



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.

13 December 2009

Friends,

I write to ask if you might consider making a year-end, tax-deductible contribution to GMU Economics. Any amount - small, middlin', or large; two-figures, three-figures, whatever you can afford - will be much-appreciated and used effectively.

We at GMU Economics carry out the mission of sound economic education, outreach, and research better than any other academic department in the world. Far better.

Each of our 36 full-time faculty members is committed to teaching and researching in the broad tradition of Hayek, Milton Friedman, Vernon Smith, and GMU's own Jim Buchanan and Gordon Tullock. Methodologically, GMU Econ is the most diverse economics department on the planet, but in our world-views my colleagues and I all share an understanding that economics is NOT about creating a guidebook for social engineering to be carried out by Philosopher Kings and Queens.

Instead, economics is about understanding how order emerges and

changes in society without being directed by anyone, and how this order is affected -- usually to the point of being malformed -- by political interventions.

Although located only a few miles from the Potomac, NO one on our Economics faculty suffers from Potomac fever. I think of our Department and our programs as a powerful inoculant against that dastardly disease.

GMU Econ also excels on the education front. We attract students literally from around the world who want to study at GMU because of our worldwide

reputation for doing economics.

Private financial assistance enables us to do this work more effectively.

Here's only some of what's happened recently at GMU Econ:

- With the help of the Mercatus Center, we've totally revamped our Masters-degree program. It's now explicitly aimed at training young men and women interested in doing economics policy work but who don't wish to do the more esoteric studies required of doctoral students. The PhD is chiefly a degree for persons who want to teach at the collegiate level; we have about 170 students currently matriculating toward their PhDs – and, hence, toward teaching and research posts. We have now about 50 students in the two-year Masters program, with a goal of eventually getting that number up to 100 students. These Masters students will eventually do good work for organizations such as Cato, Reason, and John Stossel's new shop at Fox News.

- We hired Larry White, the great historian

and theorist of "free banking." A blogger over at "The Division of Labour," we were thrilled to be able to bring Larry into our ranks from his previous position in the Hayek Chair at the University of Missouri – St. Louis. (My goal is to now hire George Selgin -- another great monetary scholar -- away from the University of Georgia, and then launch here at GMU a Center for the Study of Money and Banking [or some such title] built around Larry and George....) I add that Larry - like five of the past six new hires we've made in our Department - was hired with privately raised funds, not with state funds.

- We continue to excel in the blogosphere. Tyler Cowen's and Alex Tabarrok's "Marginal Revolution," Bryan Caplan's "EconLog," Pete Boettke's and Pete Leeson's "The Austrian Economists," Larry White's "Division of Labour," Robin Hanson's "Overcoming Bias," and Russ Roberts's and my "Café Hayek" all get lots of media attention - which only helps to move the ball forward on the liberty front (or, these days, to keep that ball from moving as far back as it otherwise would).

- Russ Roberts's "EconTalk" podcasts have established themselves as THE leader in that genre - a genre increasingly popular as a means of conveying lots of economic insights in short periods of time.

- GMU econ undergraduate Adam Bitley pioneered NetRight Daily - an informative daily e-mail blast with lots of great pro-liberty links. (Here's the link: <http://netrightdaily.com/>)

- Finally, I am working now to collect my letters-to-the-editor into a book form that will be appealing to broad audiences.

We do all that we do with surprisingly little money from the state (despite the fact that GMU is indeed a state school). Well over 90 percent of our graduate-student funding comes from privately raised funds; close to 100 percent of the funds used to pay for faculty travel to professional meetings comes from privately raised funds; and, as I said earlier, over the past several years nearly all of our new hires was done with privately raised funds (some of which, of course, were generously

contributed by your mother).

Also paid for with purely private funds are things such as our annual Undergraduate Awards Ceremony (where we award prizes named after Hayek, Mises, Jim Buchanan, and Vernon Smith); a full-time research assistant for Jim Buchanan (who, although now 90 years old, is still actively researching, writing, and teaching a seminar); NYU's Mario Rizzo coming down to Fairfax in the Spring to teach our graduate courses in Austrian Economics; and lab equipment for our experimental-economics group.

Private contributions free us from much of the State and University bureaucracy that would otherwise encumber our mission.

I hope that you'll consider contributing to our efforts here at GMU Economics. Again, any amount will be welcome and used to further economic education of the sort that the U.S. sorely needs.

If you do contribute, you can make your check payable to "GMU Foundation," and write "Economics" in the lower left-hand corner of the

check. You can mail it to me at the address below. (The GMU Foundation is a tax-exempt 501(c)(3) organization.)

Either way, thanks for considering and for giving me the honor of having you read my daily missives. I'm thrilled that you do.

Here's hoping for a freer and more prosperous 2010!

11 December 2009

Editor, St. Petersburg Times

Dear Editor:

Former Miami Herald employee Robert Steinback, pleading for greater government control of health-care markets, writes: "I don't understand people who fear government bureaucrats - who have no profit motive and ultimately must answer to the people - yet feel fully at ease with corporate bureaucrats whose sole interest is the bottom line and answer only to shareholders" ("Matter of life, death," Dec. 9).

I wonder how Mr. Steinback would reply to a proposal that newspapers be run, not by profit-seeking owners, but by

government bureaucrats. If he means what he says in your pages, then his reply would go something like this: "Wonderful idea! Privately owned and operated newspapers are run solely to maximize the bottom line, so the public gets screwed. But with government bureaucrats running newspapers, reporting and all other newspaper operations will surely improve. Because government bureaucrats ultimately must answer to the people, we can be confident that newspaper operations will be efficient and unfailingly serve the public."

Now, if Mr. Steinback would reply differently - that is, if he would object to government operation of newspapers - I then wonder what has become of his inability to understand those of us who distrust government bureaucrats.

10 December 2009

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

To the Editor:

Edward Short offers one of his favorite quotations from Thomas Babington

Macaulay (Letters, Dec. 10). I here offer one of my own; it is the final paragraph of Macaulay's brilliant and timeless 1830 essay "Southey's Colloquies on Society":

"It is not by the intermeddling of Mr. Southey's idol, the omniscient and omnipotent State, but by the prudence and energy of the people, that England has hitherto been carried forward in civilization; and it is to the same prudence and the same energy that we now look with comfort and good hope. Our rulers will best promote the improvement of the nation by strictly confining themselves to their own legitimate duties, by leaving capital to find its most lucrative course, commodities their fair price, industry and intelligence their natural reward, idleness and folly their natural punishment, by maintaining peace, by defending property, by diminishing the price of law, and by observing strict economy in every department of the state. Let the Government do this: the People will assuredly do the rest."
[\[http://www.econlib.org/library/Essays/macS1.html\]](http://www.econlib.org/library/Essays/macS1.html)

10 December 2009

Friends,

Here's the transcript of GMU economist Russ Roberts's testimony today on Capitol Hill. My friend Fred Young describes it appropriately: "terrific".
<http://www.mercatus.org/publication/job-market-and-great-recession>

Russ's conclusion deserves singling out: "F. A. Hayek said that "the curious task of economics is to demonstrate to men how little they really know about what they imagine they can design." It would be good to recognize our limits about what we imagine we can design. We cannot steer the economy. Or the labor market. Recognizing our limitations is a step in the right direction."

10 December 2009

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

Dear Editor:

Sports columnist Michael Wilbon applauds Congressional efforts to determine how collegiate football playoffs are conducted ("Alabama's in the title game, but is the BCS tide turning?," Dec.

10). Has Mr. Wilbon taken leave of his senses?

Consider, for example, his assertion that this Congressional intrusion puts the Bowl Championship Series "on notice that somebody its size is watching." What?? Uncle Sam has armies, navies, nuclear weapons, and prisons; it has the power to tax; its annual budget now exceeds 3.5 TRILLION dollars; its civilian workforce numbers 2.8 million people. The BCS is a puny system, run by a handful of people, used by the NCAA to choose which college football teams play in which holiday bowl games.

To suggest that the BCS is a looming monster threatening harm to Americans unless an agency of comparable size and influence – Uncle Sam – establishes itself as a countervailing power is ludicrous. It's also dangerous, for it invites promiscuous intrusions by the largest and most powerful entity that history has ever known into ever-more aspects of our lives. Mr. Wilbon should not pardon such intrusions.

9 December 2009

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

To the Editor:

Thomas Friedman writes: "If we prepare for climate change by building a clean-power economy, but climate change turns out to be a hoax, what would be the result? ... [G]radually we would be driving battery-powered electric cars and powering more and more of our homes and factories with wind, solar, nuclear and second-generation biofuels. We would be much less dependent on oil dictators who have drawn a bull's-eye on our backs; our trade deficit would improve; the dollar would strengthen; and the air we breathe would be cleaner. In short, as a country, we would be stronger, more innovative and more energy independent" ("Going Cheney on Climate," Dec. 9).

Lovely.

Lovely, that is, until one asks: compared to what? From where do all the resources come that produce these wonderful benefits that Mr. Friedman foresees? How can Mr. Friedman be so cocksure

that the benefits of windmills, solar panels, and battery-powered electric cars will exceed the costs of making - will exceed in value that which must be foregone to make - these green fetishes a reality?

Of course, he cannot be sure. Like so many other pundits, Mr. Friedman simply ignores, or arbitrarily discounts, the costs of turning his oh-so-lovely daydreams into quotidian actuality.

9 December 2009

Ms. Judy Woodruff
PBS Newshour

Dear Ms. Woodruff:

I enjoyed your interview yesterday with Bruce Bartlett and Paul Krugman. But I wonder if you're as baffled by Prof. Krugman as I am.

On one hand, Krugman is today's most prestigious, loud, and insistent voice in America for concentrating greater power in Washington. On the other hand, he is forever complaining that Uncle Sam is a tool of destructive special-interest groups or is under the influence of stupid ideas (or both). Of course, his distrust of

Republicans is as well-known as it is justified. But from your interview we learn that he believes also that today's overwhelmingly Democratic Congress is, in his words, "extremely dysfunctional."

I'd like to ask Prof. Krugman why he's so keen to entrust vastly more money and power to an agency that, even when in the command of the political party that shares his values and worldview, is "extremely dysfunctional." Why is he optimistic that an entity that can, and does, so easily malfunction will nevertheless - when vested with greater power - work selflessly and smartly to improve the lives of ordinary Americans?

9 December 2009

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

To the Editor:

Andrew Roberts's review of Robert Sullivan's biography of Thomas Babington Macaulay splendidly exposes the blinding biases that Sullivan brings to Lord Macaulay and his times ("An Eminent

Victorian on Trial," Dec. 7). Persons interested in Macaulay should avoid Sullivan's screed and instead study John Clive's masterful 1973 biography, "Macaulay: The Shaping of the Historian." Although Clive, like Sullivan, indulges in too much psychoanalysis for my taste, he paints a rich and compelling portrait of Macaulay. This portrait reveals Macaulay to have been, if flawed, a truly great and good man - a man whose realism and genuine liberalism would serve us well today.

Macaulay was also prescient. Writing in the 1840s, he refused to romanticize past times when (as he described matters) "to have a clean shirt once a week was a privilege reserved for the higher class of gentry" and when "men died faster in the purest country air than now die in the most pestilential lanes," Macaulay foresaw that "It may well be, in the twentieth century ... that numerous comforts and luxuries which are now unknown, or confined to a few, may be within the reach of every diligent and thrifty workingman. And yet it may then be the mode to assert that the increase of wealth and the

progress of science have benefited the few at the expense of the many." [From the chapter entitled "The Delusion of Overrating the Happiness of Our Ancestors," in T. B. Macaulay, The History of England (1847)]

8 December 2009

Friends,

My GMU colleague Russ Roberts explains on yesterday's NPR's show "Planet Money" why much of what passes itself off as "economics" is the equivalent of palm reading: http://www.npr.org/blogs/money/2009/12/podcast_the_folly_of_economic_forecasts.html

Enjoy -- and learn!