

Comment on the Commentary of the Day

by Donald J. Boudreaux Chairman, Department of Economics George Mason University <u>dboudrea@gmu.edu</u> <u>http://www.cafehayek.com</u>

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.

16 August 2009

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

Dear Editor:

William Hawkins is disingenuous. Today he argues that NAFTA is a failure because Canada, Mexico, and the U.S. still import a great deal from outside of North America (Letters, August 16). To combat this alleged scourge, he says that "NAFTA reform needs to pull the three countries together against outside rivals." But Mr. Hawkins has also argued against the construction of a "NAFTA highway dedicated to moving shipments from Mexico to the interior of the United States and Canada." He worries that such a highway would be "a threat to our national security, and it would accelerate the give-away of American jobs and erosion of U.S. sovereignty." [http://www.fairus.org/site/ News2?page=NewsArticle &id=16895&security=1601 &news iv ctrl=10111

It's difficult to imagine what sort of "pulling together" of Canada, Mexico, and the U.S. Mr. Hawkins has in mind if he is opposed to infrastructure projects that reduce transportation costs within North America and, hence, promote the creation of a larger, more integrated, and (hence) more prosperous North American economy.

15 August 2009

Friends,

Here's an example of GMU economics at its best: the link below is to an audio recording of a talk that my brilliant young colleague Bryan Caplan delivered last summer at the Foundation for Economic Education. In this talk -- which is wonderfully entertaining and informative -- Bryan discusses voters' rational ignorance and irrationality: http://www.fee.org/Audio/Y SC/FINAL%20YSC%20-%20Bryan%20Caplan%20-%20Myth%20of%20the%2 0Rational%20Voter.mp3

Truly, this recording is terrific.

15 August 2009

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

To the Editor:

Paul Krugman writes as if distortions, exaggerations, and lies issue only from opponents of Obamacare ("Republican Death Trip," August 14).

He's wrong. Let's look at Moveon.org. According to that pro-Obamacare website, "Right now, big corporations decide whether to give you coverage, what doctors you get to see, and whether a particular procedure or medicine is covered—that is rationed care. And a big part of reform is to stop that."

Talk about a distortion!

In fact, right now corporations offer a range of coverage options to sell to you. You're free to buy or not to buy. "Big corporations" no more decide whether to give you coverage any more than "big corporations" decide whether to "give" you a flatscreen TV. or what TV. is most suitable for you. It's your choice. Unfortunately, the range of coverage choices is restricted by **GOVERNMENT** mandates that require that all policies cover certain medical conditions, and restricted further by GOVERNMENTimposed limitations on interstate competition among health insurers.

15 August 2009

Blog: Daily Kos.

Dear Olivia Jane:

You and many readers of Daily Kos are furious that Whole Foods CEO John Mackey expressed - in the pages of the Wall Street Journal - his opposition to greater government involvement in health care.

Exercising your rights and abilities as consumers, you are therefore boycotting Whole Foods. You're using your freedom to avoid paying for products offered by someone whose attitude toward government you disapprove of.

Isn't freedom wonderful?!

But I must ask: do you endorse my freedom to boycott paying for products offered by those whose attitude toward government I disapprove of? Like you, I have very strong opinions about the proper role of government, and also like you, a famous chief executive is now endorsing government policies that I find reprehensible.

Will you champion my freedom to stop supporting, with my money, Barack Obama's services? Will you come to my defense if I stop paying taxes to support those policies of Mr. Obama with which I disagree - policies such as the economic 'stimulus,' more vigorous antitrust regulation, and cap and trade? Indeed, will you defend me if I choose not to pay taxes to support **Obamacare?**

If you will support me in my boycott, then I applaud your principle and, although I disagree with you about Mr. Mackey's political views, fully support your freedom to boycott Whole Foods. But if you will not support me in my boycott, then can you tell me on what principle you would stand if someone (say, Mr. Mackey) managed to secure legislation that obliges you to shop at Whole Foods?

I await your reply.

14 August 2009

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

To the Editor:

Paul Krugman believes that only irrational rightwing ideologues - along with paid agents of a mysterious cabal of sinister billionaires - could possibly worry that Obamacare threatens ordinary Americans' freedoms, finances, and health ("Republican Death Trip," August 14).

But while many Obamacare opponents might misstate some details of the proposed 'reform,' it's quite appropriate to worry about unintended ill consequences - especially when reform as massive as Obamacare is in the works.

Examples are legion. Here's one: opponents of the federal income-tax openly worried a century ago that such a tax would unleash an intrusive bureaucracy. As Richard Byrd - then-speaker of the Virginia House of Delegates - expressed it, "A hand from Washington will be stretched out and placed upon every man's business; the eye of the Federal inspector will be in every man's counting house . . . The law will of necessity have inquisitorial features, it will provide penalties, it will create complicated machinery. Under it men will be hailed into courts distant from their homes. Heavy fines imposed by distant and unfamiliar tribunals will constantly menace the tax payer." [http://books.google.com/b ooks?id=KYQi9U62jG0C& pg=PA70&lpg=PA70&dq= %22A+hand+from+Washin gton+will+be+stretched+ou t+and+placed+upon+every

t+and+placed+upon+every +man%E2%80%99s+busin ess%3B+the+eye+of+the+ Federal+inspector+will+be +in+every+man%E2%80% 99s+counting+house%22+ Byrd&source=bl&ots=ECM 1wm4s_9&sig=if0dY49oCANL88Pw1UpK BI7fQQ&hl=en&ei=a8GFSs TwLoO0sgOkmtWkBw&sa =X&oi=book_result&ct=res ult&resnum=1#v=onepage &q=%22A%20hand%20fro m%20Washington%20will %20be%20stretched%20o

ut%20and%20placed%20u

pon%20every%20man%E2 %80%99s%20business%3 B%20the%20eye%20of%2 0the%20Federal%20inspe ctor%20will%20be%20in% 20every%20man%E2%80 %99s%20counting%20hou se%22%20Byrd&f=false]

Dismissed at the time as being mere scare tactics by tax opponents, these expressed concerns proved to be legitimate.

14 August 2009

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

To the Editor:

Paul Krugman is upset that today's political debate over health-care 'reform' is so theatrical – so full of exaggerations and lies ("Republican Death Trip," August 14). But his perturbation is akin to being upset that a threering circus features clowns as well as elephant droppings: the former is central to the show while the latter is its inevitable if unappealing by-product.

13 August 2009

Editor, Kansas City Tribune

Dear Editor:

Cynthia Tucker argues that profit "has no place in the health insurance industry. It distorts and disrupts the provision of health care, adding costs without adding quality of care" ("Shouting and Stomping Won't Obscure the Need for Reform," August 6). This insight is fascinating, with implications more farreaching than the humble Ms. Tucker points out.

If profit has no place in the health-insurance industry, surely it has no place in the auto- and life-insurance industries, either. Imagine how much less disruption, and how much better quality, we'd all enjoy if the prospect for profit were somehow stripped away from auto and life insurers.

And what about the newspaper business? Only heaven knows what sorts disruptive, poorquality reporting and opinionating readers get because of owners' quest for profit. Indeed, I'm sure that Ms. Tucker herself refuses to profit from the syndication of her columns: her profiting from such an arrangement would unquestionably disrupt her perspective and diminish the quality of her written insights.

13 August 2009

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

Dear Editor:

Protectionist Harold Meyerson asserts that the higher tariffs endorsed by protectionist Sen. Sherrod Brown would inject "some pro-American considerations into our trade policy" ("Just One Word: Factories," August 12).

Wrong. Higher tariffs would inject only some pro-American PRODUCER considerations into our trade policy - and only for SOME American producers.

The consumers who would pay higher prices in return for fewer and lower-quality goods and services would be Americans. And at least one-third of American imports today are inputs used by American producers to enhance their products' qualities and their firms' operating efficiencies. Does Mr. Meyerson rank as "Americans" only those relatively few producers who stand to gain from monopoly protection that would make the vast majority of the rest of us worse off?

13 August 2009

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

To the Editor:

Charles Murray wants to end mandatory income-tax withholding "and require everybody to do what millions of Americans already do: write checks for estimated taxes four times a year" ("Tax Withholding Is Bad for Democracy," August 13).

Such a change would certainly sharpen people's perception of the cost of government. But for even sharper perception, why not require Americans to pay their full annual taxes only ONCE each year say, on April 15th - rather than in four quarterly installments?

If the typical American is trustworthy enough to elect representatives who spend taxpayer monies wisely, surely he or she is trustworthy enough to save for one large annual tax bill. And because pundits and politicians are forever assuring us that government - unlike private firms - is unusually farseeing and capable of planning for the long-run, Congress would have no problem budgeting so that each annual infusion of cash lasts for twelve months.

12 August 2009

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

Dear Editor:

Harold Meyerson's argument that America no longer "makes things" is specious ("Just One Word: Factories," August 12). It's true, as Mr. Meyerson says, that "Since 1987. manufacturing as a share of our gross domestic product has declined 30 percent." But this fact is caused chiefly by a substantial growth in services and construction and NOT, as Mr. Meyerson implies, by declining manufacturing output.

In fact, according to the 2009 Economic Report of the President, total manufacturing output in the U.S. - measured by an industrial-production index - hit an all-time high in 2007 (the latest full year for which data are available). [These data are available in table B-51: http://www.gpoaccess.gov/ eop/tables09.html#erp3] In 2007, American manufacturing output was eight percent higher than it was in 2000, 69 percent higher than in 1990, 184 percent higher than in 1980, and 213 percent higher than in 1967 - the year that Mr. Meyerson holds out as a glorious one when America "still made things."

[Note: Several of you wrote to ask me if the manufacturing-output numbers that I cite in my letter from earlier this morning are adjusted for inflation. The answer is yes, as explained here under the heading "How is it Calculated?" http://www.schwab.com/pu blic/schwab/research strat egies/market insight/1/4/sc hwab guide to economic indicators industrial produ ction and capacity utilizati on.html]

11 August 2009

Mr. Lawrence O'Donnell The Ed Show MSNBC

Dear Mr. Lawrence O'Donnell:

I just watched your recent interview with investor Peter Schiff. While I'm no fan of Mr. Schiff - I disagree with much of what he says - I must say that your treatment of him was obnoxious. Especially galling were your countless interruptions of Mr. Schiff's attempts to answer your questions. Your interruptions were fueled by your puerile presumption that anyone who opposes greater government involvement with health care is either callously loutish or flamingly stupid.

Example: When Mr. Schiff said that he wants government's role in health care to be diminished, you replied sarcastically "So you want to do nothing?!"

Newsflash Mr. Newsman: government isn't the only entity that can and does act - it's not the only agency that does something. By having government do less, space is opened for individuals to do more. Physicians, private insurers, private certifiers, patients do things every day. And part of the case for a freer health-care market is that these private actors need more freedom to experiment - more space to adjust to each other's wishes and abilities - than currently exists.

You might legitimately disagree that a freer market will work as its proponents believe. But you cannot legitimately assert that making markets freer reflects a desire to "do nothing."

11 August 2009

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

Dear Editor:

You excoriate elected officials who, seeking higher office or fatter paychecks, quit the posts to which they are elected ("More Quitters (R-Fla., R-Tex.)," August 11). In your opinion, "When they quit early to further their ambitions or to pad their bank accounts, or simply because they've lost interest, they dishonor their positions and diminish themselves." And you mention several guitters who deserve induction into your "Quitters Hall of Fame" – quitters such as Senators Kay Bailey Hutchison, Mel Martinez, and Trent Lott.

So why no mention of Barack Obama? Not only did he quit the Senate seat to which he was elected, but during much of the time that he actually held that seat he was away from Washington campaigning for a higher office. If you believe what you write, you must regard Mr. Obama to be dishonorable and diminished.

10 August 2009

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

To the Editor:

A front-page report today proposes several explanations for why the teenage unemployment rate is much higher than the rate for workers generally ("Unemployment Among Teenagers Remains Stubbornly High," August 10).

Most of these reasons make no sense - such as, "The scarcity of jobs also means more middle-class teens work at jobs that fatten wallets rather than résumés." A teenager working only to fatten his wallet is counted as employed no less than is one working only to fatten her résumé.

More disappointingly, your report never mentions minimum-wage legislation. Although there's disagreement on this regulation's effect on the employment prospects of low-skilled workers, a significant number of economists (including yours truly) believe that both theory and evidence point to the minimum-wage as a major culprit at pricing unusually large number of teenagers and other lowskilled workers out of the job market.