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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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13 July 2012

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

Dear Editor:

John Barchilon opines that "Free trade can only be free among nations with equal standards of living" (Letters, July 13).

While it's difficult to imagine why anyone would deny that mutually agreed upon, voluntary exchanges between an American and, say, someone in China are free, Mr. Barchilon apparently assumes that if Lee can produce widgets at a lower cost than can Jones, then somehow Jones's purchase of widgets from Lee is both unfree as well as harmful to Jones.

I challenge Mr. Barchilon to put his assumption to the test by refusing ever again to purchase any good from anyone who offers to sell to him a good at a price lower than the cost that he, Mr. Barchilon, would incur to produce that good himself. Let Mr. Barchilon, for example, no longer buy cars from Ford or Toyota; let him build his cars himself. If his assumption is correct, Mr. Barchilon will thereby be made rich by no longer getting cars on the cheap from specialist auto producers; his wealth will soar by his now having to incur huge costs to build cars himself; his prosperity (and freedom!) will swell now that he forgoes the slavery of trading with producers willing to sell him cars at costs far lower than he must incur to manufacture his own set of wheels.

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13 July 2012

Mr. Roger Wilson

Dear Wilson:

In response to my quotation yesterday of Paul Krugman praising in 1997 the economic case for a policy of unilateral free trade, you write that "he probably would not have said this if the unemployment rate was as high [then] as it is now."

For at least two reasons, I'm pretty sure that Dr. Krugman, writing in 1997, did not condition his endorsement of unilateral free trade on the U.S. economy being at full employment. (In fairness to your suggestion, though, I concede that Mr. Krugman does today seem to have backed away from endorsing unilateral free trade.)

First, Dr. Krugman in 1997 surely understood that protectionism is a poor policy for boosting employment. (Witness the unpromising results of the Smoot-Hawley tariff.) Being then, as now, a Keynesian, Dr. Krugman would have instead encouraged government to combat unemployment with aggressive fiscal policies.

Second and more importantly, Dr. Krugman in 1997 certainly understood that if high unemployment at home were indeed a good reason to restrict competition, there would be no reason to restrict only that competition that comes from abroad. Restricting ALL competition would be justified.

If restricting competition were a wise policy for periods of high unemployment, government should curb not only auto imports, but also domestic sales of used cars. (Doing so would spur domestic auto production.) If raising tariffs on foreign goods is appropriate when unemployment is high, then it's also appropriate to impose tariffs on do-it-yourself home remodeling and do-it-yourself auto repair. (Tariffs on these activities would create more jobs for handymen, housemaids, and auto mechanics.) If, when the economy is slumping, government should force consumers to spend extra money on products supplied by domestic producers, then government should slap tariffs not only on imports but also on home-cooked meals. (By forcing consumers to dine at restaurants, such a measure would create more jobs for cooks, waiters, and maître d's.)

The illogic of protectionism is rooted in its mistaken premise that political borders are economically meaningful. Dr. Krugman in 1997 was a master of exposing that illogic.

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12 July 2012

Editor, Los Angeles Times

Dear Editor:

Michael Kinsley eloquently defends free trade and understandably bemoans the public's and politicians' Alice-in-Wonderland confusion about trade ("Outsourcing's bad rap," July 12).

Mr. Kinsley's article reminds me of a truth noted years ago by a world-renowned international-trade economist who, like Mr. Kinsley, lamented that "The compelling economic case for unilateral free trade carries hardly any weight among people who really matter...." This economist explained that "the problem free traders face is not that their theory has dropped them into Wonderland, but that political pragmatism requires them to imagine themselves on the wrong side of the looking glass. There is no inconsistency or ambiguity in the economic case for free trade; but policy-oriented economists must deal with a world that does not understand or accept that case. Anyone who has tried to make sense of international trade negotiations eventually realizes that they can only be understood by realizing that they are a game scored according to mercantilist rules, in which an increase in exports - no matter how expensive to produce in terms of other opportunities foregone - is a victory, and an increase in imports - no matter how many resources it releases for other uses - is a defeat. The implicit mercantilist theory that underlies trade negotiations does not make sense on any level, indeed is inconsistent with simple adding-up constraints; but it nonetheless governs actual policy."

Nothing – not the reality that unilateral free trade is beneficial; not the public's and politicians' antediluvian refusal to grasp this reality – has changed since these words were penned in 1997 by Paul Krugman. [Paul Krugman, "What Should Trade Negotiators Negotiate About?" Journal of Economic Literature, Vol. XXXV, March 1997, pp. 113-114]

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10 July 2012

Sen. Dick Durbin (D-IL)
711 Hart Senate Bldg.
Washington, DC 20501

Dear Sen. Durbin:

You frequently and famously complain about America's trade deficit. But on Sunday's Face the Nation you complained instead about Mitt Romney's Swiss bank account.

Are you aware that Mr. Romney and other citizens who invest money abroad help to make America's trade deficit LOWER?

If you are aware of this fact, have you suddenly changed your mind about the alleged ills of America's trade deficit? And will you, from here on in, therefore stop demagoguing that statistic for your selfish political gain?

If instead you're not aware of this fact, don't you think you should immediately stop legislating on matters of trade - matters about which your ignorance of trade deficits renders you utterly incompetent even to pronounce upon?

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10 July 2012

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

Dear Editor:

Thomas Ricks - playing at a sport now tres chic among many "Progressives'" - urges Uncle Sam to reinstitute conscription ("Let's Draft Our Kids," July 10). Mr. Ricks's game plan, however, has flaws aplenty.

For example, he complains that "One reason our relatively small military is hugely expensive is that all of today's volunteer soldiers are paid well." He would solve this alleged problem by turning over tasks now done by today's generally older, more-experienced military professionals to younger, less-experienced "unmarried conscripts." Voila! Problem solved! Inexperienced eighteen-year-old conscripts being cheaper than experienced thirty something professionals, the cost of our military would fall.

I've a proposal for Mr. Ricks: Next time he or someone in his family needs surgery, I'll force my 15-year-old son and one of his classmates to perform the procedure at a mere one-quarter of the price charged by an experienced surgeon. If Mr. Ricks's reasoning is sound, Mr. Ricks will enjoy the same medical outcome that he would get from a professional surgeon but at only a fraction of the cost.

Think he'll accept my offer?

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8 July 2012

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

Dear Editor:

Justly celebrating the recent decline in AIDS-related deaths in Africa - a decline helped by financial aid from first-world governments - Nicholas Kristof jumps unjustifiably to the conclusion that skepticism of foreign aid is unwarranted ("The Coffin-Maker Benchmark," July 8).

Mr. Kristof paints with a brush far too broad.

Today's staunchest critic of foreign aid - the person most responsible for skepticism of such aid - is NYU's William Easterly. But he and other scholarly skeptics of foreign aid have never argued against the merits of emergency and medical aid of the sort that plausibly is today helping to reduce AIDS deaths in Africa. Rather, Mr. Easterly (backed by impressive amounts of data) argues against those, such as Jeffrey Sachs, who insist that foreign aid is a useful tool for encouraging widespread economic growth in developing countries. Such developmental "aid" has stymied, rather than stimulated, poor-countries' economic development.

Your readers should not be led to the mistaken conclusion that, because some aid might now finally help to reduce Africans' chances of dying of AIDS, foreign aid more generally is therefore worthwhile. It's not, for its record at promoting economic growth in developing countries is abysmal.