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.

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20 July 2008

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

To the Editor:

Frank Rich accuses John McCain of being economically illiterate ("It's the Economic Stupidity, Stupid," July 20). This conclusion makes sense in light of many of Mr. McCain's pronouncements. But Mr. Rich is shooting fish in a barrel. Sen. McCain is a politician; almost all of them say things that would earn failing grades in Econ 101.

Taking seriously the "economics" encountered on campaign trails is as foolish as taking seriously the financial advice encountered in late-night "infomercials." In both cases, the speakers only pretend to care about the audience; their real agenda is to dupe people to put trust in persons who are absolutely shameless about betraying that trust for their own personal enrichment and glorification.

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19 July 2008

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

To the Editor:

Donald Libert speculates that Sen. John Sherman sponsored the 1890 antitrust act that bears his name out of "a desire to 'pay back' the New York industrialist-dominated delegation who he blamed for denying him the Republican nomination for president at the 1888 convention" (Letters, July 19). Revenge might well have been part of the Senator's agenda. But another part of that agenda likely was his desire for political cover.

Sherman, a staunch protectionist, was a senate champion of the McKinley Tariff. This tariff, enacted a mere three months after passage of the antitrust act, set import duties at (what at the time were) record high levels. (So much for Sen. Sherman's credentials as friend of consumers!) Free-trade Democrats rightly accused protectionists as being architects of monopoly power - an accusation that Sen. Sherman no doubt sought to conveniently deflect by putting his name on an antitrust statute.

18 July 2008

Editor, USA Today

Dear Editor:

John Lowe opposes more drilling for oil in the U.S. because "No law says that oil found there must stay in America. The oil companies can put it on the world market at prevailing prices, and it could just as easily end up in Chinese cars as our own" (Letters, July 18).

It's true that the market for oil spans the globe. And so while oil extracted in Alaska could well be consumed in China, this fact in no way supports the claim that more drilling in America won't help Americans. Precisely because the market for oil is global, a greater supply of oil - regardless of where it originates - would lower the price of oil worldwide. Americans (and the Chinese, and the Swedes, and the Australians….) would all pay lower prices for fuel.

17 July 2008

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

To the Editor:

Your reporters uncritically accept the claim that "the slowdown in the economy will restrain wages and keep inflation in check" ("Fed Confronts Spike in Inflation," July 17). This claim, though common, is mistaken.

By reducing the quantity of goods and services relative to dollars - and, thus, decreasing the purchasing power of dollars - a slowing of economic growth INCREASES inflationary pressure. If inflation were kept "in check" by a "slowdown in the economy," one of the most stable currencies in the world today would be the Zimabwean dollar.

16 July 2008

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

To the Editor:

With its decision to curb short selling, the Securities and Exchange Commission joins today's witch-hunt for "speculators" ("SEC Moves to Curb Short-Selling," July 16). Specifically, the SEC aims to prevent investors from driving down prices of shares in Fannie Mae and Freddie Mac. The SEC acts as if it knows for certain that the true value of these shares is higher than the prices that emerge from the decisions of millions of investors. Beware.

While speculative bubbles (bullish and bearish) do happen, they eventually burst and harm investors who bought or sold unwisely. This risk of loss provides powerful discipline that keeps unwise investing to a minimum. And that's the best we can do, for we never really know that a bubble exists unless and until it bursts. Government restrictions on investing prevent prices from reflecting as clearly as possible the consensus beliefs of investors - each of whom has strong incentives to invest sensibly. The SEC's intrusion will weaken the important information-conveying role of prices, resulting in a higher proportion of genuinely inaccurate prices to accurate ones.

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15 July 2008

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

To the Editor:

Sen. Dick Durbin's letter today is classic demagoguery. He presumes that his motives are purer than those of persons who disagree with him; his case for more-intrusive government is based on zero evidence that the culprits he demonizes ("speculators") are responsible for the "problem" (high oil prices) visited upon victims portrayed as helpless but for Sen. Durbin's courageous intercession on their behalf; he demands power to prevent practices defined only with question-begging vagueness ("excessive speculation" and "unfair speculation") - a vagueness that, once enacted into legislation, greases the path to even more power for demagogues such as Sen. Durbin.

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14 July 2008

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

Dear Editor:

Re Robert Novak's "Oil Paranoia" (July 14): We humans have a long and embarrassing history of blaming evil spirits for distressing aspects of reality that we don't understand. Erupting volcanoes, droughts, floods, and plagues have all been ascribed to the machinations of unseen super-powerful entities – as ill-defined as they are ill-intentioned – who manipulate a reality to which they are immune but to which we mortals must inevitably bend.

Today's witch hunt for speculators who allegedly are driving oil prices to heights unconnected with the realities of supply and demand is just the latest entry in this pageant of ignorance.