



## 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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27 March 2011

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

To the Editor:

Arguing that Uncle Sam should increase the federal minimum-wage, you dismiss as "overstated" many economists' concern that a higher legislated minimum-wage would increase unemployment by pricing many low-skilled workers out of the labor market ("A Minimum Wage Increase," March 27).

How would you feel if government (concerned about your declining

profitability) mandated minimum prices for advertising space in your pages, and minimum prices for subscriptions to your publication - both mandated prices being above the prices you now charge to advertisers and subscribers?

Surely, given the recent downward trend in your market valuation you are rather desperate to earn more profits. But do you believe that Congress would improve your bottom-line if it enacted such minimum prices? Or do you instead worry that such government meddling would cause too many firms that would otherwise advertise in your pages to

refrain from buying advertisements, and cause too many households that would otherwise subscribe to your publication to refrain from purchasing subscriptions?

If (as I suspect) you understand that too many of your customers - both advertisers and subscribers - would exercise their freedom not to purchase your services if the prices of those services are arbitrarily raised by legislative fiat above their market values, why are you so insensitive to the plight of low-skilled workers, many of whom will be priced out of jobs by a hike in the minimum-wage?

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27 March 2011

Editor, Boston Globe

Dear Editor:

Jeff Jacoby nicely documents Newt Gingrich's flippancy over U.S. military intervention in Libya ("Gingrich vs. Gingrich," March 27). The former House Speaker has a long history of such thoughtlessness cloaked as deep reflection - most notoriously, I believe, is his proposal to execute all drug dealers.

Never mind that drug dealers - like furniture stores, bagel shops, yoga instructors, and all other merchants - sell only to willing buyers; so Mr. Gingrich would execute people for engaging in consenting capitalist acts. Even supporters of the drug war should see that making drug-selling a capital offense carrying the same penalty as murder would remove a major incentive for drug dealers to avoid acts of heinous violence. What incentive, were Mr. Gingrich's proposal enacted, would a drug dealer have to refrain from murdering anyone he suspects might reveal him to the police? He can't be executed twice.

A Gingrichian world in which drug dealing is punished as harshly as murder is a world in which there are no disincentives for drug dealers also to become murderers. That the former Speaker of the House either missed this fact or ignored it testifies to the true depth of his intellect.

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25 March 2011

Friends,

My (almost 14-year-old) son, Thomas, found and brought to my attention this December 2010 TED talk by the great Hans Rosling. It's a beautiful and inspiring and entertaining and informative celebration of the electric washing machine - women's liberator and family educator. You'll love it: [http://www.ted.com/talks/hans\\_rosling\\_and\\_the\\_magic\\_washing\\_machine.html](http://www.ted.com/talks/hans_rosling_and_the_magic_washing_machine.html)

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25 March 2011

Friends,

Here are two outstanding articles written recently by products of GMU's econ-PhD program.

This first one - in Regulation magazine - is by Mike Giberson on the perniciousness of legislation aimed at prohibiting price-gouging: <http://www.cato.org/pubs/regulation/regv34n1/regv34n1-1.pdf>

And this next one - a Cato Briefing Paper - is by Mark Calabria on the destructive role played by Fannie Mae and Freddie Mac in the the now-burst-housing-bubble fiasco:

[http://www.cato.org/pub\\_display.php?pub\\_id=12846](http://www.cato.org/pub_display.php?pub_id=12846)

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25 March 2011

Sen. Sherrod Brown (D-Ohio)  
United States Senate  
Washington, DC

Dear Sen. Brown:

How disappointing that you refuse to debate trade with me in a public forum. If I am, as you allege, too "ideological" on matters of trade, then surely you - a member of the world's greatest deliberative body - will have no trouble mopping the debate floor with me.

But if your letter in the March 25 Wall Street Journal is evidence of the strength of your case, I frankly do understand why you refuse to appear in public to defend protectionism. After all...

... the facts show that, contrary to your claim, American manufacturing needs no "rebuilding"; it's not in decline;  
[\[http://mjperry.blogspot.com/2011/01/we-should-take-more-pride-in-our-global.html\]](http://mjperry.blogspot.com/2011/01/we-should-take-more-pride-in-our-global.html)

... even if American manufacturing WERE in decline, so what?

American workers who produce \$1,000 worth of, say, the service-sector output called "biomedical research" or "web design" generate as much value as do workers who produce \$1,000 worth of the manufacturing-sector output called "#10 nails" or "t-shirts";

... if Beijing IS promoting Chinese exports by devaluing the renminbi, then it is inflicting harmful inflation on the Chinese economy as it simultaneously subsidizes American consumption; these consumption subsidies are especially beneficial to poorer Americans who spend larger shares of their incomes on Chinese-made goods than do richer Americans; why do you wish to deny poorer Americans the opportunity to stretch their dollars as far as possible?

[\[http://www.voxeu.org/index.php?q=node/1353\]](http://www.voxeu.org/index.php?q=node/1353)

... a chief reason why America's bilateral trade deficit with China has, as you report, increased over the past ten years by 170 percent is that you and your fellow members of Congress have during that time irresponsibly spent far more than you received in tax revenues; so you had

to borrow. Frankly, it's the height of hypocrisy for you to be a member of a chorus that sings, with one breath, of the purportedly "stimulating" effects of deficit spending, and then, with your next breath, scream shrill and atonal chants about how malicious it is for foreigners to be among Uncle Sam's creditors.

Debating in favor of a proposition like protectionism that has neither facts nor reason - and also, by the way, not a smidgen of morality - in its favor is indeed an unattractive prospect.

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23 March 2011

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

To the Editor:

NPR anchorman Steve Inskeep contends that "NPR's audience keeps expanding because Americans want more than toxic political attacks" ("Liberal Bias at NPR?" March 24).

Excellent news!

So I trust that, given their successful formula for pleasing listeners and

winning expansive market share, Mr. Inskeep and his NPR colleagues no longer require further subsidies from taxpayers. All things considered, products that are genuinely valued by consumers survive in competitive, unsubsidized markets and do not need to receive corporate welfare.

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23 March 2011

Friends,

Here's my latest column in the Pittsburgh Tribune-Review. In it, I discuss protectionism, Luddism, and the region called "Technologia":

[http://www.pittsburghlive.com/x/pittsburghtrib/opinion/columnists/boudreaux/s\\_728617.html](http://www.pittsburghlive.com/x/pittsburghtrib/opinion/columnists/boudreaux/s_728617.html)

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23 March 2011

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

To the Editor:

Chrystia Freeland writes that "The right likes to argue that income inequality as an issue doesn't win elections because Americans don't begrudge the rich so much as they want to join them. The Norton and Ariely study suggests otherwise.

Given a choice, the authors find, Americans would prefer to live in a society more equal than even highly egalitarian Sweden" ("The Lottery Mentality," Room for Debate, March 23).

Ms. Freeland commits a non sequitur. Contrary to what she presumes, someone can - and, apparently, many an American actually does - prefer to live in a society with greater income equality while at the same time opposing government actions to redistribute incomes.

Sensible people understand that a mere preference for a particular outcome is an insufficient reason to empower government to pursue that outcome.

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22 March 2011

Friends,

My great and courageous myth-slaying GMU colleague Walter Williams is interviewed by Nick Gillespie in this new Reason.tv video. Terrific! <http://www.youtube.com/watch?v=7butJGdUmK0>

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22 March 2011

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

Dear Editor:

George Will's skepticism of Uncle Sam meddling both in the domestic economy AND in foreign affairs distinguishes him as one of today's very few pundits who isn't schizophrenic about the perils of power ("Is it America's duty to intervene wherever regime change is needed?" March 22

[\[http://www.washingtonpost.com/opinions/regime-change-in-libya-isnt-americas-duty/2011/03/21/ABhDlj7\\_s\\_tory.html\]](http://www.washingtonpost.com/opinions/regime-change-in-libya-isnt-americas-duty/2011/03/21/ABhDlj7_s_tory.html))).

Most modern "liberals" believe that domestic economic problems are caused chiefly by unsavory characters - "business people" - who impose their destructive rule on masses of innocent workers and consumers yearning for more prosperity, and that the best solution to these problems is government force deployed using armies of regulators to subdue these bad guys and to keep close watch over them and their successors. Failure to intervene is immoral.

These same "liberals," though, believe that foreign problems are typically the result of complex forces that can be understood only poorly by American-government officials; it is naïve to suppose that even well-intentioned foreign intervention by Uncle Sam will not have regrettable unintended consequences.

Most modern conservatives believe that domestic economic problems are typically the result of complex forces that can be understood only poorly by government officials; it is naïve to suppose that even well-intentioned economic intervention by Uncle Sam will not have regrettable unintended consequences. These same conservatives, though, believe that problems in foreign countries are caused chiefly by unsavory characters - "dictators" or "tyrants" - who impose their destructive rule on masses of innocent people yearning for more democracy, and that the best solution to these problems is government force deployed with armies of soldiers to subdue these bad guys and to keep close watch over them and their successors. Failure to intervene is immoral.

Talk about a conflict of  
visions.

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21 March 2011

Mr. Larry DeWitt

Dear Mr. DeWitt:

Arguing in today's Washington Post that the U.S. Treasuries in Social Security's Trust Fund are genuine assets that the government can redeem to help it meet its future Social Security obligations, you proclaim that "The Treasury owes the workers of America the value of the funds in the same way it owes the debt held by the wider public."

I've got a great deal for you, Sir! In exchange for \$10 million in cash from you today (every cent of which I'll burn through over the next 12 months as I treat myself to lavish, extravagant high-living) I'll promise to repay you \$15 million in one-year's time. That's a fifty percent rate of return - and it's guaranteed!

Now I must tell you that my current net worth, including the income that I'll earn over the next year, is less than even \$1 million. But don't you worry, for upon receipt of your \$10 million in cash I'll write an I.O.U. to

myself, promising to pay to me \$15 million in one-year's time. My redemption of that I.O.U. will enable me to repay you, principal and interest, in full.

So you see, with your \$10 million loan to me secured by my solemn promise to pay to myself \$15 million in one-year's time, you need not worry that I'll not have sufficient funds on hand to pay to you what I owe you.

Please make your \$10 million check payable to "Donald J. Boudreaux," and mail it to me at the address below. When I receive your check I'll send you a copy of the I.O.U. in which I promise to pay myself enough to enable me to repay you.

P.S. On second thought, I think I'll make my I.O.U. to me worth, not \$15 million, but \$150 million. I can use the extra cash.

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21 March 2011

Editor, The American  
Conservative

Dear Editor:

Reviewing Nicholas Phillipson's new biography of Adam Smith, George Scialabba portrays Smith as having been less a

proto-Milton Friedman and more a proto-Paul Krugman ("Das Capitalist," March). His portrait, alas, bears no resemblance to the real Adam Smith.

For example, while Mr. Scialabba is correct that "Smith roundly mistrusted businessmen," such mistrust is a hallmark of market-oriented economics rather than evidence of its rejection. Precisely BECAUSE many business people are untrustworthy, competitive markets – free of government-granted privileges (such as the tariffs that Mr. Scialabba endorses) – are necessary to give consumers and workers maximum possible scope to avoid dealing with business people who are either unethical or incompetent (or both). Or so market-oriented scholars have argued for generations.

An even more farcical piece of evidence offered by Mr. Scialabba to support his notion that Smith was skeptical of free markets is Scialabba's observation that "Smith was firmly on the side of the workers, a robust partisan of full employment and high wages." Indeed he was. (Mr. Scialabba apparently believes that the ranks of market-oriented

economists are full of scholars who advocate unemployment and low wages.) Smith sided with workers against government-protected monopolies and high tariffs, arguing that what he called "the obvious and simple system of natural liberty" would best promote the welfare of ordinary men and women far more surely than that welfare can be promoted by the prescriptions, proscriptions, taxes, and other intrusions into the market of the "man of system."