



Comment on the Commentary of the Day

by

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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.

10 February 2008

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

To the Editor:

Yesterday, columnist Bob Herbert repeated the familiar refrain that America's middle-class is disappearing ("Where's the Big Idea?" February 9). Today, the Dallas Fed's Michael Cox and Richard Alm supply compelling evidence against this tired thesis ("You Are What You Spend," February 10).

As people all across this land, with their cell-phones nearby, watch a gazillion channels on their high-def flat-screen TVs or surf the web wirelessly or use their GPS systems to avoid getting lost while driving to malls in their air-bagged cars and listening to their MP3 players (or, perhaps, to their satellite radios), I do wonder what strange slice of America Mr. Herbert frequents to shield his eyes and ears from today's widespread prosperity.

8 February 2008

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

To the Editor:

Paul Krugman says that "The usual rap against public spending as a form of economic stimulus is that it takes too long to get going" ("A Long Story," February 8). Not so. The usual rap against public spending as a form of economic stimulus is that it reduces private spending. Every dollar the government spends is taken from private hands (either directly through taxation or

borrowing, or indirectly through inflation).

7 February 2008

Editor, The Baltimore Sun

Dear Editor:

Tim Sharman is dismayed that George Bush's past struggles with chemical addictions do not prompt him now, as President, to be more "generous" in his budget toward the poor (Letters, February 7). I oppose most of Mr. Bush's policies. But I oppose even more the notion that it is possible to be generous with other people's - that is, taxpayers' - money.

Suppose Mr. Bush reconsiders the budget and increases welfare expenditures substantially. This move might or might not be wise policy. But it certainly doesn't signal that the President has become more generous. A politician, like you and me, can be generous only with his own money. A politician spending other people's money is, at best, implementing sound policies - and, more realistically, little different from a burglar

who "generously" uses part of his booty to buy rounds of drinks for his buddies.

Friends,

Here are two excellent items for your enlightenment and enjoyment. The first is a podcast that my colleague Russ Roberts recently did with another of my colleagues, Dan Klein. Dan has the goods on what he calls "the people's romance":

http://www.econtalk.org/archives/2008/02/dan_klein_on_co.html

The second is ReasonTV.com's Drew Carey (along with economist Mike Cox) very effectively countering the claim that America's middle class is disappearing or even suffering:

<http://reason.tv/video/show/61.html>

Enjoy!

6 February 2008

Editor, The Boston Globe

Dear Editor:

Ed Lawrence asks about the current crop of president-wannabes if "any one of them ever really changed things in Washington? Has even one of them reorganized departments, shut down bureaucracies, resisted lobbyists, or improved the lives of anyone other than their rich and connected colleagues?" (Letters, February 6).

Mr. Lawrence is right to be disillusioned. In 1928 H.L. Mencken accurately described Washington, D.C., as "the citadel of scoundrels." Nothing that has happened in that town during the subsequent 80 years is cause for rejecting that description.

5 February 2008

Editor, PCMag.com

Dear Editor:

Asserting that product quality is disappearing, Sascha Segan explains that "It's simple economics that companies will sell the worst products that people are willing to pay for" ("It's Pay Now or Pay Later With Consumer Electronics," February 5). Really? Do all wineries produce nothing

but swill? Do all publishers sell nothing but pulp fiction? Do Harvard, Yale, and Troy State award only on-line degrees? Are all new homes mobile? All jewelry costume? All hotels motels?

Ms. Segan had best both learn more economics and, more importantly, observe reality a bit more closely.

5 February 2008

Editor, USA Today

Dear Editor:

You correctly recognize that "Through continued innovation, Google, or perhaps some new company that hasn't been created, could do more to protect consumers from Microsoft's ambitions than a bevy of antitrust lawyers" ("How to look at 'YahooSoft'," February 5).

Capitalist innovation is indeed a ceaseless and powerful form of competition. As Joseph Schumpeter famously explained, capitalists' pursuit of profits "incessantly revolutionizes the economic structure from

within, incessantly destroying the old one, incessantly creating a new one. This process of Creative Destruction is the essential fact about capitalism." [Joseph A. Schumpeter, CAPITALISM, SOCIALISM, AND DEMOCRACY (Harper, 1942), p. 83]

4 February 2008

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

To the Editor:

Whenever I read the campaign advertisements that masquerade as opinion pieces in respectable newspapers - such as Hillary Clinton's "My Plan for Shared Prosperity" in your edition today - I feel like I imagine Julia Child must have felt whenever she heard Colonel Sanders brag about his "secret recipe." No matter how many primitive taste buds his recipe satisfies at first bite, in the end it produces only uninteresting junk food that's hazardous to human health.