



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.

9 June 2007

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

To the Editor:

Steven Landsburg does his usual outstanding job at conveying important economic insights clearly and energetically ("A Brief History of Economic Time," June 9). But he gives us economists too much credit for figuring out "how to harness the power of incentives."

While economists sometimes do devise useful, specific ways to harness incentives (the work of my colleague

Vernon Smith comes to mind), most of the good that economists do involves explanation rather than creation. Good economists excel at explaining both how free markets give each of us incentives to contribute to widespread human well-being AND how these incentives are perverted by political institutions (the work of my colleagues James Buchanan and Gordon Tullock comes to mind). Sadly, the history of our discipline is littered with misbegotten schemes to engineer incentives, such as Keynes's nutty proposal to reduce people's incentives to save.

8 June 2007

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

To the Editor:

I was flabbergasted to read David Brooks's complaint that "the market is failing to supply enough human capital. Despite all the incentives, 30 percent of kids drop out of high school and the college graduation rate has been flat for a generation" ("Reviving the Hamilton Agenda," June 8).

News flash: Nine out of every ten kids in the U.S. in grades K-12 are enrolled in schools owned and operated by the government. It's not the market that's failing. Any

failure here surely is the fault of the very government that Mr. Brooks mysteriously believes should be more active in building human capital.

6 June 2007

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

To the Editor:

Your report "Years of Global Growth Raise Inflation Worries" (June 6) is confused and confusing. It's incorrect to say that "global growth is fueling inflation rather than restraining it." Inflation - as the old saw goes - is caused by too much money chasing too few goods. Because economic growth creates more goods, such growth moves the price level downward. If economies are growing and also experiencing inflation, you can be darn sure that central banks are pumping out money too fast.

6 June 2007

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

Dear Editor:

The moral of your report on the decline of family weavers in India is that globalization and modernization are suspect because they eliminate many ancient, home-based

occupations ("An Ancient Indian Craft Left in Tatters," June 6). And your quotations from out-of-work sari weavers are indeed moving.

But nowhere in this report do you interview Indians who now can buy machine-made saris at lower prices - thus improving their standard of living by enabling them to purchase other goods whose production creates new jobs for many Indians who would otherwise remain mired in poverty. Yes, India has a long way to go. But the notion that most Indians' lives would be better if that economy were frozen in its past ways is foolish.

5 June 2007

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

To the Editor:

It's inspiring to read Linda Chavez's report on how well Hispanics assimilate into America's society and economy ("The Great Assimilation Machine," June 5). This achievement is especially remarkable given that the employment in America of several million Hispanics - the

"illegals" - is formally prohibited. Imagine how much higher still their earnings and their rates of employment, homeownership, and education would be if no employer had to fear prosecution for the "crime" of hiring any willing worker.

4 June 2007

Editor, USA Today

To the Editor:

Dale Powers argues that the hiring of foreign skilled workers "wastes" the brainpower of Americans ("Don't waste U.S. brainpower by hiring foreign workers for coveted jobs," June 4). Mr. Powers' brainpower as an aerospace engineer might be awesome, but it's weak in economics.

The number and kinds of jobs in a market economy aren't fixed. They expand and change as entrepreneurs seek to use

all available talent as productively as possible. Consider the microchip - which, after all, is a substitute for lots of human brainpower. If Mr. Powers' argument were correct, the advent of this device would have cast millions of smart, educated Americans into low-skilled jobs. Instead, of course, the microchip has created for talented Americans countless high-wage jobs whose existence was inconceivable thirty years ago.