



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.

24 April 2011

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

Dear Editor:

Wisely warning against the folly of government-subsidized high-speed rail, Stanford University historian Richard White notes that "Without bond guarantees, private investors, which so far seem more prone to due diligence than the California High-Speed Rail Authority, have yet to put up money" ("Fast Train to Nowhere," April 24).

Yep; people spend their own money more prudently and astutely than they spend other people's money - a fact that Mr. White usefully documents for both 19th- and 21st-century rail subsidies. Which raises the question: why does Mr. White open his op-ed by complaining that "It is hard for liberals like me to find good news in the latest agreement to cut the federal budget"?

Because Mr. White is correct that irresponsibility and cronyism are unleashed by giving politicians power to spend other-people's money on glitzy choo-choos, we have no reason to believe that

irresponsibility and cronyism aren't unleashed by giving politicians power to spend other-people's money on ventures such as education, health-care, social 'safety nets,' or the heaps of other programs and projects that politicians today undertake by spending other-people's money.

23 April 2011

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

Dear Editor:

Many letters in today's edition reveal deep confusion over the burden of income taxes shouldered by "the rich." Fortunately, Mark Perry (my former GMU research assistant and now Professor of Economics and Finance at the University of Michigan-Flint) constructed this useful graph [<http://4.bp.blogspot.com/-n70Q9jL-zks/TbB5isZWnBI/AAAAA-AAPOY/mu2vg43lstl/s1600/taxrates.jpg>] showing the relationship, from 1979 through 2007, between changes in the top marginal U.S. income-tax rate and the share of Uncle Sam's tax receipts paid by the top one-percent of income earners.

Two facts leap out. First, over the course of these 29 years, the share of Uncle Sam's income-tax receipts paid by the top one-percent of income earners rose significantly, from 18 percent to 40 percent. (And because inflation-adjusted receipts in 2007

were 94 percent higher in 2007 than they were in 1979, the absolute amount of income taxes paid by the top one-percent earners therefore increased dramatically.)

Second, because the top marginal tax rate declined significantly from 1979 to 2007 - today it is half of its 1979 level - it's a myth to suppose that lower marginal tax rates for the highest-income earners result in these income earners paying fewer taxes, either absolutely or relative to the amount of taxes paid by the bottom 99 percent of income earners.

22 April 2011

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

Dear Editor:

Paul Krugman sneeringly asks "How did it become normal, or for that matter even acceptable, to refer to medical patients as 'consumers'? The relationship between patient and doctor used to be considered something special, almost sacred. Now politicians and supposed reformers talk about the act of receiving

care as if it were no different from a commercial transaction, like buying a car" ("Patients Are Not Consumers," April 22).

Mr. Krugman here taps into the antediluvian hostility toward bourgeois modes of providing for one's self and one's family. This ancient prejudice holds that 'mere' commerce might be acceptable to govern the production and distribution of trifles such as candy and cars, but it's too crass for goods and services that tradition or elites declare should be untainted by such sordid, competitive activities.

If consumer choice isn't the ultimate driver of health-care supply, however, what - or who - WILL be its ultimate driver? Health-care suppliers? Congress? Government bureaucrats? Princeton dons?

Admittedly, the politically engineered wedge separating the receipt of health-care services from the responsibility for paying for these services creates problems. But the best way to address these problems is to remove the wedge rather than to arrogantly suggest that some mysterious transcendent force will more reliably look after

individuals' health-care needs than will those individuals themselves as they operate in markets in which insurers and physicians must compete for consumer dollars.

22 April 2011

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

Dear Editor:

Michael Gerson writes that "But both libertarians and Objectivists are moved by the mania of a single idea - a freedom indistinguishable from selfishness" ("Ayn Rand's adult-onset adolescence," April 22). I can't speak for Objectivists (save to say that Mr. Gerson's portrait of them is a caricature). But I can say that Mr. Gerson's understanding of libertarianism is comically erroneous; he has clearly not read the best libertarian scholars, such as F.A. Hayek, Milton Friedman, David Boaz, Sheldon Richman, or David Schmidtz.

Were Mr. Gerson to bother himself actually to read the works of such scholars, he would find that libertarianism is grounded both in the value judgment that individual freedom is a

worthy end in itself AND in the theoretical and empirical proposition that government poses the single greatest threat to individual freedom, as well as the single greatest threat to the prosperity that non-libertarians desire no less than do libertarians.

Does such a stance reflect a "mania" of single-minded "selfishness"? Is it "adolescent" to want to be free to peacefully pursue one's own ends AND to want everyone else to have such freedom? Of course not. True adolescent arrogance and selfishness is reflected, not in libertarianism or in Objectivism, but in those political philosophies that justify Jones's itch to interfere in Smith's personal affairs and to confiscate some of what belongs to Smith.

21 April 2011

Friends,

The May Freeman (the flagship publication of the Foundation for Economic Education) is stuffed full of good stuff - including three different articles by three different GMU economists (Pete Leeson on the Law Merchant; Walter Williams on poverty; and me on Keynesians' cramped and

crabbed view of economic reality):

<http://www.thefreemanonline.org/archive/issues/?issue=4&volume=61&Type=Issue>

21 April 2011

Friends,

Suffolk University economist (and GMU PhD) Ben Powell wrote and narrates this short video (produced by the Institute for Humane Studies at GMU) that reveals how public-choice economics explains our world:

http://www.youtube.com/watch?v=6uR4lga7IK4&feature=channel_video_title

21 April 2011

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

Dear Editor:

The tale told by Matthew Kaminski about Egypt is depressing ("Searching for Hayek in Cairo," April 21). As long as most Egyptians fear free, competitive markets and believe that their well-being is promoted by protected nationalized monopolies - as long as "privatization and liberalization are dirty words" (as Mr. Kaminski

describes Egyptians' anti-bourgeois attitudes) - Egypt's economy will stagnate and ordinary Egyptians will continue to be among the poorest people on earth.

As the economist and historian Deirdre McCloskey notes at the end of her book on why the west grew rich, "in the long run the acceptance of creative destruction relieved poverty. Wage regulations and protection and other progressive legislation, contrary to their sweet (and self-gratifying) motives, have only preserved poverty." [Deirdre N. McCloskey, *Bourgeois Dignity* (University of Chicago Press, 2010), p. 425]

McCloskey understands what Hayek understood: prosperity comes only to societies that welcome entrepreneurial-driven economic change - only to societies steeped in the realization that better tomorrows are impossible if everyone is protected from every economic disappointment today. Societies that reject this reality seal themselves in the awful amber of poverty.

20 April 2011

Editor, Los Angeles Times

Dear Editor:

Jonah Goldberg properly smacks down Mr. Megalomania, Donald Trump, for now backing away from many political positions that Trump staked out before setting his sights on the White House ("Duck, it's The Donald!" April 19). Alas, The Donald is only an uncommonly clownish version of the typical seeker of that high office. H.L. Mencken's 1940 assessment of 'serious' presidential candidates remains descriptive today:

"They will all promise every man, woman and child in the country whatever he, she or it wants. They'll all be roving the land looking for chances to make the rich poor, to remedy the irremediable, to succor the unsuccorable, to unscramble the unscrambleable, to dephlogisticate the unde-phlogisticable. They will all be curing warts by saying words over them, and paying off the national debt with money no one will have to earn. When one of them demonstrates that twice two is five, another will prove that it is six, six and a half, ten, twenty, n. In brief, they will divest themselves from

their character as sensible, candid and truthful men, and simply become candidates for office, bent only on collaring votes. They will all know by then, even supposing that some of them don't know it now, that votes are collared under democracy, not by talking sense but by talking nonsense, and they will apply themselves to the job with a hearty yo-heave-ho. Most of them, before the uproar is over, will actually convince themselves. The winner will be whoever promises the most with the least probability of delivering anything." [H.L. Mencken, "The Politician" (1940), in *A Mencken Chrestomathy* (New York: Knopf, 1949), pp. 150-151]

And too many Americans will devotedly follow one or the other of these boardwalk messiahs as stray dogs follow someone whom they think is carrying a sack full of sausages.

19 April 2011

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

Dear Editor:

As your lead headline today declares, "Economy is battering Obama in the polls." Perhaps the reason

is that Obama is battering
the economy in reality.

18 April 2011

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

Dear Editor:

Re Michael Stoken's
discussion of modern
Greek anarchists (Letters,
April 18): while in today's
English the word "anarchy"
means "lawless,"
etymologically it means
"leaderless." The two
meanings are different.

Literally, "anarchy" means
"without an archon."
Archons were leaders of
ancient Greek city-states.
But being without a leader -
without an archon - is not
necessarily to be without
law. The vast bulk of law
emerges not from the
commands of sovereign
rulers but, rather, from the
everyday interactions of
countless ordinary people
as they exchange,
intermingle, cooperate, and
come into conflict with
each other. Only the most
naïve social creationist
equates the dictates of
strongmen (or of groups of
strongmen, such as
assemble in legislatures)
with "law."

Reasonable people can
and should debate the
extent to which sovereign
centralized power is
necessary to enforce laws.
It's a grave error, however,
to suppose that all
commands issued by
"archons" are law AND that
a society is lawful only
insofar as its denizens
follow the commands of
"archons."