



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.

20 February 2011

Editor, Los Angeles Times

Dear Editor:

Three different readers write today in praise of Paul Ehrlich and his predictions of eco-mageddon (Letters, Feb. 20). Such praise is odd, given that not one of the many catastrophes that Mr. Ehrlich has predicted over the past 43 years has occurred.

The drying of the Aral Sea, alas, is not - contrary to reader David McClave's claim - evidence of Mr. Ehrlich's prescience. Here's what the BBC reported in 1998:

"correspondent Louise Hidalgo in Kazakhstan says that the most amazing thing about the disaster is that it is no accident. 'The Soviet planners who fatally tapped the rivers, which fed the seas to irrigate central Asia's vast cotton fields, expected it dry up. They either did not realise the consequences the Aral's disappearance would bring or they simply did not care.'"
[\[http://news.bbc.co.uk/2/hi/special_report/1998/water_week/70460.stm\]](http://news.bbc.co.uk/2/hi/special_report/1998/water_week/70460.stm)

How interesting that the one genuine eco-disaster mentioned as confirmation of Mr. Ehrlich's wisdom was caused by the same institution – the powerful,

centralized state – that Mr. Ehrlich advises we must submit to if we are to be saved from genuine eco-disasters.

19 February 2011

Friends,

I just discovered this hour-plus long video of a talk on immigration that my brilliant young colleague Bryan Caplan delivered, here on GMU's Fairfax campus, last September:
<http://vimeo.com/15000835>

Bryan really shines in this speech! Enjoy.

19 February 2011

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

To the Editor:

I enjoyed your report on how Hyundai's automobile-production operations in Alabama provide better economic opportunities to Alabamians and raise wages in that state ("Hyundai's Swift Growth Lifts Alabama's Economy," Feb. 19). Such capital investments are indeed indispensable for widespread economic growth.

It's worth noting that Hyundai's investments in these facilities - which increase the stock of productive capital in operation in the U.S. - add to America's trade deficit. Rather than Hyundai cashing out its dollars by purchasing American exports - expenditures which would have narrowed America's trade deficit - this Korean company expanded that deficit by instead using those dollars to build productive facilities and machines in America.

This fact should give pause to the countless politicians and pundits who insist that a rising American trade

deficit is necessarily a symptom of American economic decline, a contributor to this decline, and evidence of 'unfair' trade practices by foreign governments.

19 February 2011

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

To the Editor:

Peter Meredith writes that "True conservatives honor their financial obligations.... After reading your editorial I find it somewhat surprising that the Journal chides a part of the president's budget proposal that aims to better collect income taxes required by law. While a conservative believes that increasing taxes is often unwise, it is always dishonest to avoid our legal duty" (Letters, Feb. 19).

This letter is exquisite evidence of what distinguishes conservatives from libertarians. Conservatives, at day's end, bow in homage to the state. Libertarians, in contrast, recognize that any state that attempts to do more than protect persons and their property from violent aggression is a

pretentious and dangerous fraud. Obeying its commands is never justified by any considerations higher than simple, practical, personal prudence - the same sort of prudence that persuades a robbery victim to hand over her pearl necklace to the thug who is pointing a loaded gun at her head.

18 February 2011

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

Dear Editor:

Charles Krauthammer refers to the president's proposed budget as "Obama's Louis XV budget" (Feb. 18).

From Obamacare to financial-market 'reform' to its refusal to cut spending on so-called "entitlements," this administration does indeed reflect an ancient-regime-like attitude toward ordinary people. As Alexis de Tocqueville explained in *The Old Regime and the French Revolution*, France's pre-revolutionary Bourbon governments regulated, dictated, prohibited, and prescribed citizens' private affairs in suffocating detail. "In short," observed Tocqueville, "the central

power had taken to playing the part of an indefatigable mentor and keeping the nation in quasi-paternal tutelage." [Alexis de Tocqueville, *The Old Regime and the French Revolution* (New York: Doubleday, 1955 [1856]), Part 2, Chap. 2, p. 41.]

Is Uncle Sam not more and more playing such a lamentable role in Americans' lives?

18 February 2011

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

To the Editor:

You report that U.S. antitrust regulators are scrutinizing Apple ("Regulators Eye Apple Anew," Feb. 18). One concern is that, "Under Apple's terms for the new service, companies that sell digital subscriptions to content on Apple devices would be required to make it available for sale through apps at the company's iTunes App Store at the best available price."

If a chief function of competition is to ensure that consumers get the lowest possible prices, how can Apple's policy of requiring that content suppliers give Apple customers the "best available" - i.e., the lowest - prices be anticompetitive? Because no content supplier is required to sell its content on Apple devices, suppliers who choose to do so clearly expect to remain profitable despite their agreeing to charge Apple customers prices no higher than they charge non-Apple customers.

Moreover, Apple has capable competitors (such as HP, with its TouchPad). So if consumers ARE harmed by Apple's contractual terms, Apple's rivals will offer to content suppliers terms more to these suppliers' liking, causing these suppliers to abandon Apple. And Apple's market share will fall while that of its rivals rises.

18 February 2011

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

To the Editor:

You report that "U.S. antitrust enforcers have begun looking at the terms Apple Inc. set this week for media companies who want to sell their content on its popular iPad" ("Regulators Eye Apple Anew," Feb. 18).

This fact proves one of the rules of modern Washington (and Brussels): a private firm's success in a commercial market attracts officious bureaucrats as surely as a chocolate cake at a picnic attracts voracious ants. And in both cases, these creatures' ravenous

appetites damage the
objects of their attention.

17 February 2011

Friends,

At this link you'll find the videotape of my GMU colleague Russ Roberts's testimony yesterday on Capitol Hill regarding recent 'stimulus' spending: <http://cafehayek.com/2011/02/testimony-on-video.html>

Enjoy!

16 February 2011

Friends,

At this link you will find the full text of my GMU Econ colleague (and co-blogger) Russ Roberts's succinct, trenchant testimony today on Capitol Hill on the failed "stimulus" spending: <http://cafehayek.com/2011/02/congressional-testimony-on-the-stimulus.html>

I believe that you'll - or, that most of you will! - enjoy Russ's powerful words.

16 February 2011

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

To the Editor:

In "So Much for Market Efficiency" (Feb. 16), Raj Patel writes that "Over the centuries, societies developed the tools of grain stores, crop diversification and 'moral economies' to guarantee the poor access to food in times of crisis. Global economic liberalization discarded these buffers in favor of lean lines of trade" - and, thereby, allegedly exacerbates today's food crisis.

Nonsense. Until three hundred years ago the poor had no "guaranteed" access to food; famine was frequent and routine throughout the world. This horrible reality was reversed only by economic liberalism and expanding trade. As economist Jagdish Bhawati notes, "medieval famines in Europe were moderated by the increasing opening of trade routes and integration precisely because food moved to famine-stricken high-price areas, dampening prices, moderating the food scarcity and improving its accessibility to the poor." [Jagdish Bhagwati, In Defense of Globalization (New York: Oxford University Press, 2004), p. 100.]

The people who today are hungry and starving are not those of us living in globalized, liberal economies; it is, rather, the poor souls cursed with the misfortune of living in countries whose governments follow the advice of the likes of Mr. Patel and 'protect' their citizens from "global economic liberalization."

15 February 2011

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

To the Editor:

David Brooks appropriately devotes today's column to my GMU Econ colleague Tyler Cowen's important new book "The Great Stagnation" ("The Experience Economy," Feb. 15). Mr. Brooks offers the intriguing hypothesis that what accounts for the relatively 'stagnant' measured economic growth since the mid-1970s isn't so much the absence of remaining "low-hanging fruit" (as Tyler argues) but, instead, a shift to less materialist values.

I have a different hypothesis: what has stagnated isn't the economy but, rather,

economists' and statisticians' capacity to measure economic activity and its contribution to human well-being.

As Mr. Brooks notes, Americans today demand more unique and nuanced experiences. Unfortunately, though, the economic value of experiences - unlike that of more corn, more cows, and more cars - is difficult to measure using mid-20th century national-income-accounting categories. But we are demanding these experiences NOT because we're becoming less materialistic or less wealthy. We're demanding these experiences precisely because, rather than stagnating, our economy and our wealth continue to grow so impressively that they are outstripping last-century's economic categories and measurement techniques.

15 February 2011

Editor, Richmond (Indiana) Pal-Item

Dear Editor:

State senator Allen Paul of Indiana's District 27 observes that "Hoosiers in Senate District 27 have found that cities like Indianapolis and Cincinnati

have large, national businesses who often submit lower contract prices to gain the upper-hand in area projects" ("Buy local' moves to full Senate," Feb. 15). To address this alleged problem, Sen. Paul introduced a bill that would, as the senator says, "help ensure local businesses and their products are considered in public works project contracts" - even if local governments can get lower prices from businesses outside of their locales.

In other words, Sen. Paul seeks legislation that would (to use your word) "encourage" local-government officials to bribe local businesses for political support while simultaneously forcing local citizens to over-pay for school construction, road repairs, and other government projects.

Such 'buying local' is also 'buying loco.'

14 February 2011

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

To the Editor:

You report that "Each year since 2006, [U.S. furniture makers] have asked the Commerce Department to review the U.S. duties paid by Chinese manufacturers on imports of wooden bedroom furniture. Many Chinese firms, fearing a steep rise in duties, agreed within months each time to pay cash to their U.S. competitors in return for being removed from the review list" ("Cash Softens a Trade Blow," Feb. 15).

Economists - led by Northwestern University's Fred McChesney - have a name for this practice: "rent extraction." [Fred S. McChesney, Money for Nothing: Politicians, Rent Extraction, and Political Extortion (Cambridge, MA: Harvard University Press, 1997):

http://www.amazon.com/Money-Nothing-Politicians-Extraction-Political/dp/0674583302/ref=sr_1_6?s=books&ie=UTF8&qid=1297741649&sr=1-6] Ordinary people rightly call it "extortion."

That non-American companies must bribe their American competitors for unhampered access to U.S. markets is appalling. And what's more, these bribes don't show up in formal data on the height or burden of tariffs imposed

by Uncle Sam. But tariffs these bribes certainly are in all but name and statistical salience.

14 February 2011

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

To the Editor:

After describing Pres. Obama's proposed budget for fiscal 2012 as reflecting "dramatic cuts to federal spending," you write "He ended up with a product that offers up more than \$1 trillion in deficit reductions over a 10-year period - three-quarters coming from spending cuts and the balance from tax increases or the elimination of existing tax breaks"

("Obama Releases \$3.73 Trillion Budget," Feb. 14).

In other words, over the course of a decade, annual spending will be cut by an average of \$75 billion.

Only by Washington standards does a two-percent spending cut qualify as "dramatic."