



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.

31 December 2006

The Editor, New York Times
229 West 43rd St.
New York, NY 10036

To the Editor:

David Abraham wisely rejects protectionism as a means of helping those, such as U.S. textile workers, whom he describes as "losers in free trade" (Letters, Dec, 31).

But the very concept of "losers in free trade" is questionable. Almost no one "loses" from free trade without first winning from it. Take those U.S. textile workers. Many of the machines they work with

were produced by foreign firms. Also, we Americans can buy closets full of clothing in no small part because international trade makes us so wealthy. Without trade, many of today's jobs in American textile mills would never have been created -- and those that would still have been created would pay wages far lower than are now paid in these mills.

30 December 2006

Editor, The Wall Street Journal
200 Liberty Street
New York, NY 10281

Dear Editor:

I have no reason to question Peggy Noonan's description of Gerald Ford as "lacking in vanity" ("Ford Without Tears," Dec. 30). As politicians go, Mr. Ford was probably a genuinely decent chap. But if political success doesn't turn good people into disgraceful bullies in the mold of Lyndon Johnson and Richard Nixon, it at least makes them daffy. Mr. Ford's "Whip Inflation Now" campaign - with its buttons and his request that Americans send him ten ideas on how to combat inflation - surely ranks among the most laughable skits in the burlesque called government.

23 December 2006

The Editor, New York
Times
229 West 43rd St.
New York, NY 10036

To the Editor:

The hand-wringing over the fact that Toyota's annual production of cars will soon surpass that of G.M. is accompanied by claims that the yen is undervalued ("Toyota is Poised to Supplant G.M. as World's Largest Carmaker," Dec. 23). While I don't question the sincerity of the disinterested researchers - such as Detroit auto executives and Rep. John Dingell (D-MI) - who advance this hypothesis, I point out that any intervention by the Bank of Japan to artificially lower the value of the yen against the dollar also artificially raises the purchasing power of dollars in Americans' pockets. In short, such intervention makes Americans richer - a consequence that Congress has long fought against with impressive ardor and skill.

23 December 2006

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

Dear Editor:

Senators Byron Dorgan and Sherrod Brown are uninformed about trade ("How Free Trade Hurts," Dec. 23). For example, they assert that trade today causes "a global race to the bottom as corporations troll the world for the cheapest labor, the fewest health, safety and environmental regulations, and the governments most unfriendly to labor rights." But as Washington University political scientist Nathan Jensen reports in his new, data-rich book on the investment decisions of multinational corporations, "No systematic evidence lends credence to the race to the bottom thesis." [Nathan M. Jensen, *Nation-States and the Multinational Corporation* (Princeton University Press, 2006), page 66]

If these Senators understood trade, they would realize that the very U.S. trade deficits that cause them so much anguish are evidence that large amounts of investment capital continue to flow into the U.S. - a pattern of investment that simply wouldn't happen if a global race to the bottom were underway.

22 December 2006

The Editor, New York
Times
229 West 43rd St.
New York, NY 10036

To the Editor:

Lamenting the demise of the budget surpluses achieved on the watch of President Clinton's Secretary of Commerce Robert Rubin, Paul Krugman says that "the whole conservative movement shared Mr. Bush's squanderlust, his urge to run off with the money so carefully saved under Mr. Rubin's leadership" ("Democrats and the Deficit," Dec. 22). I'll ignore Krugman's own inconsistent call for Democrats now to spend regardless of the budgetary consequences. What galls me is his apparent ignorance of the work of my Nobel-laureate colleague James Buchanan.

Buchanan - whom Krugman would no doubt classify as a leading member of the "conservative movement" - has for a half-century consistently and forcefully argued for fiscal responsibility. Indeed, it was Buchanan's brilliant 1958 book, *Public*

Principles of Public Debt, that first exposed the foolishness of the then-dominant view that public debt is innocuous because, as the myth went, "we owe it to ourselves."

22 December 2006

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

Dear Editor:

In "Bloomberg's Brave Bet on Innovation" (Dec. 22), E.J. Dionne alleges that "government succeeds more than we want to acknowledge. Ask any elderly person if he or she would prefer to live without Social Security and Medicare."

Mr. Dionne's standard for success is too lax. The appropriate question is "compared to what?" Are elderly persons better off than they would be if their pensions and medical care were not provided by government? Maybe; maybe not. But it's difficult to tell because Americans are forced to participate in Social Security and Medicare. Private alternatives are crowded out.

Just because someone is reluctant to release the scrawny crow he holds in his hand does not mean that he would not prefer the flock of plump pheasants that might fly his way if government did not force us all to settle for crow.

21 December 2006

Editor, The Wall Street Journal
200 Liberty Street
New York, NY 10281

Dear Editor:

David Malpass rightly argues that the U.S. trade deficit is a sign, not of American economic weakness, but of vigor ("Embrace the Deficit," December 21). To further strengthen his case he might have pointed out that in 102 of the 120 months of that most economically depressed decade, the 1930s, the U.S. ran trade surpluses. On an annual basis, America had a trade surplus for nine of the ten years of the 1930s (with 1936 being the only year of a trade deficit). For the whole of that decade, the U.S. ran a significant trade surplus, with exports over those ten years totaling \$26.05 billion and imports totaling only \$21.13 billion.

Clearly, just as a trade deficit is no sign of economic malaise, a trade surplus is no sign of economic vitality.

20 December 2006

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

Dear Editor:

Concerned about America's current-account deficit, Robert Samuelson says that "America has gorged on imports" ("The Economy's Rebalancing Act," Dec. 20). To "gorge" implies gluttony or irresponsible consumption. In fact, however, at least half of America's imports are intermediate components, raw materials, and capital goods. These imports do not gratify immediate consumer cravings but, instead, enhance American firms' productivity.

19 December 2006

The Editor, New York Times
229 West 43rd St.
New York, NY 10036

To the Editor:

Jerry Albert says that "Franklin D. Roosevelt

raised America from its Depression-era depths" (Letters, Dec. 19). That's the familiar myth. The reality - as economic historian Robert Higgs shows in his recent book *Depression, War, and Cold War* (Oxford University Press, 2006) - is that New Deal policies and the misguided fantasies that motivated them kept the economy mired in a deep depression for at least all of FDR's first two terms in office. And because statistics from a command-and-control war-time economy reveal nothing about how well an economy truly is functioning, Higgs makes a strong case that the Great Depression likely didn't end until 1946.

18 December 2006

The Editor, New York Times Magazine
229 West 43rd St.
New York, NY 10036

To the Editor:

In "What Should a Billionaire Give - and What Should You?" (Dec. 17) Peter Singer writes that rich business people likely "suffer sleepless nights because of their ruthlessness in squeezing out competitors". I hope not, but who knows? I do

wonder, though, if Mr. Singer suffers sleepless nights because his submission of essays for publication in venues such as *The New York Times Magazine* inevitably squeezes out articles written by writers less skilled - and, no doubt, often less rich - than him.

18 December 2006

Editor, The Boston Globe

Dear Editor:

A private company, SpotScout, offers an innovative way for drivers to use cell-phones to purchase from each other temporary access to public parking spaces ("What price parking?" December 18). But you're skeptical, arguing that "if the system worked as intended, SpotScout users would have an inside track on publicly-owned parking spaces."

What's the problem? The current system is much like musical chairs, and just as (un)fair. Public parking spaces now go to drivers lucky enough to be just behind spaces about to be vacated. Is this system more fair or less annoying than one in which drivers voluntarily exchange information with each other

about which spaces will become available when and where?

And another thing: on what basis does Boston's Transportation Commissioner claim the authority to tell cell-phone users what sorts of information they can exchange?

18 December 2006

Editor, Faithful America

Dear Editor:

Regarding your petition demanding that Congress raise the minimum-wage: You claim to be "morally outraged by the number of people living in poverty in the United States, and believe that now is the time to give hard-working low-wage workers a raise."

How convenient for you to be "morally outraged" that other people don't spend their money as you feel they should. If you are truly morally outraged, you would not demand that Congress force others to pay higher wages, especially given that so much evidence shows that minimum-wage legislation harms many poor workers. Instead, you and those who sign your petition would give directly to poor

people your own
resources. THAT would be
commendable action -

unlike your uninformed and
personally inconsequential
pontificating about the

"need" for a higher
minimum-wage.