Comment on the Commentary of the Day
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26 March 2006

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

To the Editor:

Orlando Patterson is correct - both that culture affects economic outcomes and that too many scholars ignore this fact ("A Poverty of the Mind," March 26). But he mistakenly says that "nothing could have been more cultural" than Jim Crow.

In his book Competition and Coercion, economic historian Robert Higgs presents much evidence that in the post-bellum south "individual attempts to extract discriminatory gains foundered on the rock of individual wealth-seeking behavior. Really effective discrimination, even by groups, required legal sanction or support." (Robert Higgs, Competition and Coercion: Blacks in the American Economy, 1865-1914 (Chicago: University of Chicago Press, 1980), p. 134) These awful sanctions and supports were provided by Jim Crow legislation.

25 March 2006

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

To the Editor:

Katharine Weber blames American outsourcing for the deaths of children working in third-world factories that catch fire ("The Factories of Lost Children," March 25). These deaths are heartrending. But Ms. Weber should ask how these children would live - and die - without globalization.

How many children would starve to death? How many would be killed by diseases or animals encountered while toiling on subsistence farms or hunting in the wild? How many would die in house fires (whose frequencies are now reduced because income from factory work enables these children and their families to live in better houses)? Not trading with such people will only make them poorer and their lives even more precarious.
To the Editor:

Paul Krugman is correct that an increase in average income doesn't mean that typical workers are earning more ("Letter to the Secretary," March 24). But his logic cuts both ways. Just as Bill Gates' entry into a room raises average income without necessarily raising the incomes earned by others in that room, entry into the workforce of low-skilled workers reduces average income without necessarily lowering the incomes earned by others.

Krugman blithely assumes that measured average income is biased upward by the incomes of rich Americans. He overlooks the possibility that it is biased downward by entry into the workforce of low-skilled workers, especially immigrants.

National Wheat Grower's Association's V-P John Thaemert predictably makes excuses for government subsidies to farmers (Letters, March 23). Equally predictably, all of his claims are phony - well, almost all. He's correct that agriculture increasingly provides "energy for our citizens." The Energy Policy Act of 2005, along with many state regulations, effectively requires refiners to mix ethanol into their gasoline. Because ethanol and its handling are quite expensive, these government policies raise prices at the pump.

Gee thanks, farmers.

Dear Editor:

Global investment patterns belie Harold Meyerson's allegation that too many jobs in America are at risk of being outsourced ("Will Your Job Survive?" March 22).

If employers truly were fleeing the U.S. for low-wage countries, these countries would enjoy higher per-capita foreign direct investment (FDI) than we receive in America. But between 2000 and 2003 (the last year for which reliable data are available), the two countries now most feared by the likes of Mr. Meyerson - India and China - had per-capita FDI, respectively, of $13 and $142. During this same time, U.S. per-capita FDI was $2,031. (Calculated from data at http://devdata.worldbank.org/, World Data Development database)

You're right: were he still alive, de Tocqueville would be appalled by the modern French deification of centralization ("The Decline of France," March 21). As this passage from The Old Regime and the Revolution makes clear, he would also warn the French that their willingness to trade freedom for economic security will inevitably strip them of both:

"It is certainly true that in the long run, freedom always brings, to those who know how to keep it, ease, well-being, and often riches; but there are times when it briefly hinders the enjoyment of such goods; there are others when only despotism can temporarily afford their enjoyment. Men who prize only these kinds of goods have never enjoyed freedom for long." (Quotation in Book Three, Chapter Three of Alexis de Tocqueville, The Old Regime and the Revolution)
To the Editor:

Several errors infect David Francis's "Selling Furniture to Pay the Laundry Bill" (March 20). I mention only the deepest: the false assumption that the world's stock of capital is fixed.

Most obviously, foreign direct investment - totaling $117 billion here in 2005 - routinely creates in the United States factories, warehouses, and commercial establishments that wouldn't otherwise exist, just as it frequently funds R&D that wouldn't otherwise take place. America's capital stock grows. While such investments raise the U.S. current-account deficit, they do not necessarily entail Americans selling off capital. To overlook this important fact is to elevate fear-mongering over truth.