



## 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.**

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12 August 2012

Mr. David Burd  
WTOP Radio  
Washington, DC

Dear Mr. Burd:

During your report this morning on Social Security, you admonished Congress to keep its "sticky fingers off the Social Security trust fund." Your admonition is flawed on two levels.

First, there is no actual Social Security trust fund. Because Social Security is (as its in-house historian admits [<http://www.ssa.gov/history/ponzi.htm>]) a pay-as-you-go system, money contributed today is – as it has always been – spent

today. The so-called "trust fund" is filled only with I.O.U.s written by one agency of government (the U.S. Treasury) to another agency (the Social Security Administration). The "trust fund's" value is no more real than would have been the value of a fund established by, say, Bernie Madoff and filled with I.O.U.s on which Mr. Madoff promised to pay to himself the full value of the I.O.U.s when the time came for him to compensate the unlucky dupes of his deceit.

Second, while Congress's fingers are indeed sticky, the objectionable use of those fingers lies less in how Congress spends Social Security tax

revenues than in its forcing workers to pay Social Security taxes to begin with - that is, forcing workers to contribute dollar amounts to a government-run pension scheme that workers would not contribute if Congress kept its sticky fingers to itself. If a thief steals your money and promises to use it to buy you a coat, your anger remains properly focused on the theft of your money and not on the thief's change of plans to use your money instead to buy a negligee for his girlfriend.

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10 August 2012

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

Dear Editor:

Gary Becker's and James Heckman's call for more government funding of social-science research is odd, coming as it does from two economists at the University of Chicago (a private educational and research institution, by the way, whose existence is difficult to explain in light of the textbook theory that the authors deploy to make their case for government funding of basic research) ("Why the Dismal Science Deserves Federal Funding," Aug. 10).

Especially odd is some of the research that Messrs. Becker and Heckman list as useful "public goods" that can be supplied only by government: "Programs to educate Americans about the benefits of healthy behaviors such as compliance with medical protocols, reduced smoking, regular physical exercise and healthy eating habits are underdeveloped and under-researched." Research on these programs might or might not be "underdeveloped." (By what metric is such a thing measured?) But the underlying, relevant phenomena are emphatically all PRIVATE goods. Even with

increasingly socialized health care, the bulk of the benefits and the costs of not getting regular dental check-ups, of smoking, of being a couch potato, or of eating poorly all fall squarely on each individual who engages in those behaviors.

Research by pricey professors into tactics that government can use to change the private preferences of private citizens is a most dubious sort of "public good." Such research, like ALL research, should be paid for only with private funds.

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9 August 2012

Mr. Dave Ross  
KIRO-FM  
Seattle, WA

Dear Mr. Ross:

In your segment "What happened to global warming being a hoax?" - aired during today's 1pm hour on Washington, DC's, WTOP radio - you played a clip of U.C.-Berkeley scientist Richard Muller saying that "all of this warming over the last 250, 260 years has been caused by greenhouse gases emitted by humans."

Being no physical scientist myself, I accept Mr.

Muller's claim. But contrary to most people's reaction to this news, my reaction is "What a deal!"

In exchange for slightly warmer global temperatures, humanity gets historically off-the-charts benefits never before enjoyed by ordinary men and women - benefits that began to flow only 250, 260 years ago. In industrialized countries, these benefits include a near-tripling of life-expectancy; a growth in average real per-capita income to a level at least 30 times higher than it was a mere three centuries ago; an end to famine and plagues; abolition of the multi-millennial-old institution of slavery; widespread literacy; and an unprecedented expansion in women's rights and opportunities - all these wonders, and more, from bourgeois commerce and industry powered in part by fossil fuels. Has humanity ever gotten so much at such a puny price?

Asked differently, who among us would choose to exchange modernity and its stupendous prosperity for whatever reduction in global temperature we'd enjoy had all the greenhouse gasses emitted over the past 250,

260 years never been released?

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9 August 2012

Editor,  
PsychologyToday.com

Dear Editor:

At your blog "EcoMind," Sandy Olliges lists a slew of problems, such as global warming, allegedly sparked or worsened by "overpopulation" ("Children of the World," Aug. 8). You'd think that the fact that billions more people today live far-longer, much-healthier, and vastly richer lives than were lived by all but a small handful of nobles and clerics when the earth's population was much smaller would cause Ms. Olliges to pause before asserting that "reducing our population is in the best interest of our species."

But pause she does not.

So I've a question for her: why single-out birth control as the solution to the alleged problem of overpopulation? Why not also call for policies that reduce human life-expectancy? Unless the vast majority of newborns today are unwanted or are, at best, regarded with indifference by their parents - an extraordinarily

unlikely situation - what ethical proposition permits her to endorse policies that reduce the number of infant humans without also endorsing policies that reduce the number of middle-aged and elderly humans?

A 50-year-old woman or 70-year-old man eats and drinks, and emits carbon, at least as much as does a child. So if Ms. Olliges truly believes that today's large population poses an awful danger, let her advocate - in addition to birth control - such policies as, for example, prohibiting anyone older than 50 from receiving medical care. By her moral lights, humanity and mother earth will be well-served as a result.

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8 August 2012

Editor, Wired

Dear Editor:

David Brin asserts that "Friedrich Hayek ... said that the absolute necessity of capitalism is for all the players to know all of what's going on all the time, so they can make good capitalist decisions. Even a laborer in a factory, even a peasant, if that peasant knows everything that's going on, then that peasant can make the best

deal for the fish he just caught or the yam he just grew. The greatest hypocrisy on the planet right now is for those who defend capitalism to not be in favor of radical transparency, for all of us to know who owns everything" ("Why David Brin Hates Yoda, Loves Radical Transparency," Aug. 8).

Mr. Brin seriously misunderstands Hayek.

Hayek observed that the amount of information necessary to make a modern economy work is unavoidably, and (we might say) radically, dispersed. It is spread in ever-changing tiny bits across thousands of miles and millions of minds. The great benefit of market prices is that each one summarizes for society at large a set of particular facts that can be known, in the case of each price, only to a handful of people. If (to use Hayek's example) supplies of inputs for making tin shrink, society's relatively few tin producers will raise the price of tin, thus 'informing' tin users that tin has become more scarce and, therefore, that tin users should use less tin and more aluminum, plastic, and other substitutes.\*

For Hayek, market prices make economic order and growth possible despite each of us being ignorant of all but a minuscule fraction of the specific facts that must be taken account of for the economy to work well. The price system enables each person to act AS IF he possesses knowledge that, in fact, he does not possess – to act AS IF he knows what is known, in this case, only to a small number of strangers over here and, in that case, only to a small number of different strangers over there.

Whatever the merits of Mr. Brin's call for governments and banks to become more transparent, he is mistaken to invoke Hayek's theory of the role of knowledge in support of that call.