
Capital Letters

Wal-Mart Subsidized?

To the editor:

Wal-Mart is heavily subsidized by American tax dollars. As such there is nothing “free” about anything that Wal-Mart does (John Semmens, “Wal-Mart Is Good for the Economy,” October 2005). Wal-Mart’s subsidy is an indirect subsidy, but nevertheless, Wal-Mart directly benefits from the American tax dollars that were used to build the manufacturing plants that supply Wal-Mart with essentially all of the goods that they sell in their stores.

During the mid-1980s the Reagan administration gave a \$7 billion steelmaking complex to Shanghai, China. In addition, American taxes, under a dozen or more budget headings, paid for the untold thousands of manufacturing plants that have been given to China and many other nations.

Those vast sums of giveaway money (that built the factories in China and other developing countries that supply goods to Wal-Mart) are euphemistically called “foreign aid.” The trillions of dollars we have given away in “foreign aid” are essentially the same number of trillions of dollars as are now in our national debt (which we should start to amortize).

Ignoring this vast subsidy to Wal-Mart gives a highly superficial analysis of things economic. *The Freeman* should not be this superficial in its analysis of Wal-Mart.

—ROBERT P. KINGSBURY

Laconia, N.H.

John Semmens replies:

The contention that “the Reagan administration gave a \$7 billion steelmaking complex to Shanghai, China” is dubious, at best. Even if it were true, that hardly becomes Wal-Mart’s fault.

Buying the best products at the lowest cost is sound economizing behavior. If China offers the best value it makes sense to buy from them regardless of how their production facility was financed. Wal-Mart and its cus-

tomers could hardly be blamed for taking a bargain.

Refusing to buy the best value will not remedy the bad policy of foreign-aid grants. The U.S. government debt won’t get any smaller from such a refusal.

The foreign aid giveaways should be stopped, but the government should not stop buyers from purchasing what they see as a good value. To do so would reduce the economic well-being of the nation’s inhabitants.

FDR’s Plan to Radically Transform America

To the editor:

Sheldon Richman left out the darkest part of the story in his column, “The Shady Origins of Social Security,” in the September 2005 issue of *The Freeman*. When President Franklin Roosevelt introduced to Congress the legislation that eventually authorized Social Security, it also contained Title IV, a national health-insurance program. Following an emergency meeting of the AMA’s House of Delegates, opposition to his portion of the bill grew so intense that President Roosevelt had to remove it. The history of health care through the second half of the twentieth century, apart from technological advances, is essentially the story of the attempt to enact that withdrawn program to socialize medicine.

What Roosevelt proposed in 1935 was so thoroughly Bismarckian one can’t help but wonder if his purpose was not merely to attempt to gain votes, as Richman suggests in his concluding sentences, but a radical political transforming of America.

—MERRILL A. COHEN, M.D.

Dover, Pa.

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