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# Comment on the Commentary of the Day

**by**

**Donald J. Boudreaux**

**Chairman, Department of Economics**

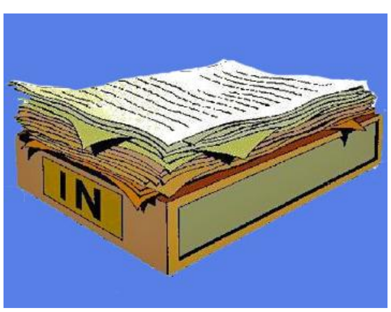
**Martha and Nelson Getchell Chair for Free Market Capitalism**

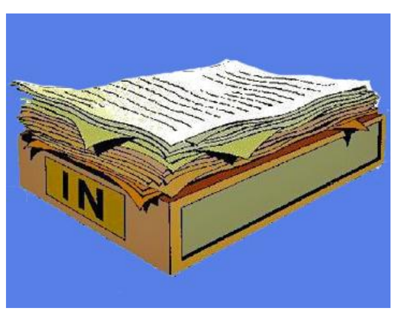
**Mercatus Center**

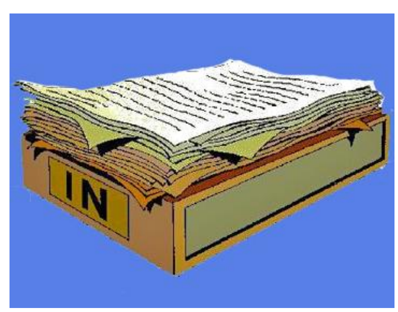
**George Mason University**

**dboudrea@gmu.edu**

**http://www.cafehayek.com**



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11 May 2013

Editor, National Review Online

Dear Editor:

Yuval Levin makes some worthwhile points in his essay "Reforming Immigration Reform" (May 6). But he makes some blunders, too - for example, his argument that "A huge amount of American social policy is directed to reducing the number of people in our country who have low levels of skills and education, and it would be bizarre to use our immigration policy to increase that number significantly."

Presumably, the chief purpose of this huge amount of American social policy is to improve the lot of the poor. While a policy of allowing in more low-skilled immigrants might well pull down STATISTICAL measures of well-being in America (for example, the average level of schooling), it will certainly and immediately improve the well-being of millions of actual, flesh-and-blood people - who find better lives in America - and also improve the lives of actual, flesh-and-blood Americans over time by strengthening the economy with a deeper division of labor and the dynamism that is fueled by immigration.

The potential downward trend of country-specific statistical artifacts is no reason to block a policy that, especially, allows some of the world's poorest people to enjoy at least that level of prosperity that even the poorest Americans take for granted.

Sincerely,
Donald J. Boudreaux
Professor of Economics
and
Martha and Nelson Getchell Chair for the Study of Free Market Capitalism at the Mercatus Center
George Mason University
Fairfax, VA 22030

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14 May 2013

Editor, Salon

Dear Editor:

In your interview of Jaron Lanier you quote a passage from his book "Who Owns the Future?" - a book in which Mr. Lanier laments the modern economy's facility at making available at very low cost many goods and services whose production in the past required a great deal of human labor: "At the height of its power, the photography company Kodak employed more than 14,000 people and was worth $28 billion. They even invented the first digital camera. But today Kodak is bankrupt, and the new face of digital photography has become Instagram. When Instagram was sold to Facebook for a billion dollars in 2012, it employed only 13 people. Where did all those jobs disappear? And what happened to the wealth that all those middle-class jobs created?" ("The Internet destroyed the middle class," May 12).

Mr. Lanier sounds profound, I suppose, to people unfamiliar with history. So let's re-write Mr. Lanier's prose just a bit in order to put his fears in historical context:

"At the height of its power, agriculture employed 90 percent of the population and produced output worth vastly more than half of U.S. GDP. It even invented countless plant hybrids and animal breeds. But today nearly all farms of the past have gone bankrupt (or, seeing the economic writing on the wall, were transformed to other uses). Agriculture today employs only about one percent of the workforce.* Where did all those jobs disappear? And what happened to the wealth that all those good agricultural jobs created?"

Sincerely,
Donald J. Boudreaux
Professor of Economics
and
Martha and Nelson Getchell Chair for the Study of Free Market Capitalism at the Mercatus Center
George Mason University
Fairfax, VA 22030

* https://www.cia.gov/library/publications/the-world-factbook/fields/2048.html

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18 May 2013

Jeremy Harris, M.D.

Dear Dr. Harris:

Thanks for e-mailing in response to my recent review of Cass Sunstein's book "Simpler."* While I disagree with the thrust of your argument, I appreciate its civility and thoughtfulness.

The heart of your criticism is your claim that I "ultimately deny the significance" of behavioral economics.

No and yes. I don't deny the worth of learning more about human behavior. I don't deny that some economists forget that *homo economicus* is an analytical tool and not a description of, or a prescription for, real people. I don't deny that behavioral economics gives us a richer and worthwhile picture of the reality of human action.

But I do deny two things. First, I deny that the best of economics is done in ways that make it, at its core, vulnerable to the findings of behavioral economics. Not only is *homo economicus* an appropriate analytical tool on many occasions, but also, a great many 'non-behavioral' economists (and nearly all Austrian economists) often model human decision-making with more richness and realism than behavioral economists think. Read, for example, Adam Smith, F.A. Hayek, Ronald Coase, James Buchanan, Thomas Sowell, and Deirdre McCloskey.

Second, I deny that behavioral economics strengthens the case for government regulation. Indeed, I believe that it *weakens* that case. Because the regulators have the same psychological foibles as the regulatees - yet face far less direct feedback on their decisions than do those whom they regulate - turning more decision-making power over to government increases the frequency of human error and amplifies its ill-effects. Markets keep those errors less numerous and their effects more confined.

Human beings are not laboratory rats to be controlled and conditioned by some elite of their number who, somehow and without explanation, manage to become higher-order creatures simply by working for government and professing deep concern for the welfare of their lab animals.

Sincerely,
Donald J. Boudreaux
Professor of Economics
and
Martha and Nelson Getchell Chair for the Study of Free Market Capitalism at the Mercatus Center
George Mason University
Fairfax, VA 22030

*http://online.wsj.com/article/SB10001424127887324105204578384850872793208.html

UNIVERSITY of West Georgia