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Comment on the Commentary of the Day

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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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15 April 2012

Editor, The New York Times
620 Eighth Avenue
New York, NY 10018

Dear Editor:

Reporting on Nigeria's growing population, Elisabeth Rosenthal uncritically furthers the popular narrative that large populations hamper economic development ("Nigeria Tested by Rapid Rise in Population," April 15). She supports her point with demographer Peter Ogunjuyigbe's declaration that "If you don't take care of population, schools can't cope, hospitals can't cope, there's not enough housing - there's nothing you can do to have economic development."

Not so.

Fifty countries today have population densities higher than that of Nigeria. Forty-two (or 84 percent) of these have per-capita incomes higher than that of Nigeria - and in many cases multiple times higher. [http://en.wikipedia.org/wiki/List_of_sovereign_states_and_dependent_territories_by_population_density] South Korea, for example, has three times as many people per square mile than does Nigeria, yet South Korea's per-capita income is more than ten times higher than Nigeria's. [Calculated from the CIA World Factbook, https://www.cia.gov/library/publications/the-world-factbook/index.html]

Nor do high population growth rates necessarily doom economic growth. Over the past 150 years, California has had an average annual population growth rate of about 3.1 percent. (In some periods it's been much higher, such as in the 1920s when California's population grew at an average annual rate of 5.2 percent.) [All calculated, solving for r, using the formula PopX = PopY (1 + r) "to the" n -- where "r" is the annual rate of population growth; "PopX" is population at the latter date; "PopY" is population at the earlier date; and "n" is number of years. I got figures on California's population here: [http://en.wikipedia.org/wiki/California#Population] Only in the past 40 years has California's annual population growth rate fallen below Nigeria's current annual population growth rate of about 2.27 percent. [http://en.wikipedia.org/wiki/List_of_countries_by_population_growth_rate (Using the U.N. figure for the years 2005-2010)] Yet, obviously, this hefty population growth can hardly be said to have been a drag on California's economy.

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12 April 2012

Mr. Doug Palmer, Reporter
Reuters

Dear Mr. Palmer:

Reporting on Bill Clinton "going to bat" for the Export-Import Bank, you quote the former president as saying that "So many of our competitors aggressively use subsidized capital to promote their exports. As a practical matter, you either meet the competition or you get beat" ("Bill Clinton goes to bat in bid to save Exim Bank," April 12).

Mr. Clinton speaks mercantilist nonsense.

Subsidies "promote" exports only by distorting and weakening the overall economy. They do so by transferring resources away from private-sector activities that successfully meet market tests to private-sector activities that fail market tests and, hence, survive only if taxpayers are forced to pay for them. Inefficient economic activities artificially expand as efficient economic activities contract. (Never mind that also, in practice, subsidies tend to flow to cronies whose chief qualifications are their political connections.)

For the United States to "meet the competition" on this front, therefore, is for Uncle Sam to ensure that every distorting and weakening measure inflicted by other governments on their economies is matched in the U.S. by equally distorting and weakening measures inflicted by Uncle Sam on the American economy. This "competition" is one we should fervent hope to lose.

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12 April 2012

Editor, The Wall Street Journal
1211 6th Ave.
New York, NY 10036

Dear Editor:

Leon Mitrani believes that Canada's recent sound economic performance is chiefly the result of that country's "universal, single-payer, government-run health-care system" (Letters, April 12). According to Mr. Mitrani, that system "frees up Canadian corporations from paying that employee expense and boosts their profits and economy."

Splendid! But if Canada's economy is boosted by government relieving Canadian employers from having to pay a portion of their workers' earnings (that is, the portion that would otherwise be paid as employer-provided health-insurance premiums), wouldn't Canada's economy be boosted even further if Ottawa relieved Canadian employers also from having to pay wages and salaries? With government picking up employers' ENTIRE tab for hiring workers, the economic boost would be stupendous.

And why stop there? If Mr. Mitrani is correct, Canada's economy would get a bigger boost yet if the government picked up not only the tab for hiring workers, but also the tab for any and all capital expenses. With government relieving Canadian companies of the need to pay for their own factories, machines, IT, and all other costs of doing business, Canada's economy would become the envy of the world!

Who knew that the secret of economic success is so simple?

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11 April 2012

Editor, Los Angeles Times

Dear Editor:

Jonah Goldberg properly advises Mitt Romney that Americans need less cronyism and more capitalism ("Free the Markets, Mr. Romney," April 10). But Mr. Goldberg too quickly dismisses as mere carelessness Gov. Romney's pro-business – as opposed to pro-free-market – talk.

Strong evidence that a President Romney will shamelessly cultivate cronies is candidate Romney's long-standing practice of complaining that Beijing's monetary policies put undue competitive pressures on American producers even as these policies enable American consumers' dollars to stretch farther. And consider that Mr. Romney thundered in a debate in Iowa last August that, as president, he'll pursue "trade policies that work for us, not just for our opponents." Mr. Romney here speaks the all-too-familiar code of politicians and their cronies who insist that trade's benefits are found, not in lower prices for consumers, but in higher prices for producers.

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9 April 2012

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

Dear Editor:

After listing ways in which the Export-Import Bank wastes U.S. taxpayer dollars, causes some American firms to over-produce, and artificially raises costs for other American firms - all without increasing net employment in America - you nevertheless conclude that the Ex-Im Bank should be reauthorized because "Everyone else does it" ("Impasse over the Ex-Im," April 9).

Say what?

Other governments do indeed distort their economies by doling out corporate welfare of the very sort that the Ex-Im Bank has distortingly doled out to American corporations for decades. But the deformities that other governments inflict on their economies in no way argue for Uncle Sam to continue deforming the American economy in like fashion. Given the truths expressed in the first five paragraphs of your editorial, the American economy's growth and dynamism will only increase if we stop, ASAP, participating in this global orgy of national immolation.