



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.

19 September 2009

Editor, Boston Globe

Speaking in favor of government restrictions on the amount of money corporations may spend to promote their interests in the political sphere, Mo Lotman argues that "Corporations are not at all prohibited from saying what they like; they are merely restricted, rightly, from the amount of money they can spend to amplify their speech" (Letters, Sept. 19).

Rubbish.

Suppose Congress passed legislation to limit the

amount of money newspapers spend on printing presses, reporters, and website maintenance. Would Mr. Lotman not see such a statute as being in violation of the First amendment - as restricting newspapers' ability to speak to the public? If not, shame on him. But if so, how would he distinguish this hypothetical legislation from the restrictions that he defends?

19 September 2009

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

To the Editor:

Bob Herbert insists that opposition to President Obama's policies springs from racial fears ("The Scourge Persists," Sept. 19). He's wrong. This opposition springs from fears of Mr. Obama's incontinent urge to politicize our lives and to centrally control much more of the economy. In his classic tract, *On Liberty*, John Stuart Mill explained why these fears are justified:

"Every function superadded to those already exercised by the government, causes its influence over hopes and fears to be more widely

diffused, and converts, more and more, the active and ambitious part of the public into hangers-on of the government, or of some party which aims at becoming the government. If the roads, the railways, the banks, the insurance offices, the great joint-stock companies, the universities, and the public charities, were all of them branches of the government: if, in addition, the municipal corporations and local boards, with all that now devolves on them, became departments of the central administration; if the employees of all these different enterprises were appointed and paid by the government, and looked to the government for every rise in life; not all the freedom of the press and popular constitution of the legislature would make this or any other country free otherwise than in name. And the evil would be greater, the more efficiently and scientifically the administrative machinery was constructed - the more skilful the arrangements for obtaining the best qualified hands and heads with which to work it." [Chapter V of On Liberty:
http://oll.libertyfund.org/?option=com_staticxt&staticfile=show.php%3Ftitle=233&chapter=16560&layout=html&Itemid=27]

There's nothing objectionable about Mr. Obama's skin color. But his ideas are downright frightening.

18 September 2009

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

To the Editor:

Richard Michalski insists that European-government subsidies to Airbus harm Americans economically (Letters, Sept. 18). Not so. These subsidies are an economic burden, not to Americans, but to Europeans.

If your neighbor's rich aunt gives him \$100 a month to buy the lemons he uses to make lemonade for sale in his lemonade stand, he'll be able to cut his prices and sell more lemonade than he would without his aunt's largess. You and the rest of his customers will enjoy less-expensive lemonade AND less-expensive other goods and services made possible by some of his competitors quitting the lemonade trade and finding other productive uses of their talents and resources.

These benefits are real, and they arise all because of the generosity of your neighbor's aunt.

Of course, your neighbor's cousins - out of whose inheritance the aunt takes the money used to finance your neighbor's lemonade business - are harmed.

17 September 2009

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

Dear Editor:

Re the offense that people are taking at the naming of a Loudon County school after the Tuscarora Indians ("Tricky Course for School Named After Tribe: Selecting the Mascot," Sept. 15): STOP! Since when did naming become an insult?

Should ranch-hands be offended by the Dallas Cowboys? Daughters of the American Revolution by the New England Patriots? Boeing by the New York Jets? What about my favorite team, the New Orleans Saints? Do they offend good people? Are they an affront to the Roman Catholic church? Is the fleur de lis on their helmets a shameful insult to the French?

Persons posing as chronic insultees need to get a life.

16 September 2009

Editor, Washington Post

Speaking about Rep. Joe Wilson screaming "You lie" at Pres. Obama, Jimmy Carter said "I think it's

based on racism" ("Carter Blames Racism for Clamor Over Obama," Sept. 16). And your own Howard Kurtz detects racism in protesters' opposition to Mr. Obama's health-care plan ("A Black-and-White Question," Sept. 15).

These accusations of racism - so easy and self-congratulatory to level - are becoming tiresome. What sort of bigotry sparked Americans' hostility to Hillarycare in 1994? Anti-Arkansasianism? What prejudice blindly led Paul Krugman to oppose Pres. Bush's plan to privatize Social Security? Hatred of Texans? Perhaps intolerance of peanut farmers is what prompts so many Americans to regard Mr. Carter's presidency as being especially woeful.

Different people are differently motivated, but the only soul into which I can see is my own. I assure you that my opposition to Mr. Obama's policies has nothing to do with the color of his skin and everything to do with the content of the centralizing, market-suffocating designs he seems to have on the economy.

16 September 2009

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

To the Editor:

Robert Sharpe rightly wants to end the war on marijuana users (Letters, Sept. 16). After mentioning that Pres. Obama admits to having smoked pot as a college student, Mr. Sharpe asks "Would Barack Obama be in the White House if he had been convicted of a marijuana offense as a youth?"

Here's a different question, one that exposes the huge disconnect between most people's live-and-let-live attitude about drug use (or at least about the use of pot and cocaine) and the harsh penalties often imposed on users. Suppose Mr. Obama (or Bill Clinton or George Bush) had admitted to, say, committing armed robbery - or even to picking pockets - while in college. Whether convicted or not for such crimes, is it conceivable that the electorate would dismiss these past offenses as being nothing more than understandable youthful antics and conclude that he is, at

bottom, a decent-enough chap worthy of the White House? Of course not.

So why does government continue to waste vast quantities of resources hunting down and punishing people for drug use - actions that most of us obviously regard as being not especially heinous or harmful to society?

14 September 2009

Editor, Financial Times

Clyde Prestowitz makes his case for higher tariffs by slaying a strawman ("Obama can help free trade with tariffs," Sept. 10). According to Mr Prestowitz, the case for free trade rests on "the assumptions that the markets are perfectly competitive, that exchange rates are not manipulated, that there are no economies of scale, that there is no cross-border investment or cross-border transfers of technology, and that there are no government subsidies or export requirements."

But with the possible exception of the assumption about economies of scale - an assumption that even its notable champion, Paul

Krugman, regards as being academic rather than practical - the case for free trade in no way depends upon any of these assumptions. For example, free-trader Adam Smith never heard of "perfect competition" (as the model wasn't developed until the 1930s). And even if he had heard of it, Smith would have understood that free trade is the best policy even when markets aren't perfectly competitive.

As for his claim that free trade requires that there be no cross-border investments or technology transfers, Mr. Prestowitz here commits the sophomoric error of mistaking assumptions used to simplify the explanation of the principle of comparative advantage for being conditions necessary for that principle to operate in reality. The case for free trade is not the least bit weakened by cross-border mobility of capital and technology.

Nothing in Mr. Prestowitz's poorly reasoned, factually inaccurate, and economically uninformed essay justifies Uncle Sam's efforts to penalize American consumers who wish to purchase imports from China.

14 September 2009

Editor, Newsday

You report that "President Barack Obama sternly warned Wall Street against returning to reckless and unchecked behavior" ("Obama warns Wall Street against high-risk behavior," September 14).

What gall he has. Following the lead of his predecessor in the White House, Pres. Obama irresponsibly portrayed the economy as being in far-worse shape than it was in - seemingly to justify his increasing, in a single year (2010), federal-government spending by 34 percent over the previous year. No such percentage increase in spending has happened since 1952. The resulting budget deficit will be more than 11 percent of GDP - a percentage figure not seen since WWII.

Until Presidents Bush's and Obama's rash actions, Wall Street executives, no matter how 'reckless' they might have been, at least spent only their own money or money voluntarily entrusted to them. Mr. Obama, in contrast, spends recklessly large amounts of money taken from other people - especially from future

taxpayers who'll be on the hook to service the federal debt.

14 September 2009

Ms. Bridget Quigg
PayScale.com

In "10 Surprising Minimum-Wage Jobs," appearing today at Yahoo news, you wonder why many jobs that are crucial to our well-being, such as emergency medical technician, pay so little.

Economists pose a similar question - namely, why does water (which is utterly essential to life) fetch such a low price while diamonds (utterly inessential) fetch a high price? The answer is that the supply of water relative to its demand is unusually high, so acquiring one additional gallon of water is far easier - that is, far less costly - than acquiring one additional diamond. And for this fact we should be grateful, for it means that the supplies of especially important things such as water and EMT services are wonderfully abundant.

If the market wages of the likes of emergency medical technicians and of preschool teachers were unusually HIGH, that would be unfortunate, as high

wages in those fields would reflect a lower supply of - and, thus, more-limited use of - these important services.