



## 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.**

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31 October 2010

Ms. Erika \_\_\_\_\_

Dear Ms. \_\_\_\_\_:

Thanks for your e-mail.

You accuse me of being "hysterical" - a debilitating condition that, as you diagnose it, "comes from [my] wrong belief that when society cares about its under-privileged it gives up its ability to enjoy the benefits of capitalism."

Whether or not I'm prone to hysteria I leave to you and others to judge. But I insist that your description of my "belief" is dead-wrong.

First, I reject your assumption that government welfare programs and other regulations that are marketed as being helpful to the poor are either a necessary or a sufficient condition for "society" to "care" about the poor. Private for-profit firms such as Wal-Mart, along with private non-profit organizations such as churches, do far more to help the poor than do government bureaucracies.

Second, I just published an essay in which I argue that free markets are sufficiently vigorous to withstand a great deal of abuse and interference by

the state. Unlike some libertarians, I do not think that the slightest step away from laissez-faire capitalism is the first step on an inevitable journey along the road to serfdom. That essay of mine is here:

<http://www.thefreemanonline.org/columns/thoughts-on-freedom/the-power-of-freedom/#>

I welcome your feedback. Thank you again for writing.

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31 October 2010

Editor, The American Thinker

Dear Editor:

Attacking free trade, John Griffing repeats the urban myth that the principle of comparative advantage justifies free trade "only if three conditions were met: zero international capital mobility, full employment, and balanced trade" ("The Free Trade Trap," Oct. 31).

Nonsense. That one person or country has a comparative advantage at producing, say, wine while another person or country has a comparative advantage at producing cloth - and, hence, that both persons or countries benefit by specializing and trading - depends not in the least on any of the conditions that Mr. Griffing alleges to be prerequisites for comparative advantage to justify free trade.

David Ricardo, and countless economists since, have indeed often assumed one or more of the conditions that Mr. Griffing mentions (and many conditions that he doesn't mention). But such assumptions are made only to explore the different detailed ways that comparative advantage works under various conditions, or to simplify the explanation of the central insight of the principle. Economists

never for a moment believed that the central insight of comparative advantage REQUIRES these assumptions to hold in reality.

As the late Fritz Machlup (a giant among trade theorists) wrote in 1977, "most of the established propositions in the theory of international trade were derived from assumptions many of which are quite unrealistic - some idealised but still acceptable as approximations to real-world conditions, some downright counterfactual. They were nevertheless accepted as heuristic fictions because they yielded interesting conclusions which were judged to remain relevant even if some of the assumptions were relaxed or entirely dropped." [Fritz Machlup, *A History of Thought on Economic Integration* (New York: Columbia University Press, 1977), p. 57]

31 October 2010

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

Dear Editor:

Ezra Klein pities politicians for all the time the poor dears must spend raising

money from donors who can choose whether or not to contribute ("For lawmakers like Evan Bayh, the price of fundraising is too steep," Oct. 31). I pity taxpayers for all the time politicians spend taking money from them, whose only choice is to hand it over or go to jail.

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30 October 2010

Mr. James Fallows  
National Correspondent,  
The Atlantic

Dear Mr. Fallows:

This afternoon on NPR you proclaimed that "there is essentially no disagreement WHATSOEVER" among economists that more stimulus spending is necessary today [emphasis in the original].

You are misinformed.

Last year, hundreds of economists signed a petition, circulated by the Cato Institute, whose key clause reads "it is a triumph of hope over experience to believe that more government spending will help the U.S. today." Among the economists who signed this petition in opposition to 'stimulus' spending are three Nobel laureates in economics

(Edward Prescott, Vernon Smith, and my colleague James Buchanan). Other signers include Chicago's Eugene Fama and Sam Peltzman, Harvard's Jeffrey Miron, Texas A&M's Thomas Saving, Cornell's Rick Geddes and Dean Lillard, University of Virginia's Lee Coppock and Kenneth Elzinga, Duke's Michael Munger and Edward Tower, University of Rochester's Mark Bils and Ronald Schmidt, Rutgers's Michael Bordo and Leo Troy, University of Southern California's John Matsusaka and Kevin Murphy, and one of the world's preeminent scholars of money and banking, Carnegie-Mellon's Allan Meltzer.

[http://www.cato.org/specia/stimulus09/cato\\_stimulus.pdf](http://www.cato.org/specia/stimulus09/cato_stimulus.pdf)

Perhaps these economists and the many others who've signed this petition (including myself) - and who continue to speak out against what we believe to be the folly of 'stimulus' - are mistaken. But for you to announce publicly that there is "no disagreement WHATSOEVER" among economists that more stimulus spending is desirable is so wildly inaccurate that it borders on being irresponsible.

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30 October 2010

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

To the Editor:

So McDonald's informs its employees that "If the right people are elected, we will be able to continue with raises and benefits at or above the current levels. If others are elected, we will not" ("McDonald's Workers Are Told Whom to Vote for," Oct. 30). McDonald's then names three candidates who it believes will promote policies that will improve the economy.

That's it. McDonald's workers were merely given their employer's opinion. They were not - contrary to the title of your report - "told whom to vote for." Indeed, given the secret ballot, any such command would have had as much teeth as a flounder has fur.

So why is McDonald's facing possible criminal charges for this action?

Is it wrong for an employer to express an opinion to employees about which candidates are best for business? Are employees so stupid and paranoid that they cannot be trusted to

be exposed to such opinions? If so, then let's also criminalize the incessant barrage of such opinions - often phrased in tones far more apocalyptic than the one used by McDonald's - coming from U.S. Presidents, members of Congress, and newspaper editorialists.

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30 October 2010

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

To the Editor:

Charles Blow says that "Private schools by their very nature discriminate. Their students are literally the chosen ones - special, better. This sort of thinking has a way of weaving itself into the fibers of a family and into the thinking of the children, particularly young boys in a male culture where even the slightest deviations from the narrowest concepts of normality are heretical" ("Private School Civility Gap," Oct. 30).

I disagree.

I've gone to private school my whole life. My parents send me there because it provides a superior education. They don't

send me to private school because they think I am "special" or "better." They also don't raise me to think like that. Nor does my school teach me to think like that. My classmates and I are taught tolerance and civility in addition to formal subjects like math and Latin, so none of us are bothered by people and ideas just because these might be different from ones that are more familiar. And I myself especially enjoy how I am different from my classmates.

Sincerely,  
Thomas M. Boudreaux  
Eighth Grade  
Westminster School  
Annandale, VA 22003

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29 October 2010

Editor, New York Daily News

Dear Editor:

Celeste Katz reports that Vice-President Joe Biden recently remarked that "Every single great idea that has marked the 21st century, the 20th century and the 19th century has required government vision and government incentive. In the middle of the Civil War you had a guy named Lincoln paying people \$16,000 for every 40 miles

of track they laid across the continental United States.... No private enterprise would have done that for another 35 years" ("The Daily Politics," Oct. 26).

Let's overlook such fruits of private creativity and enterprise as the light bulb, refrigeration, the assembly line, container shipping, and the polio vaccine and focus instead on Mr. Biden's example of America's first transcontinental railroads. The Great Northern - conceived in 1886 and owned and run by the immigrant James J. Hill - received no government assistance (not even free grants of rights-of-way). Moreover, unlike the other three transcontinental lines that were completed in the 19th century - and each of which was indeed government subsidized - the Great Northern never went bankrupt. It's with us still today as the BNSF Railway.

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29 October 2010

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

To the Editor:

Robert Reich misunderstands regime uncertainty ("Why Business Should Fear the Tea Party," Oct. 29). Unleashing this destructive uncertainty requires more than simply changing in major ways government's role in the economy. Instead, regime uncertainty is increased by changes that portend into the indefinite future a greater degree of arbitrary government economic intervention.

For this reason, talk of replacing the Federal Reserve's arbitrary monopoly over the U.S. money supply with a more decentralized and competitive monetary system does not - contrary to Mr. Reich's claim - spawn regime uncertainty of the sort that is spawned by "Progressives" talk of (and action toward) empowering government with ever-more authority to tax, spend, borrow, block, 'protect,' punish, subsidize, bailout, restrict, require, prohibit, cap, 'quantitatively ease,' 'universally insure,' stimulate, regulate, investigate, interrogate, moratoriate, and otherwise override with politically poisoned official diktats the private choices and contracts of individuals.

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28 October 2010

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

To the Editor:

Michael Vines believes that opponents of the "liberal" agenda in Washington are "reactionary" (Letters, Oct. 28).

Such "liberal" self-congratulations reminds me of H.L. Mencken's description of "the Liberals, who pretend - and often quite honestly believe - that they are hot for liberty. They never really are.... If a law were passed tomorrow taking away the property of a large group of presumably well-to-do persons - say, the bondholders of the railroads - without compensation and even without colorable reason, they would not oppose it; they would be in favor of it. The liberty to have and to hold property is not one that they recognize. They believe only in the liberty to envy, hate and loot the man who has it." [H.L. Mencken, "Liberty and Democracy," first published on April 13, 1925, in the Baltimore Evening Sun; reprinted in H.L. Mencken, A Second Mencken Chrestomathy

(New York: Alfred A. Knopf, 1995), pp. 35-36]

Who can seriously doubt that Mencken's description of the "liberals" of 1925 holds - likely with greater robustness - for the "liberals" of 2010?

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27 October 2010

Editor, Baltimore Sun

Dear Editor:

Charles Campbell's case that "Free trade has failed the U.S." (Oct. 25) is a stew of errors, misunderstandings, and non sequiturs.

Mr. Campbell is misinformed about facts - for example, contrary to his assertion that "we have hollowed out our industrial base," the real value of American manufacturing output today is near an all-time high, and growing.

Mr. Campbell is misinformed about history - for example, contrary to his allegation that Hong Kong "restrict[ed] imports of finished goods," Hong Kong, during its period of fastest growth, imposed no barriers to trade.

Mr. Campbell is misinformed about policy - for example, contrary to his

claim, the Samuelson-Stolper theorem was never "the cornerstone of U.S. industrial policy." That theorem was, and is, merely an abstract economic model that gives insight into how trade changes the relative prices of inputs.

Far from offering a serious case against free trade, Mr. Campbell's essay packs all the intellectual umpph of a hillbilly-preacher's fulminations against Darwin, homosexuality, or Halloween celebrations.

27 October 2010

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

To the Editor:

Bob Herbert despairs over the condition of America's water-supply infrastructure ("The Corrosion of America," Oct. 26). But rather than simply calling for more government funding, he should - and we should - look to France. The French have long relied heavily and successfully on the private sector to treat and deliver water. [See, for example, this 1983 interview with Johns Hopkins economist Steve Hanke:

[http://globalwater.jhu.edu/index.php/magazine/article/american\\_waterworks\\_association\\_interview\\_with\\_prof.\\_steve\\_hanke](http://globalwater.jhu.edu/index.php/magazine/article/american_waterworks_association_interview_with_prof._steve_hanke)

America's much-greater reliance on government to deliver potable running water naturally holds Americans' water supply hostage to the irrationalities and absurdities of politics. It's time that we instead rely on the allure of profits and the fear of losses to ensure that our homes and businesses are well-supplied with running water.

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26 October 2010

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

To the Editor:

G.M. North America President Mark Reuss reports that "The early enthusiastic consumer response - more than 120,000 potential [Chevy] Volt customers have already signaled interest in the car, and orders have flowed since the summer - give us confidence that the Volt will succeed on its merits" (Letters, Oct. 25).

Splendid news! I trust, then, that the Volt's success "on its merits" means that General Motors will return all subsidies it has received from taxpayers for development of the Volt and refuse any further subsidies that Uncle Sam might offer.

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26 October 2010

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

To the Editor:

Clearly exposing the dangers lurking in Treasury Secretary Geithner's proposal to centrally control trade "imbalances," John Cochrane notes that "There is at work here a strange marriage of Keynesianism and mercantilism" ("Geithner's Global Central Planning," Oct. 26).

Alas, this marriage isn't so strange. In Chapter 23 of his *General Theory*, Lord Keynes himself explicitly praised mercantilist thinkers while he criticized classical economists for dismissing, as "a puerile obsession," mercantilists' concern with the balance of payments.

Keynes was in this matter, as in so many others, led to frightfully wrong conclusions by what we might fairly describe as his puerile obsession with aggregate demand.

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25 October 2010

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

To the Editor:

A theme that runs with approval throughout Jonathan Alter's review of recent books on modern "liberalism" is that "liberals," in contrast to their mindless Cro-Magnon opposites, overflow with ideas ("The State of Liberalism," Oct. 24).

Indeed they do. But these ideas are almost exclusively about how other people should live their lives. These are ideas about how one group of people (the politically successful) should engineer everyone else's contracts, social relations, diets, habits, and even moral sentiments.

Put differently, modern "liberalism's" ideas are about replacing an unimaginably large multitude of diverse and

competing ideas - each one individually chosen, practiced, assessed, and modified in light of what F.A. Hayek called "the particular circumstances of time and place" - with a relatively paltry set of 'Big Ideas' that are politically selected, centrally imposed, and enforced not by the natural give, take, and compromise of the everyday interactions of millions of people but, rather, by guns wielded by those whose overriding 'idea' is among the most simple-minded and antediluvian notions in history, namely, that those with the power of the sword are anointed to lord it over the rest of us.