



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.

16 May 2010

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

To the Editor:

Critical of "a market-driven society," Henry Giroux asserts that "At the heart of this market rationality is an egocentric philosophy and culture of cruelty" (Letters, May 16).

Let's ignore the tens of millions of people cruelly enslaved, tortured, and slaughtered by their own anti-market governments during the past century - tyrannies cheered on by western intellectuals, such as Prof. Giroux, whose fetish for strongmen springs from their fantasies of reconstructing society according to their own puerile designs.

Instead, simply ask: Is (let's call it) "centralized-power rationality" NOT

egocentric? Do the 'government-affairs specialists' headquartered on K Street lobby for some Aristotelian conception of The Good - or for more butter on their bosses' bread? Do elected officials cast aside their own egos and biases and personal interests to do battle for The People - or is each chiefly motivated by the perks and pomp of power? Do government workers regularly sacrifice for the common good - or do they regularly plead for higher

pay and greater job security?

Yes, egos are at work in markets. But they are no less at work in the public sector. The big difference is that the egos at work in markets spend their own money and deal with other people consensually. The egos at work in government spend other people's money and deal with other people at gunpoint.

15 May 2010

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

To the Editor:

Paul Krugman claims that anti-tax conservatives have "deprived" Uncle Sam of tax revenues ("We're Not Greece," May 14). Because these inflation-adjusted revenues reached an all-time high in 2007 (just before the current recession) - and because, even in 2010, they remain 61 percent higher than they were in 1980 (the year the alleged curse of laissez-faireism befell America) - the only way Prof. Krugman can salvage his claim is to note that these revenues, although growing, haven't kept pace

with Uncle Sam's even-faster-growing spending.

Alas, this attempted salvage operation fails. It assumes that the expenditure side of Uncle Sam's budget accurately reflects the appropriate will of The People while the revenue side reflects the evil machinations of forces bent on undermining The People's will and best interests. Prof. Krugman can't have it both ways. If he insists that Congress and the President are inspired public servants when they fashion the spending side of the budget, he cannot legitimately insist that these same officials are dupes or miscreants when they fashion the revenue side.

Put differently, it's at least as justified to accuse left-liberals of recklessly fattening the beast with excessive spending as it is to accuse conservatives of greedily starving the beast with brakes on tax hikes. Indeed, given human beings' natural irresponsibility when spending other people's money, the former accusation is far more plausible than the latter.

14 May 2010

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

To the Editor:

You report that "Obama Vows End to 'Cozy' Oversight of Oil Industry" (May 14).

Why is it that whenever government fails at an assigned task people on the political left never consider relieving government of responsibility for that task? Their response is always to give government more money and power to deal with that task.

Rather perverse, that. After all, these same people on the political left, whenever the MARKET is alleged to fail at some task, always interpret such failure as definitive proof that markets are untrustworthy to handle that task. These people never respond by advocating greater freedom and scope of markets.

What a curious bias.

14 May 2010

Editor, The New York Times
620 Eighth Avenue

New York, NY 10018

To the Editor:

Paul Krugman asserts that "taxes have lagged behind spending partly thanks to a deliberate political strategy, that of 'starve the beast': conservatives have deliberately deprived the government of revenue in an attempt to force the spending cuts they now insist are necessary" ("We're Not Greece," May 14). Prof. Krugman's interpretation of the facts is bizarre.

During the alleged ascendancy of laissez-faireism - roughly, the last 30 years - Uncle Sam's inflation-adjusted tax revenues have skyrocketed. Compared to 1980, inflation-adjusted tax revenues for 2010 are projected to be higher by 61 percent. And in 2007 (the last year before the current recession), Uncle Sam's real revenues were more than 100 percent higher than they were in the year that voters first put Ronald Reagan into the Oval Office. [Figures calculated from data found in Table 1.3 at this link: <http://www.whitehouse.gov/omb/budget/Historicals/>] During this same time, U.S. population increased by only 35 percent.

This 'beast' is no more deprived of revenue than Prof. Krugman is deprived of the shamelessness necessary to misrepresent facts with a straight face.

13 May 2010

Editor, USA Today

Dear Editor:

Sen. Bill Nelson claims today that "The ultimate answer to America's energy needs lies not in oil, but in the rapid development of alternative fuels" ("Halt offshore exploration," May 13).

How in the world does Mr. Nelson divine this alleged fact? Does he have expert insight into the full costs and benefits of developing and producing non-fossil fuels? Has he displayed a unique talent at predicting changes in the technologies that are used to extract petroleum? Hardly.

After a short stint in the Army, Mr. Nelson spent all of one year (1970) in the private sector (where he practiced law). From 1971 until today he has worked exclusively in politics. He has neither experience in the energy industry nor any record of entrepreneurship.

For nearly 40 years - well over half of his life - he's devoted his career to spending other people's money. In short, he has no basis for making this claim.

Mr. Nelson's "answer to America's energy needs" deserves no more attention than does any such prophecy issued by a Ouija board or by a witch doctor reading the entrails of a rooster.

13 May 2010

Friends,

In an above-the-fold, front-page-of-the-Style-section story, today's Washington Post profiles my GMU, Mercatus Center, and Center for Study of Public Choice colleague Tyler Cowen:

<http://www.washingtonpost.com/wp-dyn/content/article/2010/05/12/AR2010051202637.html>

(BTW, to all you econ professors: I used Tyler's and Alex Tabarrok's new textbook, Modern Principles: Microeconomics, in my Principles of Economics class this past semester. It was a big hit, for students and professor.)

Also in today's Washington Post, George Will cites my GMU and Mercatus Center colleague - and co-blogger - Russ Roberts on the self-reinforcing irresponsibility of European governments' deficit financing:

<http://www.washingtonpost.com/wp-dyn/content/article/2010/05/12/AR2010051203873.html>

12 May 2010

Dear _____:

After introducing yourself as an admirer of Milton Friedman, you accuse me of suffering from "ideology created blindness" because of my "inability to see" that, if we moved to open borders, America's welfare state would attract "unlimited numbers" of "desperately poor migrants who would bankrupt tax payers."

You insist: "Pragmatism, Dr. Boudreaux, is what we need. Not blind living in your fairy tale libertarian world. Pragmatism tells that letting more immigrants in [will] bankrupt American tax payers who pay for welfare. It's that simple. Dr. Friedman was pragmatic. He understood reality and you do not."

It's late in the evening, Mr. _____, so I've no energy now to address each point in your missive. Let me press you, then, on only one point, namely, your willingness to toss away Friedman's own presumption for freedom because of your (and his) "pragmatic" speculation that more-open borders will cause Americans to be bled to death by swarms of welfare leeches.

Where does your pragmatism end? Far more certain than is the prospect of America's (relatively modest) general welfare state attracting swarms of leeching immigrants is America's pension- and retiree-welfare programs being pressured to well past their breaking points by the aging and retiring of American Baby Boomers and of subsequent generations.

How would you react if Milton Friedman had said that, "while in an ideal world we should allow everyone the freedom to live as long as they like, with Social Security and Medicare in place, we simply cannot do that. The reality of Social Security and Medicare make it impractical for us to allow Americans unrestricted

freedom to age into - to 'immigrate into' - age-groups whose members are eligible for Social Security and Medicare benefits. Strict numerical controls must be put on the number of Americans allowed to live past 65."

Does "pragmatism" counsel that we kill large numbers of Americans on their 65th birthdays – or at least, perhaps, deport these aging and increasingly infirm Americans to some remote part of Mongolia – so that they'll not be a drag on American taxpayers? (Remember, all Social Security and Medicare disbursements are paid out of current government revenues.)

Your pragmatism comes close to justifying such a policy of controlled aging - that is, controlled 'immigration' of younger people into older age groups.

Now I'm confident that, in fact, you'd oppose any such policy. But why? What principle of pragmatism do you rely upon to justify restricting immigration of non-Americans into the U.S while you simultaneously reject the proposal to restrict the 'immigration' of

large numbers of Americans into over-65 age groups?

Think carefully about your answer, especially given that the 'immigration' of Americans into age groups whose members are eligible for welfare payments called "Social Security" and "Medicare" loads a far greater burden on taxpayers than would be loaded by larger numbers of Hispanic immigrants receiving Food Stamps and free treatments at hospital emergency rooms.

If pragmatism counsels such ardent protection of the public fisc from Hispanic immigrants, most of whom will work and only a fraction of whom will leech upon taxpayers, why does pragmatism not also counsel equally ardent protection of the public fisc from older Americans, few of whom will work and almost ALL of whom will leech upon taxpayers?

12 May 2010

Friends,

In this short essay I challenge Milton Friedman's argument that open immigration is necessarily incompatible with a welfare state: http://www.pittsburghlive.com/x/pittsburghtrib/opinion/columnists/boudreaux/s_680588.html

And anticipating an objection:

Among all serious scholars researching the effects of immigration, George Borjas is among those who are most inclined to see today's immigrants as burdensome. Even Borjas, though, concedes that the data do not show that immigrants are a significant drain on Americans' wealth. See this article by Borjas, appearing in the Concise Encyclopedia of Economics:

<http://www.econlib.org/library/Enc/Immigration.html>

Here are a couple of relevant passages from Borjas's essay: "Although the entry of immigrants reduces the wages of comparable natives, it increases slightly the income of U.S. natives overall." and "Many people believe that because a

large percentage of immigrants go on welfare, the costs to American taxpayers may wipe out the gains from immigration. Increasingly, the evidence tends to indicate that because of these fiscal impacts, immigration is essentially a wash for the U.S. economy."

Borjas goes on to point out that something that is "a wash for the U.S. economy" is hardly the economic boon that many of its proponents make it out to be.

That's an argument best left for another time. I add here only that the data that Borjas uses are all from a regime in which Uncle Sam severely restricts immigrants' abilities to find gainful employment in America (and, hence, to pay taxes for whatever public goods they use and to have readier access to affordable health insurance). Eliminating these restrictions would both increase immigrants' contribution to the size of America's economic pie AND both reduce their use of taxpayer-subsidized goods as well as increase the taxes immigrants pay to help subsidize such goods.

11 May 2010

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

To the Editor:

Today on your Bloggingheads, Daniel Schultz and Mark Kleiman debate the question "Is Obama a great moral leader?" A much more interesting question - one likely to probe, not facile disagreements over political strategy, but genuinely interesting phenomena such as human irrationality - is "Why on earth does anyone look to the President of the United States for moral leadership?"

Barack Obama is a full-time politician. Like every member of this breed, he specializes in winning popularity contests called "elections." To this end, he hones his skills at making pretty speeches in which he speaks platitudinously in tones that trick uncritical ears into hearing whatever it is they wish to hear. He specializes also at twisting arms behind closed doors in order to transfer taxpayer booty to those interest groups who are most crucial for his and his

party's future electoral success.

Anyone earnestly searching for moral leadership would do better to spurn all counsel on ethical matters offered by the likes of Mr. Obama and, instead, pick the brains of his or her plumber or hairstylist. These people, at least, do not specialize in deception and in spending other people's money.

11 May 2010

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

To the Editor:

Re David Brooks's concern with Supreme Court nominee Elena Kagan's lifelong refusal to publicly express any substantive opinions about law or public policy ("What It Takes," May 11):

Like most modern folk, I reject the notion that a couple should wait to be married before having sex with each other. It's unwise for either party to take the nuptial vows without having some idea of what to expect of the other in that crucially important aspect of

marriage. Discovering that your partner is a bedroom dud - or that he or she is gripped by some distasteful, or even dangerous, fetish - is best done before sealing that serious obligation. Learning such unfortunate facts only after the wedding ceremony promises a lifetime of misery.

And so it is with judicial appointments. Ms. Kagan's coy refusals to open-up to the public about legal matters makes her a virtual jurisprudential virgin. We have no sense of her preferred positions. So I hope that, given her courtship with one of the most important posts in the land, Ms. Kagan will finally treat us to satisfying intellectual intercourse.

10 May 2010

Friends,

Several of you have graciously asked if video is available of my appearance on John Stossel's recent show on trade - a show that featured also the ever-eloquent Tom Palmer, the remarkable June Arunga, the hyper-informed Johan Norberg, and the fabulously charming and disarmingly humble Lou Dobbs.

Finally, with some welcome assistance I've assembled the video, in six different segments:

<http://www.youtube.com/watch?v=0iN74HmXrvE&feature=related>

<http://www.youtube.com/watch?v=rZWprOwbwVw&feature=related>

<http://www.youtube.com/watch?v=RjafvZMwaAk>

<http://www.youtube.com/watch?v=bSruloRcrDg&feature=related>

<http://www.youtube.com/watch?v=ZAMg5rAlyLg&feature=related>

<http://www.youtube.com/watch?v=Mo3dnXuZ0r8&feature=related>

Taped on April Fools' Day, this show first aired on April 29th.

10 May 2010

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

To the Editor:

Paul Krugman blames the BP oil spill on interest groups and an "antigovernment ideology"

that together thwart government's ability to perform effectively ("Sex & Drugs & the Spill," May 10).

Let's grant, for argument's sake, that under ideal circumstances all of the many tasks that Mr. Krugman wants government to do can be better performed by government than by the private sector. It nevertheless doesn't follow that these tasks should be assigned to government in the real world

In the real world government is unavoidably influenced by interest groups and ideologies - influences that, as Mr. Krugman himself complains, often create problems by preventing government from acting as it would if it were immune to politics and ideology.

Imagining all the great wonders that expansive government could perform in a make-believe world in which government is immune to interest groups and ideologies, Mr. Krugman supports expansive government. But then he's surprised and bitter when the influences of interest groups and ideologies cause that government, in reality, to

fail. His attitude is like that of an architect who imagines all the wonderful skyscrapers that could be built if skyscrapers were immune to the law of gravity, but then complains bitterly when skyscrapers that are built as if they were exempt from the law of gravity crumble and crash down to earth.