

Comment on the Commentary of the Day

by

Donald J. Boudreaux
Chairman, Department of Economics
George Mason University
dboudrea@gmu.edu
<http://www.cafehayek.com>

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.

25 March 2007

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

To the Editor:

Tina Rosenberg recounts many reasons why people in poor countries invest heavily in the United States ("Reverse Foreign Aid," March 25). She misses, however, the most fundamental one: compared to poor countries, property rights in the U.S. are secure, regulation is less burdensome, and the currency is stable.

Poor countries are poor for a reason - namely, their institutions discourage substantial capital investments. So Ms. Rosenberg is mistaken to suggest that there's

something perverse and unfair about persons in poor countries investing in America. A more-appropriate description is that America's relatively free-market economy provides welcome opportunities for foreign investors. The investments that flow to America are not "subsidies"; they are returns on relatively sound economic policies.

24 March 2007

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

To the Editor:

Like many others, Peter Morici asserts that "China's purchase of American dollars and securities to keep the yuan cheap creates more than a 20 percent subsidy on China's

exports" (Letters, March 24). This "subsidy" is an illusion.

Beijing can artificially lower the value of the yuan against the dollar only by increasing the supply of yuan relative to dollars - that is, by inflating the yuan. Such inflation, however, eventually raises the nominal prices of Chinese goods and thereby offsets the lower price of the yuan.

23 March 2007

The Editor, The Boston
Globe

To the Editor:

Objecting to an earlier op-ed that endorsed legalizing marijuana for medical use, Maro Sciacchitano says that "it is irresponsible to promote policies that ignore the illegal drug trade

and the complex problems
US recreational
consumption causes other
countries" (Letters, March
23).

I say to Mr. Sciacchitano: it
is irresponsible to promote
policies that create a multi-
billion-dollar underground
economy, promote gang
violence and police
corruption and
deterioration of our
liberties, and that ignore
the complex problems US
drug-interdiction efforts
causes other countries."

21 March 2007

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

To the Editor:

Sen. Charles Schumer and
Rep. Jim McDermott want
trade agreements that are
"fair" (Letters, March 21) -
by which they mean trade
agreements that protect
American workers from
having to compete very
hard against foreign
workers.

I wonder if Messrs.
Schumer and McDermott
regard IBM, Apple, and

Hewlett-Packard to have
been "unfair" traders. By
making personal
computers and desktop
printers so incredibly
inexpensive, these firms
destroyed countless jobs
for office-pool typists. An
American worker simply
cannot compete with these
machines. Would we have
been well served had
government restricted our
ability to purchase these
machines? If not, why
suppose that we will be
well served if government
restricts our ability to
purchase goods and
services produced by
workers whose wages are
now lower than ours?