



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 April 2012

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

Dear Editor:

Adam Davidson, Jacob Goldstein, Caitlin Kenney, and Dad Kedmey write that tax loopholes "will cost the government roughly \$1 trillion in lost revenue this year" ("What's the Easiest Way to Cheat on Your Taxes?" April 8). Although such claims about the tax-loss "costs" of "loopholes" are common, they're also questionable.

If, as most people assume, government has a

legitimate claim on a portion of peoples' incomes, government must also be assumed to make its decisions non-arbitrarily and in ways that further the public interest. (If either or both of these assumptions don't hold, it's difficult to understand why anyone would lament - rather than celebrate - any revenues that the government "loses" to loopholes.)

So if we stick with the assumption that government acts non-arbitrarily and in the public interest, then tax "loopholes" are as legitimate a part of the fiscal bargain between voters, taxpayers, interest groups, and politicians as

are determinations of the tax base and tax rates themselves. Marginal tax rates on corporate incomes, for example, might be lower but for a fiscal bargain in which higher rates won majority approval in Congress only because certain corporate deductions were approved in exchange.

I don't here suggest that today's tax policy is optimal. I do, however, insist that it's illegitimate to suppose that each feature of the tax code is designed and implemented independently of other features of fiscal policy. And, therefore, it's also

illegitimate to assume that tax deductions prevent government from receiving revenues that it 'should' - or even that it 'intended to' - receive.

7 April 2012

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

Dear Editor:

Corporate-welfare recipient Gordon Brinser isn't content that his company's parent corporation, SolarWorld, has so far raked in more than \$100 million in government subsidies. He also wants Uncle Sam to further shield his firm from competition by imposing punishing taxes on Americans who buy Chinese-made solar panels (Letters, April 7).

Mr. Brinser has some nerve to complain that subsidies paid by Beijing to his Chinese rivals are "unfair." Even worse, though, is his proposition that government-imposed restrictions on trade are not restrictions on trade if those restrictions are approved by the WTO. Such an assertion is legalistic legerdemain at its worst.

No government or international agency can transform sewer water into potable water simply by declaring the former to be drinkable and delicious. Likewise with restrictions on trade. The tariffs demanded by Mr. Brinser would restrict Americans' rights to trade with foreigners. Period. That the politicians who impose such restrictions - and that the cronies (such as Mr. Brinser) who benefit from them - can point to statutory language meant to excuse these restrictions in no way transforms these restrictions into something other than the predatory trade barriers that they are.

6 April 2012

Editor, The Daily Beast

Dear Editor:

Simon Schama ends his Titanic essay, inevitably, with a metaphor - one in which we denizens of the early 21st century are said to be passengers on a hubris-fueled massive ship called "global capitalism": "But as we sail on into that dark ocean of the future where who knows what perils lurk in the darkness, is it too much to ask that there be at least enough bloody lifeboats for everyone - for us in third

class as well as the ladies and gents living it up in the state rooms?" ("Titanic's Wake: Shipwreck of the Century Retains Its Grip," April 2).

There's plenty wrong with this metaphor. But given that Mr. Schama invokes it, let's go along.

The good ship Global Capitalism in fact DOES carry "enough bloody lifeboats for everyone." With the 'wreck' of this ship on the housing-bubble-and-Lehman-Bros. 'iceberg,' many people were indeed tossed from their state-of-the-art comfortable quarters into icy waters. But unlike for most of human history - before local economies became global, and traditional economies became capitalist - no passenger on Global Capitalism died of exposure or starvation when this ship took a big hit. Hardships there were and are: mortgage defaults, bankruptcies, delayed retirements, and such. But so, too, are there hardships on board lifeboats in comparison with life on board a buoyant ship.

Indeed, it is far better to be aboard even the mere lifeboats of Global

Capitalism than to be a passenger in the most luxurious cabins of any of her predecessors.

6 April 2012

Friends,

In this op-ed in Newsday, I sing the praises of speculation:

<http://www.newsday.com/opinion/oped/boudreaux-don-t-curse-the-oil-speculators-1.3645329>

5 April 2012

Editor, YahooNews.com

Dear Editor:

Eric Pfeiffer reports that "A new study from researchers at MIT ... says that the world could suffer from 'global economic collapse' and 'precipitous population decline' if people continue to consume the world's resources at the current pace" ("Next Great Depression? MIT researchers predict 'global economic collapse' by 2030," April 5).

Such doomsday predictions are so common - and so commonly mistaken - because the scientists who make them do not understand what

resources are or where resources come from.

Resources are not defined strictly by their physical properties. The likes of bauxite or the electromagnetic spectrum are not 'naturally' things that serve human purposes. Physical materials in the earth and atmosphere BECOME resources only if and when human creativity mixes with them in ways that transform these materials into resources.

So we humans not only consume resources; we create them. Supplies of resources, therefore, rise with increased applications of human creativity. And since the dawn of bourgeois capitalism in the 18th century, the rate at which we create resources - both in the sense of creating more sources of supplies of familiar resources such as petroleum, and of creating entirely new resources such as the worldwide web - has skyrocketed. Nothing in studies such as this latest from MIT gives us any reason to suppose that this rate of resource creation will slow.

2 April 2012

Editor, Washington Post

1150 15th St., NW
Washington, DC 20071

Dear Editor:

Flabbergasted that several justices of the U.S. Supreme Court think it appropriate to question the constitutionality of Obamacare's individual mandate, E.J. Dionne tries to dismiss those justices by saying that they "repeatedly spouted views closely resembling the tweets and talking points issued by organizations of the sort funded by the Koch brothers" ("The right's stealthy coup," April 2).

A less inflammatory and far more accurate description of last week's oral arguments is that those justices repeatedly spouted views closely resembling the statements and analysis issued by the founding fathers.

The "tweets and talking points" of 200 years ago are found mostly in written letters, such as a February 13, 1829, note from James Madison (who was not, I believe, funded by the Kochs) to Joseph Cabell, in which Madison said of the Commerce clause: "Yet it is very certain that it grew out of the abuse of the power by the importing States in taxing the non-

importing, and was intended as a negative and preventive provision against injustice among the States themselves, rather than as a power to be used for the positive purposes of the General Government."

[http://press-pubs.uchicago.edu/founders/documents/a1_8_3_commerces19.html]

This statement (and others) by the Father of the Constitution makes clear that questioning the constitutionality of the individual mandate is perfectly appropriate.