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Comment on the Commentary of the Day

by

Donald J. Boudreaux

Chairman, Department of Economics

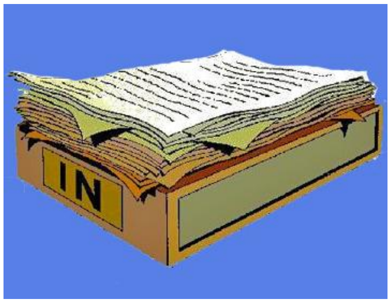
Martha and Nelson Getchell Chair for Free Market Capitalism

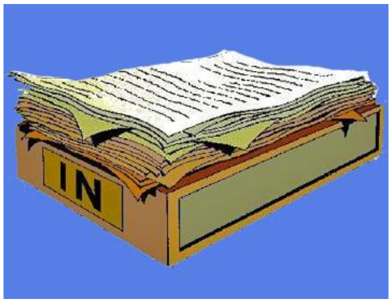
Mercatus Center

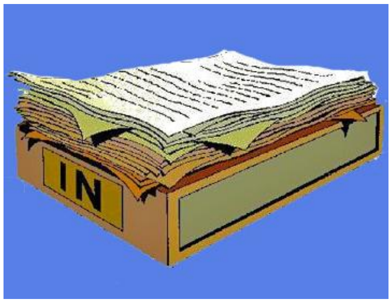
George Mason University

dboudrea@gmu.edu

http://www.cafehayek.com







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 if they are, they may require registration or subscription to access. Some of the articles being commented on are syndicated, therefore, they may also have appeared in other publications.

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12 November 2013

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

Dear Editor:

Reading economist Alan Blinder's apologia for Obamacare makes this economist sad ("Despite a Botched Rollout, the Health-Care Law Is Worth It," Nov. 12).

In the 18th century, economics began as a discipline when Adam Smith explained that intentions are not results, and that the complexity of a real-world economy nearly always overwhelms and confounds the hubris-intoxicated "man of system" who aims to improve matters through government intervention.

More than 200 years later, Mr. Blinder - an economics professor at a premier university - judges Obamacare by its stated goals. He simply assumes that Obamacare's results will eventually reflect its designers' intentions. And in assuring your readers that this happy outcome will indeed come to pass, Mr. Blinder gives no hint of the mature, Smithian awareness that 'men of system' are never up to the task of successfully engineering a sector of the economy as large and as complex as health care.

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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15 November 2013

Editor, Washington Post
1150 15th St., NW
Washington, DC 20071

Dear Editor:

Charles Krauthammer accurately describes the heart of Obamacare: "Toss millions of the insured off their plans and onto the Obamacare 'exchanges,' where they would be forced into more expensive insurance packed with coverage they don’t want and don't need - so that the overcharge can be used to subsidize others" ("Why liberals are panicked about Obamacare," Nov. 15).

How ironic. A popular justification for the FDA's just-announced ban on trans fats is that it will prevent people prone to eat unhealthy foods from running up health-care costs – costs that would be shifted onto innocent others. The idea is that it's wrong to allow Jones to act in ways that unilaterally impose costs on Smith. Yet at the same time that the FDA is ostensibly trying to save Smith from having to pay Jones's medical expenses, Smith is FORCED to do so by Obamacare.

If it's wrong for people to be burdened by other people's medical expenses - so wrong that government meddling in our diets is justified - how can it be right for government to create a scheme that forces people to be burdened by other people's medical expenses?

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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17 November 2013

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

Dear Editor:

Your report on the "growing clamor" for rich countries to "compensate" poor countries for the allegedly lethal consequences of climate change - consequences that fall disproportionately on poor countries - misses some facts ("Growing Clamor About Inequities of Climate Crisis," Nov. 17). Here are two.

First, countries with higher per-capita incomes suffer fewer casualties from extreme weather events than do countries with lower per-capita incomes. Second, although the frequency of extreme weather events is rising, the earth's climate is becoming far less, rather than more, lethal. Global death rates from extreme weather events have fallen steadily and dramatically over the past 80 years. For example, in the decade 2000-09 those death rates were less than 20 percent of what they were in the 1960s and less than 5 percent of what they were in the 1920s.*

So even if market-driven industrial activities cause more extreme weather events, the greater prosperity also caused by those activities increasingly protects people from being killed by such events. And because per-capita incomes are highest in countries that are most economically free,** the blame for poor-countries' relatively higher death rates due to weather belongs not on rich countries for relying upon market-driven industrialization but, rather, on the poor countries themselves for refusing do so.

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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

* Indur M. Goklany, "Wealth and Safety: The Amazing Decline in Deaths from Extreme Weather in an Era of Global Warming, 1900-2010." Reason Policy Study #393. September 2011:
http://reason.org/files/deaths_from_extreme_weather_1900_2010.pdf

** Robert A. Lawson, "Economic Freedom," Concise Encyclopedia of Economics:
http://www.econlib.org/library/Enc/EconomicFreedom.html

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18 November 2013

Editor, The Huffington Post

Dear Editor:

Robert Reich repeats the urban myth that Henry Ford's 1914 increase in the daily wage of most of his workers from $2.34 to $5.00 was meant to better enable these workers to buy the Model T cars that they produced ("What Walmart Could Learn from Henry Ford," Nov. 17).

The fact is that Ford raised pay (and also reduced the work day from nine to eight hours) in order to retain workers. Before 1914 - and contrary to the prediction of those who insist that employers have monopsony power over non-unionized workers - workers quit their Ford jobs at extraordinarily high rates. This high rate of worker turnover was costly to Ford. Ford successfully sought to decrease this turnover by making employment in his factories much more attractive.

That Ford's motive was not to enable his workers to buy Ford cars can be shown with simple arithmetic. Here's *Forbes* columnist Tim Worstall (making an assumption most favorable to Reich's case, namely, that every one of Ford's employees would buy a new Ford car every year): "Say 240 working days in the year and 14,000 workers and we get a rise in the pay bill of $9 1/4 million over the year. A Model T cost between $550 and $450 (depends on which year we're talking about). 14,000 cars sold at that price gives us $7 3/4 million to $6 1/4 million in income to the company. It should be obvious that paying the workforce an extra $9 million so that they can then buy $7 million's worth of company production just isn't a way to increase your profits. It's a great way to increase your losses though."*

In short, Mr. Reich's history is bunk.

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

* Tim Worstall, "The Story of Henry Ford's $5 a Day Wages: It's Not What You Think," *Forbes*, March 4, 2012:
http://www.forbes.com/sites/timworstall/2012/03/04/the-story-of-henry-fords-5-a-day-wages-its-not-what-you-think/

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21 November 2013

Editor, Washington Post
1150 15th St., NW
Washington, DC 20071

Dear Editor:

Massage therapist Jeffrey Blank is losing his family's current health-insurance coverage because that policy doesn't "comply with the health law's mandated basic benefits" ("Insurers restricting choice of doctors and hospitals to keep costs down," Nov. 21). Because he likes the policy that he'll soon lose, Mr. Blank is understandably upset.

Yet "Blank faults the insurer and not the health law." (Presumably Mr. Blank blames his insurer for not increasing the benefits it offers so that his policy would come into compliance with Obamacare's mandates.) How bizarre. Blaming the insurer in this case would be like blaming Mr. Blank for quitting his job as a masseur in the wake of a new government mandate requiring all masseurs not only to continue to supply the services that their clients previously paid to receive but, in addition, to walk their clients' dogs, to mow their clients' lawns, and to paint their clients' houses - all at no extra charge.

In what universe would Mr. Blank - rather than the government officials who imposed the massage-coverage mandate - be morally culpable for the resulting reduction in the availability of massage therapy?

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

UNIVERSITY of West Georgia