



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.

18 June 2006

The Editor, The Economist
25 St James's Street
London SW1A 1HG
United Kingdom

SIR:

You say that America's "collective dream" is one "of economic opportunity and upward mobility" ("Inequality and the American Dream," June 17). While Americans generally cherish opportunity and mobility, these are not our collective dream, or at least not the one that forged this nation. Instead, they are its consequences. America's greatness is rooted in liberty. It was liberty - not economic opportunity, upward mobility, or a low Gini coefficient - that America's founders identified as an unalienable right so vital that life without it is not worth living.

17 June 2006

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

To the Editor:

Floyd Norris interprets the U.S. trade deficit as evidence of "the declining trade performance of the United States" ("Without Being in the Room, a Far East Behemoth Will Be a Player," June 17). Does foreign direct investment here of nearly \$100 billion, in 2004, evince economic decline? How about foreigners' continuing attraction to dollar-denominated equity shares and bonds? Whenever foreigners invest in dollar-denominated assets they reveal confidence in the American economy - and they strengthen it by bringing capital to our shores.

16 June 2006

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

To the Editor:

Paul Krugman relies on the discredited "cost-push" theory to explain inflation ("The Phantom Menace," June 16). As Milton Friedman and others have shown, inflation is caused by excessive growth in the money supply, not by rising prices or "embedded" pressures. Krugman himself can't escape this truth: he admits that the 1970s' inflation was tamed only when the Fed cut money-supply growth.

If inflation is rising today - if wages and prices are "leapfrogging" - it's because the money supply is growing too rapidly. And the only way to halt inflation is for the Fed to disregard Krugman's advice and further reduce its rate of pumping dollars into the economy.

15 June 2006

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

To the Editor:

James Bourne of the Bronx asks today "Wouldn't it be wonderful if American

political campaigns held themselves to the standards of honesty and decency imposed in Mexico by the Federal Election Institute?" (Letters, June 15). Note the word: imposed. Mr. Bourne applauds a government agency imposing on political candidates (and, hence, on voters) its own standards of honesty and decency.

What's happening to Americans' healthy skepticism of government power - and to their love of freedom and respect for First Amendment principles?

14 June 2006

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

Dear Editor:

E. J. Dionne longs for a new New Deal, believing that the original one saved capitalism and secured prosperity ("In Search Of a New New Deal," June 13). Although widely believed, this myth is belied by the evidence. In a book [Robert Higgs, *Depression, War, and Cold War* (New York: Oxford University Press, 2006)] released last week by Oxford University Press, economic historian Robert Higgs presents data showing that New Deal policies worsened America's investment climate, both deepening and prolonging the Great Depression. Not until after WWII - when Congressional elections signaled Americans' rejection of the socialist policies that many level-headed people in the 1930s feared would curse us far in to our future - did Americans again enjoy widespread prosperity.

13 June 2006

Editor, The Christian Science Monitor

Dear Editor:

Brian Barling's cartoon shows Uncle Sam struggling to hold a set of weights that is grossly unbalanced because the currency at one end of the bar (the dollar) is much heavier than the currency at the other end (the Chinese yuan) (Editorial page, June 13).

In translation, Barling depicts us as burdened by our dollars' command over an abundance of goods, services, and assets - implying that we grow richer as our purchasing power falls. If correct, Barling should endorse not only a highly inflationary monetary policy, but all other government policies that make the U.S. investment climate risky. Come to think of it, why not prohibit all international transactions? That'll really sink the dollar's purchasing power. We'll be stinking rich!