



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.

14 January 2007

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

Dear Editor:

By confiscating oil companies' private property - and, hence, making Honduras a less-attractive country in which to invest - Honduras's rulers ensure that citizens there will remain poor ("Honduras Temporarily Grabs, Exxon, Chevron Terminals," Jan. 14). But, hey, there's a silver-lining for ordinary Hondurans, at least from the perspective people such as Lou Dobbs and Sen. Sherrod Brown: less foreign investment in

Honduras will lower that country's trade deficit!

13 January 2007

Editor, The Wall Street Journal
200 Liberty St.
New York, NY 10281

To the Editor:

Home Depot shareholder Gary Abraham hopes that "Congress can do something about the greed-based pay packages that have become common among publicly traded companies" (Letters, Jan. 13).

Why pray to a horde of power-greedy office-getters in Washington? Like nearly everyone in America, Mr. Abraham himself can "do something" far more direct and

effective than anything Congress can do - namely, not invest in companies governed poorly and instead invest in companies governed well. On the NYSE alone he can choose from among 3,576 corporations. He can also invest in mutual funds whose managers specialize in researching companies and finding those that are likely to create value for shareholders.

Of course, if he thinks himself and others to be too incompetent to invest wisely, then why does he suppose that as voters these same people will wisely choose and monitor the politicians to whom he wants to entrust the power to dictate corporate practices?

11 January 2007

Editor, The Wall Street Journal
200 Liberty St.
New York, NY 10281

To the Editor:

David Wessel nicely surveys economists' current thinking on why so many "developing" countries aren't developing ("Why Economists Are Still Grasping for Cure to Global Poverty," Jan. 11). But he misses one crucial element: the finding - endorsed by many scholars who've examined the data - that development has been hamstrung by so-called "foreign aid" and the anti-market, western-elites-know-best mindset that accompanies it.

As the late Peter Bauer observed after decades of close study of poor countries, "Development aid is . . . not necessary to rescue poor societies from a vicious circle of poverty. Indeed, it is far more likely to keep them in that state."

10 January 2007

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

Dear Editor:

David Leonhardt is correct that plenty of interesting and relevant research is being done by young economists today ("The Future of Economics Isn't So Dismal," Jan. 10). But he is mistaken to suggest that economics' practical usefulness is new. For example, Adam Smith launched economics by exposing the folly of protectionism, and the late Milton Friedman helped to reduce inflation by explaining clearly that inflation is caused by excessive growth in the money supply.

At a more 'micro' level, consider the practical brilliance of the 19th-century economist Edwin Chadwick. He successfully proposed that captains of ships that transport prisoners from England to Australia stop being paid according to how many prisoners are taken aboard in England but, rather, according to how many prisoners walk off alive in Australia. As a result, the survival rate of prisoners

forced to make that long
journey increased
dramatically.

8 January 2007

Editor, The Wall Street
Journal
200 Liberty Street
New York, NY 10281

To the Editor:

Mark Whitehouse reports
that a weaker dollar is
good for America because
it makes "U.S. exports
more attractive to foreign
buyers while making it
costlier for Americans to
buy products from abroad"
("Why U.S. Should Root for
Dollar to Weaken More,"
Jan. 8).

Rubbish.

Would Mr. Whitehouse
write that lower wages are
good for American workers
because they make "U.S.
workers more attractive to
employers while making it
costlier for these workers
to buy products produced
by others"? Since when is
less real purchasing power
generally desirable?