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Comment on the Commentary of the Day by Donald J. Boudreaux Chairman, Department of Economics George Mason University <u>dboudrea@gmu.edu</u> 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.

11 March 2012

Rep. Dave Camp (R-MI) Cannon House Office Building Washington, DC

Dear Mr. Camp:

Trumpeting your bill to slap extra taxes on American consumers who buy subsidized Chinese goods, you assert that "Our companies and workers should not be expected to compete against the deep pockets of the Chinese government." [Quoted in CQ:

http://www.cq.com/alertmat ch/154725557] Myriad flaws infect your assertion, not the least of which is hypocrisy: Uncle Sam itself is a world-class subsidizer that routinely shovels untold billions - through the Ex-Im Bank and other corporate-welfare boondoggles that you proudly support - into the coffers of countless American corporations.

Another flaw is your economics. The "deep pockets of the Chinese government" that so agitate you are not filled with money dropping like manna from heaven. They are filled with taxes imposed on Chinese citizens. So to artificially lower with subsidies the operating costs of some Chinese producers Beijing must artificially raise with taxes the operating costs of other Chinese producers.

Your bill, therefore, is too timid. To fully compensate for the effects in America of Beijing's economic meddling, Uncle Sam must slap extra taxes also on those American firms and workers who are artificially rendered - not by their own merit, but by the "tax" part of Beijing's tax-andsubsidize policies - better able to compete against those Chinese producers whose costs are artificially raised by Beijing's economic intrusions.

Will you propose such a tax?

8 March 2012

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

Dear Editor:

Hayley Gorenberg and others who support "hatecrime" legislation ("Even Nonviolent Crime Needs to Be Fought," March 8) endorse a source of tyranny that dates back ages, namely, ruling-elites' attempts to govern people's thoughts.

In the past, thoughtpolicing was aimed at controlling individuals' notions about sacred texts and other theocratic matters. Today, thoughtpolicing is aimed at controlling individuals' notions about sexual practices, racial and gender differences, and lifestyles. But today as vesterday - and regardless of the ungodliness or shamefulness of the targeted thoughts - no institution is to be trusted that empowers some men and women to peer into the minds of other men and women for the purpose of forcing people's thoughts to conform to an official standard.

The great early 17thcentury English jurist, Sir Edward Coke – whose writings greatly influenced America's founding generation – famously challenged King James I's effort to deploy the power of the English crown to punish people merely for what they thought. Coke proclaimed that "No man ecclesiastical or temporal shall be examined upon secret thoughts of his heart.... Cogitationis poenam nemo emeret - no man may be punished for his thoughts –'For it hath been said in the Proverb. Thought is free." [Quoted in John M. Barry, Roger Williams and the Creation of the American Soul (New York: Viking, 2012), p. 31]

That maxim is today as important a bulwark against tyranny as it was 400 years ago.

3 March 2012

Rep. Sandy Levin (D-MI) Longworth House Office Building Washington, DC

Dear Mr. Levin:

In support of Congressional action to punish Americans who buy goods from China, you complain in the Detroit Free Press that "China gives its manufacturers whatever advantage it can over U.S. and other competitors. China provides massive loans at below-market interest rates, cheap or free land, extensive tax breaks and other subsidies in an effort to advantage domestic industries.... And it engages in a large-scale manipulation of its currency to make its exports significantly cheaper" ("Level the Playing Field with China," March 2).

Let's reword this complaint to reveal a reality that your prose masks: "China gives AMERICAN CONSUMERS whatever advantage it can over CHINESE CONSUMERS. China provides massive loans at below-market interest rates, cheap or free land, extensive tax breaks and other subsidies in an effort to advantage AMERICAN CONSUMERS WHO, AS A RESULT OF THESE ACTIONS BY BEIJING. HAVE ACCESS TO MORE GOODS AT LOWER PRICES.... And it engages in a large-scale manipulation of its currency THAT, WHILE IT DISTORTS AND DAMAGES CHINA'S OWN ECONOMY, FURTHER **REDUCES AMERICANS'** COST OF LIVING.

This reality isn't rendered irrelevant by the fact that Beijing's actions harm

certain American producers: ALL newly created benefits for American consumers harm certain American producers. Improved road surfaces, for example, 'destroy' some jobs that would otherwise be held by workers who repair automobiles and tires. So unless you also advocate policies such as those that would prevent state and local governments from spending money to keep our roads from going to pot(holes), you have no business trying to prevent the Chinese government from bestowing similar benefits on Americans.