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Comment on the Commentary of the Day

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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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17 July 2011

Editor, The New York Times
620 Eighth Avenue
New York, NY 10018

Dear Editor:

Writing ominously that "All across America, school budgets are being cut, teachers laid off and education programs dismantled," Nicholas Kristof accuses us Americans of recklessly endangering our future ("Our Broken Escalator," July 17).

Context calms these fears.

While Mr. Kristof is correct that "70 percent of school districts nationwide endured budget cuts in the school year that just ended, and 84 percent anticipate cuts this year," a quick web check reveals that these cuts average no more than about five percent. Further, these cuts overwhelmingly reflect simply the completion of the distribution of the $100 billion in federal 'stimulus' funds shoveled from Washington to state school systems in 2009-2010.

More broadly, data from the U.S. Department of Education's National Center for Education Statistics show that inflation-adjusted PER-PUPIL expenditures for K-12 public schools have steadily and dramatically increased over the past half-century. In 2007-08 (just before the recession and the 'stimuli') real per-pupil funding was 19 percent higher than in 1999-2000, 33 percent higher than in 1990-91, 83 percent higher than in 1980-81, 129 percent higher than in 1970-71, and 272 percent higher than in 1961-62. [http://nces.ed.gov/fastfacts/display.asp?id=66]

Mr. Kristof's portrayal of the funding of K-12 schooling in America is recklessly uninformed.

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16 July 2011

Mr. David Sirota

Dear Mr. Sirota:

A friend just sent to me a link to your 2006 essay in the Huffington Post accusing journalist John Stossel of being "a pathological liar" ("John Stossel Is A Pathological Liar," May 30, 2006). Your marquee evidence in support of this harsh accusation is Mr. Stossel's claim that "people on the margins lose jobs when minimum wages go up." You combine your own personal astonishment that anyone could possibly say such a thing with a mention of two empirical studies - one being the famous work by economists David Card and Alan Krueger - to conclude that only a pathological liar would assert that minimum-wage legislation destroys some jobs.

I presume, then, that your epistemology leads you to conclude that the author of the following paragraph, written in 1998, is also a pathological liar:

"So what are the effects of increasing minimum wages? Any Econ 101 student can tell you the answer: The higher wage reduces the quantity of labor demanded, and hence leads to unemployment. This theoretical prediction has, however, been hard to confirm with actual data. Indeed, much-cited studies by two well-regarded labor economists, David Card and Alan Krueger, find that where there have been more or less controlled experiments, for example when New Jersey raised minimum wages but Pennsylvania did not, the effects of the increase on employment have been negligible or even positive. Exactly what to make of this result is a source of great dispute. Card and Krueger offered some complex theoretical rationales, but most of their colleagues are unconvinced; the centrist view is probably that minimum wages 'do,' in fact, reduce employment, but that the effects are small and swamped by other forces."

The author of the preceding paragraph is Paul Krugman. [http://www.pkarchive.org/cranks/LivingWage.html]

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13 July 2011

Editor, Washington Times

Dear Editor:

Gary Shapiro wisely calls for free trade ("Pass free-trade agreements to create U.S. jobs," July 13). It's only right that government stop protecting politically influential producers from consumers who spend their money in ways that naturally enhance their (the consumers) satisfactions rather than in ways that artificially enhance others' (the privileged-producers') profits.

As the 17th-century champion of free trade Dudley North observed, "That to force Men to deal in any prescrib'd manner, may profit some as happen to serve them; but the publick gains not, because it is taking from one Subject, to give to another." [Dudley North, Discourses Upon Trade: Principally Directed to the Cases of the Interest, Coynage, Clipping, Increase of Money (1691); available on-line here: http://www.econlib.org/library/YPDBooks/North/nrthDT0.html]

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12 July 2011

Editor, The New York Times
620 Eighth Avenue
New York, NY 10018

Dear Editor:

New York Farm Bureau president Dean Norton rightly seeks approval of free-trade pacts with countries such as South Korea (Letters, July 12). But he wrongly justifies freer trade by emphasizing that "Without approval, the United States could lose nearly $2.3 billion a year in additional agriculture exports."

Protectionism does reduce U.S. exports. The loss to Americans from protectionism, though, isn't the valuable goods and services that protectionism prevents Americans from shipping to foreigners; instead, it is the valuable goods and services that protectionism prevents foreigners from shipping to Americans.

Consider the U.S. exports Mr. Norton mentions. Directly or indirectly, South Koreans purchase these exports with South Korean won. Of what use are won to Americans except as currency for purchasing goods and services from South Korea? If South Koreans refuse to pay for exports received from America - or insist on paying for the exports only with Monopoly money - no one would regard Americans' failure to export to South Korea as a loss to America.

Americans' losses from protectionist policies are measured EXCLUSIVELY in the value of the imports that those policies prevent us from receiving.

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11 July 2011

Editor, The Wall Street Journal
1211 6th Ave.
New York, NY 10036

Dear Editor:

You report that "China's critics, including members of the U.S. Congress, say an undervalued currency unfairly helps Chinese exporters" ("China Boosts Lead in Global Exports," July 11).

Indeed. If Beijing truly is pursuing such a policy, that government is beyond doubt unfairly enriching some people at the expense of others. And the people unfairly enriched do include a few Chinese exporters. Overwhelmingly, though, the beneficiaries are non-Chinese consumers (including Americans) of China's subsidized exports. In contrast, the people unfairly burdened are EXCLUSIVELY Chinese citizens - both as consumers forced to pay higher prices at home, and as taxpayers forced to fund Beijing's practice of purchasing U.S. dollars in order to depress the price of the yuan against the dollar.

It is, in fact, obscenely unfair for Beijing to oblige the Chinese people to hand over chunks of their wealth to Americans, even the poorest of whom is far richer than is the typical man or woman in China.