of trade - uses language designed to create the impression that foreign trade is causing Americans to become unemployed in droves. The facts even it reports, however, do not support that impression.

30 July 2008

Editor, Washington Post
1150 15th St., NW
Washington, DC 20071

Dear Editor:

Re Michael Crowley's "Stevens's Payback Moment" (July 30): I'm delighted to see Sen. Ted Stevens face jail time for his crimes while in office. To charge him with concealing gifts totaling \$250,000, however, is the equivalent of charging a confessed mass murderer with jaywalking. If that's the only way to bring the criminal to justice, fine. But Sen. Stevens's most significant misdeeds - ones of which he boasts! - are his decades-long success at directing billions of taxpayer dollars to special-interest groups for no reason other than the fact that he possessed the power and position to buy himself even greater security in office by doing so.

Of course, punishing all the criminals guilty of THAT offense would depopulate Capitol Hill.

30 July 2008

Editor, Baltimore Sun

Dear Editor:

Distressed at high oil prices, Tom Moriarty writes that "Uncertainty distorts supply and demand" ("Supply, demand and uncertainty: a modest proposal for oil consumers," July 30). Not so. Uncertainty certainly is reflected BY supply and demand - as when greater uncertainty over stability in the Middle East raises today's demand to build up oil inventories. The resulting higher price usefully signals to consumers and producers that oil's supply is indeed not as reliable as it would be in a more stable world, and this higher price also prompts consumers to conserve and producers to search out alternatives.

29 July 2008

Editor, New York Sun

Dear Editor:

Usually sure-footed, Martin Feldstein stumbles when he argues that "America will need a trade surplus" in order to "repay" today's trade deficit ("Thinking About the Dollar," July 28). First, the only part of the

trade deficit that must be repaid is the part that becomes debt, such as when foreigners buy Treasury notes. When foreigners buy dollar-denominated equity or real estate, or when they make greenfield investments in the U.S. or simply hold dollars, no debt is created. None of these investments require repayment.

Second, when it comes to the burden of repaying debt, the trade deficit is a red herring. It matters not if a creditor is an American or an Armenian: the debt must be repaid and, if repaid in dollars, those dollars will eventually be redeemed for American goods, services, or assets. (The last could put upward pressure on America's trade deficit.) Uncle Sam and many private Americans might well have gone into excessive debt to enjoy excessive consumption, but, if so, the problem is the debt and not the nationalities of the creditors.

29 July 2008

Editor, The Wall Street Journal
200 Liberty Street
New York, NY 10281

To the Editor:

John Fund's review of Alvin Stephen Felzenberg's "The Leaders We Deserved" is superb (July 29). But it's not quite correct to say that "In November, we will definitively rank our two presidential candidates." This chestnut of conventional wisdom mistakenly presumes that each voter's ORDER of preference - for example, "I prefer Obama over McCain" - is the only relevant part of each voter's preferences. In fact, however, each voter has also INTENSITIES of preference - for example, "I prefer Obama enormously over McCain."

In November, each voter will be able to express his or her preference order, but not his or her preference intensity. This fact is important. Suppose John McCain wins with 51 percent of the vote. Would he truly be the most-preferred candidate if the great majority of persons who vote for him prefer him over Barack Obama only very slightly, while the

great majority of persons
who vote for Obama
absolutely and deeply
loathe the prospect of a
McCain presidency?

legislation raising firms'
cost of employing women."

Because the intensity with
which each of us prefers
one thing to another is as
much a part of our
preferences as is the
ordering of those
preferences, casting ballots
in elections does less than
we typically suppose to
reveal the inherently
elusive 'will of the people.'

28 July 2008

Editor, The New York
Times
229 West 43rd St.
New York, NY 10036

To the Editor:

Convinced that a slowing
economy
disproportionately hurts
women workers, Debra
Ness asserts that "We
need Congress to pass
legislation mandating paid
family and medical leave
and paid sick days and to
restore fair pay laws"
(Letters, July 28).
Rerwording Ms. Ness's
assertion to reveal its
essence makes clear why
her preferred policies are
less likely than she thinks
to help women: "We need
Congress to pass