



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.

8 May 2011

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

Dear Editor:

Reviewing on the 112th anniversary of the birth of the F.A. Hayek that economist's "The Constitution of Liberty: The Definitive Edition," Francis Fukuyama gets much right but also much wrong ("Friedrich A. Hayek, Big-Government Skeptic," May 8). Two errors warrant correction.

First, Hayek never argued that (in Mr. Fukuyama's words) "the smallest move toward the expansion of

government would lead to a cascade of bad consequences that would result in full-blown authoritarian socialism." (Mr. Fukuyama should have detected the absurdity of this interpretation of Hayek when Mr. Fukuyama himself noted four paragraphs earlier that Hayek didn't object to government provision of health insurance.) Rather, Hayek's famous "road to serfdom" is paved by government efforts to protect everyone against any and all disappointments that might arise as a result of economic change and growth.

Second, it was no "deep contradiction" for Hayek to argue that we cannot predict the future AND for him to predict that government efforts to centrally plan the economy will fail. Precisely because the planning and "muddling through" done by individuals pursuing their own ends in competitive markets are subject to ceaseless, detailed feedback from other individuals pursuing THEIR own ends - and because no individual plan in decentralized markets requires its maker to know the goo-gah-gillions of details that a central planner must know in order to succeed - it was perfectly consistent of Hayek to predict the failure

of central plans made by officials who are oblivious to the impossibility of gathering and processing all the knowledge that must be gathered and processed centrally for central plans to work.

7 May 2011

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

Dear Editor:

Boeing is justifiably upset that the NLRB seeks to prevent it from buying labor services from lower-priced South Carolinians rather than from higher-priced labor-union members in Washington state (Letters, May 7).

I'm delighted that Boeing now feels so strongly that government has no business forcing buyers to spend their money in accordance with the wishes of whining suppliers rather than according to how those buyers freely choose to spend their money. So I trust that Boeing will quit its long-standing practice of lobbying Uncle Sam for policies that artificially raise airlines' costs of buying jetliners made by Airbus rather than by Boeing.

7 May 2011

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

Dear Editor:

The NLRB is trying to stop Boeing from moving the production of some of its jetliners from Washington state to South Carolina where less-burdensome labor-union privileges will allow Boeing to produce at lower cost (Letters, May 7). One unintended by-product of Boeing's move, of course, would be greater competition for workers in the south and, hence, rising wages there.

Uncle Sam's willingness to deploy brute force to prevent the movement of industries to the lower-cost American south isn't new. The most notorious instance of this nasty habit occurred in 1938 when, to strip away the cost advantage enjoyed by their rivals in lower-wage Georgia and the Carolinas, owners of textile mills in New England successfully lobbied Congress and FDR to enact America's first national minimum-wage statute.

Then as now, Uncle Sam - despite all his blah, blah, blah about justice and being on the side of 'working families' - kept the wages of higher-paid Americans artificially high by keeping the wages of lower-paid Americans artificially low.

5 May 2011

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

Dear Editor:

In today's "Room for Debate" you ask "Can the Planet Support 10 Billion People?" The consensus of the panel you assembled to discuss this question is 'No the planet cannot, at least not without major changes in the way we live.' Given this consensus, I gather that the point of your photo of a crowded thoroughfare in Lagos - a photo captioned "Lagos, Nigeria, is one of the most densely populated cities in the world" - is to depict the sort of misery (and downright ugliness of our planet) that awaits us if we don't rein in population growth pronto.

Lagos is indeed densely populated, with about 20,170 persons per square

mile. And Nigeria is indeed poor, with a per-capita annual income of about \$2,800. (I can find no statistic on the annual per-capita income of residents of Lagos. So let's assume, generously, that annual per-capita income in Lagos is \$5,600, or double what it is for Nigeria as a whole.)

Contrary to the wisdom of crowds, however, population density isn't destiny.

Monaco, with a per-capita annual income of about \$33,100 (more than six times that of Lagos), has a population density of 43,830 – more than double that of Lagos. Or consider Macau, with its per-capita annual income of \$33,000: Macau's population density is the highest of any country in the world at 48,000 person per square mile; it is 138 percent more densely populated than is Lagos. Yet Macau's per-capita annual income, like that of Monaco, is almost six times greater than that of Lagos. [Data were gathered online from The CIA World Factbook, Wikipedia, and the Minneapolis Fed.]

Popular discourse is overcrowded with factually and theoretically impoverished claims about

the relationship between population and standards of living.

4 May 2011

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

Dear Editor:

I disagree with Holman Jenkins's thesis that the killing of Osama bin Laden "vindicates" American civilization ("Civilization Vindicated," May 4). However necessary or just it was to kill Bin Laden, a civilization's value is never measured by the skill and alacrity with which its government kills even the most deserving victims.

Secular and spiritual authorities have killed people for millennia. And these authorities have often employed impressive organizational talents and state-of-the-art techniques both to gather intelligence on the whereabouts of their prey and to perform the actual killings. In taking down Bin Laden, the U.S. government did what governments throughout the ages have regularly done. Success at this task does nothing to distinguish America from any of hundreds of other societies

- societies present and past, good and bad, great and contemptible, civil and uncivil.

What DOES distinguish America and the west from most other civilizations (including the primitive one championed by Bin Laden) isn't our élan for, and skill at, martial deeds, but our embrace of individual liberty - liberty that clears space for peaceful and creative commerce. Our civilization is vindicated by our supermarkets full of food, by our shopping malls full of clothing, by our homes with solid floors and solid roofs and air-conditioning and automatic dishwashers, by iPads and smart phones and aspirin and antibiotics and Amazon.com and weekends - and by the freedom from central direction and mind-numbing, soul-shriveling superstitions that have made so many other 'civilizations' sanguinary and hellish.

3 May 2011

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

Dear Editor:

Peter Donovan asserts that failure of government to subsidize loans to build lower-end rental units would result in poor Americans being homeless (Letters, May 3).

Nonsense. Unsubsidized markets do not cater exclusively to the middle-income and rich. Quite the contrary. Automakers produce not only luxury vehicles such as Lexuses but larger numbers of low-end makes such as Chevys (not to mention the existence of a thriving market in used cars). We see not only high-end retailers selling the likes of hand-crafted Stickley furniture but also, and more abundantly, Wal-Mart and other discount retailers selling inexpensive household furnishings. America boasts not only pricey restaurants such as the Inn at Little Washington but, far more commonly, inexpensive eateries such as Olive Garden, Denny's, and (dare I mention it?) McDonald's.

This same pattern holds for clothing, hotels, groceries, entertainment, works of art, and nearly every other species of goods and services in our economy. It's unreasonable to suppose that without government-subsidized

loans to developers, housing would be built only for middle-income and rich Americans.

3 May 2011

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

Dear Editor:

Writing about the residential rental market, Peter Donovan asserts that "Private capital may serve the higher-end properties and top-tier markets well, but it has not shown the same interest in work-force housing or housing in smaller markets. A private-only solution would leave many markets unserved and millions of Americans out in the cold. As evidence, fully 90% of the government-sponsored enterprise-financed apartments over the past 15 years - 10 million units - were affordable to families at or below their community's median income" (Letters, May 3).

Mr. Donovan mistakes an artifact of current policy as being some sort of law of nature. The fact that government subsidizes the financing of a huge chunk of lower-market apartments means only that

government subsidizes the financing of a huge chunk of lower-market apartments. Because government - unlike private lenders - offers arbitrarily low interest rates on loans to apartment developers, it would be shocking if such government involvement the market for lower-end apartments did NOT result in this market being dominated by government-subsidized loans.

If Uncle Sam were instead to subsidize the financing only of luxury apartments, the construction of a huge chunk of these apartments would be financed with government-subsidized loans. Would Mr. Donovan then conclude that 'a private-only solution would leave luxury-rental markets unserved and millions of wealthy Americans out in the cold'?