Comment on the Commentary of the Day
by
Donald J. Boudreaux
Chairman, Department of Economics
George Mason University
dboudrea@gmu.edu

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.

16 February 2006
Editor, The Wall Street Journal
200 Liberty Street
New York, NY 10281
Dear Editor:

Despite his letter's title - "Trade Balance: Step Back and Look at the Big Picture" (Feb. 16) - John Frisbie argues merely that the U.S. trade deficit with China seems smaller when compared to the trade deficit with the rest of the world.

In a true big-picture perspective, the trade deficit is no problem. It reflects foreigners' willingness to invest in dollar-denominated assets. Those who insist on finding a dark lining around this blue sky can still assert that too little of this investment is done by Americans. But so what? The crucial fact is that America continues to attract investors. Even if Americans do save too little, why complain if foreigners pick up the slack? Complaints should come only from those who so dislike the trade deficit that they'd end it even if doing so means denying America hundreds of billions of dollars of investments annually.

15 February 2006
Editor, The Washington Post
1150 15th St., NW
Washington, DC 20071
Dear Editor:

When I suggest to acquaintances that all drugs be legalized, a typical response is "Legalization would make our society uglier and more dangerous!" Even if legalization would bring crack sellers and pot smokers into the open, that result would not be as ugly and as dangerous as is the current policy of using SWAT teams to serve arrest warrants on mere drug offenders; that policy would not result in government agents shooting to death innocent people such as Salvatore Culosi (Letters, Feb. 15); that policy would not result in the imprisonment of thousands of non-violent young men.

14 February 2006
Editor, The Washington Post
1150 15th St., NW
Washington, DC 20071
Dear Editor:
Re "Clients' Rewards Keep K Street Lobbyists Thriving" (Feb. 14):

Suppose that atop the Washington monument is impaled a chest known to contain hundreds of billions of dollars. Further suppose that those who get their hands on its contents can keep whatever they grab. What will happen?

Countless persons will spend lots of money, some more ingeniously than others, scrambling for the chest. Pundits and park rangers will complain self-righteously that these efforts are unseemly; most of us will express solemn agreement but keep clambering. Rules aimed at constraining the scramble might change its means but will do nothing to reduce its ferocity.

Uncle Sam, of course, is such a treasure chest. Given his ability and willingness to transfer wealth from Peter to Paul, as well as to curb profitable commercial activities, why is anyone surprised that lobbying is big business on the Potomac?

Paul Krugman sarcastically dismisses concerns about the ways U.S. consumption and investment are measured ("Debt and Denial," Feb. 13). While some of these concerns might "resemble arguments used not long ago to justify dot-com stock prices," others are surely justified. For example, most spending on education is counted as consumption spending, even though it creates long-lived human capital. Likewise, R&D spending by government and academic institutions is counted as consumption despite being aimed at advancing knowledge that will be of use for many years.

Such classifications overestimate Americans' consumption and underestimate our savings and investments.

13 February 2006

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

To the Editor: