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.

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21 January 2007

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

Dear Editor:

Roy Smith nicely debunks the myth that corporate CEOs generally are overpaid ("Worth Every Last Million," Jan. 21).

There's deep implausibility in the fashionable belief that CEO pay is driven to outlandish heights by greed. If we grant that CEOs are greedy, we must grant also that shareholders are greedy - which leads us to wonder why greedy shareholders would succumb so gullibly to greedy CEOs. Clearly, as Mr. Smith explains, CEO pay is determined by forces far more complex - if less suitable to justify inquisitions by self-righteous politicians - than "greed."

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20 January 2007

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

To the Editor:

Morton Mintz wants Congress to determine if interest rates charged by credit-card companies are usurious (Letters, Jan. 20). I've got a better idea. Let Mr. Mintz himself investigate by offering credit to consumers. If, as he suspects, currents rates are excessive, he'll earn a handsome profit by charging lower rates. If he doesn't profit, he can nevertheless rest assured that a meaningful test of the appropriateness of these rates was conducted - rather than an 'investigation' staged by that troop of political thespians called "Congress."

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19 January 2007

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

Dear Editor:

John Edwards wants to raise taxes on capital gains. E.J. Dionne describes Edwards's reasoning: "it's wrong to tax income from work at a higher rate than income from capital - an extension of his long-standing theme that the country should not value 'wealth over work'" ("Balanced Priorities," Jan. 19).

The distinction between "wealth" and "work" is overblown. Not only is wealth ultimately the product of work, the desire to accumulate wealth is a major spur to work. And importantly, capital successfully invested increases workers' incomes. So to tax capital gains is to punish work, not value it.

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18 January 2007

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

To the Editor:

Attempting to discredit free trade, Sen. Byron Dorgan resorts to tired rhetorical tricks (Letters, Jan. 18). For example, he complains about the loss of manufacturing jobs. In fact, though, most of these job losses are due to automation that increases workers' productivity. As economies advance, the loss of manufacturing jobs is no more surprising or regrettable than was our loss over the past few centuries of agricultural jobs or our earlier loss of hunter-gather jobs.

Sen. Dorgan calls free-traders "blind." It would be much closer to the truth to call protectionists antediluvian.

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16 January 2007

The Editor, New York Post

Dear Editor:

As you report, Uncle Sam "blames Beijing's currency practices for contributing to the United States' bloated trade deficit with China" ("IMF Chief: Global Economy Threats Easing," Jan. 16). But as my colleague Tyler Cowen explained in his New York Times column, a higher valued Chinese yuan would have little, if any, effect on the size of this trade deficit.

The reason is that Chinese manufacturers specialize in assembly: they buy component parts from other Asian countries and then assemble these parts into finished products for export.

By lowering Chinese producers' costs of acquiring key inputs, a higher-valued yuan would reduce their costs of production - and thus do little to raise the prices that American consumers pay for goods made in China.

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15 January 2007

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

Dear Editor:

So lots of Americans are furious that a U.S. pizza chain permits customers to pay in pesos ("Pizza Chain Takes Pesos, and Complaints," Jan. 15). I'll bet a ton of tamales that most of these same Americans also fret about the U.S. trade deficit.

News flash: because pesos that circulate in America are not used to buy imports, this peso circulation puts downward pressure on the U.S. trade deficit.