



Comment on the Commentary of the Day

by

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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.

21 December 2008

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

To the Editor:

You report that more companies are reducing the amounts they contribute to employees' 401(k) retirement accounts, saying that this "move will hurt savings" ("In Need of Cash, More Companies Cut 401(k) Match," December 21).

Perhaps. But, if so, why is your report filled with gloom and doom? According to your Nobel economist columnist, Paul

Krugman, the great sage whose wisdom we must now rely upon to guide us out of recession is John Maynard Keynes. Keynes famously believed that economic downturns were caused by excessive saving. Surely if this late Cambridge Don were correct, companies that pump less money into their employees' savings in order to spend more money staying afloat are national benefactors.

21 December 2008

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

To the Editor:

Your front-page report on George W. Bush's role in the housing crisis is stunningly inaccurate ("White House Philosophy Stoked Mortgage Bonfire," December 21). Had your reporters read "Fannie Mae Eases Credit To Aid Mortgage Lending," a report appearing in your pages on September 30, 1999,

[\[http://query.nytimes.com/gst/fullpage.html?res=9c0DE7DB153EF933A0575AC0A96F958260&sec=&spon=&pagewanted=all\]](http://query.nytimes.com/gst/fullpage.html?res=9c0DE7DB153EF933A0575AC0A96F958260&sec=&spon=&pagewanted=all) they

would have found this fact that contradicts their allegation that government efforts to artificially and dangerously promote home-ownership began

with the current administration: "Fannie Mae, the nation's biggest underwriter of home mortgages, has been under increasing pressure from the Clinton Administration to expand mortgage loans among low and moderate income people."

And your reporters would have found also this prescient warning: "'From the perspective of many people, including me, this is another thrift industry growing up around us,' said Peter Wallison a resident fellow at the American Enterprise Institute. 'If they fail, the government will have to step up and bail them out the way it stepped up and bailed out the thrift industry.'"

Your reporters are either lazy or partisan or both.

19 December 2008

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

Dear Editor:

Re "Blagojevich Allegations Are Expanded" (December 19): The continued surprise at the scandalous acts of Illinois Gov. Rod Blagojevich is, well, surprising. Anyone with

open eyes sees that such behavior is to be expected from those who successfully seek power by winning the popularity contests we call "elections." H.L. Mencken certainly saw reality with eyes open and vision acute:

"For if experience teaches us anything at all it teaches us this: that a good politician, under democracy, is quite as unthinkable as an honest burglar. His very existence, indeed, is a standing subversion of the public good in every rational sense. He is not one who serves the common weal; he is simply one who preys upon the commonwealth. It is to the interest of all the rest of us to hold down his powers to an irreducible minimum, and to reduce his compensation to nothing; it is to his interest to augment his powers at all hazards, and to make his compensation all the traffic will bear." [H.L. Mencken, *Prejudices* (Baltimore: The Johns Hopkins Press, 1996 [1919]), p. 172]

18 December 2008

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

To the Editor:

Bravo for Roger Cohen's explanation that market economies work by creating new firms, new products, new processes - and that these creations are both the source of our prosperity and that they require that old firms, old products, and old processes be allowed to die ("Pan Am Dies, America Lives," December 18).

The still-unmatched explanation of this capitalist process was penned in 1942 by Joseph Schumpeter. He is worth quoting: "Capitalism, then, is by nature a form or method of economic change and not only never is but never can be stationary." It propels us forward by unleashing a "perennial gale of creative destruction."

To those who would prevent these adjustments in order to avoid their short-term pains - to those who insist that even temporary unemployment of resources is economically unacceptable - Schumpeter replied wisely: "A system - any system, economic or other - that at every given point of time fully utilizes its

possibilities to the best advantage may yet in the long run be inferior to a system that does so at no given point in time, because the latter's failure to do so may be a condition for the level or speed of long run performance." [Joseph A. Schumpeter, *Capitalism, Socialism, and Democracy* (New York: Harper, 1942), pp. 82-83]

17 December 2008

Friends,

During these economically tumultuous times, having a correct understanding of history -- an understanding that frames our perspective on current events and, hence, influences our interpretation of these inevitably complex phenomena -- is especially important.

My and Karol's dear friend, the great economic historian Bob Higgs, talks with Russ Roberts in this latest EconTalk podcast about the Great Depression, the New Deal, and the myth that the economic woes of that era were conquered by World War II. Bob's discussion with Russ is vital.

<http://cafehayek.typepad.com/hayek/2008/12/higgs-on-the-gr.html>

17 December 2008

Editor, The Washington Examiner

Dear Editor:

George Bush is the complete politician: he believes all that his in-house press and party operatives say about him, and he pours whatever meaning is politically

expedient into every word that he uses. This fact is made clear by his statement that he "abandoned free market principles to save the free market system" ("Bush: 'I've Abandoned Free Market Principles To Save The Free Market System', December 17).

First, one cannot abandon something that one never possessed - and this President, from his steel tariffs to his prescription-drug program to his No Child Left Behind foolishness, at no time gave the slightest indication that he supports free markets as a matter of principle.

Second, principles by their nature are things you stick with during trying times. Because no case has been established that today's troubles are caused by free markets, or that Mr. Bush's hyperactivity of late will "save" markets, his "abandonment" of his alleged principles simply reflects the fact that he never possessed them to begin with.

17 December 2008

Editor, The Washington
Times

Dear Editor:

I agree with every sentence of Steve Chapman's essay on Barack Obama - save this one: "But Mr. Obama came to public attention because of a speech, at the 2004 Democratic convention, that showed he was capable not only of clear thought but of genuine passion" ("A 'My Pet Goat' moment," December 17).

The most we can conclude from that speech is that Mr. Obama is capable of displaying passion that appears genuine to audiences longing to hear it, much like a soap-opera star is capable of displaying passion for an actress whom that star might hold in utter contempt the moment the tape stops rolling.

Let's not confuse theater with reality.