



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.

24 April 2009

Editor, Baltimore Sun

Dear Editor:

Your opposition to so-called "predatory lending" ("Fixing credit cards," April 24) - that is, your opposition to banks making attractive loan offers to low-income borrowers - reminds me of a conversation that I had 20 years ago with a fellow student at the University of Virginia law school. Call her "Jane."

I suggested to Jane that surrogate-motherhood contracts harm no one. Jane very cock-surely

responded that such contracts harm surrogate mothers. "How?" I asked. She answered by saying that persons seeking the services of surrogate mothers will offer prices so high that many women "will have no real choice but to become surrogate mothers." Jane then added "And THAT'S exploitation!"

If Jane's 'reasoning' and vocabulary are correct, then surely we all want to be exploited, long and hard. Indeed, who among us doesn't hope to become the victim of such cruelty at the hands of potential employers? And who among us, as consumers,

doesn't hope to be abused by exploitatively low prices for goods and services sold by the likes of supermarkets, clothing stores, bookstores, and, yes, banks?

24 April 2009

Editor, USA Today

Dear Editor:

You endorse government restrictions on the terms on which credit-card users can contract with credit-card issuers ("Winds shift for credit issuers," April 24). You apparently believe that current credit terms serve only to inflate issuers' profits rather than to expand the supply of consumer credit.

This belief is questionable. But if it's valid, then the best way to help consumers is for you, Pres. Obama, Rep. Carolyn Maloney, Sen. Chris Dodd, and other proponents of these government restrictions to quit your current jobs and start a bank that issues credit cards. When you more enlightened and responsive issuers enter the market and offer clearer and more-attractive contractual terms to credit-card users, customers will flock to you! Other issuers will either go out of business (assuming that they're not bailed-out!) or be forced by competition to match your clearer and more-attractive terms.

Unless and until you and these politicians put your own money where your mouths are, I see no reason to credit your claims.

24 April 2009

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

To the Editor:

I share your delight that President Obama recently reneged on his campaign promise to renegotiate NAFTA's labor and environmental provisions - as predicted during the campaign by his pro-free-trade advisor Austan Goolsbee ("Austan Goolsbee's Vindication," April 24). But I'm not as confident as you are that this move signals that Mr. Goolsbee's free-trade principles have triumphed within the administration.

Because, for political advantage, Mr. Obama earlier lied about his intentions on the trade front, why should we trust him now?

22 April 2009

Friends,

Here's what Earth Day means to me:

<http://www.cafehayek.com/hayek/2009/04/what-earth-day-means-to-me.html>

22 April 2009

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

To the Editor:

Sen. Dick Durbin supports legislation that would, as he says, "allow bankruptcy judges to modify the terms of mortgages which would otherwise fail" (Letters, April 22). So it's unsurprising that he regards opposition to this legislation as unreasonable. To persuade opponents of the merits of this legislation, Mr. Durbin notes that "Credit Suisse ... argues that mortgage modifications would be an important tool to prevent foreclosures and protect the bank's bottom line." No doubt. And Credit Suisse is free to modify any mortgages it holds in whatever ways it wishes.

But contrary to Mr. Durbin's presumption, the fact that people do things voluntarily doesn't mean that it's fine for government to force people to do those things.

For example, I'll likely forgive a debt owed to me by one of my siblings. But it doesn't follow from this fact that no harm is done if government commands me to do so.

Mr. Durbin's obliviousness to the vital distinction between voluntary actions and coerced behavior makes him a man who is both deluded and dangerous.

21 April 2009

Friends,

When my colleague Tyler Cowen is on -- and he is "on" far, far more than not - he offers arguments, facts, and insights that are second to none. Read Tyler's informed, powerful, and passionate review of Phillippe Diaz's movie "The End of Poverty." This review appears in The American Interest.

Regardless of your priors, you will be wiser and more well-informed after reading Tyler's brilliant review: <http://www.the-american-interest.com/article.cfm?piece=601>

20 April 2009

Editor, U.S. News & World Report

Dear Editor:

You report that President Obama today "challenged" his cabinet to "cut the budget by \$100 million" ("Obama to Cabinet: Cut \$100 Million from Budget," April 20).

What courage. A President who proclaims the importance of making "hard choices" calls upon his government to trim away a whopping one thirty-six-thousandth of its projected expenditures for the year - or, alternatively reckoned, one twelve-thousandth of its projected budget deficit.

To put this budget "cut" in perspective, suppose that the typical American family, earning \$50,000 annually, plans this year to run a budget deficit similar in proportion to its income as the deficit that Uncle Sam will run in proportion to his tax take. Such a family would plan to spend \$75,000. Now suppose that this family, seeking to signal its commitment to financial prudence, promises spending cuts equal in proportion to its budget to the cuts that Mr. Obama announced today.

This family would declare -- surely with much fanfare - that it will reduce its

planned expenditures by \$2.09! Perhaps it might promise to survive the year with one less gallon of gasoline or with one less cup of coffee.

Who would take such a gesture to be anything other than audacious sarcasm by the chronically irresponsible?