



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.

31 January 2010

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

Dear Editor:

While at the Davos World Economic Forum, David Ignatius is apparently surprised that "When Sarkozy had finished his anti-capitalist rant, he got a standing ovation from an audience made up mostly of wealthy capitalists" ("Populism popular at the World Economic Forum in Davos," Jan. 31).

Nothing is surprising about this fact. To the extent that trade - both national and

international - is restricted, incumbent capitalists are protected from what Joseph Schumpeter called the "gale of creative destruction." Subsidies and trade restrictions always protect established capitalists from having to compete with new rivals, new products, and new ways of doing business. Such "anti-capitalist" protection harms not only upstart entrepreneurs; most importantly, it hurts the countless unseen and unrepresented consumers who are denied the gains they would have enjoyed from the innovation and competition that are squelched by the "anti-capitalist" restrictive

policies that seem so in vogue today at Davos.

Show me an "anti-capitalist" policy and I'll show you wealthy capitalists who applaud it loudly.

29 January 2010

Editor, USA Today

Dear Editor:

Part of your case for keeping a lid on immigration from Haiti is the claim that "Haiti's survival depends on encouraging its best and brightest to remain and work on its revival" ("Help Haitians, but don't throw

open U.S. borders," Jan. 29).

An odd argument, especially coming from for you.

In 1963 Al Neuharth left his job at the Detroit Free Press because he felt that prospects for his advancement at that newspaper were dim. He migrated to Gannett, your parent company, where he later founded USA Today. That is, Mr. Neuharth migrated to a place that allowed him to put his talents to better use. Both he and the public gained by his migration.

Why should Haitians be denied the same opportunity to move to where their talents can be better used? Why should these real flesh-and-blood individuals be sacrificed to something called "Haiti"? Why should they be confined to working in an economy with a long, sorry history of suppressing markets and the very talents that they wish to put to use in a freer economy?

27 January 2010

Editor, USA Today

Dear Editor:

You say that Fed Chairman Ben Bernanke "should have done much more to regulate lenders who were handing out mortgages with no regard for the borrowers' ability to pay" ("Bernanke merits new term as Federal Reserve chairman," Jan. 27). This assertion has become an absurd mantra.

While Mr. Bernanke's misjudgments and mistakes are too many, the alleged error that you mention isn't among them. How would Capitol Hill, the White House, and the popular media have reacted had the Fed in, say, 2005 and 2006 stopped low-income Americans from getting mortgage loans? What would you and your peers at publications such as the New York Times and The Nation have written if Mr. Bernanke had then justified this intervention by saying that poor Americans lack the financial smarts of richer Americans and, therefore, can't be trusted to go into debt in order to buy homes?

In fact, Mr. Bernanke was right to treat low-income homebuyers as the adults that they are, and to understand - contrary to one premise of the absurd mantra - that lenders

lending their own money need no third-party to compel them not to make loans that are unlikely to be repaid.

26 January 2010

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

Dear Editor:

Bruce Ackerman and Ian Ayers write that, with last week's Citizens United decision, "the Supreme Court has struck down century-old restrictions on corporate money in politics" ("Despite court ruling, Congress can still limit campaign finance," Jan. 26).

Untrue. Since passage of the Tillman Act in 1907 corporations have been banned from contributing directly to candidates for national office. But corporate spending on independent political speech wasn't restricted. And no such restrictions were imposed by the Federal Corrupt Practices Act of 1910, or by the significant strengthening of this Act in 1925.

And it wasn't until the 1990 case *Austin v. Michigan Chamber of Commerce* - a case involving a state's

restriction on corporate spending on independent political speech – that the Court ruled that such restrictions are constitutional.

Overturing a 20-year-old decision hardly upends a century of settled, fundamental law. In fact, it enforces, and helps to settle, a fundamental law that is 219 years old: the First Amendment.

26 January 2010

Friends,

My GMU colleague and co-blogger, Russ Roberts, wrote and is the driving force behind this seven-plus-minute rap video featuring the characters of Hayek and Keynes.

It is professional and superb -- and nicely explains the important differences between Keynes's and Hayek's understanding of economic booms and busts: <http://cafehayek.com/2010/01/keynes-vs-hayek-rap-video.html>

Enjoy!

25 January 2010

Mr. Barack Obama
President, Executive
Branch
United States government
Washington, DC

Dear Mr. Obama:

In your weekly radio address on Saturday (Jan. 23) you harshly criticized the Supreme Court's ruling in Citizens United - a ruling that protects citizens, even when organized as corporations, from government censorship of their political speech. You worry that this decision will

allow "unbridled corporate spending" to influence political outcomes.

Now today, the AP reports that "President Barack Obama on Monday offered help for people struggling to pay bills and care for their families.... Among the initiatives: a doubling of the child care tax credit for families earning under \$85,000; a \$1.6 billion increase in federal funding for child care programs and a program to cap student loan payments at 10 percent of income above 'a basic living allowance.'

....

"Obama is seeking to offer some attractive options to taxpayers, mindful of the painful implications of the loss of a traditionally Democratic Senate seat in Massachusetts to Republican Scott Brown. White House advisers see Wednesday's State of the Union speech as a key opportunity for Obama to recalibrate his message and reset his presidency after that stinging setback."

Interesting. You think it dangerous for the republic when corporations use "unbridled" spending to try to affect political outcomes, yet you yourself don't hesitate to use unbridled spending (of other people's

money!) to try to affect
political outcomes.

Seems inconsistent to me,
Mr. President. Don't you
agree?