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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.

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24 October 2010

Editor, The Washington Times

Dear Editor:

Jim Powell offers a long list of some of the many trade-destroying retaliatory tariffs that foreign governments imposed on their citizens in response to Uncle Sam's 1930 Smoot-Hawley tariff ("The tempting path of protectionism," Oct. 24). I offer here yet another candidate for that list: Canada's tariff on American eggs.

Harvard government professor Jeffry Frieden explains that "Smoot-Hawley raised the tariff on egg imports into the U.S. from eight cents to ten cents per dozen. This higher tariff caused egg imports from Canada to fall by 40 percent. In response, Canadian authorities increased the tariff on U.S. eggs exported to Canada; this tariff went from three cents per dozen to ten cents per dozen. The result was that American egg exports to Canada fell by 98 percent - from 11 million annually just before Smoot-Hawley to a mere 200,000." [Jeffry Frieden, Global Capitalism (New York: W.W. Norton, 2006), p. 255]

That worked well.

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24 October 2010

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

To the Editor:

Paul Krugman foresees dire economic times ahead for the British if their government proceeds with its plans to cut its budget ("British Fashion Victims," Oct. 22). These cuts of some $131 billion (spread out over the course of several years) amount to 6.0% of the U.K.'s 2010 GDP.

It is, therefore, curious that Mr. Krugman is forever arguing that U.S. stimulus spending is far too small a portion of U.S. GDP to have any significant impact on the American economy. After all, Pres. Obama's $862 billion stimulus package alone amounts to 5.9% of 2010 U.S. GDP. (If we include also Pres. Bush's somewhat more 'modest' stimulus package, stimulus spending in the U.S. during this recession is now at 7.5 percent of 2010 U.S. GDP.)

How can it be that a government-spending cut in one country will cause grievous economic harm while a nearly identically proportioned government-spending increase in another country will yield only meager benefits?

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23 October 2010

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

To the Editor:

Jack Kinstlinger alleges that Tea Partiers are motivated by "greed and selfishness" and "reject what is fundamental to our religious teachings - that it is our duty to help those less fortunate and that we cannot live in isolation but are part of a larger community" (Letters, Oct. 23).

I have no idea what motives the typical Tea Partier, but I do know that opposition to a heavy-handed government is NOT evidence of "greed" or of the absurd belief that human beings are not "part of a larger community."

There's a long tradition of classical liberalism - boasting names such as Adam Smith, Wilhelm von Humboldt, Madison, Jefferson, Tocqueville, Macaulay, Gladstone, Cobden, Mencken, and Hayek - based on the understanding that forced "charity" is not generosity; that no agency better serves the narrow and anti-social goals of the truly greedy than does the state; and that individuals left to regulate their own affairs with a minimum of interference from government will create extensive and deep patterns of social cooperation that are far more effective at meeting human needs than any bureaucracy or program imposed by the state.

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22 October 2010

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

To the Editor:

You open a report today with this line: "The Obama administration on Friday urged the world's biggest economies to set a numerical limit on their trade imbalances" ("U.S. Proposes Benchmark for Limiting Trade Imbalances," Oct. 22).

Because the concern here obviously is with the U.S current-account deficit - and because a U.S. current-account deficit is simply another name for a U.S. capital-account surplus (that is, net inflows of capital into the U.S.) - we can translate the opening line of your report to make it more meaningful: "The Obama administration on Friday urged the world's biggest economies to set a numerical limit on the amounts that their citizens invest in the U.S. economy."

I await the White House's explanation for how limitations on investments in the American economy promote Americans' economic well-being.

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22 October 2010

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

To the Editor:

You report that economist Barbara Bergmann is "calling for 'a revival of affirmative action to get women into the better-paying blue-collar jobs'" ("White House Promotes Economic Efforts for Women," Oct. 22). Prof. Bergmann's rationale, in her own words, is that "Most of the advances women have made have been in the professions and business management."

This IS a problem, what with women getting all those professional jobs and not as many opportunities to toil in factories and in mines. But it's a problem also for men: over the past several decades, most of the new jobs created for men - as for women - have been in the professions and business management.

Clearly, these facts are disturbing evidence that American manufacturers are biased against human beings. Because the bulk of blue-collar work in the recent past has gone disproportionately to inanimate machines, only one conclusion is possible: U.S. manufacturing firms are run by bigoted executives with an irrational fear and hatred of people.

Something must be done.

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21 October 2010

Friends,

My GMU Econ colleague Thomas Stratmann is quoted in this interesting article that originally appeared in the Wall Street Journal:

http://finance.yahoo.com/insurance/article/111077/is-your-car-getting-you-more-traffic-tickets?mod=insurance-autos

All drivers should read it! Here's the conclusion:

"According to separate -- and quite different research -- by two George Mason University economists, "spirited" drivers would do well to push the limit close to where they live. They studied traffic citations issued in Massachusetts and concluded that out-of-towners caught speeding were more likely to get a ticket -- and a higher proposed fine -- than people who lived in town. Moreover, cities with budget shortfalls tended to hand out more, and heftier, traffic fines.

It helps a lot, however, to be a young woman, says one of the economists, Thomas Stratmann. Younger women were nearly 33% less likely to get a ticket than men, according to the data the researchers sampled.

However, Mr. Stratmann says, once women reach about 75 years old, the advantage disappears."

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20 October 2010

Programming Director,
WTOP Radio
Washington, DC

Dear Sir or Madam:

A Politico pundit, during the 10pm hour on your station today, favorably quoted President Obama's recent remark - from the Oct. 12th edition of the New York Times Magazine - that "Infrastructure has the benefit of for every dollar you spend on infrastructure, you get a dollar and a half in stimulus because there are ripple effects from building roads or bridges or sewer lines."

History counsels caution before accepting such an assertion. First, in the cradle of the industrial revolution, Great Britain, infrastructure was funded and managed largely by private sources rather than by the state. Second - and more to the point - is this sobering conclusion from economic historian John Wallis: "There were many reasons why the eighteenth-century Dutch economy failed to become a full-blown industrial economy, but one of them was the fiscal burden of maintaining the infrastructure investment that had fueled the growth in the first place." [John J. Wallis, "Government Growth, Income Growth, and Economic Growth," Chapter 13 in Capitalism in Context: Essays on Economic Development and Cultural Change in Honor of R. M. Hartwell, John A. James & Mark Thomas, eds., (Chicago: University of Chicago Press, 1994), p. 283]

Had the 17th-century Dutch relied, as did the 18th-century British, on private entrepreneurs to fund, build, and manage their infrastructure, perhaps Manhattan would still be New Amsterdam and we'd all be celebrating, in Dutch, The Netherlands rather than England as the first industrial nation.

Either way, history shows that today's stimulating infrastructure expenditures by government can be tomorrow's debilitating national burden.

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20 October 2010

Editor, Los Angeles Times

Dear Editor:

Jonathan Fielding and Paul Simon praise New York City mayor Michael Bloomberg for "Incentivizing healthy eating" (Oct. 20). Never mind that the mayor's idea of an incentive is a ban - as in his ban on trans fats in NYC restaurants. Also ignore the fact that it's none of Messrs. Fielding's, Simon's, or Bloomberg's business what I or anyone else eats. If I choose to stuff my face with bacon-wrapped Twinkies fried in lard and slathered with salted butter, that's my business.

Instead, focus on the fact that there are already in place natural incentives to eat a healthy diet. Most significantly, people who eat a poor diet reduce their life-expectancy. They also become less physically attractive and, hence, less competitive in the market for appealing mates. If these incentives aren't sufficient to persuade someone to forego an unhealthy diet, decency and civility require that we respect that person's choice. The life in question belongs to that person and not to society or the state.

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20 October 2010

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

To the Editor:

Walter Russell Mead rightly deplores the illegal-drug industry and its "violence and the culture of violence that wreaks such terrible havoc in urban areas all around the world" ("Notable & Quotable," Oct. 20). It's important to recognize, though, that this violence results not from the "drug" part of the industry but from the "illegal" part. After all, the likes of Merck and Novartis don't compete for market share by routinely sending out their employees to shoot each other.

Or look at the matter this way: imagine the consequences if government outlawed meat. Right or wrong, people have a hefty demand to consume beef, chicken, pork, lamb, venison, and other types of animal flesh. Outlawing the sale and consumption of meat would bankrupt operations such as Perdue and Hillshire Farms, but more-grisly suppliers would soon arise to satisfy the market demand. The resulting illegal meat industry would be run by meat lords – vicious gangsters who, you can bet your Butterball turkey, would compete for territory and settle their accounts with all the violence and cruelty now associated with the illegal drug industry.

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19 October 2010

Professor Marc Lamont Hill
Department of English
Columbia University
New York, NY

Dear Prof Hill:

I enjoyed your debate last week, on John Stossel's show, with the Cato Institute's Sallie James. [http://video.foxbusiness.com/#/v/4374490/why-is-america-rich/?playlist_id=87530] I cannot, though, accept the concept of exploitation that you offered there.

You argue that Nike and other multinational corporations "exploit" workers in developing countries by not paying them more - by not paying their workers higher wages that, you are certain, these companies can "afford" to pay. So despite the fact that these corporations expand the employment options available to developing-country workers, these corporations are nevertheless guilty of exploitation because they do not expand these options even further.

It seems to follow from your concept of exploitation that if, say, Nike pulls out of all developing countries - and thus shrinks the employment options available to poor workers there - it would no longer be guilty of exploiting those workers.

Surely that can't be correct.

I have a dear friend who, because she loves African art, routinely buys woven baskets, wall hangings, and sculptures made by artists in sub-Saharan Africa. My friend is a reasonably well-to-do American who certainly could afford to pay more for the artwork than she actually pays. Does my friend exploit artists in sub-Saharan Africa by paying only the asking prices of the pieces of art? Would she make these artists better off if she stopped buying their outputs? According to the logic of your argument, you must answer 'yes' to each of these questions.

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18 October 2010

Editor, Boston Globe

Dear Editor:

John Hill asserts that "The free market has many virtues, but by its nature it must remain callous to human suffering caused by illness" (Letters, Oct. 18).

Really? Take a walk down an aisle in a typical modern supermarket. You'll find analgesics, antihistamines, antiseptics, antifungal medicines, bandages, and nutritional supplements - all supplied by private, profit-seeking companies. Keep walking and you come to the store's pharmacy, where you can buy yet other medicines - such as those that address serious illnesses like depression, hypertension, and high cholesterol - created and produced by private, profit-seeking firms.

It's no wonder that my GMU colleague Peter Leeson found that, in countries that became more capitalist since 1980, average life-expectancy at birth has risen from less than 63 years to 67.5 years (by 2005). In countries that became less capitalist since 1980, life-expectancy at birth fell from 59 to 57 years. [Peter J. Leeson, "Two Cheers for Capitalism?" (Working paper, 2009): http://docs.google.com/viewer?a=v&q=cache:GIoAZ1CQ6CoJ:www.peterleeson.com]
Thank goodness for "callous" capitalism”