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.

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28 July 2007

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

To the Editor:

Paul Krugman confusedly argues that stock prices are falling, in part, because the global economy is booming ("The Sum of Some Fears," July 27). He asserts that investors now believe that this global boom will keep oil prices high, and he assumes that high oil prices are a significant drag on the value of corporations.

Even if global economic growth will continue to buoy oil prices (which isn't certain), such growth surely puts greater upward than downward pressure on stock prices. As people worldwide earn more income to spend and invest, and as global supply networks improve, the prospects increase for entrepreneurial American corporations to thrive - as long, that is, as Washington resists the temptation to "protect" us from the growing world economy.

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25 July 2007

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

Dear Editor:

Hans Redeker, BNP Paribas's chief currency strategist, argues that the demand to rebuild in the wake of the floods now ravaging the U.K. might give the economy an "unforeseen boost" (July 25). Rubbish.

Resources spent to rebuild are no longer available to produce goods and services that would have been produced had the floods not happened. The economy isn't boosted; it's damaged. If Mr. Redeker's economics were correct, today's boom towns would be Mogadishu and Baghdad. If I were a client of BNP Paribas, I would hope that his bosses would give Mr. Redeker an unforeseen boot.

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18 July 2007

Editor, The Baltimore Sun

To the Editor:

Thomas Schaller writes that "Working people value 'economic security' over 'economic opportunity'" ("Bush also earns low marks for economic policy," July 18). If so, working people believe in a false choice, foolishly forgetting the source of the very things that they want to be secure in. Almost everything that workers today fear losing - housing, automobiles, abundant food, scientifically sound health care, WiFi; you name it - is the result of economic opportunity. This opportunity created these goods and services and ensures their continued abundance. Kill economic opportunity in the quest to create more economic security and we'll have neither.

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17 July 2007

Editor, The Boston Globe

Dear Editor:

James Collura complains that energy-market speculators are "unregulated" and that this lack of regulation enables speculators to profit at the expense of innocent consumers ("How traders gamble with your energy dollars," July 17). But the lone example he gives of alleged wrongdoing by speculators is of a company, Amaranth Advisors, that suffered severe losses. Amaranth went long in natural-gas futures and then lost big when the price of natural gas plummeted.

Obviously, this large speculator could not control the price of natural gas. And just a bit less obviously, the risk of such large losses is the market's very effective way of regulating speculators.