



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.

1 November 2008

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

To the Editor:

Dr. Marcia Angell argues that John McCain is wrong to predict that letting individuals shop for their own health insurance would lower premiums: "Anyone who understands how the private health insurance industry operates would know that this is not a workable idea. Individuals have little or no consumer bargaining power, and insurers have no incentive to sell

insurance to those most likely to need coverage" (November 1).

This argument is illogical. The very purpose of letting consumers shop for their own health insurance is to give them bargaining power that they are denied under current policy. Today's stunted consumer bargaining power, far from a natural condition of a freer market in insurance, is an artifact of the restrictions that Mr. McCain's plan would ease.

31 October 2008

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

Dear Editor:

E.J. Dionne premises his "Referendum on Trickle-Down" (October 31) on the belief that middle-class Americans have stagnated economically for the past several years. This belief is mistaken.

Minneapolis Fed Senior Economist Terry Fitzgerald just published new research adjusting for factors such as the shrinkage in size of the average household and for increases in non-wage compensation. [Terry J. Fitzgerald, "Where Has All the Income Gone?" The Region, Minneapolis Fed,

Sept. 2008; it's available here:

http://www.minneapolisfed.org/research/economists/staff_display_pubs_papers.cfm?id=365

He reports that "Careful analysis shows that the [inflation-adjusted] incomes of most types of middle American households have increased substantially over the past three decades." Mr. Fitzgerald estimates that, during this period, the real income of America's median household grew between 44 to 62 percent." And much more than half of this increase is due, not to women entering the work force, but to rising real wages for both women and men.

31 October 2008

Friends,

In this essay in today's Wall Street Journal, my colleague and co-blogger Russ Roberts wisely explains that all the Beltway hyperactivity in response to the financial crisis is only worsening matters:

<http://online.wsj.com/article/SB122541582835686689.html>

Bob Higgs calls the kind of condition we're in one of "regime uncertainty."

Indeed it is, and it's not good.

30 October 2008

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

To the Editor:

Re "The Costs of Misperception"(Letters, October 30): behavioral economics shows that human beings' cognitive powers are quite limited. This fact suggests that one benefit of a competitive price system is that it enables market participants to plan their actions by observing relatively simple prices rather than by directly scrutinizing the incomprehensibly complex underlying reality reflected by prices.

But when the money supply is arbitrarily determined (as it is with central banking), prices often reflect not economic reality but, rather, changes in the supply of money. Prices' reflection of the underlying reality is distorted. Systematic errors, including bubbles, are among the consequences.

29 October 2008

Friends,

In tomorrow's Christian Science Monitor, I weigh in on the question "Is Barack Obama a socialist?" Here's the link:

<http://www.csmonitor.com/2008/1030/p09s01-coop.html>

29 October 2008

Editor, New York Post

Dear Editor:

Although Kirsten Powers recognizes that Democrats howled in protest against George Bush's presidency, she is shocked - shocked! - that Republicans now howl in protest against the prospect of an Obama presidency ("Deranged by O," October 29).

In politics, such histrionics are inevitable. As H.L. Mencken observed, "Under democracy one party always devotes its chief energies to trying to prove that the other party is unfit to rule - and both commonly succeed, and are right." [H.L. Mencken, Minority Report (The Johns Hopkins University Press, 1997 [1956]), p. 222]

28 October 2008

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

Dear Editor:

We're supposed to be inspired by your report of high-school kids becoming politically active - working, in one case, for the Obama campaign, and in another for the McCain campaign ("Too Young to Vote, But Electing to Care," October 28).

I'm not inspired; I'm saddened. Why applaud young people who are attracted to the opportunistic compromises, platitudes, distortions, and exaggerations of party politics? These kids either lack the maturity to understand that party politics is chiefly about winning office (rather than about pursuing truth and justice), or they DO understand this fact. In neither case is this juvenile political involvement admirable.

27 October 2008

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

To the Editor:

Arthur Laffer despondently predicts that today's tsunami of government interventions will ensure "the end of prosperity" ("The Age of Prosperity is Over," October 27). He's correct that these new interventions will only make matters worse - just as the interventions of Herbert Hoover and FDR turned what would have otherwise been a relatively quick market correction into the Great Depression.

But I resist Mr. Laffer's extreme pessimism. If Ireland can escape from decades of oppressive statism to become entrepreneurial and prosperous - and, even more impressively, if countries such as the Czech Republic, Poland, and Estonia can make the progress they've made since they were freed of the awful yoke of communism - surely not all hope is lost for us Americans. The big challenge is to get through this current infatuation with statism as quickly as possible.