Comment on the Commentary of the Day

B>Quest

BUSINESS QUEST

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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.

23 May 2010

Friends,

In this op-ed in today's Richmond Times-Dispatch, my former GMU student Julia Williams and I challenge - with data - the notion that privatizing state Alcohol Beverage Control stores will lead to more alcohol-related health and social problems: http://www2.timesdispatch. com/rtd/news/opinion/com mentary/article/ED-BOUD23_20100521-204606/346117/

2010 **ISSUE**

Bottoms up!

22 May 2010

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

To the Editor:

Criticizing libertarianism, you assert that "It was only government power that ended slavery" ("Limits of Libertarianism," May 22).

You're mistaken. Slavery was common throughout history until the age of industrial capitalism. Only then did this heinous institution disappear. It went away chiefly because capitalism puts a premium on creativity, initiative, and good judgment (which even the mightiest slavemaster's whip cannot extract from its victims), and because the ethos that gives life to capitalism free-market liberalism - is hostile to the ownership of man by man. That the first-to-industrialize British were the first abolitionists is no coincidence.

1996 - 2010

In North America, pressure brought by capitalism to end slavery was countered by the very agency that you praise as slaves' liberator: government. From 17th and 18th century slave codes to the Fugitive Slave Acts of 1793 and of 1850, government in America actively deployed force on behalf of slaveholders. Without this force, slavery would never have taken hold as deeply as it did in the U.S. and would have died away sooner and with less bloodshed.

22 May 2010

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

To the Editor:

Reacting to Rand Paul's remarks about the 1964 Civil Rights Act, you say that his libertarian philosophy "is a theory of liberty with roots in America's creation, but the succeeding centuries have shown how ineffective it was in promoting a civil society.... It was only government power that ... abolished Jim Crow" ("Limits of Libertarianism," May 22).

You've got it backwards. Jim Crow itself was government power. Jim Crow was legislation that forced the segregation of blacks from whites. Research shows that people acting in the free market that you apparently believe is prone to racial discrimination were remarkably reluctant to discriminate along racial lines. It was this very reluctance - this capacity of free market to make people colorblind - that obliged racists in the late 19th century to use government to achieve their loathsome goals. [See especially Robert Higgs, Competition and Coercion: Blacks in the American Economy, 1865-1914 (University of Chicago Press, 1976); and Jennifer Roback, "Southern Labor Law in the Jim Crow Era: Exploitative or Competitive?" University of Chicago Law Review, Vol. 51 (1984).]

Had Mr. Rand's libertarian philosophy been followed more consistently throughout American history, there would have been no need for one government statute (the Civil Rights Act) to upend earlier government statutes (Jim Crow) and the business practices that they facilitated.

21 May 2010

Friends,

My former GMU student Alex Nowrasteh - now working at the indispensable Competitive Enterprise Institute - just published this excellent essay at Forbes.com on how Arizona's new immigration legislation will douse that state's business climate with cold water: <u>http://www.forbes.com/201</u> <u>0/05/21/immigration-</u> <u>arizona-bill-business-</u> <u>opinions-contributors-alex-</u> <u>nowrasteh.html</u>

21 May 2010

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

Dear Editor:

Blaming "greedy speculators" for the euro's decline, the German government has imposed new taxes and regulations to severely restrict speculation ("German lawmakers approve euro rescue package," May 21).

Each such restriction is to capital what the Berlin Wall was to people: an obstacle meant only to protect irresponsible and oppressive governments from the consequences of their irresponsibility and oppression.

By forcibly obstructing people's ability to flee a tyrannical regime, the Berlin Wall averted only a symptom - people flight - of the East German government's depredations. Likewise, by forcibly obstructing investors' abilities to sell assets, Germany's new capital restrictions avert only a symptom - capital flight - of the current German government's unwise economic policies.

20 May 2010

Mr. Arnie _____ Reader of http://www.cafehayek.com/

Dear Mr. ____:

Profoundly displeased with my refusal to regard undocumented immigrants as being criminals, you assert that I "don't know what America is about." What America is about, you say, is a recognition that "majority rule is the best system for deciding what is right for the people as a group."

I disagree.

I call as a witness for my position James Madison, who said the following about majority rule: "There is no maxim, in my opinion, which is more liable to be misapplied, and which, therefore, more needs elucidation, than the current one, that the interest of the majority is the political standard of right and wrong. Taking the word 'interest' as synonymous with 'ultimate happiness,' in which sense

it is qualified with every necessary moral ingredient, the proposition is no doubt true. But taking it in its popular sense, as referring to the immediate augmentation of property and wealth, nothing can be more false. In the latter sense it would be in the interest of the majority in every community to despoil and enslave the minority of individuals In fact, it is only reestablishing, under another name and a more specious form, force as a measure of right." [http://books.google.com/b ooks?id=hCAjgs4mmQ4C& pg=PA181&lpg=PA181&dg =%22james+madison%22 +%22there+is+no+maxim+ in+my+opinion%22+true+ %22moral+ingredient%22& source=bl&ots=ea5xli9Fmx &sig=bG2FBiy5a4XBCAk3 aGcRmKZFkRM&hl=en&ei =wI71S5m3M4G78ga7pdy 0Cg&sa=X&oi=book result &ct=result&resnum=1&ved =0CBIQ6AEwAA#v=onepa ge&q&f=false]

America is great only insofar as she adheres to the principle that government has no proper role beyond protecting individual rights. These rights - as well as the dividing line between rightful and wrongful actions - cannot be discovered, and much less altered, simply by majority rule.

20 May 2010

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

Dear Editor:

Fearful of the alleged threat that China's growing economy poses to America, James McGregor asks "How do we overcome the fundamental disconnect between our system of scattered bureaucratic responsibilities and almost no national economic planning vs. China's topdown, disciplined and aggressive national economic development planning machine?" ("Time to rethink U.S.-China trade relations," May 19).

This question is a profusion of confusion. For example, if "top-down, disciplined and aggressive national economic development planning" is key to economic success, why did China's economy begin growing only AFTER great swathes of that economy were liberalized? If Mr. McGregor's premise were correct. China under Mao would have been an economic megastar, while the liberalization launched

by Deng Xiaoping - which significantly reduced topdown planning as it decentralized economic decision-making throughout China - would have caused that economy to falter and shrink.

19 May 2010

Prof. Walter E. Williams GMU Economics Two Doors Down from Me

Dear Walter:

You know that I respect and admire no one more than I respect and admire you. From both your substance and your style and, for the past 25 years, also from your personal friendship - I've learned from you far, far more than I can say or ever repay. I was even ready in 1994 (much to Karol's alarm) to join you in resisting HillaryCare!

You are one of my few heroes.

I write now, however, to take issue with what I believe to be an uncharacteristically faulty premise in your latest column. In that column on immigration you suggest that some agency must inevitably be responsible for determining which persons do and which persons do not immigrate into the U.S. And that agency, for you, is the U.S. government.

But you do not say the same about foreign-made goods and services. You disapprove of Uncle Sam's efforts to choose, or to otherwise determine, which goods and services Americans import from foreigners. While foreigners have no rights to force their products on Americans, each individual American has every right to buy whatever he or she wishes from foreigners whether or not Uncle Sam approves. And that's a right that you defend courageously, eloquently, and as a matter of deep principle.

Why is it different with immigration? Immigrants (as you acknowledge) overwhelmingly come to the U.S. in order to engage in peaceful, voluntary, productive commerce with Americans - commerce that benefits both these non-Americans and Americans, just as the voluntary trade of goods and services benefits both non-Americans and Americans. The resulting pattern of immigration no more requires planning or approval or official sanction by some authority than

does the resulting pattern of trade in goods and service.

Admittedly, the free movement of people differs somewhat from the free movement of goods and services. But the similarities are much greater than the differences. For example, just as free-traders can agree that government should block imports of goods that pose significant physical dangers to innocent third-parties, freeimmigrationists can agree that government should block the entry of persons likely to pose similar dangers. Also, just as freetraders understand that greedy special-interests use the economic ignorance and anti-foreign bias of many citizens to cloak with bogus credibility these special-interests' false claims about the dangers of free trade, so, too, do greedy specialinterests use this very same economic ignorance and anti-foreign bias to cloak with bogus credibility these interests' false claims about the dangers of open immigration.

Your argument that Uncle Sam should institute "strict enforcement of immigration law" drifts awfully close to requiring you also to argue that Uncle Sam should institute "strict enforcement" of all extant trade restraints (of which there are many). Because trade restraints are immoral and economically harmful, you (rightly) never wag your finger at Americans who manage to evade these restraints; you never accuse them of engaging in criminal behavior that is harmful to the body-politic; you never argue that, however unwise such restraints might be in detail, they are generally justified by the need for some American agency to determine which foreign goods do and do not find their way into the United States. I urge you to accord the same treatment to the voluntary movement and mutual associations of peaceful people.

You rightly end your column by calling for Uncle Sam to open America's doors wider to immigrants. Unfortunately, that call comes after you insist, I believe mistakenly, that it is Uncle Sam's duty to oversee and govern the immigration of peaceful foreigners into America.

19 May 2010

Editor, The New York Times

620 Eighth Avenue New York, NY 10018

To the Editor:

In light of yesterday's ouster of Arlen Specter (R/D-PA) from his longheld seat in the U.S. Senate ("Specter Defeat Signals a Wave Against Incumbents," May 19), it's instructive to recall the words of one of America's greatest founders, George Mason:

"Nothing is so essential to the preservation of a republican government as a periodical rotation. Nothing so strongly impels a man to regard the interest of his constituents, as the certainty of returning to the general mass of the people, from whence he was taken, where he must participate in their burdens." [http://books.google.com/b ooks?id=PbqCAAAAIAAJ& pg=PA426&lpg=PA426&dq =%22strongly+impels+a+m an+to+regard%22+Mason &source=bl&ots=DNKs5Xp Ndm&sig=7Gfw5xgPNcjq1 sMzh8rpM21VpjA&hl=en& ei=SsjzS5iSCYH48AaEgo G6Dg&sa=X&oi=book res ult&ct=result&resnum=8&v ed=0CCsQ6AEwBw#v=on epage&q=%22strongly%20 impels%20a%20man%20t o%20regard%22%20Maso n&f=false1

Of course, in today's world, 'retired' political grandees never share proportionally in the burdens their political escapades have loaded on the general mass of the people. Nevertheless, it's a happy event whenever the voters reject long-'serving' politicians, for, given that the land will inevitably be haunted by the specter of politics, it's better that this haunting be done by neophytes than by those with experience.

18 May 2010

Producer, Marketplace American Public Media

Dear Sir or Madam:

You report that the Union of Concerned Scientists worries about the fact that "11 states each spend more than a billion dollars a year importing coal from other states" ("States spend big on importing coal," May 18). These scientists conclude that states whose residents import a good deal of energy from outside of their states are not getting energy efficiently - that these energy imports are evidence of a serious problem that policymakers should correct.

These scientists jump to an unscientific conclusion. Nothing in economics (or any other science) suggests that energy purchases and sales are efficient and appropriate only, or even chiefly, when buyers reside in the same jurisdiction as sellers.

I'll bet, for example, that each member of the Union of Concerned Scientists imports nearly 100 percent of his or her household's energy from suppliers located outside of that household. Should this fact cause us concern? Would energy be supplied and used more efficiently or appropriately if each household in America used only energy sources that that household itself produced? Of course not.

It's wholly unscientific to treat political borders as defining the relevant or meaningful boundaries for economic transactions.

17 May 2010

Prof. Paul Krugman Department of Economics Princeton University

Dear Prof. Krugman:

In your May 14 blog-post "Why Libertarianism Doesn't Work, Part N" you attempt to tar libertarianism as being an ideology that "requires incorruptible politicians."

You're deeply confused. One foundation of libertarianism is the observation that no profession is as infested with corruption as is politics.

The political ideology built upon the outlandish assumption that politicians are incorruptible and trustworthy isn't libertarianism but, rather, your own - namely, "Progressivism." You and your ilk unceasingly plead for politicians to be entrusted with ever-more power and money, while libertarians - understanding that politicians aren't saints - oppose your efforts.

Your accusing libertarianism of requiring "incorruptible politicians" makes as much sense as a faith-healer accusing science-based medicine of requiring competent witchdoctors.