



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.

7 December 2008

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

To the Editor:

Alexei Barrionuevo writes that an Indian tribe in Brazil faces "challenges to its subsistence livelihood" ("A Tribe in Brazil Struggles at the Intersection of Drugs and Cultures," December 7).

Umm, isn't it more accurate to say that a subsistence livelihood presents challenges to this tribe? Romanticizing pre-modern cultures is easy for an

urbane reporter from America, but I suspect that those Indians are no more pleased than Mr. Barrionuevo or any of your readers would be to merely subsist.

6 December 2008

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

To the Editor:

Mark Neporent, chief operating officer of Chrysler's parent corporation Cerberus, said about his company's request for billions of dollars in taxpayer-backed loans: "We're not in this for

the money" ("Chrysler's Friends in High Places," December 6). As you suggest, this claim is laughable.

But it's no less laughable than the claims routinely issued by politicians that they are "public servants" - that they work not for their own good but for the greater good - that they sacrifice their own well-being for the welfare of others - that the regulations they impose and the taxes they collect serve noble purposes.

ALL claims of altruistic behavior should be viewed skeptically, especially when the self-described

saints require government force to fulfill their allegedly magnanimous missions.

5 December 2008

Friends,

I speak here with Adam Davidson and Laura Conaway, on today's episode of NPR's Planet Money, about the economic merit of layoffs. Start listening around the seven-minute mark:

http://www.npr.org/blogs/money/2008/12/hear_layoffs_are_good_for_us.html

4 December 2008

Editor, Baltimore Sun

Dear Editor:

You opine that Detroit automakers "need to explain in detail to Congress how they intend to eliminate thousands of uneconomical dealerships, swiftly bring their labor costs closer to what Toyota pays its workers in this country, and quickly produce more energy-efficient cars that Americans will want to buy" ("Selling American cars," December 4).

No. These companies deserve investment funds only if they're able to make

cars that will sell AND can demonstrate this ability to private investors.

Congress is manned by people who specialize in winning popularity contests called "elections." These are not people expert in judging business models, or at pondering the pros and cons of different retail-distribution methods, or equipped to accurately discern the nuances of consumer demands for automobiles, or even - judging from their track record - aware of the most elementary principles of finance and economics.

If, say, you're looking for someone to manage your 401(k), would you entrust that job to Sen. Mikulski or Rep. Hoyer? Of course not, for that's not what they do. So why entrust them and other politicians with the job of investing on a vastly larger scale?

3 December 2008

Editor, Toledo Blade

Dear Editor:

Detroit auto executives advocate "government getting a stake in the auto companies that would allow taxpayers to share in future gains if they recover" ("GM exec: bankruptcy not

an option for industry," December 3).

I remind these executives that each American is already perfectly free and able, with no action from government, to "get a stake" in these companies. Of course, few Americans now choose to do so - a fact that reflects the considered judgment of millions of people that these companies are unworthy recipients of investment funds. If millions of investors, spending their own money, refuse to invest in GM, Ford, and Chrysler, why should Congress force them to make such investments? Why should we trust that Congress will make wiser investment decisions with other people's money than these people themselves make with their own money?

2 December 2008

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

To the Editor:

Detroit auto executives persistently plead for Uncle Sam to bail them out - in part from the consequences of regulatory burdens that

Uncle Sam himself imposed ("Auto Makers Detail Restructuring Plans," December 2). This unsavory spectacle calls to mind an observation by the great Depression-era journalist Dorothy Thompson, who wrote during the height of the New Deal that "Unfortunately our policies are made by people who are often sadistic anti-capitalists.... They seem to think that the way to socialize any industry is first to bankrupt it and then socialize the losses."

2 December 2008

Friends,

Here again is my GMU colleague (and co-blogger at Cafe Hayek) Russ Roberts, this time featured in an eight-minute-long podcast from the Cato Institute. Russ here talks of communicating economics in troubled times:

http://www.cato.org/dailypodcast/podcast-archive.php?podcast_id=788

2 December 2008

Friends,

My GMU colleague and co-blogger (at Cafe Hayek), Russ Roberts, again shares his wisdom on National Public Radio. You can find it here:

<http://cafehayek.typepad.com/hayek/2008/12/where-did-the-m.html>

2 December 2008

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

To the Editor:

Bob Herbert wants President Obama to "begin addressing on day one the interests of those who are

not rich and who have not had the ear of those in power" ("A Team of Whizzes," December 2). Sounds reasonable - but it's not.

In a free society prosperity is achieved by persons who take initiative for themselves - persons who do not sit around, brandishing excuses, waiting for their needs to be "addressed" by Great Leaders. Insofar as any person's needs become the responsibility of the state, two consequences are inevitable. First, and worst, that person loses his or her resourcefulness and dignity. Second, he or she suffers the perpetual risk that, as the winds of politics shift and economic reality collects its dues, the once-provident state becomes uninterested in "addressing" those needs and increasingly unable to do so.

