



## Comment on the Commentary of the Day

by

Donald J. Boudreaux  
Chairman, Department of Economics  
George Mason University  
[dboudrea@gmu.edu](mailto: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.**

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24 May 2009

Editor, The New York Times  
620 Eighth Avenue  
New York, NY 10018

To the Editor:

You write as though the only reason to cut taxes is to promote more consumer demand ("The Sorry State of the States," May 24). You're mistaken.

By far, the chief economic reason for cutting taxes is to increase the return to productive activity - to increase the return to investment, to risk-taking, to creativity, to work. The economic justification for

lower taxes rests squarely on the understanding that cutting marginal tax rates makes profitable many productive efforts, including hiring more workers, that are unprofitable at higher tax rates.

Why does this straightforward point seem so taxing to your editorial-writers' comprehension?

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22 May 2009

Editor, Politico.com

Dear Editor:

Rep. Alan Grayson (D-FL) has introduced legislation to force employers to provide up to two weeks of

paid vacation for all employees ("Alan Grayson to introduce Paid Vacation Act," May 21). His rationale?: "There's a reason why Disney World is the happiest place on Earth: The people who go there are on vacation."

A lengthy article is required to enumerate each flaw in this goofy reasoning. But I can't help but wonder if Mr. Grayson's Mickey Mouse idea has anything to do with the fact that the district he represents includes Disney World. If he represented instead, say, Hollywood, he might conclude that, because people are in a good mode when attending movies,

that Uncle Sam should force employers to give each employee a daily 'movie break.' And Jiminy! Who knows what Mr. Grayson would propose if he represented Las Vegas?!

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21 May 2009

Friends,

My GMU colleague Alex Tabarrok -- who also, by the way, earned his PhD at GMU many years before returning to teach and research here -- spoke a few months ago at the TED conference. Here's a short video (14.5 minutes) of Alex's talk. It's fascinating, eloquent, fact-rich, and instructive:

<http://www.youtube.com/watch?v=lp2-Qa50uBI>

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21 May 2009

Editor, The New York Times  
620 Eighth Avenue  
New York, NY 10018

To the Editor:

In your report on the Chinese lending vast sums of money to Uncle Sam, President Obama is quoted as saying that "The long-term deficit and debt that we have accumulated is unsustainable - we can't keep on just borrowing

from China" ("China Grows More Picky About Debt," May 21). It's unclear if Mr. Obama is referring to the trade deficit or to the budget deficit.

If the trade deficit, it's not at all unsustainable. As long as the U.S. remains attractive to investors, the trade deficit will persist as foreigners add to America's capital stock (Alas, as Mr. Obama's policies make the U.S. less attractive to investors, the trade deficit will in fact shrink.)

If, instead, the President has in mind the budget deficit, he's correct that it's unsustainable but incorrect as to why. Like any other debt, the larger Uncle Sam's debt grows the more burdensome it is to pay off. But also like any other debt, the burden is the need to pay the creditors and not the nationalities of the creditors.

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20 May 2009

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

To the Editor:

John Steele Gordon explains "Why Government Can't Run a Business" (May 20). I learned from

the historian Burt Folsom one of the best historical examples of this truth - namely, Congress's mid-19th-century subsidization of Edward K. Collins' steamship company.

[<http://www.thefreemanonline.org/columns/entrepreneurs-and-the-state/>]

In 1847 Collins persuaded Congress to spend several million dollars to support his effort to build a fleet of luxurious steamships for carrying passengers to and from Europe. Constantly over budget - and frequently seeking and receiving more subsidies - Collins' ships were shoddy. Two of them sank, killing nearly 500 persons. When Congress finally wised up and stopped these subsidies, Collins' steamship business went bankrupt.

At the same time, Cornelius Vanderbilt constructed and operated his own steamships without subsidies. Compared to ships in the Collins fleet, Vanderbilt's vessels were much more sea-worthy, fuel-efficient, and profitable. The unsubsidized Commodore Vanderbilt out-competed the subsidized Edward Collins.

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19 May 2009

Editor, The Guardian

Sir:

We Americans are lucky! President Obama, although having zero experience as an entrepreneur or in the automotive industry, has designed fuel-efficiency standards that (he assures us) will save the average car buyer \$2,800 over the life of his or her vehicle ("Obama touts plan for cleaner, more efficient cars," May 19). What a deal!

No one in Detroit, in the U.K., in Japan, in Germany, in Sweden, in Korea - no one anywhere, not even persons with decades of experience producing and selling automobiles - has figured out how to devise a vehicle that is so obviously attractive to American consumers and, therefore, so rich in profit-earning potential for manufacturers. But our President (he assures us) has done so.

And we can admire not only Mr. Obama's industrial genius, but also his magnanimity in offering to the public, free of charge, his money-saving idea. He could have earned billions of dollars in profit by putting his idea to the test

in the market. But no: by simply forcing us to use his idea without charge, he'll forego this profit. We Americans are lucky indeed.

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18 May 2009

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

To the Editor:

Your report on the Obama administration's decision to accelerate the implementation of higher fuel-economy standards is headlined "U.S. to Require Fuel-Economy Standard by 2016" (May 18).

Because these standards will raise the price of cars produced during and after 2016 relative to the price of cars produced before that year, an equally good headline would have been "U.S. to Boost the Attractiveness of Used Cars by 2016" - an effect at odds with the administration's multi-billion dollar effort to reboot the Detroit automakers.

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18 May 2009

Editor, Washington Post

Dear Editor:

Explaining why he isn't worried that another Great Depression looms on the horizon, Fareed Zakaria argues that today's world is not like that of the 1930s ("The Sky Isn't Falling," May 18). I'm not so sure. Contrary to Mr. Zakaria's suggestion, governments in the 1930s DID respond vigorously to that era's economic downturn. They did so, however, with policies that we now know were counterproductive. Higher taxes, money-supply contractions, protectionism, and government-orchestrated cartelization of industry all blocked recovery.

Why should we be confident that the vigorous responses of governments today are any less misguided and ill-fated than were those vigorous responses of the 1930s?