

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.

14 June 2009

Editor, Baltimore Sun

Dear Editor:

Diana Schaub rightly argues that no judge should allow empathy for parties in a courtroom to dilute his or her commitment to applying the law dispassionately ("Why empathy is the enemy of justice," June 14). But the need for judicial impartiality does not imply that judges should avoid engaging with the real-world contexts and details that surround every legal dispute.

In a free society, law isn't simply a set of explicit commands handed down from a sovereign (be it a monarch or a democratically elected legislature). A great deal of law emerges undesigned from the daily practices of ordinary people interacting with, and sometimes bumping into. each other. People on their own often find ways to minimize these conflicts, and these ways become embedded in people's expectations. These expectations, in turn, become unwritten law - law that good judges find and enforce impartially.

12 June 2009

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

To the Editor:

Paul Krugman is angry that media such as Fox News and the Washington Times often make unsubstantiated, over-the-top claims about Democrats and left-liberal causes ("The Big Hate," June 12).

Prof. Krugman should chill. These media - no less than the likes of CBS and your own paper - are in business not to inform but to entertain. And

presumably the fictions that so irritate Mr. Krugman entertain their intended audiences - entertain these audiences no less than do the fictions that are routinely emitted by 'progressive' media entertain THEIR intended audiences. How else, for example, to explain the routine accusation that members of the Chicago school of economics applauded Pinochet's tyranny in Chile? Or the incessant refrain, from outlets such as The Nation. that multinational corporations seek to 'impose' free trade as a means of enslaving workers? Or the common assertion that persons who endorse free markets are really just mean-spirited mercenaries paid in some coin to protect the privileges of the rich with cynical arguments that confuse and confound ordinary folk?

Aren't these arguments just as incendiary and unsubstantiated as are those that Mr. Krugman attacks?

10 June 2009

Editor, The New York Times 620 Eighth Avenue New York, NY 10018 To the Editor:

Geoff Berg blames the high price of medical care on fee-for-service: "The problem with fee-forservice is not merely that it pays providers to provide service; it pays them to create service as well" (Letters, June 10).

This explanation cannot be correct. If it were, we would see, say, the prices of consumer electronics rising ever higher as consumers helplessly purchase each new gadget marketed by the likes of Sony, Apple, and Dell. These producers, after all, are paid according to the quantities and qualities they supply, and they have incentives to keep creating new gadgets. And yet, the real prices of consumer electronics - as well as of many of the other products supplied according to feefor-service (which is the vast majority of the economy) - continue to fall.

A better explanation for the high and rising price of medical care is found in Americans' heavy reliance on tax-subsidized third-party payments.

9 June 2009

Friends.

In one of the most eloquent and effective pieces of writing that I've read in a long while, my colleague Bryan Caplan, blogging at EconLog, tackles the argument that markets give insufficient weight to the welfare of poor people.

Read, learn, and enjoy George "Masonomics" at its finest:

http://econlog.econlib.org/a rchives/2009/06/how mark ets val.html 9 June 2009

Editor, Baltimore Sun

Dear Editor:

Bravo for British ambassador Nigel Sheinwald's case for freer trade ("The peril of protectionism," June 9).

One clarification, though: he says that "our globalized economy has not come about by accident. It is the result of our collective choice for openness." If Mr. Sheinwald is referring to multilateral trade agreements such as the GATT, he's correct as matter of history, but he should also point out that any country would gain from free trade even if it tears down its customs walls unilaterally.

If instead Mr. Sheinwald is referring to each government's choice to move toward freer trade. his words unintentionally mislead. What requires government action - what requires "collective choice" - is protectionism. Free trade exists naturally. Free trade is simply the absence of trade restrictions - the absence of officious interference with those engaged in consensual capitalist acts.

8 June 2009

Editor, New York Post

Dear Editor:

George Will is understandably frightened by the administration's and Congress's massive infusion of politics into the operation of the U.S. auto industry - and he is understandably angered by these politicians' blatant lies about how they wish to keep politics out of the operation of this industry ("G.M.: That's 'Gov't Mandate' to you," June 8). Unfortunately, the "leaders" of this industry invited this cancerous intrusion by seeking handouts.

How sad it is that America has too few persons who really, deeply agree with the poet Shelley that

"The man
Of virtuous soul commands
not, nor obeys.
Power, like a desolating
pestilence,
Pollutes whate'er it
touches." [Percy Bysshe
Shelley, "Queen Mab"
(1813)]

8 June 2009

Editor, Slate

Dear Editor:

Eliot Spitzer asserts that the U.S. economy is in a "transition away from actual goods production" ("Green Shoots, Red Ink, Black Hole," June 3) - part of a long-run pattern that Mr. Spitzer finds "terrifying."

While today's economy is in poor shape, and likely to be made worse by Uncle Sam's frenetic fiddling, the only thing terrifying about the data that Mr. Spitzer presents is Mr. Spitzer's shabby understanding of them.

For example, the evidence that he presents for America's alleged transition away from goods production is the decline in the number of manufacturing jobs. Yes; such jobs are disappearing. But total U.S. manufacturing output is rising. In fact, in 2007 it was (as it has been for decades) the largest in the world, at an all-time high of \$1.831 TRILLION accounting for more than 20 percent of the entire world's manufacturing output. The country generating the secondlargest flow of manufacturing output in 2007 is China, which produced output valued at \$1.106 trillion – only 60 percent of the U.S. total.