

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.

13 September 2009

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

To the Editor:

By saving millions of people from starvation, green-revolution father Norman Borlaug arguably has done more for humanity than has any other human being of the past century ("Norman Borlaug, 95, Dies; Led Green Revolution," Sept. 13). Yet unlike Sen. Kennedy's, his death will go relatively unnoticed. He'll certainly not be

canonized in the popular mind.

Alas, in our world, melodramatic loud-mouths thunder to and fro in the foreground, doing little of any value while stealing most of the credit for civilization. Meanwhile, in the background, millions upon millions of decent. creative people work diligently at their specialties - welding, waiting tables, performing orthopedic surgery, designing shopping malls, researching plant genetics - each contributing to the prosperity of the rest. Some contributions are larger than others (as Dr. Borlaug's certainly was) but even a contribution as colossal as his is quickly taken for granted, any potential notice of it submerged beneath the self-congratulation, swagger, and bellicosity of the politicians who pretend to be prosperity's source. How wrong.

12 September 2009

Ms. Jennifer Loven Reporter, Associated Press

Dear Ms. Loven:

In your report today published at Money.AOL.com under the headline "US penalizes Chinese tires, infuriating Beijing" you write about "President Barack Obama's decision to impose trade penalties on Chinese tires." Both the headline and your report miss what's going on.

Tires are not sentient creatures; they cannot be penalized. And although Chinese government officials are displeased with this protectionist move by the White House, the ultimate parties who are penalized by these higher tariffs are American consumers. American consumers choose to buy increasingly large numbers of tires from China; the fuel that powers the rise in U.S. market share of Chinesemade tires is voluntary spending by American consumers; and so American consumers will suffer by being forced to pay a hefty tax simply to do what they've been doing now for years.

Uncle Sam's tariffs and other trade restraints pick the pockets of AMERICANS; they penalize each and every AMERICAN for having the audacity to spend his or her money in ways that he or she - rather than industry groups and politicians - believe his or her money is best spent.

Your headline would have been far more accurate had it read "US penalizes American consumers, pleasing special-interest groups."

12 September 2009

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

To the Editor:

So the Obama administration will force Americans who buy automobile tires from China to pay a 35-percent surcharge for the privilege of doing so ("U.S. to Impose Tariff on Chinese Tires," September 12).

No delusions should remain that the most recent presidential election has "transformed" politics into anything grander than what it has always been: a 'spoils exchange' where A and B shamelessly collude to rob C and exchange the plundered proceeds with D in return for D's commitment to help A and B retain their seats on this exchange.

11 September 2009

News Editor, WTOP Radio Washington, DC

Dear Sir or Madam:

I forget the name of the guest you interviewed earlier today who, praising last-night's speech by President Obama on health-care, described Mr. Obama as a "courageous leader."

Please contact your guest and ask her to read the editorial in today's Washington Post entitled "Slashing Tires" - and in particular its opening lines: "President Obama has maintained a conspicuous ambiguity about trade policy, sympathetically absorbing and sometimes restating the arguments both for and against free trade but not really committing himself on any particular issue."

The Post describes here a man neither courageous nor leading-the-way but, rather, a standard-issue politician - which is to say,

a shark as duplicitous as he is pompous and as skilled at fraud and flattery as he is hungry for power and glory.

11 September 2009

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

To the Editor:

John Vota thinks that today's downturn is worse in comparison with past downturns than the data suggest (Letters, Sept. 11). One reason is his belief that "The decline in industrial production is less because the U.S. now manufactures substantially fewer goods than it did in the past." Untrue. Total manufacturing output in the U.S. hit an all-time high in 2007 (the latest full year for which data are available). [These data are available in table B-51 at http://www.gpoaccess.gov/ eop/tables09.html#erp3 and do note that these data are adjusted for inflation: 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

More interesting is Mr. Vota's claim that today's unemployment rate is kept deceptively low by an uncommonly large number of "discouraged workers" - out-of-work persons absent from unemployment statistics because they've stopped looking for work.

The difficulty of counting their numbers makes empirical claims about such workers iffy. But let's grant that the number of discouraged workers is now at an all-time high. Contrary to Mr. Vota's presumption, this fact perhaps speaks WELL of today's economy: the wealthier an economy, the easier it is for someone to survive without earning an income and, hence, the more picky each of us can be about the job we take picky even to the point of dropping out of the workforce altogether.

10 September 2009

Editor, Los Angeles Times

Dear Editor:

You write that "President Obama made a compelling case for reform. How it'll be paid for, though, is another matter" ("Dollars and sense," Sept. 10).

Even overlooking the very real question of whether or not Mr. Obama's vision for health-care 'reform' can possibly materialize as he describes it, I'm baffled by your editorial. How can a compelling case for something be made unless and until questions about its affordability are answered? Would, for example, a case that I make to my wife that I buy a new Lamborghini - which is certainly a spledid automobile - be "compelling" if I identify no obvious way to pay for it?

10 September 2009

Editor, USA Today

Dear Editor:

Joseph Daly repeats the common account of the Beatles break up: "that band blew up because of egos and greed" (Letters, September 10). In vesterday's Times (of London) Online, however, Daniel Finkelstein offers a very different account. Relying on a book by longtime Beatles' friend Tony Bramwell, Finkelstein writes that the greed most responsible for the Beatles' break up was that of Her Majesty's government. As Finkelstein says about the break-up: "Bramwell blames Harold Wilson, the

Prime Minister, directly. 'There were enough new regulations and red tape to tie up free enterprise for years ... One minute Swinging London was like a giant theme park, the envy of the world, then they - Wilson and his gang - closed it down.'" [http://www.timesonline.co.uk/tol/comment/columnists/daniel_finkelstein/article68_26591.ece#cid=OTC-RSS&attr=2270657]

No doubt other factors played a role. But Finkelstein's and Bramwell's account is well supported by the lyrics of George Harrison's great anti-tax song "Taxman."

9 September 2009

Editor, The Boston Globe

Dear Editor:

I'm both deeply saddened and deeply disturbed to read the letter in your pages today from Jane Powers who, writing about Pres. Obama's speech to schoolchildren, declared that "Before I even listened to the speech, I felt that the office of the president of the United States commands respect regardless of who occupies it."

In a free society, not even the loftiest office should command respect "regardless of who occupies it." And the notion that the U.S. Presidency is lofty or respectable in any ethically significant sense is ludicrous. As Saul Bellow said about politicians, "they're a bunch of yo-yos. The presidency is now a cross between a popularity contest and a high school debate, with an encyclopedia of cliches the first prize." http://thinkexist.com/quotat ion/take our politiciansthey-re a bunch of yoyos/219240.html]

9 September 2009

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

To the Editor:

Chris Daly correctly argues that the 17th amendment - which provides for direct election of U.S. senators - is unwise (Letters, Sept. 9). As George Mason University law professor Todd Zywicki shows in his pioneering research into this amendment, it eased the way for special-interest groups to pick the pockets of consumers and taxpayers.

Prior to ratification of the 17th amendment, to achieve their goals interest groups had to persuade BOTH the representatives of the populace (in the House) and the representatives of state governments (in the Senate). Members of this latter group were eager to maintain their own power rather than cede it to Washington. The high cost of persuading these two diverse groups to support any piece of interest-group legislation kept such legislation to a minimum. Now, however, because members of the House and members of the Senate are elected from the same pool of voters, interest-groups' costs of lobbying Congress for special privileges are greatly reduced. The result is the explosion of specialinterest dominance over politics that we've seen over the past 100 years.

8 September 2009

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

To the Editor:

Gary Chaison misses the real, if unintended, lesson of the Russell Sage Foundation study that finds that low-skilled workers routinely keep working for employers who violate statutory employment regulations such as the minimum-wage (Letters, September 8). This real lesson is that economists' conventional wisdom about the negative consequences of the minimum-wage likely is true after all.

Fifteen years ago, David Card and Alan Krueger made headlines by purporting to show that a higher minimum-wage, contrary to economists' conventional wisdom. doesn't reduce employment of low-skilled workers. The RSF study casts significant doubt on Card-Krueger. First, because the minimumwage itself is circumvented in practice, then of course its negative effect on employment is muted, perhaps to the point of becoming statistically imperceptible. Second,

employers' and employees' success at evading other employment regulations - such as mandatory overtime pay - counteracts the minimum-wage's effect of pricing many low-skilled workers out of the job market.

8 September 2009

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

To the Editor:

Responding to a study that finds that low-wage workers routinely remain in jobs at which their employers violate employment regulations such as the minimum-wage, Gary Chaison argues that "Only through comprehensive 'rights training' can we truly empower workers to demand their rights at work" (Letters, September 7).

Prof. Chaison's claim is implausible. Seventy percent of the workers in that study are immigrants, and four in seven of these are 'illegal.' These people are far from being unaware, passive drones. They left their native lands - presumably without any "rights training" - to find

better jobs in the United States. There's no reason to suppose that the work conditions and pay they now receive (although deemed inadequate by politicians and academics) is not the best that is available to them given their skill levels.

7 September 2009

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

Dear Editor:

Harold Meyerson asserts that American workers face dismal times "with Chinese competition dragging down wages and benefits across the United States" ("Unhappy Labor Day," September 7). If Mr. Meyerson's assertion were true, the data would likely show that the inflationadjusted amounts that employers spend on wages, salaries, and benefits have fallen over the years. But the data instead show that the amounts that employers spend to hire workers are today (as of the second quarter of 2009) 6.3 percent higher than they were in the first quarter of 2001.

If we look more narrowly at employers' payment of

wages, salaries, and benefits to workers in goods-producing industries - those industries most subject to competition from Chinese producers - the data show that employers today spend 5.4 percent more to hire these workers than they spent in early 2001. [Calculated from data found in "Table 4. **Employment Cost Index for** total compensation, for civilian workers, by occupational group and industry Constant dollars," available at: ftp://ftp.bls.gov/pub/suppl/e ci.ecconstnaics.txt]