



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.

21 March 2010

Friends,

U.S. Rep. Donna Edwards (D-MD) just announced to a NewsChannel 4 reporter here in D.C. that, now that Obamacare has passed, the health-care costs that "were incurred" until today in her district in Montgomery County, MD, "will go away."

Why is a person such as the Hon. Ms. Edwards portrayed as being anything other than a clown? As being someone whose pronouncements about reality are more respectable and sensible than are the pronouncements about

string theory of the typical three-year old?

Saying that legislation can make health-care costs "go away" is the economics equivalent of saying that legislation can make the earth flat or can make earthworms bipedal.

These people are beneath contempt.

21 March 2010

Friends,

Watching tonight on television the charlatans who infest Capitol Hill gaudily pronounce their saintly motives and their deity-like powers to "guarantee world-class

health care for every American" (as one creep put it to a NewsChannel 8 reporter here in DC) makes me want to vomit.

These people LOOK like serious adults; the timber of their voices make them SOUND like serious adults; and their titles are ones that are assumed to be reserved for serious adults. But, in fact, these people - from Obama to Pelosi to Hoyer to Reid - are nothing of the sort.

If they really believe even a quarter of the things they say, they're imbeciles. If they aren't imbeciles, they're scoundrels. No third alternative is conceivable.

Either way, they're an utterly detestable bunch.

21 March 2010

Friends,

My GMU and Mercatus Center colleague Larry White has a fascinating podcast with the great money-and-banking historian Dick Timberlake (Univ. of Georgia, Emeritus). Listening to this podcast is well worth your time:

<http://econjwatch.org/podcast/richard-timberlake-on-the-gold-standard>

21 March 2010

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

To the Editor:

New York State Health Commissioner Richard Daines alleges that the low prices, generous serving sizes, and vigorous marketing of sugary drinks are evidence of "market failure" (Letters, March 21). As far as I can tell, though, Mr. Daines's lone rationale for accusing the market of "failing" is that he and other 'experts' disapprove of suppliers competing hard to satisfy people's demands for sugary drinks.

If Mr. Daines's allegation is justified, then I'm justified in alleging that the political process in New York State has failed. My reason? I disapprove of the fact that many voters demand that busybodies such as Mr. Daines poke their noses into people's diets. I disapprove also of Mr. Daines and his colleagues working hard to satisfy these voters' demands.

So to correct this failure, I propose an excise tax on busy-bodyness - say, \$1.00 per each word spoken or written that 'experts' (such as myself) judge will promote injurious officiousness and unhealthy meddling by government officials in the private affairs of others.

21 March 2010

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

To the Editor:

New York State Health Commissioner Richard Daines writes that "Sugar-sweetened beverages are underpriced and oversized. They are universally available and relentlessly marketed, particularly in low-income

neighborhoods. The 1-cent-per-ounce tax on sugary beverages supported by Gov. David A. Paterson, Mayor Michael R. Bloomberg and virtually every public health and health care professional organization in the state will begin to correct this market failure" (Letters, March 21).

Commissar Daines believes that the market fails whenever its outcomes are ones that he and other 'experts' find objectionable - whenever its reality diverges from HIS pretty vision of what OTHER people should sell and consume. In fact - especially given government interventions that artificially raise the prices of many grains and fruits - the market is working perfectly well here. Consumers enjoy sugary drinks and market competition, just as it is supposed to do, keeps the prices of these drinks low, serving portions generous, and sellers ever-striving to alert consumers to opportunities to buy.

20 March 2010

Mr Jeremy Warner
London Daily Telegraph

Dear Mr Warner:

Your criticisms of Paul Krugman's recent embrace of protectionism are eloquent ("Paul Krugman, the Nobel prize winner who threatens the world," March 19).

But I pick one nit: you write as if the alleged trade imbalances between the U.S. and China are real. They are not. The Chinese sell Americans goods; we pay with dollars; the Chinese then use many of these dollars to buy IOUs issued by Uncle Sam. Although the result is a measured current-account deficit of the U.S. with China, there's no more any economically meaningful "imbalance" in such a result than there would be if, say, Texans lent a lot of their dollars to Uncle Sam.

Talk of imbalances in TRADE diverts attention from the real problem: Uncle Sam's gargantuan debt. That fast-accumulating debt IS a huge problem. It is caused, though, not by trade with China but, rather, by Washington's lack of fiscal discipline. Unless you believe that protectionism (and only protectionism) would induce Congress to be more fiscally disciplined, you should avoid all talk of imbalances in trade and

instead talk of imbalances in political institutions that encourage politicians to give disproportionate weight to the demands of current voters and to ignore the resulting ill-consequences that will curse future generations.

20 March 2010

Editor, Washington Times

Dear Editor:

Richard Berman understandably laments that "Unfortunately, some of our \$300 billion in annual donations [to private non-profit organizations] goes to frauds and swindlers instead of aiding legitimate charity work" ("Charities behaving badly," March 20).

Mr. Berman is right to condemn such shysters. But let's keep matters in perspective: Uncle Sam now annually confiscates 12 times the amount that Americans give voluntarily to non-profits. And not just some, but every one, of those confiscated dollars "goes to frauds and swindlers."

Moreover, once a private non-profit is exposed as being a nest of con artists, people can choose to stop

funding it. In contrast, Congress routinely displays itself publicly as being a covey of clowns whose irresponsibility would embarrass any town drunk and whose legerdemain is legendary. Yet those of us who see the true nature of the frauds and swindlers on Capitol Hill would be imprisoned if we choose to stop funding their operation.

19 March 2010

Friends,

My buddy Tibor Machan urges me to send my latest column from the Pittsburgh Tribune-Review to my e-mail list.

Because my vanity needs little stroking in order to become excited, I do so here; it's an expose of some of Paul Krugman's inconsistencies:

http://www.pittsburghlive.com/x/pittsburghtrib/opinion/columnists/boudreaux/s_672366.html

19 March 2010

Editor, Boston Globe

Dear Editor:

The New York Times, the Washington Post, and your paper today each have

essays that make the following argument: health-care reform is so important that the present bill before Congress, although flawed, ought to be passed now, for such an opportunity (as you put it) is a "once-in-a-generation chance for health reform" ("Lynch's flawed logic on health," March 19).

Peculiar logic. Obviously, you endorse such "reform" because you trust government to implement it over the coming years and decades in a responsible - i.e., presumably non-political - fashion to improve Americans' lives. But your misgivings about the very same government that will be charged in the future with the task of implementing any "reform" enacted today are so intense that you believe that that government cannot be trusted to legislate in ways that you think to be in the public interest.

Really odd.

18 March 2010

Rep. Mike Michaud (D-ME)
U.S. House of
Representatives
Capitol Hill
Washington, DC

Dear Rep. Michaud:

Seeking legislative action against Americans who trade with the Chinese, you say that "China's currency manipulation essentially subsidizes Chinese exports and imposes tariffs on foreign imports. This presents an insurmountable trade barrier to U.S. manufacturers."

After you've succeeded in denying Americans access to the lower prices and larger quantities of goods made possible by Beijing's current monetary policy, will you and your colleagues take similar action against Silicon Valley? After all, firms there famously engage in technology manipulation, which - by improving the productivity of nearly every industry in the economy - essentially (as you would say) subsidizes production of countless industries and imposes tariffs on the outputs of workers who compete with these advanced techniques. Such advanced techniques present an insurmountable barrier to the ability of many such workers to continue in their old jobs.

18 March 2010

Editor, The New York
Times

620 Eighth Avenue
New York, NY 10018

To the Editor:

Thomas Cahill's account of how the Irish saved civilization calls to mind the related history of how insecure property rights killed more than 1.5 million Irish ("Turning Green With Literacy," March 17).

Everyone knows of the Irish potato famine that, between 1846 and 1848, devastated that island. But too few people are aware that this famine was caused by British policy that prevented Catholics from buying or inheriting land from Protestants, or from leasing land for durations longer than 31 years. With weak incentives to improve land, and no ability to accumulate the sizable tracts necessary to grow other crops, the overwhelmingly Catholic Irish became unusually dependent upon the potato, which could feed a family from only a small, poor plot of land. So when in 1846 the fungus *Phytophthora infestans* hit Ireland's potato crop, the result was a catastrophic famine. [The account here is taken from Stephen Davies, "Lessons of History: The Great Irish

Famine," Ideas on Liberty, Sept. 2001, pp. 26-28]

In much the same way that insecurity of property rights in land resulted in poorly constructed buildings in Haiti (and a resulting calamity), insecurity of property rights in land is the underlying cause of one of modern history's most tragic famines.

16 March 2010

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

To the Editor:

Noting that California "is one of the largest markets in the world for [Toyota's] popular Prius hybrid," Bob Herbert harshly criticizes Toyota's decision to close its factory in Fremont, CA, as "the foulest form of ingratitude" ("Workers Crushed by Toyota," March 16).

Let's see. Toyota produces a product that lots of Californians voluntarily purchase - a car that these Californians prefer above all available alternatives. That is, Toyota spent billions of dollars worth of resources developing, producing, and delivering a vehicle that improves the lives of tens of thousands of Californians. And how is Toyota thanked? With the foulest form of ingratitude: complaints about its business decision to close its Fremont factory.

In fact, of course, both Toyota and its customers gained with every sale. Toyota didn't sell these cars out of sympathy for

buyers, and no buyer bought a Prius as a favor to Toyota. So Toyota owes no more gratitude to Californians who bought its products than these Californians owe to Toyota for making these products available.

16 March 2010

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

To the Editor:

Bob Herbert often flaunts his Moral Superiors - his uncommon compassion for the downtrodden and his unflagging sensibility to the self-serving excuses of the greedy who profit at the expense of the oppressed.

So I was surprised to read his objection to Toyota moving its assembly operation from Fremont, CA, to Mexico ("Workers Crushed by Toyota," March 16). Surely Mr. Herbert knows that the typical Mexican worker is much poorer than is the typical California worker; surely Mr. Herbert understands that the economic opportunities open to ordinary Mexicans pale in comparison to those open to ordinary Americans (even during today's

downturn); and surely Mr. Herbert realizes that the wages of the average Mexican worker are about one-eighth those of the average American worker.

In light of these facts, it's wildly mysterious that Mr. Herbert condemns Toyota for taking steps that provide jobs and opportunities to desperately poor Mexicans, even if doing so means taking jobs from far-wealthier Americans.

16 March 2010

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

To the Editor:

Paul Krugman notes that Chinese Prime Minister Wen Jiabao "accused other nations of doing what China actually does, seeking to weaken their currencies 'just for the purposes of increasing their own exports'" ("Taking on China," March 15). This charge of hypocrisy is likely justified.

Nevertheless, why should we non-Chinese complain about this Chinese policy? We get more for less.

Does Prof. Krugman complain about companies such as Apple and 3M working diligently "just for the purposes of increasing their own exports" - that is, sales? Such efforts might or might not prove to be good for these companies, but surely those of us who are simply customers of Apple and 3M (and of their competitors) benefit unambiguously.

15 March 2010

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

To the Editor:

Paul Krugman accuses the Chinese government of harming America by (allegedly) keeping the value of the Yuan artificially low. Because a low Yuan allows Americans to get more for less from China, Prof. Krugman believes that the resulting reduced demand for American-made products promotes higher unemployment in the U.S.

Given Prof. Krugman's beliefs, he should aim his mighty rhetorical artillery at a phenomenon whose impact on American labor is vastly greater than that of Beijing's monetary policy

- namely, applied science. Applied science - such as software engineering and industrial R&D - do far more than any low-priced foreign currency can ever hope to do to destroy many of today's American jobs.

If Chinese subsidization of U.S. consumption really is a problem, then labor-saving technologies are also a problem - but one immeasurably larger and more ominous than undervalued foreign currencies.

15 March 2010

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

To the Editor:

Paul Krugman writes that "It's true that if China dumped its U.S. assets the value of the dollar would fall against other major currencies, such as the euro. But that would be a good thing for the United States, since it would make our goods more competitive" ("Taking On China," March 15).

In other words, Prof. Krugman believes that it would be a good thing if Americans' purchasing power falls along with the

value of what we receive in return for what we sell.

Let's start small, with Prof. Krugman himself. I propose replacing half of his portfolio with Monopoly money. I also insist that he be forced to reduce his salary and his speaking, writing, and consulting fees by 90 percent. Prof. Krugman's purchasing power would, of course, fall, what with Monopoly money not being widely accepted by merchants. But no worries, because his "goods" - his lectures, his consulting skills, his books, and the like - would all become more "competitive." Universities, newspapers, and other institutions that cannot now afford to purchase Mr. Krugman's services will, under my plan for his betterment, be able to do so.

Pretty ingenious, no?!

15 March 2010

Friends,

Here's a link to an EconTalk podcast that my GMU colleague Russ Roberts and I did on public-choice economics:
http://www.econtalk.org/archives/2010/03/don_boudreaux_o_3.html