



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.

6 December 2009

Editor, Boston Globe

Dear Editor:

Barry Brodsky asserts that military conscription is "just and honorable" (Letters, Dec. 6).

Really? Forcing young men and women to fight against their will is "just"? Confiscating several years of their lives by coercing them to serve the state is "honorable"?

Also, is it really "political cowardice" to reject a system in which people are rounded up and impressed into "service."

More questions: Does Mr. Brodsky think it unjust and dishonorable that firefighting and policing are performed only by persons who choose to enter these professions? And does he suppose that the quality of firefighting and policing would improve if these tasks were entrusted to persons who must be coerced into performing them?

5 December 2009

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

Dear Editor:

Dana Milbank rightly ridicules "Progressive" Americans who mistook Barack Obama for being a messiah ("Obama the mortal," Dec. 6). But don't be too hard on these gullible folk. For years, their intellectual heralds (including some of your own columnists) insisted that reorganizing society for the better is rather easy with the right people in power. But....

The "Progressive" mindset ignores modern-society's extraordinary complexity. It's oblivious to the full, vast range of inescapable trade-offs and unintended consequences. Convinced that the only forces

keeping earth from moving closer to paradise are the mean, stupid, and greedy people who always seem to have disproportionate power, "Progressives" have a fetish for Great Leaders promising dramatically to smote the backward bullies and then lead humankind to salvation.

How disappointed these faithful congregants must be when their messiah is exposed as a mortal, delaying still further the fulfillment of their fantasies.

4 December 2009

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

To the Editor:

Your report - aptly entitled "Black Youths Miss Out on Good Jobs News" (Dec. 4) - opens with this awful fact: "One spot in the Labor Department's employment report today remains especially grim: black youths."

A 49.4 percent unemployment rate among blacks aged 16-19 is indeed grim. Yet nowhere in your report do you mention the most likely cause of this appalling

situation: minimum-wage legislation.

Teenagers of all backgrounds are generally unskilled and untested in the labor force. As such, they aren't very productive. So minimum-wage legislation prices many of these young people out of the labor market - thus, keeping their hourly earnings at \$0 and, more tragically, keeping these young men and women unskilled and untested longer than otherwise.

Black teens suffer a special disadvantage, given that disproportionate numbers of them come from broken homes, attend the worst schools in the nation, and are victims of racial prejudice. Legislation - such as the minimum-wage - that makes it illegal for employers to profitably hire these young people can only be described as shameful and cruel. And reportage, such as you offer today, that fails even to mention minimum-wage legislation as a potential cause of the horribly high rate of black-teen unemployment can only be described as grotesquely uninformed and inept.

4 December 2009

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

To the Editor:

RE yesterday's White House "Jobs Summit" ("Obama Turns to Job Creation, but Warns of Limited Funds," Dec. 4): the language is misleading.

Jobs themselves do not need to be created, for they are among the most abundant opportunities in our midst. You can paint my house, serve as my personal masseuse, cook my dinners and clean my kitchen every evening. You're hired! But you refuse, because I won't pay you enough to do so.

It's obviously not jobs that people ultimately want; it's opportunities to earn income. If the word "job" were replaced with "income-earning opportunity," the added clumsiness of expression might be more than made up for by greater clarity of thought - namely, the recognition that what matters is each worker's access to opportunities to produce value so that he or she receives in return as much spending power as possible.

Jobs are super-abundant; access to consumable goods and services is not. It is widespread access to the latter that ultimately matters. But this access is diminished by policies that create or protect "jobs" by taxing and regulating in ways that reduce the economy's capacity to grow and produce the goods and services that are the ultimate motivation for people to work.

Friends,

It occurred to me after sending my letter on jobs that an even better replacement name for jobs than "income-earning opportunity" is "income-producing opportunity" -- for THAT is what a real job in a prosperous economy really is.

4 December 2009

Friends,

At Minnesota Public Radio, my GMU colleague Russ Roberts debates today's jobs situation with Josh Bivens (of the Economic Policy Institute). The link is just below; the debate starts at around the 10-minute mark:

<http://minnesota.publicradio.org/display/web/2009/12/03/midmorning1/>

3 December 2009

Editor, New York Daily News

Dear Editor:

Sen. Charles Schumer (D-NY) is upset that Adidas will shift its manufacturing of National Basketball Association jerseys from New York to Thailand, and he menacingly calls upon the N.B.A. to terminate its contract with Adidas ("Sen. Schumer rips Adidas for outsourcing of NBA jerseys," Dec. 2).

I wonder where Mr. Schumer's business suits are made. All in the U.S.? What about his shoes? His neckties? His underwear? How about the coffee he drinks? The flowers he buys for his wife in January? Are these all made in America?

Does Mr. Schumer eat cheese from only Vermont and Wisconsin? Drink wine from only California and Oregon? Does he vacation only in places such as Maui and Martha's Vineyard? Does he listen to only recordings made by musicians holding U.S. passports? Does he read books written only by American authors, and decorate his home with only those paintings,

vases, and sculptures produced by Americans residing in U.S. locales such as Santa Fe and Manhattan? Is his life nearly devoid of modern consumer electronics, given that very few of these devices are today manufactured in America?

I don't know Mr. Schumer, but I'll bet my pension that his everyday consumption consists of countless products containing such large quantities of non-American inputs and labor that, were Mr. Schumer suddenly to rid his existence of these foreign contributions to his living standard, he would soon find himself ignorant and appallingly impoverished.

3 December 2009

Mr. Bob Foss, CBS Radio News
New York, NY

Dear Mr. Foss:

On today's 1pm national-news radio broadcast you reported that the Senate voted to require all insurance companies "to cover mammograms and pap smears at no cost."

The Senate can vote as much as it wants to do such a thing, but it might just as well vote to stop the

earth from rotating or flies from buzzing. To be performed, mammograms and pap smears require resources, both human and non-human. These resources have alternative uses. So whenever these resources are used to produce a mammogram or a pap smear, something else that these resources could have been – but weren't – used to produce is not produced. The value of what is not produced is the mammogram's or pap smear's cost.

And because these procedures are inevitably costly, there is an inevitable cost to insurers of covering them.

Government might be able to force A to pay for B's mammograms and pap smears. But it absolutely cannot eliminate these costs.

You and your colleagues in the mainstream media should better recognize that costs cannot be magically legislated away by the Fools on the Hill. Such a recognition would serve as a first step toward a more realistic assessment of the limits that restrain government's power to create heaven on earth.

3 December 2009

Editor, The Boston Globe

Dear Editor:

Ed Glaeser rightly laments that "the public sector seems unable to let even modestly-sized financial firms go belly up" ("Too risky to regulate? Not with proper verification," Dec. 3).

But his proposed solution - "better regulation" - is curiously inconsistent with his larger analysis. In one breath Mr. Glaeser concedes that government's intemperance at putting politics ahead of sound economics is the source of major moral-hazard problems. Then in the next breath he asks government - the very entity whose irresponsibility causes the problems - to behave responsibly in dealing with these problems.

If my 12-year-old son insists on shooting his BB gun inside of my living room, I take the BB gun away from him. I don't merely, meekly ask him to try to improve his aim so that he stops cracking the television screen and breaking the windows.

2 December 2009

Friends,

My colleague Pete Boettke discusses the work of newly minted Economics Nobel Elinor Ostrom (and that of Lin's husband, Vincent) in this excellent podcast with another of my colleagues, Russ Roberts: <http://files.libertyfund.org/econtalk/y2009/BoettkeOstrom.mp3>

Lin is the first woman to be awarded the Nobel Prize in Economics. We're fortunate here at GMU that the Ostroms are such good friends of ours.

1 December 2009

Editor, The Boston Globe

Dear Editor:

You propose a tax credit for firms that hire new employees ("To boost jobs, give tax breaks to businesses that hire," Dec. 1). Bad idea. A far better idea is to cut taxes on corporate profits.

You correctly recognize that your proposed tax credit would bias firms toward producing output by using more labor and, hence, would likely increase employment in the short-run. But the flip side of this effect is that

this tax credit would thereby bias firms away from producing output by using more machinery, R&D, and other capital investments. Because in the long-run workers' wages are determined by their productivity - and because worker productivity rises with greater, market-driven capital investments - your proposed tax credit, by biasing firms away from capital investments, will cause future real wages to be lower than otherwise.

A cut in corporate-profits taxes, in contrast, would simultaneously prompt firms to expand output - and, hence, hire more workers - without biasing firms against making the capital investments that are the indispensable engine of economic prosperity and growth.

30 November 2009

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

To the Editor:

Pleading for government to address today's unemployment problem more vigorously, Paul Krugman writes that "The long-term unemployed can

lose their skills, and even when the economy recovers they tend to have difficulty finding a job, because they're regarded as poor risks by potential employers" ("The Jobs Imperative," Nov. 30).

I'm confused. Because Mr. Krugman here seems to understand that low-skilled workers produce less per hour for their employers than do higher-skilled workers (or than does capital equipment that substitutes for low-skilled labor) - and recognizes also that employers can get by profitably without hiring low-skilled workers - why does he, in many other columns, support a higher minimum-wage?

Why does Mr. Krugman advocate policies that raise employers' costs of hiring workers who, as he himself describes them, are "regarded as poor risks by potential employers"?