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.

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?