



Comment on the Commentary of the Day

by

Donald J. Boudreaux
Chairman, Department of Economics
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 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.

24 September 2006

Editor, The Washington Times

Dear Editor:

By lamenting American imports ("NAFTA highway or new silk road?" Sept. 24), William Hawkins implies that trade's benefits are measured in exports and its costs measured in imports. But if the purpose of economic activity truly were to produce and sell as much as possible in exchange for as few goods and services as possible, workers would clamor to work longer hours for lower wages - and they'd applaud whenever the purchasing power of their wages falls.

I suggest that you test the consistency of Hawkins's belief by paying for all of his future contributions to your newspaper with Monopoly money. If he really believes what he writes, Hawkins will be thrilled to exchange the fruits of his labor for script that he can never exchange for goods and services.

23 September 2006

Editor, The Baltimore Sun

Dear Editor:

Let's reveal the ugly underbelly of Sen. Barbara Mikulski's letter in which she boasts of her support of special government privileges for the steel

industry (Letters, September 23).

She writes: "I have fought for measures to protect America's steel companies and its workers." This sentence instead should read "I have fought for measures to shield America's steel producers from the rigors of competition by preventing American consumers from spending their money as they deem best."

She writes: "I fought for the creation of the Emergency Steel Loan Guarantee Program to provide emergency loan guarantees to help steel companies weather the storm." This sentence instead should read "I have

fought to force taxpayers to subsidize steel companies that are too inefficient to get adequate private financing."

Were she truly honest and courageous, Sen. Mikulski would summarize her position by saying "In short, I have worked hard to appease a powerful interest group - and to improve my chances of staying in the Senate - even though doing so makes most Americans poorer and less free."

22 September 2006

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

Dear Editor:

Complaining that each of today's 400 richest Americans is a billionaire, Dean Baker says that "If these people pull away so much wealth, that means everyone else has less" ("The Super-Rich Get Richer: Forbes 400 Are All Billionaires," September 22). He is staggeringly mistaken.

For example, Google founders Sergey Brin and Larry Page never once took anything from me or from anyone else. Instead,

they created wealth by producing a product that improves my and millions of other people's standard of living. Had Messrs. Brin and Page not created Google and earned their wealth, I and these millions of other people would not be richer – we'd be poorer.

21 September 2006

Editor, The New Yorker

Dear Editor:

James Surowiecki rhetorically asks "How much difference is there, after all, between betting on the future price of wheat . . . and betting on the performance of a baseball team?" ("Wagers of Sin," Sept. 25). Answer: a lot.

Persons who bet on sports do not affect the outcomes of the events they bet on (at least not legally). In stark contrast, investors and speculators improve market performance. Someone who buys wheat expecting its price to rise withdraws wheat from the market when wheat is relatively abundant (now) and returns it to the market when wheat is relatively scarce (later). Likewise, someone who sells wheat short causes more wheat to be supplied to the market when wheat's supply is relatively scarce (now) by reducing its supply when wheat is relatively abundant (later).

18 September 2006

News Director, Morning
Edition
National Public Radio

Dear Sir or Madam:

In Jeff Brady's report on
efforts to require states to
pay for regulatory takings,
Boise city councilwoman
Elaine Clegg complains
that such a requirement will

be too costly for
government (September
18). This objection fails.

Suppose that a regulation
reduces the value of a
parcel of land by \$1 million.
SOMEONE must bear this
cost. If government does
not compensate the land's
owner, that owner is forced
to bear the entire cost that
this regulation inflicts on
his or her land. In contrast,

when government pays for
regulatory takings it obliges
all taxpayers (who
presumably share the
benefits of the regulation)
to share the costs of the
regulation.

If government can't afford
to pay for regulatory
takings, surely it's
grotesquely unjust to inflict
these costs on a handful of
individual property owners.