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.

19 June 2010

Editor, Boston Globe

Dear Editor:

Derrick Jackson wants government to mandate paid maternity and paternity leave for workers ("A gift that pays off for new dads," June 19). He writes as if the costs of mandated paid leave will be fully absorbed by employers: workers will get an additional valuable fringe benefit at the expense of employers and, hence, employees will suffer no downside.

What a strange notion. To see why, suppose that Mr.

Jackson weren't an opinion writer but, instead, a food critic for your paper. He would observe that some restaurant diners order and very much enjoy vintage Veuve Clicquot Ponsardin champagne with their meals, but that not all diners order this pricey bubbly. He also would (correctly) infer that many diners who never order this champagne would do so if they didn't have to pay for it.

But would Mr. Jackson then conclude that government should mandate that all restaurants give a bottle of Veuve Clicquot Ponsardin free of charge with every meal? Surely not. He'd understand that such a mandate would bankrupt some restaurants, and cause those that remain in business to raise the prices they charge for food and other menu items. And Mr. Jackson would understand also that these higher prices would be paid even by diners who don't drink. In short, he would understand that, as desirable as Veuve Clicquot is, mandating its provision would make restaurant diners worse off.

So I scratch my head wondering why Mr. Jackson thinks that government should mandate paid leave. Does he not see that other terms of employment contracts will be adjusted to compensate - for example, that wages would fall, or that employers would contribute less to employees' pension funds? Does he not recognize that some employers, unable to compensate for this higher cost, will be bankrupted?

19 June 2010

Friends,

My brilliant young colleague Bryan Caplan wrote The Saturday Essay for today's Wall Street Journal; it's entitled "The Breeders' Cup," and it contains a host of fascinating facts about marriage, family, and (especially) children and parenting. Read and enjoy on this Fathers' Day weekend!

http://online.wsj.com/article/SB10001424052748704289504575313201221533826.html

18 June 2010

Friends,

The following link is to my most recent column in the Pittsburgh Tribune-Review; it's the first of a three-part series on the economy's complexity.

http://www.pittsburghlive.co

m/x/pittsburghtrib/opinion/c olumnists/boudreaux/s_68 6130.html

17 June 2010

Editor, The Wall Street Journal 1211 6th Ave. New York, NY 10036

To the Editor:

Justin Lahart accurately reports that, as recently as last year, the late Paul Samuelson dismissed F.A. Hayek's book "The Road to Serfdom" as alarmist and wrong: "Sweden and its Scandinavian neighbors are among the most socialistic countries in the world, as Mr. Hayek defined them, Mr. Samuelson pointed out. 'Where are their horror camps?' he [Samuelson] wrote" ("The Glenn Beck Effect: Hayek Has a Hit," June 17).

But Mr. Samuelson profoundly misread Hayek's book. Hayek said that "the planning against which all our criticism is directed is solely the planning against competition - the planning which is to be substituted for competition." So because Scandinavian countries emphatically do not plan in this way, Samuelson was mistaken

to say that they are socialistic in the way that Hayek believed paved the road to serfdom. Those countries have reasonably free trade, only light regulation of capital markets and business, and strong private property rights. In short, all Scandinavia retains what for Hayek was the most significant protection against serfdom: competitive economies.

And while Hayek would disapprove of the size of Scandinavian welfare states, he stated explicitly that "Nor is the preservation of competition incompatible with an extensive system of social services." [F.A. Hayek, The Road to Serfdom: The Definitive Edition (Bruce Caldwell, ed.) (University of Chicago Press, 2007 [1944]. The first Havek quotation in my letter is from page 90; the second is from page 87]

Paul Samuelson's long history of misrepresenting Hayek's arguments has done a great disservice not only to one of the 20th century's wisest minds but also - and more importantly - to the countless people who would have read Hayek but for Mr. Samuelson's

mischaracterization of The Road to Serfdom.

16 June 2010

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

Dear Editor:

Sens. John Kerry and Joe Lieberman propose legislation that would, as you report, "tax carbon dioxide emissions produced by coal-fired power plants and other large polluters" ("Climate bill faces long odds, despite Obama speech," June 16). This bill is called the "American Power Act."

Hmmm. Because it's unclear how taxing major sources of power will promote American power, this bill's title is misleading. Pondering this fact reveals that too many statutes are known only by the happy clichés serving as their titles - for example, the "No Child Left Behind Act" or the "American Recovery and Reinvestment Act."

Such titling of legislation is dangerous. Proponents of, say, the "Patriot Act" can with great ease cynically and falsely portray all opponents as being hostile to mom, apple pie, and all else American.

So I propose my own statute: the "No Legislation Has a Title" act. This statute would prohibit every government employee from publicly referring to any bill or statute in ways other than by a number assigned to that statute. For instance, Sens. Kerry's and Lieberman's bill might be assigned the number 14 in which case supporters (and opponents) of that bill would forevermore have to call it only "Act 14."

By stripping legislation of titles, each statute's supporters would be under more pressure actually to articulate details of how the statute will operate. And citizens would be more likely to investigate each statute's contents rather than simply to assume that statutes will achieve the goals announced by disingenuous titles.

16 June 2010

Friends,

Suffolk University
economist - and boasting
an economics PhD from
GMU - Ben Powell argues
the case for ending
numerical limits on
immigration into the United
States. Ben's essay
appears at Liberty Fund's
indispensable Library of

Economics & Liberty: http://www.econlib.org/libra ry/Columns/y2010/Powelli mmigration.html

15 June 2010

Editor, The Atlantic

Dear Editor:

Sebastian Mallaby cogently summarizes Paul Romer's vital contributions to the theory of economic growth - contributions that highlight the role, not of mechanistic additions to the stock of technology and capital goods, but, instead, of good ideas ("The Politically Incorrect Guide to Ending Poverty," July/August).

According to Mallaby, "Romer began to emphasize that 'ideas' included more than just technologies and manufacturing processes. Ideas were also embodied in customs and institutions.... Without new technologies, an economy might grow slowly. But without decent rules, an economy cannot even make use of the technologies that already exist."

Indeed so. And appreciation of this insight is never more vital than in times of crises, when panic

fuels politicking that fuels panic. Consider, for example, today's cries to nationalize oil companies or otherwise to dramatically alter the long-established rules under which private companies operate.

Such dramatic action is a very a bad idea, as history's most important predecessor of Mr. Romer recognized. In his 1973 book, "Law, Legislation, and Liberty: Rules and Order," the late F.A. Hayek argued that "The preservation of a free system is so difficult because it requires a constant rejection of measures which appear to be required to secure particular results, on no stronger grounds than that they [expedient measures, such as nationalizing oil companies] conflict with a general rule [such as the importance of private property], and frequently without our knowing what will be the costs of not observing the rule in the particular instance.... Freedom will prevail only if it is accepted as a general principle whose application to particular instances requires no justification." [F. A. Hayek, Law, Legislation, and Liberty, Vol. 1: Rules and Order (University of Chicago Press, 1973), p. 61.

Available here:

http://oll.libertyfund.org/ind ex.php?option=com_conte nt&task=view&id=499&Ite mid=280]

Is the BP Deepwater spill regrettable? No question. Does it justify curtailing private property rights and other rules and institutions that have given modern humans the greatest measure of freedom along with the largest quantum of material prosperity in history? Not on your life.

15 June 2010

Editor, USA Today

Dear Editor:

Mitt Romney joins the chorus of those who lament that politicians' responses to the BP oil spill are infused with politics ("We need a leader, not a politician," June 15).

These lamentations reveal that public understanding of government remains detached from reality in ways that are untrue of our understanding of most other areas of life. Everyone knows, for example, that professional football players are big, muscular, fast, and physically aggressive. And so everyone accepts the fact that linebackers generally act like linebackers rather than like Buddhist monks or cookiebaking grandmothers.

Why, then, are we surprised whenever men and women with personalities and skill sets that enable them to succeed at the very competitive (if perverse) sport of politics act like politicians? That's what these people ARE! It's childish to imagine that we can turn any aspect of our lives over to politicians

without at the same time inevitably subjecting that aspect of our lives to politics.