



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.

2 December 2011

Editor, Reuters

Dear Editor:

You report that "The U.S. International Trade Commission voted 6-0 that there was a reasonable indication that SolarWorld Industries America and other U.S. producers [of certain 'green energy' products] have been harmed by the imports or could have been" ("US panel okays China solar panel unfair trade probe," Dec. 2.). You add that "The vote allows the Commerce Department to continue an investigation into whether the Chinese government provides illegal

subsidies for its solar energy sector and whether Chinese companies are selling solar cells and panels in the United States at unfairly low prices."

I don't get it. If Beijing volunteers to make green-energy products more widely available and more affordable to Americans by subsidizing our consumption of such products, why should we complain? If we applaud Uncle Sam's many efforts at distorting markets in order to increase the supply of - and the use of—green-energy products, why do we jeer at Beijing for doing the very same thing? Shouldn't we applaud Beijing's policies

even more loudly than we do those of Uncle Sam, given that the costs of Beijing's distortions are borne overwhelmingly by the Chinese? Shouldn't we send bouquets of (green) roses to China for relieving us of much of the cost of refitting our homes and businesses with solar panels?

30 November 2011

Editor, USA Today

Dear Editor:

The Small Business Administration's student-loan program that Laura Vanderkam applauds for its alleged promotion of entrepreneurship is simply

a pee-wee version of the malignancy that caused our current economic woes ("Entrepreneurs are public servants, too," Nov. 30).

By encouraging young people to start businesses with loans backed by taxpayers, the risk-adjusted upside to each of these "entrepreneurs" is made artificially larger than the risk-adjusted downside. Any such "entrepreneur" captures the gains from his or her success as fully as does a genuine entrepreneur (one whose loans aren't subsidized) but, unlike a genuine entrepreneur, is able to socialize his or her losses - that is, to pass the bill for most of the losses onto taxpayers. Government backing of these loans, therefore, causes too many excessively risky businesses to be launched.

Not only does this program unnecessarily increase tax burdens by obliging taxpayers to pay for losses that would not have otherwise occurred, it also diverts scarce resources from being used in ways that are economically justified and sustainable into ways that are unjustified and unsustainable. That cleaning up the mess of such resource

misallocations can be troublesome is shown by today's lingering recession.

29 November 2011

Editor, Economist.com

Dear Editor:

The distinction that "M.S." highlights between commercial advertising and political advertising - namely, that "In commercial advertising, making a demonstrably false or misleading negative statement about a competitor's product would be legally actionable" - isn't the only distinction of interest ("Corporate and political advertising," Nov. 29).

Here's another: false and misleading commercial advertising harms only those people who fall for it. And because cause and effect is much more direct and less mistakable when using commercial products than when using political products, even many gullible folks become appropriately jaded when confronted with commercial advertising claims. Bubba's purchase of penis-enlargement pills inflicts no cost on others, and eventually his endowment of information is enhanced

as that of other of his features is not.

False and misleading political advertising, in contrast, invites the gullible to impose the costs of their credulity on everyone. If enough Joneses' recklessly clamor to buy the latest Save the World political elixir, even the alert and wary Smiths must share in the resulting harm. And too often the swindler - skilled, after all, in the cunning arts - can for a long time successfully, if falsely, blame his elixir's failure on dozens of extraneous circumstances.

29 November 2011

Friends,

With sympathetic tones, Chris Coyne, a junior colleague at GMU Econ, replies in this short video to the Occupiers of Wall Street:

<http://www.learnliberty.org/videos/occupy-wall-street-capitalism-professors-response>

And, speaking of Chris, here's another link: it's to a fine lecture he gave on neocon hubris, based on his book After War: <http://www.learnliberty.org/content/after-war-political-economy-exporting-democracy>

28 November 2011

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

Dear Editor:

Bill Keller reports that Glenn Hubbard - Columbia University economist and advisor to the Romney campaign - proclaims that "Nobody who is taken seriously as an economist is going to say 'cancel the Fed'"; such a notion, says Prof. Hubbard, is "just crazy" ("The Politics of Economics in the Age of Shouting," Nov. 28).

To propose the abolition of central banking is indeed crazy today - just as, say, proposing the abolition of slavery was crazy in 1812, or proposing the abolition of military conscription was crazy in 1952. The dominance of the unexamined premises of too many Right-thinking Serious people in the past suffocated practical efforts to fundamentally reform the way labor was supplied to plantation owners and, later, to the military. Similar unexamined premises suffocate practical efforts today to fundamentally reform the

way money is supplied to the economy.

As Prof. Hubbard surely knows, though, the economic case for central banking is hardly settled; it continues to be debated by serious scholars. Prof. Hubbard also surely knows that the case for replacing central banking with a more decentralized, privatized, and competitive arrangement is real and rests on significant theoretical and historical research published in premier outlets and conducted by economists with impeccable scientific credentials - economists such as Kevin Dowd, Steve Horwitz, Benjamin Klein, Kurt Schuler, George Selgin, Richard Timberlake, Gordon Tullock, Lawrence H. White, Leland Yeager, as well as by the late F.A. Hayek and Vera Smith.