B>Quest
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Comment on the Commentary of the Day

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31 May 2009

Friends,

Wayne Crews and Ryan Young -- of the Competitive Enterprise Institute (and each having earned his masters degree in economics at GMU) -- explain in the Investor's Business Daily the costliness of government-imposed regulations: http://ibdeditorials.com/IBDArticles.aspx?id=328318400128627

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31 May 2009

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

Dear Editor:

George Will wisely warns that government micromanagement of the economy will be followed by consequences both unintended and undesirable ("'Shock And Awe' Statism," May 31). The economy is vastly more complex than such planners suppose.

Writing in 1698, Charles Davenant criticized the arrogance of such planners: "It is hard to trace all the circuits of trade, to find its hidden recesses, to discover its original springs and motions, and to shew what mutual dependence all traffics have one upon the other. And yet, whoever will categorically pronounce that we get or lose by any business, must know all this, and besides, have a very deep insight into many other things." [Charles Davenant, Discourses on Publick Revenues [1698], p. 388]

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28 May 2009

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

To the Editor:

You report that Treasury secretary Timothy Geithner is "planning to press Beijing to take drastic measures to turn China's economy into one that depends heavily on sales to domestic consumers and less on sales to the U.S." ("Geithner to Urge Chinese Leaders to Rely Less on Exports," May 28).

In other words, Mr. Geithner will press the Chinese to take drastic measures to reduce their success at serving American consumers.

When business executives collude to restrict the amounts that they offer to sell to us, they are in violation of antitrust statutes and are often charged as criminals. But when government officials operate to achieve the very same outcome - i.e., reduced supplies available to consumers - these officials are portrayed uncritically, even heroically, as crafting "trade policy."

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28 May 2009

Editor, The American Prospect

Dear Editor:

You boast that your magazine is "the essential source for progressive ideas." And yet your contributors, including Dean Baker in the blog that you host, are forever lamenting the U.S. trade deficit ("China Knows It Will Take a Beating on Its Treasury Investments," May 21). Alas, these laments reveal no progress beyond the poor economics and calls for mercantilist trade restrictions that reigned in the late middle ages.

For example, in 1381 Richard Leicester, worried about England importing more than it exports (and paying for these extra imports with money), could have been featured in your pages when he wrote that "Wherefore the remedy seems to me to be that each merchant bringing merchandise into England take out of the commodities of the land as much as his merchandise aforesaid shall amount to; and that none carry gold or silver beyond the sea, as it is ordained by statute." [Quoted in Jacob Viner, "Studies in the Theory of International Trade" (1937), p. 6.]

True progress in understanding the nature of trade and the absurdity of fretting about the "balance of trade" - in understanding that wealth is access to goods and services and not gold, silver, or currency per se - did not begin until the late 17th century, especially with Nicholas Barbon. Adam Smith capped this progress when in 1776 he noted that "Nothing, however, can be more absurd than this whole doctrine of the balance of trade." [Adam Smith, "An Inquiry Into the Nature and Causes of the Wealth of Nations" (1776) Book IV, Chapter 3, paragraph 31]

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28 May 2009

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

Dear Editor:

Harold Meyerson asserts that California's fiscal woes result from that state taxing its citizens too lightly (“How the Golden State Got Tarnished,” May 28). He's mistaken. In 2008, per-capita state and local taxes paid per capita in California was, at $5,028, sixth highest in the country - a figure exceed only in Connecticut, D.C., Massachusetts, New Jersey, and New York. [http://www.taxfoundation.org/taxdata/show/336.html]

Nor has government spending in the Golden State been particularly low. In 2008, state and local government spending per capita in California, at $10,678, was also sixth highest in the country. Only Alaska, Delaware, D.C., New York, and Wyoming spent more. [http://www.usgovernmentspending.com/CA_per_capita_spending.html#usgs302]

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27 May 2009

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

To the Editor:

As Matt Fass correctly notes, requirements that products be inspected by government are often trade barriers in disguise (Letters, May 27). But I would go him one better. Rather than insist that catfish be inspected by the FDA instead of by the more-intrusive USDA, let's abolish government inspection completely.

Of course, consumers would still demand safety assurances. So you can bet that retailers such as Whole Foods, Safeway, and Wal-Mart would inspect their fish (and beef, and vegetables, and you-name-it) thoroughly before offering it to the public. And consumers, aware that they're relying exclusively on these private, branded businesses for quality assurance, would know just who to punish - and how to do so - in the event of any serious inspection failure.

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26 May 2009

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

To the Editor:

I share David Brooks's fear and loathing of President Obama's thuggish methods of persuading business executives to 'cooperate' with his obnoxious intrusions into the economy ("And the Angels Rejoice," May 26). As I read Mr. Brooks's spirited lament, I recalled this wise warning from Walter Lippman:

"Though it is disguised by the illusion that a bureaucracy accountable to a majority of voters, and susceptible to the pressure of organized minorities, is not exercising compulsion, it is evident that the more varied and comprehensive the regulation becomes, the more the state becomes a despotic power as against the individual. For the fragment of control over the government which he exercises through his vote is in no effective sense proportionate to the authority exercised over him by the government." [Walter Lippman, THE GOOD SOCIETY (Boston: Little, Brown Co., 1937), pp. 105-106]

26 May 2009

Editor, New York Post

Dear Editor:

Ralph Peters argues that terrorists should be executed summarily, as "man-killing animals" possessing no rights ("Instant Justice," May 26).

His argument begs the question of whether or not those accused of being terrorists really ARE terrorists. Like too many on the political right (and some on the left), Mr. Peters assumes that procedural protections for persons accused of wrongdoing exist primarily to make life easier for the accused. Not so. The chief functions of these protections are two. One is to shield innocent persons from being wrongly convicted and punished. The other is to keep the state's powers in check.

A state that can summarily execute anyone whom it assures its citizens is a dangerous terrorist will itself, in time, become the most dangerous of terrorists.

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26 May 2009

Editor, Washington Post

Dear Editor:

You convincingly expose the destructive political maneuvering that marks the Obama administration's take-over of General Motors ("Government Motors," May 26). Alas, this bullying of bond-holders and coddling of a favored interest group (the UAW) would not have surprised James Madison, who offered in Federalist 62 a lesson that applies not only to today's bailout/stimulus fiasco, but also to much of what governments in the United States have been up to for decades:

"Every new regulation concerning commerce or revenue, or in any way affecting the value of the different species of property, presents a new harvest to those who watch the change, and can trace its consequences; a harvest, reared not by themselves, but by the toils and cares of the great body of their fellow-citizens. This is a state of things in which it may be said with some truth that laws are made for the few, not for the many."

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25 May 2009

Friends,

Here's a 1948 recording of the greatest American ever to live: H.L. Mencken -- skeptic, libertarian, bon vivant, writer without equal: http://www.metafilter.com/81909/Mencken-Speaks

Enjoy. Learn. Indulge.

(Thanks to Fred Dent.)

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25 May 2009

Editor, Washington Post

Dear Editor:

Reviewing Alice Schroeder's biography of Cornelius Vanderbilt, T.J. Stiles uncritically accepts the potted history that condemns Vanderbilt's railroads as having been "strategic monopolies" ("The Man Who Owned America," May 24).

Ironically, Stiles himself reveals the questionableness of that history when he notes that "ironically, his [Vanderbilt's] rate wars lowered transportation costs for everyone."

It's time that historians and journalists come to understand that true monopolists RAISE prices -

and, therefore, that falling prices are evidence of vigorous competition, regardless of firms' sizes or market shares.