



Comment on the Commentary of the Day

by

Donald J. Boudreaux
Chairman, Department of Economics
George Mason University
dboudrea@gmu.edu
<http://www.cafedayek.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.

19 August 2007

The Editor, The Economist
25 St James's Street
London SW1A 1HG
United Kingdom

SIR:

Jeffrey Sachs alleges that population growth is a problem (Letters, August 18). Wrong.

We humans consume AND produce. And when property rights are secure, we produce more than we consume because we devise techniques to better transform inputs into outputs. Population grows, resulting in a larger supply of creative minds that

generate even more prosperity. Harvard economist Michael Kremer found that for almost all of human history, the population growth rate is proportional to the level of population. (Michael Kremer, "Population Growth and Technological Change: One Million B.C. to 1990," Quarterly Journal of Economics, August 1993, pp. 681-716.) That is, the larger a population, the faster it grows - a fact squarely at odds with Sachs's Malthusian fears.

As for the specific problems listed by Sachs (such as over-fishing), all of these result from the

absence of secure property rights. It is startling to note that in Sachs's recent book, The End of Poverty, property rights receive nary a mention.

19 August 2007

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

Dear Editor:

Amity Shlaes appropriately reminds us that the Great Depression was caused not so much by market failure as by Washington's tragic policy missteps ("A Downturn We Don't Deserve," August 19). One such misstep not mentioned by Ms. Shlaes was the imposition, from June 1932 until December 1934, of a two-cent tax on bank checks. This tax (equivalent to a 31-cent per-check tax today) prompted Americans, when making payments, to shift more toward using currency and away from using checks. Economists William Lastrapes and George Selgin found that the resulting reduction in bank deposits contributed significantly to the disastrous monetary contraction of that era. (William D. Lastrapes and George Selgin, "The Check Tax: Fiscal Folly and The Great Monetary Contraction," Journal of Economic History, 1997.)

18 August 2007

Editor, The Washington Times

To the Editor:

Ceaselessly stoking up xenophobia, Michelle Malkin asserts that the recent horrific murders in Newark are yet more evidence that immigrants are especially likely to commit crimes ("Sanctuary nation or sovereign nation?" August 18). Shes' mistaken.

Economists Kristin Butcher and Anne Piehl carefully examined the data and found that the incarceration rate of immigrants is only one-fifth that of the native population. The rate is even lower for recently arrived immigrants. Further, this fact is not the result of deportation. And finally, in their demographic groups, immigrants are only one-tenth as likely to commit crimes as are native-born Americans in those groups. ("Why are Immigrants' Incarceration Rates so Low? Evidence on Selective Immigration, Deterrence, and Deportation," NBER Working Paper, No. 13229, July 2007.)

Ms. Malkin's ignorance of the facts is, well, criminal.

17 August 2007

Editor, The Washington Times

To the Editor:

Cal Thomas correctly notes that too many environmentalists are motivated not by reason but by faith ("Not so hot air," August 17). His column reminds me of an experience suffered by the late Julian Simon.

Invited to speak before a group of environmentalists, Simon opened his remarks by asking his audience if they can conceive of any set of facts that would cause them to rethink their position. The answer was a resounding no. Simon then calmly folded his notes and left the podium after explaining that he was not prepared to address that audience because he didn't realize that it would be a religious gathering.

16 August 2007

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

To the Editor:

Here's advice for your readers: ignore anyone who complains that trade is "imbalanced." I have never encountered any such

complaint that makes even a whiff of economic sense.

Exhibit A is today's letter from UAW President Ron Gettelfinger. Mr. Gettelfinger grumbles that "the U.S. and South Korea have a huge imbalance in auto trade." Well, duh - that's an inevitable consequence of specialization. Although we cook in our household, my family still has a huge "imbalance" in the prepared-food trade with McDonald's. But we would make ourselves only poorer if my family and I refused to buy from restaurants that do not buy equal amounts of prepared meals from us. In this case, what is true for each household is true for the collection of households that we call the United States.

15 August 2007

Editor, Boston Globe

To the Editor:

Jeff Jacoby courageously denounces the hysterical groupthink so prominent in the crusade against global warming ("Hot tempers on global warming," August 15).

I am a global-warming skeptic - not of the science of climate change (for I have no expertise to judge it), but a skeptic of combating climate change with increased government power. Al Gore, Robert Kennedy, Jr., and too many others dismiss the downside of curtailing capitalism in order to reduce emissions of greenhouse gases. They write and speak as if the material prosperity that capitalism brings is either not threatened by increased government power, or is of only small importance when compared to the threat of global warming. Truly reasonable people are, and ought to be, skeptical of each of these dogmas.

14 August 2007

Editor, WTOP Radio

To the Editor:

Reporting on America's trade deficit with China, you call this situation "imbalanced."

Although common, this language is wholly misleading. Just as no economic theory suggests that the amounts that people in, say, Opelika, Alabama, buy from people in New York City should equal the amounts that people in NYC buy from people in Opelika, no economic theory even remotely suggests that, in a world of many countries, the value or volume of trade between any two pairs of those countries should be equal.

13 August 2007

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

To the Editor:

Peter Navarro accuses the 1,000-plus economists (including yours truly) who signed the petition opposing trade sanctions against China of overlooking Beijing's

beggar-thy-neighbor policies (Letters, August 13).

Not so. Save for the counterfeiting of western goods, every offense that Mr. Navarro accuses China of committing against Americans BENEFITS Americans. If Beijing truly is, for example, subsidizing Chinese producers, the resulting lower prices are a gain to American consumers no less than if the lower prices stemmed from a technological breakthrough in China.

By failing to see that imports, rather than exports, are the ultimate goal of trade, it is Mr. Navarro who spreads beggar-thy-neighbor fallacies.

7 August 2007

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

To the Editor:

Reviewer Daniel Gross should have asked harder questions about Robert Frank's argument that higher taxes on "the rich" will moderate individuals' quest for status ("Thy Neighbor's Stash," August 5). Monetary wealth and

the material goodies it buys are hardly the only source of status. Consider, for example, Prof. Frank's faculty position at Cornell University. He earned this position in large part through his hard work. By his own thesis, then, he inadvertently caused other scholars to work unnecessarily hard in their quest to win high status Ivy-League appointments -- a quest that for the vast majority of us futile.

Higher taxes on the rich will do nothing to create more Ivy League faculty positions, more mansions with stunning views of the Pacific ocean, a greater number of the world's most beautiful women or most eligible bachelors, or most of the other things that confer and signal high status for those who possess them. Frankly, it is naive to suppose that muting competition in markets will mute humans' competition for status.