



Comment on the Commentary of the Day

by

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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.

11 October 2009

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

To the Editor:

According to reviewer Megan McArdle, "In Cheap We Trust" author Lauren Weber is so intent on saving money that she will walk 30 minutes to avoid paying a \$1.50 ATM fee ("Penny Pincher," Oct. 11).

I infer from this fact that Ms. Weber supports a huge reduction in the federal minimum-wage. After all, to walk for a half-hour in order to save \$1.50

is to work for a half-hour in exchange for \$1.50. That is, it is to work for \$3.00 per hour. This paltry sum is less than half of the federal minimum-wage. If Uncle Sam justifiably prevents Americans from working for less than \$7.25 per hour, surely Uncle Sam should stop persons such as Ms. Weber from spending their time saving money whenever the amounts saved are less than \$7.25 per hour.

11 October 2009

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

To the Editor:

Megan McArdle's review of Lauren Weber's "In Cheap We Trust" is richly rewarding ("Penny Pincher," Oct. 11). McArdle rightly takes Weber to task for extravagantly wasting untold amounts of time in order to save a penny here and a nickel there – such as, for example, when Weber walks 30 minutes to avoid paying a \$1.50 ATM fee. (Is Weber's time really worth no more than \$3.00 per hour?)

If we all followed Weber's practice of willingly spending whatever time it takes to save even a

pittance of money, none of us would purchase her book. Instead, each person interested in getting Weber's advice on how to pinch pennies would walk to her house, knock on her door, and ask her to recite her skin-flint tips face-to-face.

Why waste money buying her book?

10 October 2009

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

To the Editor:

David Nexon, Senior V.P. of the Advanced Medical Technology Association, is proud of his organization's support of rigorous F.D.A. review of new medical devices (Letters, Oct. 10).

One interpretation of Mr. Nexon's position is that he really believes that government knows better than each physician and patient what devices are suitable and what risks are and aren't worth taking. An alternative interpretation is that the companies his lobbying organization represents - established medical-device producers - earn higher profits whenever the F.D.A.

delays the introduction of new devices that would compete with devices already on the market.

10 October 2009

Friends,

One of the many reasons that I'm proud to be at GMU Economics is that we are one of the relatively few Ph.D.-granting institutions that takes undergraduate instruction as seriously as we take graduate instruction.

Here's a wonderful op-ed by my former principles-of-economics student Alex Nowrasteh, now working at the Competitive Enterprise Institute, on immigration and the 2009 Nobel Prize winning scientists from America:

http://www.realclearmarkets.com/articles/2009/10/09/our_nobel_prize_winning_immigrants_97446.html

9 October 2009

Editor, The San Francisco Examiner

Dear Editor:

You mistakenly describe the U.S. trade deficit as an "imbalance" ("US trade deficit narrows unexpectedly in August; exports up, imports fall on lower oil demand," Oct. 9).

Americans buy \$100 worth of goods from foreigners; foreigners buy \$70 worth of goods from Americans. Foreigners either hold or invest the remaining \$30 in dollar-denominated assets. Where's the imbalance?

Would the U.S. economy be better off if foreigners spent the entire \$100 buying American goods and services - and, hence, refused to save and invest here? If so, is the key to even greater American prosperity for Americans each to rush to the mall every payday and spend every cent of their paychecks? If you see that prosperity would be compromised if dollar-earners holding U.S.-issued passports were so profligate, why do you suggest that prosperity would be promoted if dollar-earners holding non-U.S.-issued passports were equally profligate?

9 October 2009

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

To the Editor:

Ever-loyal to leftist dogma, Paul Krugman believes that there is no domestic

problem (be it fact or fantasy) whose solution does not require more government spending. And so it is with the alleged poor shape of American higher education ("The Uneducated American," Oct. 9).

But how is it that wide swathes of our lives work so well without such spending? Grocery retailing, for example, receives no handouts from government and yet serves customers with extraordinary efficiency and creativity. Ditto for restaurants, hardware stores, the press, language-learning software suppliers, and myriad other industries not suckling at the state's tit.

Why, then, can education - a service that yields enormous benefits to those who purchase it AND one, like churches (another successful industry!), that is largely tax-exempt - thrive only as a charity case?

8 October 2009

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

Dear Editor:

Neil Billings asserts that there can be no free market in health care because consumers cannot say "No, I won't buy that" (Letters, Oct. 8).

Even granting Mr. Billings' allegation that no consumer can refuse to have a broken bone fixed or to have medically necessary dialysis, it doesn't at all follow that a free market in health care is impossible. After all, a thriving and competitive market in food exists even though no consumer can refuse to eat. Just as each consumer can easily refuse to purchase food from any particular grocer or restaurant, so too can each consumer refuse to purchase health care from any particular physician or clinic.

7 October 2009

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

Dear Editor:

Harold Meyerson reveals a weak grasp of economics when he laments that "Manufacturing now employs just one in 10 American workers; the vast majority of new jobs in recent decades has come in the service and retail

sectors, which tend not to be as productive and don't pay as well" ("Recovering the New Deal Ideal," Oct. 7).

The low proportion of workers employed in manufacturing results from the same phenomenon that causes manufacturing wages to be high: high productivity. Equipped with lots of very productive machinery, each manufacturing worker today produces such large quantities of valuable output that consumers' demands for manufactured goods are satisfied by only one-tenth of the work force.

If government follows Mr. Meyerson's advice to create lots more high-paying jobs by "bolstering" manufacturing, it will set itself an impossible task. The only way to keep manufacturing wages high is to keep manufacturing productivity high. But, consumer demands being what they are, to keep manufacturing productivity high is to ensure that only a small portion of the workforce can be productively employed in manufacturing.

7 October 2009

Editor, The New York Times

620 Eighth Avenue
New York, NY 10018

To the Editor:

David Brooks's recasting of the great David Hume as a neo-conservative is an atrocity ("Bentham vs. Hume," Oct. 6). While Hume did understand that societies progress only through what Mr. Brooks calls "decentralized networks," Hume did not - contrary to Mr. Brooks's claim - "believe that government should actively tilt the playing field to promote" decentralized networks.

Instead, Hume believed that progress is promoted only by "the stability of possession, of its transference by consent, and of the performance of promises. 'Tis on the strict observance of those three laws, that the peace and security of human society entirely depend; nor is there any possibility of establishing a good correspondence among men, where these are neglected." [David Hume, A Treatise of Human Nature, Book III ("Of Morals"), Section VI (1739):

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For Hume, secure private property and contract rights, and the commerce they engender, are the foundations of progress. Active "tilting" by government was no part of his philosophy.

[Note: Co-Author: Mario J. Rizzo, Department of Economics, New York University]

6 October 2009

Editor, The Roanoke Times

Dear Editor:

State budget cuts have all but abolished Virginia's Illegal Whiskey Unit - a fact that officials worry will further spur the production and sale of moonshine ("State aims to stay on top of moonshiners despite cuts," Oct. 5).

These officials have only politicians to blame. By taxing whiskey at more than \$20 per gallon, Richmond creates huge profit opportunities for moonshiners.

If state officials really want to dry-up the moonshine trade, they should forget about funding modern-day prohibition agents and

instead slash the tax on whiskey. It's the only sober course of action.

5 October 2009

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

To the Editor:

Ross Douthat's plausible explanation for why income inequality won't decline any time soon ("Inequality as Usual," Oct. 5) prompts this question: so what?

If some persons are robbed of their property or are unfairly blocked from pursuing economic opportunities, that's wrong and should be stopped. If some persons are so poor that they lack life's barest necessities, they should be helped. (How best to help them is a different issue.) But neither of these problems has anything to do with income inequality. We would want to correct these problems even if doing so would make the income distribution more unequal.

To worry about differences in earned incomes simply because some persons earn more than other persons is to wallow in envy. And envy is, and

ought to remain, a deadly
sin rather than be
fashioned into a livewire for
energizing public policy.

5 October 2009

Mr. Jeff Clabaugh
Washington Business
Journal

Dear Mr. Clabaugh:

During your 1:25pm report
today on WTOP radio, you
said that "the service
sector accounts for 90
percent of GDP." That's
incorrect. Service-sector
output accounts for only 79
percent of GDP.

Ninety percent of JOBS in
the U.S. are in the service
sector, but GDP measures
the value of output (not
labor input).