



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.

28 March 2008

Editor, Science News
Online

Dear Editor:

Those of us who study the logic and the history of market economies are not surprised by laboratory evidence showing that persons raised in market societies - far from being driven by myopic greed - cooperate readily with strangers. But you assume too much when you say that market societies "foster cooperation among strangers" ("Altruistic twist in market economies," March 15). Perhaps they do; I'd like to think that they do.

But an alternative hypothesis is that persons who, for whatever cultural reasons, are more trusting of strangers, and more worthy of the trust of strangers, are persons whose actions give rise to market economies. That is, a willingness to cooperate with strangers might foster market economies, rather than the other way 'round.

Most likely, of course, is that the causality runs in both directions, with willingness to cooperate fostering markets and markets further reinforcing persons' willingness to cooperate.

29 March 2008

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

To the Editor:

Why should a candidate's skin pigmentation or genitalia make politics "inspiring" ("At the Barricades In the Gender Wars," March 29)? Black, white, male, female, yankee, cracker, or granola-cruncher, the vast majority of politicians selfishly seek power and adulation for themselves by promising to deliver simple-minded "solutions" to complex problems (and

non-problems). Some voters feel deprived? A pol promises to give these voters more by stealing wealth from others. Some voters dislike some feature of realty? A pol promises to change it using brute force.

Being "inspired" by politics is as dishonorable and as childish as being inspired by schoolyard bullying.

28 March 2008

Mr. Carter S. Roberts,
President
World Wildlife Fund

Dear Mr. Roberts:

You and members of your organization worry about what industrialization and economic growth do to the earth's environment. I worry about what the intensifying hysteria about the state of the environment - and about what the resulting hostility to economic growth - might do to humankind's prospects for comfortable, healthy, enjoyable, and long lives.

So I commend you on your "Earth Hour" effort. Persuading people across the globe to turn off lights for one hour will supply the perfect symbol for modern environmentalism: a collective effort to return humankind to the dark ages.

27 March 2008

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

To the Editor:

Bravo for Matthew
Slaughter's outstanding

explanation of the pattern and enormous benefits of foreign direct investment (FDI) in the United States ("What Tata Tells Us," March 27).

I've one nit to pick: Mr. Slaughter incautiously aids and comforts protectionists when he writes that FDI today is driven by "the evolving pattern of global imbalances." While incoming FDI does indeed increase America's current-account deficit, there's nothing unbalanced - either in the sense of being unsustainable or being harmful - about America's attractiveness to investors, or about foreigners being especially keen to invest their dollars in the U.S. rather than spend these dollars on American-produced goods and services. Indeed, as Mr. Slaughter ably explains, such actions by foreigners are a great boon to foreigners and Americans alike.

27 March 2008

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

To the Editor:

You report that "Hillary Clinton said she fears the

U.S. is slipping into a Japanese-style economic malaise that will overwhelm the Federal Reserve's considerable powers" ("Clinton Fears Japan-Style Malaise," March 27). Sounds scary.

But how scared would you be if such fears were expressed instead by, say, your veterinarian or your proctologist? Because these specialists in their respective fields have no expertise at diagnosing the economy, you'd have good reason to take their economic concerns with a grain of salt. And so it should be, but doubly so, with Sen. Clinton's economic pronouncements. Not only has she no expertise in economics, but as her recent sniper-fire whopper reveals, Sen. Clinton's own specialty - the dark art of politics - requires of its practitioners an unusual propensity to lie and dissemble. Almost all that she and her ilk say should be treated with even less respect than would be accorded a professional circus-clown's speculations about string theory.

26 March 2008

Editor, Forbes.com

Dear Editor:

Peter Morici unloads a riotous barrage of accusations against free trade: Free trade caused, among other misfortunes, the collapse of the market for adjustable-rate mortgages, excessively high CEO compensation, inflationary monetary policy, and Uncle Sam's inexcusable bailout of Bear Stearns ("It's Time To Cut The Trade Deficit," March 26). Mr. Morici, however, doesn't explain how allowing consumers to take advantage of bargains from abroad caused these calamities. He simply assumes it to be self-evident that America's growing trade deficit proves that free trade triggers countless system-wide maladies.

Alas, Mr. Morici doesn't know what he's talking about. America's trade deficit represents capital flowing into the U.S. True, some of this inflow finances Uncle Sam's Eliot-Spitzer-party-like spending. But that spending is caused by reckless politicians, not consumers. Nearly all the rest of the trade deficit represents

positive investments in America - investments that not only signal continued investor confidence in the U.S. economy but, more importantly, investments that finance R&D, product development, worker training, new firms, factory modernization, and other activities that promote economic growth. Does Mr. Morici really think that such investments harm Americans?

Friends,

My GMU colleague Tyler Cowen -- world-famous blogger at Marginal Revolution, nationally renowned ethnic-restaurant critic, and author (most recently) of Discover Your Inner Economist -- was interviewed today on WAMU's Kojo Nnamdi Show. It's fun and informative:

<http://wamu.org/audio/kn/08/03/k1080326-19235.aspx>

Friends,

Recently, a blogger accused the bloggers at GMU Economics (including Russ Roberts and me, who blog at Cafe Hayek) of seeming to be "shills for industry." Of course, the accusation is as juvenile as it is mistaken. But to demonstrate yet again that

we are not industry skills, my GMU colleague and co-blogger Russ Roberts has this commentary (that ran this afternoon on NPR) opposing the government bailout of Bear Stearns:

<http://www.npr.org/templates/story/story.php?storyId=89064840>

25 March 2008

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

Dear Editor:

Justifiably applauding Ross Douthat's and Reihan Salam's call for expanding the child-tax credit from \$1,000 to \$5,000, E.J. Dionne bizarrely comments that "It's a relief to see conservatives willing to make a link between economic forces and family life, something their more radically free-market comrades are rarely willing to do" ("Righting the Right," March 25).

In fact, this terrain is actively ploughed by free-market proponents. Here are three examples. Among the most famous books written by the free-market, Nobel laureate economist Gary Becker is "A Treatise on the Family." This work explicitly

explores connections "between economic forces and family life." From a different perspective, the libertarian economist Jennifer Roback-Morse wrote "Love and Economics: It Takes a Family to Raise a Village" - another book that investigates the links between economic forces and families. Finally, in "Losing Ground" the libertarian Charles Murray investigates the ways that government policies affect the economies - and, hence, the structures - of families

25 March 2008

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

To the Editor:

Admiral Paul Rohrer argues that U.S. national defense is compromised by the Air Force's award of a tanker contract to EADS, an aerospace company in France (Letters, March 25). The bulk of Adm. Rohrer's case, however, is mere standard-issue protectionism. And the facts of which he complains strengthen, not weaken, U.S. national defense.

For example, Adm. Rohrer gripes that "EADS has received tens of billions of dollars in illegal subsidies from the French and other European governments." Translation: European taxpayers now foot part of the bill for Uncle Sam's weaponry, giving Americans more resources to spend (if they wish) on national defense and European governments fewer such resources. Likewise for the Admiral's complaint that "European defense acquisition policies are already highly protectionist." Translation: European governments pay unnecessarily high prices for their weapons, giving those governments less bang for the buck (or, explosion for the euro). The end result is that America's defense capacity is strengthened both absolutely and relative to Europe's.