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25 June 2014

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

Dear Editor:

Your support for the U.S. Export-Import Bank rests on poor reasoning ("Tea Party Mischief on Exports," June 25). For example, you mistakenly conclude that, because opposition to the Ex-Im Bank is presently not a full-fledged political movement against *all* corporate welfare, opponents of the Bank are not sincerely interested in curbing corporate welfare. But in fact, sometimes it's more practical to demolish an unsafe building brick by brick rather than to blow it up all at once.

More fundamentally, the reality that other governments subsidize the export sales of their domestic companies is no reason for the U.S. government to subsidize the export sales of American companies. The reason is that, contrary to your assumption, such subsidy payments harm rather than help the economies whose governments make them.

If you continue to believe that such payments pave the path to domestic prosperity, then you should immediately stop charging people to subscribe to your newspaper and start *paying* them to subscribe. Until and unless you start to practice what you preach, you should refrain from advising Americans that we ought to pay non-Americans to consume what we produce.

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

27 June 2014

Editor, *Washington Times*

Dear Editor:

You report that the Center for Immigration Studies finds that "Since 2000, all of the net jobs added by the U.S. economy have gone to immigrants, both legal and illegal" ("ALL of the net jobs gains in the U.S. since 2000 have gone to immigrants," June 27). Immigration opponents (such as the CIS itself) interpret this finding as a reason for tightening immigration restrictions.

Not so fast. For years we've heard immigration opponents repeatedly insist that we must restrict immigration into the U.S. because too many immigrants allegedly flock here to free-ride on the U.S. welfare state. But if this new CIS finding is correct, it is strong evidence that immigrants overwhelmingly come to the U.S. for work and not for welfare. So this CIS study can fairly be read (contrary to its authors' intentions, to be sure) to support the case for *loosening* rather than tightening restrictions on immigration.

Sincerely,  
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28 June 2014

Sen. Ben Cardin (D-MD)  
Capitol Hill  
Washington, DC

Sen. Cardin:

You're co-sponsoring legislation that, as you describe it on your website, "reigns [sic] in the excessive and malicious speculation" that you assert is artificially driving up gasoline prices.\* I've two reactions.

First, any activity that artificially raises gasoline prices acts as a carbon tax - a tax that you support. So instead of vilifying and trying to stymie such speculation, you should applaud and promote it.

Second and more fundamentally - and contrary to the cocksure tone that you used yesterday on WTOP radio to explain this legislation - you have absolutely no way to know if this speculation is "excessive and malicious." *If* the speculation is as you describe it, then no one will suffer more than the speculators themselves, for they will buy too much gasoline today and sell it tomorrow at a loss. Moreover, if you truly believe that this speculation is "excessive and malicious," then you should put your own money where your mouth is by going short in gasoline futures: not only will you make a mint by selling gasoline today at prices that you have divined are "excessive," you will also put downward pressure on today's gasoline prices, thereby helping motorists all across America.

Of course, I know damn well that you'd never put your own money where your mouth is. You're a career politician. Your chief skill is pontificating on matters about which you are deeply ignorant (such as economics) and demonizing activities about which you clearly know nothing (such as speculation).

Sincerely,

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\* <http://www.cardin.senate.gov/newsroom/press/release/cardin-calls-for-emergency-action-to-stop-price-spikes-caused-by-oil-speculators->

29 June 2014

Mr. Aaron the Aaron

Dear Mr. the Aaron:

You disagree with my Café Hayek post on Sen. Ben Cardin's baseless charge that speculators are artificially and unjustifiably driving up the price of gasoline.\* Specifically, you accuse me of being "misleading" when I compare gasoline speculators to gasoline retailers. "Retailers," you say, "perform the service [of] making it easy for consumers to buy gas in convenient locations.... They [the retailers] profit from saving consumers the hassle of driving to refineries to buy gas.... Speculators perform no beneficial services."

You correctly identify a valuable role played by gasoline retailers. What you miss is that gasoline speculators play an equally valuable role - a role that is essentially the same as that played by retailers. Gasoline retailers profit by transporting gasoline across physical space, from locations where it's less valuable to consumers (distant refineries)

to locations where it's more valuable (neighborhood stations). Gasoline speculators profit by transporting gasoline across *time*, from times when it's less valuable to consumers (before expected supply disruptions occur) to times when it's more valuable (when supplies are actually disrupted).

Because you clearly see that the profits earned by successful gasoline retailers are a reward for a valuable service performed for consumers, you should see, with the same clarity, that the profits earned by successful gasoline speculators are also a reward for a valuable service performed for consumers.

Sincerely,  
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\* <http://cafehayek.com/2014/06/ignorance-about-speculation.html>

2 July 2014

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

Dear Editor:

Robert Samuelson generally opposes the Export-Import Bank. But he refuses to join the ranks of today's Ex-Im opponents, in part because he believes that these opponents engage in "political theater" by "exaggerating Ex-Im's importance" ("The misleading debate on the Export-Import Bank," July 1).

Please.

Does Mr. Samuelson think that Ex-Im's *proponents* are not political thespians? Nearly every serious economist knows that subsidizing exports (that is, paying foreigners to consume our products) makes us poorer. Yet the fictional and fanciful depiction - on Pennsylvania Avenue's gaudiest stages - of government-engineered increases in exports as fonts of prosperity has drawn the adoring applause of generations of gullible audiences.

And does Mr. Samuelson suppose that Ex-Im's *proponents* never exaggerate Ex-Im's importance? In fact, Boeing and other beneficiaries of Ex-Im largess lobby incessantly in support of Ex-Im with grandiose warnings that shuttering Ex-Im would significantly

damage America's economy.

If Mr. Samuelson truly is put off by outlandish political theater and ridiculous exaggeration, he ought to be absolutely disgusted, not by Ex-Im's opponents, but instead by the never-ending absurd theatrics of Ex-Im's *proponents*.

Sincerely,

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