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Comment on the Commentary of the Day

by
Donald J. Boudreaux
Chairman, Department of Economics
George Mason University
dboudrea@gmu.edu
http://www.cafehayek.com

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.

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14 January 2012

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

Dear Editor:

Your reporter describes Pres. Obama's plan to consolidate six agencies into one as "an aggressive campaign to shrink the size of the federal government" ("Obama Bid to Cut the Government Tests Congress," Jan. 14).

Some aggressiveness. By Mr. Obama's own reckoning his plan will shave only $300 million annually from Uncle Sam's budget over the next ten years. That's 0.0081 percent of the government's fiscal 2012 budget. If a family earning the median household income in America were equally "aggressive" in slashing its budget, the amount that family would slice from its yearly spending would be $4.16 - about the amount they spend on ONE order of a Big Mac with fries.

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13 January 2012

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

Dear Editor:

Pres. Obama proposes shaving 0.0081 percent off of the federal budget by merging into one agency the half-dozen agencies now charged with obstructing Americans' freedom to trade with foreigners ("Obama Proposes Merging Agencies," Jan. 13).

Why not abolish these agencies altogether? Taxpayers' savings will be even larger. More importantly, the economic benefit of escaping these counterproductive shackles will be significant. Consumer purchasing power will rise; competition will intensify; corporations will waste fewer resources as their prospects for successfully seeking special privileges dim; and the U.S. government will set a principled example of better practicing what it preaches.

Now some will protest that these agencies are vital to Uncle Sam's mission of opening markets for American exporters. Forget the ethical and economic problems with forcing taxpayers to subsidize corporations' quests for customers. Focus instead on the administration's frequent and correct claims that foreign governments are forever scheming to increase their countries' exports to America, and recognize that the inevitable result of foreigners selling more TO Americans is that they will, either now or in the future, buy more FROM Americans. (What ELSE can foreigners do with the dollars they earn from selling their exports to us, and with the dollars they earn tomorrow from any dollars they invest in America today?) We can rest assured, therefore, that with foreign governments artificially promoting American exports for us, we need not be taxed or otherwise harassed to achieve this goal.

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12 January 2012

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

Dear Editor:

It's unsurprising that Newt Gingrich and Rick Perry attack the perfectly appropriate capitalist activities that Mitt Romney performed during his time at Bain Capital ("Romney Lashes Back on Bain," Jan. 12): Gingrich and Perry are politicians, each desperate to delude voters into believing that he - and not Romney or anyone else - is fit to exercise the dizzying powers that today are vested in the U.S. presidency. Therefore, neither of these men will honor any principle or respect any truth if doing so will cost him votes; nor will either man refrain from any slander or shun any chicanery the practice of which will, in his estimation, beguile the masses into elevating him into the ostentation of the Oval Office.

But. of course, Romney's own flip-flop on the health-care issue and his absurd attack on Americans buy Chinese-made goods prove that he, too, is of the species politicus duplicitus - and, therefore, deserving of no sympathy.

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11 January 2012

Editor, USA Today

Dear Editor:

Dismissing Ron Paul's case against the Fed, you write "the Fed was created a century ago after the fifth banking crisis in just 34 years made clear that a rapidly industrializing nation couldn't get by with the kind of loosely knit banking system that it had when the economy was mostly agrarian" ("Ron Paul's 19th century economic ideas," Jan. 11).

That's the potted history. The actual history is far more favorable to Mr. Paul's case.

Nineteenth-century banks were hardly laissez-faire institutions. Government saddled them with restrictions and requirements that kept the U.S. banking system artificially "loosely knit" and subject to unnecessary risks - for example, restrictions on branch banking, and requirements that banks hold poor-quality state and local bonds as collateral for their note-issues.

Nevertheless, even with this government meddling, the U.S. banking system performed better before the Fed's creation than it has since. Economists George Selgin and William Lastrapes, along with my colleague Lawrence H. White, recently examined U.S. banking history and concluded that "The Fed's full history (1914 to present) has been characterized by more rather than fewer symptoms of monetary and macroeconomic instability than the decades leading to the Fed's establishment. (2) While the Fed's performance has undoubtedly improved since World War II, even its postwar performance has not clearly surpassed that of its undoubtedly flawed predecessor, the National Banking system, before World War I." ["Has the Fed Been a Failure?" Cato Working Paper, Dec. 2010. http://www.cato.org/pub_display.php?pub_id=12550]

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9 January 2012

Mr. Alan Ravitz

Thanks for your e-mail. And Happy 2012, backatcha, to you and yours!

You and I still disagree fundamentally on trade and tariffs. My first response to your latest note is the same as my past responses: examine the evidence. It overwhelmingly shows that freer trade is associated with higher rates of economic growth and with higher standards of living for ordinary people.

As for your rhetorical question of "Why shouldn't we be asking US consumers to sacrifice some so that fellow citizens can have jobs and higher wages?"....

As you know from our earlier exchanges, it's untrue that trade over the long run reduces domestic employment and wages. (It's also untrue that protectionist policies are a manner of "asking" consumers to sacrifice; such policies COMMAND sacrifice.)

But rather than repeat earlier arguments, let me ask you: if it's appropriate for some Americans to sacrifice in order to keep the current pattern of production and employment in America from changing in response to intensified foreign competition, why should the ones who sacrifice be consumers? Why not - instead of "asking" consumers to sacrifice - "ask" workers in import-competing industries to sacrifice a little by taking pay cuts? Why not also "ask" owners of businesses that are now losing market share to foreign rivals to sacrifice by accepting lower profits?

If Americans should sacrifice in order to stymie competitive forces, what economic theory or ethical precept demands that such sacrifice be done by consumers rather than by producers - producers who are, after all, the parties who reap most of whatever benefits are generated from such sacrifice?