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Comment on the Commentary of the Day

by

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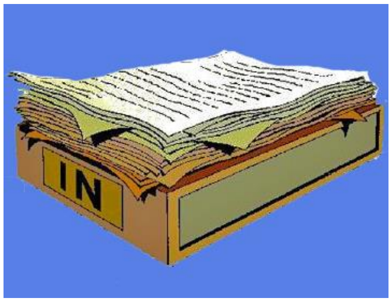

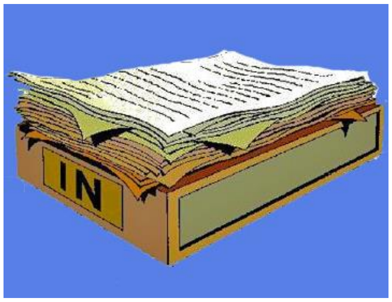

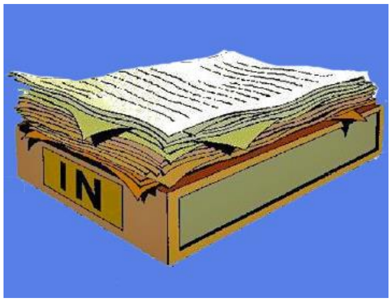

Disclaimer: The following "Letters to the Editor" were sent to the respective publications on the dates indicated. Some were printed, but many were not. The original articles that are being commented on may or may not be available on the internet, and if they are, they may require registration or subscription to access. Some of the articles being commented on are syndicated, therefore, they may also have appeared in other publications.

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8 April 2015

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

Dear Editor:

You reported yesterday on Pres. Obama's initiative "aimed at highlighting the connections between climate change and public health" - a connection that (despite your report's title) the White House has already concluded exists and poses a threat to human health ("White House to explore how climate change makes you sick"). On the very same webpage as that report there appeared also a report on the recent collapse of the long-standing consensus among experts that the typical American's salt intake poses a threat to human health ("More scientists doubt salt is as bad for you as the government says").

How revealing. One report insists that the current consensus among experts on the dangers of climate change is so unassailable that we must turn over more power and resources to government to protect us from doom that would otherwise be inevitable, while a second report effectively warns that expert consensus, even when endorsed by government officials, should at least sometimes be taken with a grain of salt.

There's a lesson here, summarized nicely by a quotation in the report on salt from Baylor medical professor Dennis Bier: "When you are making recommendations for 300 million people, you have to be concerned about any data that suggests harm." Indeed so. Adequate concern, we now learn, was not exercised over earlier 'expert' warnings about salt. Sensible people, therefore, will understand it to be quite possible that adequate concern is not now being exercised over current 'expert' warnings about the effects of climate change.

Sincerely,
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and
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11 April 2015

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

Dear Editor:

Robert Kimmitt and Matthew Slaughter clearly explain how freer trade would increase foreign investment in the U.S. ("How to Ensure That Volvo Is Starting A Trend," April 10). And they're correct that such investment would be a boon to Americans.

Regrettably, Americans are unlikely to absorb Messrs. Kimmitt's and Slaughter's important lesson. The reason is that opportunistic politicians and economically ignorant reporters and pundits incessantly bemoan increases in the U.S. trade deficit and, therefore, treat as harmful any and all economic forces that increase this 'deficit.' Yet foreigners cannot invest more in America without putting upward pressure on the U.S. trade deficit. The reason is (or should be) plain: every dollar that foreigners use to buy dollar-denominated assets is a dollar that returns to America as investment demand rather than as demand for American exports. America's capital-account surplus rises.

Of course, it *might* be that freer trade, by enhancing also the attractiveness of foreign countries to American investors, results in no rise in the U.S. trade deficit. But such an outcome for America's balance of trade is neither inevitable nor necessarily desirable.

The benefits of freer trade and greater foreign investment in the U.S. are real even if, as I think likely, the result will be a higher U.S. trade deficit - a happy consequence that, sadly, will inspire doomsday predictions and wails of fear by the politically wily and the economically uninformed.

Sincerely,
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15 April 2015

Mr. Stephen Ohlemacher
Associated Press

Dear Mr. Ohlemacher:

Writing about tax day in the U.S., you assert that “it’s not that bad. Aside from the complicated forms, tax season generates $300 billion in tax refunds each year, a significant boost to the U.S. economy” (“Five Things to know about Tax Day: For most, it's not that bad,” April 15).

From where do you think these refunds come? *If* the economy is boosted when such funds are returned to their rightful owners, surely the economy was earlier dragged *down* when government initially seized these funds. Even ignoring (as you do) the supply-side effects of taxes - which *always* are a drag on taxed activities - have you any theory to justify your head-scratching implication that people increase the amounts they spend when they become more liquid but do not decrease the amounts they spend when they become less liquid?

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17 April 2015

Editor, *Huffington Post*

Dear Editor:

Hillary Clinton insists that “[t]here’s something wrong when CEOs make 300 times more than the typical worker” (“Hillary Clinton Blasts Pay For CEOs, Hedge Fund Managers In Campaign Kickoff,” April 15).

Well now. As a speaker Ms. Clinton is paid, on average, $300,000 per talk; as a speaker I am paid, on average, $1,000 per talk. As a speaker, therefore, Ms. Clinton is paid 300 times more than I am paid! Is “something wrong”? Is the market for speakers rigged unfairly in favor of famous and politically connected speakers such as Ms.

Clinton, and against obscure and ordinary speakers such as me? Is Ms. Clinton part of a nefarious network of greedy speaker-insiders who profit unjustly at the expense of myself and other more-typical speakers by manipulating the speaker market? Should government intervene into the speaker market to remedy this 300-to-1 ratio in speaker fees? Would the amounts that event organizers pay me to speak go up if government ensures that Ms. Clinton's speaker fee be pushed down?

Clearly not.

Although I reject everything that Ms. Clinton stands for (and proclaims in her speeches!), I'm quite sure that her high fee accurately reflects the value to her audiences of having her speak, just as my modest fee accurately reflects my value as a public speaker. So unless Ms. Clinton is prepared to conclude, solely because her speaker pay is 300 times that of typical speakers, that she profits unjustly at my and other typical speakers' expense, she has no basis for asserting that a 300-to-1 difference in pay in other lines of work is "wrong."

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18 April 2015

Editor, *Mother Jones*

Dear Editor:

Congratulations! You've well and truly slain a straw man by reporting that "[c]onservatives have long portrayed minimum-wage increases as harbingers of economic doom, but their fears simply haven't played out" ("As Cities Raise Their Minimum Wage, Where's the Economic Collapse the Right Predicted?" April 16).

No serious opponent of minimum wages has ever predicted that they are "harbingers of economic doom" and "economic collapse." Not Milton Friedman. Not F.A. Hayek. Not Thomas Sowell. Not my colleague Walter Williams. No credible scholar or pundit has ever made such a prediction about minimum wages at the relatively low levels that these wages are set in the United States. The reason is that only a small percentage of the workforce earns wages at, or just above, the prevailing legislated minimum.

Therefore, minimum-wage hikes of the sort that are typical in the U.S. cannot possibly unleash "doom" on the economy.

What minimum-wage hikes *do* unleash, however, is devastation upon a relatively small number of largely invisible workers - workers who are the least skilled and most disadvantaged. Raising the minimum wage destroys jobs for many of these poor workers while making the jobs of other such workers more onerous. But because these workers are so relatively few in number, their suffering, while very real, is easy to miss when looking at the aggregate data. This fact explains why some - by no means a majority - of minimum-wage studies (particularly those that examine only short spans of time) find no negative employment effects.

Serious opponents of minimum-wage legislation insist that it is unjust to overlook the suffering of people forcibly priced out of work or into jobs less preferable than the ones they would otherwise have - unjust even if the number of affected workers is so small as to be missed by weak empirical studies and too tiny to be classified as "doom."

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