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.

18 July 2010

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

2010 **ISSUE**

Dear Editor:

Reviewing Matt Ridley's book The Rational Optimist, Wray Herbert isn't convinced that Mr. Ridley's optimism about both the likelihood and the benefits of continued economic growth is justified ("Matt Ridley's 'The Rational Optimist,'" July 18).

I pose today to Mr. Herbert the same question that Thomas Babington Macaulay posed in 1830 to the irrational pessimist Robert Southey - a question that Mr. Ridley wisely quotes as the introduction to Chapter 1 of his book: "On what principle is it, that when we see nothing but improvement behind us, we are to expect nothing but deterioration before us?" [Thomas Babington Macaulay, "Review of Southey's Colloquies on Society": http://www.econlib.org/libra ry/Essays/macS1.html]

Indeed, even today's economic woes are tame and tender when considered in historical perspective. The heavy hand and sticky fingers of government might yet prove Mr. Ridley's prediction to be mistaken. But if we somehow manage to keep markets reasonably free and private property reasonably secure, the future will shine even more brightly with prosperity and opportunity.

1996 - 2010

Editor, Los Angeles Times

Dear Editor:

If Stan Cox were to write about agriculture as he writes about airconditioning ("AC: It's not as cool as you think," July 18), his account would read as follows:

"Sure, the development of agriculture - by greatly improving food availability and nutrition - enabled tens of millions more human beings to live at any one time. But at what cost? Their relative lack of exercise means that farmers are less fit than hunters-gatherers. Also, farming has caused us to lose our ages-old skills to track wild boar and to make arrowheads from flint. Even worse, the land's natural beauty is disfigured by the plough and the barnyard.

"But the most horrible consequence of agriculture are the cities that it sustains. These unnatural agglomerations of humanity further destroy the natural world and remove us completely from our true essence as hunters and gatherers." While I don't claim that airconditioning is as momentous an advance as agriculture, Mr. Cox's focus only on air-conditioning's costs - some real and some imaginary - is a comically irresponsible way to evaluate an invention that brings not only comfort, but protection from killing heat, to hundreds of millions of people.

17 July 2010

The Editor, The Economist 25 St James's Street London SW1A 1HG United Kingdom

SIR:

On the final day of your published debate on industrial policy, moderator Tamzin Booth summarizes industrial-policy enthusiast Dani Rodrick's case for such state direction of the economy: "for Mr Rodrick, the fact that every single prosperous country in history has used industrialpolicy tools at some point proves that they must work" ("Industrial Policy: This house believes that industrial policy always fails").

How ironic that on the same day you also published a report on what you describe as Hong Kong's "staggering" economic success since WWII - a report that notes that Hong Kong's government explicitly "rejected subsidies for start-ups... cheap land for strategic businesses... and most of all, industrial policy" ("End of an experiment," July 16).

Mr Rodrick plays far too fast and loose with alleged "facts."

16 July 2010

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

To the Editor:

Darrell West might be correct that a more-open immigration policy is easier to sell to the public if that policy focuses on admitting foreigners who are very smart and well-educated ("We Need an Einstein Immigration Policy," July 16). But as matter of economics it's untrue that only high-skilled workers have "the potential to enhance American innovation and competitiveness."

By relieving engineers, web designers, chemists, and other high-skilled workers of the need to mow their own lawns, prepare their own meals, wash their own cars, and repair their own leaky faucets, low-skilled workers create more time for highskilled workers to offer high-value contributions. In short, low-skilled workers frequently complement high-skilled workers - making both kinds of workers more productive.

Skeptics of the above claim can offer to clear their tables and wash the dishes they use whenever they dine at restaurants. If the above claim is mistaken, these skeptics will not mind donating their time and energy to do what is normally done by lowskilled workers.

16 July 2010

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

Dear Editor:

Benjamin Kelley says that his art "represents the dehumanization of modern society" ("An artistic body of work's bone of contention," July 16). I'd like to ask him which aspects of pre-modern society he believes to have been most humane. Was it a life-expectancy of about 30 years? How about mass illiteracy? Maybe Mr. Kelley longs for the odors, lice, and scabs that regularly adorned human bodies that seldom bathed and that slept on dirt or straw?

Possibly Mr. Kelley regrets that the homicide rate in modern society is far lower - as much as ten-times lower - than in pre-modern societies? Perchance he laments modernity's liberation of women from the oppressive dominance of men? Maybe he finds fault with modern humans' greater skepticism of tales of witches and sentient volcanoes? Or perhaps Mr. Kelley is upset simply because modernity has eradicated slavery?

Being only 26 years old in modern society, Mr. Kelley has many decades left to reject his fashionable romantic nonsense about a past Golden Age. Were he born just a few generations earlier, however, not only would he have been unable to earn a living as an artist, his own stint in humanity would have been much shorter.

15 July 2010

Editor, USA Today

Dear Editor:

Wyclef Jean deserves applause for his efforts to improve the education of Haitian children ("Don't forget long-term goals for Haiti," July 15). But in his sensible call for Haitians to focus on the long-run, he misdiagnoses Haiti's core problem.

Contrary to Mr. Jean's argument, neither poor education nor a despoiled environment is at the root of Haiti's woes. These troubles - along with Haiti's inadequate infrastructure are merely symptoms of a deeper problem, namely, Haiti's appalling lack of secure property rights and market institutions. For example, according to the Economic Freedom of the World index*, property rights in Haiti are the least secure in the Americas less secure than even in Venezuela! [James Gwartney & Robert Lawson, Economic Freedom of the World. 2009:

http://www.cato.org/pubs/ef

w/] (Is it, then, any wonder that no one in Haiti has incentives to plant and protect trees?) Also, according to the World Bank, legally starting a business in Haiti requires, on average, 195 days and costs 228 percent of the average Haitian's annual income in administrative fees. [See Ian Vasquez, "Haiti's Real Crisis Is Poverty," January 21, 2010:

http://www.cato.org/pub_di splay.php?pub_id=11156]

What Haiti needs most is a freer, more-entrepreneurial market based upon the rule of law and secure private property rights.

http://www.pittsburghlive.co m/x/pittsburghtrib/opinion/c olumnists/boudreaux/s_68 6130.html

http://www.pittsburghlive.co m/x/pittsburghtrib/opinion/c olumnists/boudreaux/s_68 8179.html

14 July 2010

Friends,

14 July 2010

Friends,

Here's the final installment in my three-part series, at the Pittsburgh Tribune-Review, on analogizing the economy to a gigantic jigsaw puzzle:

http://www.pittsburghlive.co m/x/pittsburghtrib/opinion/c olumnists/boudreaux/s_69 0220.html

I realize that the analogy changed somewhat over time (from column one to column three) - so this story isn't yet as good as it can be (and perhaps I'm incapable of improving it sufficiently). But I nevertheless sense that something useful is conveyed by pondering this analogy carefully.

Here, btw, are the first two installments:

This short video highlights the good work being done by Katya Akudovich - one of many recent, excellent GMU Econ graduates who are using what they've learned in our program to help improve the world. <u>http://www.youtube.com/w</u> <u>atch?v=RDjTXOhf_Kw</u>