

# CORRESPONDENCE

## Losing their appetite

To the editors:

James Cramer's suggestion ("Let Them Eat Stocks," April 29) that laid-off workers be given stock options in lieu of severance pay is well intended but deeply misguided. Cramer fails to recognize that stock options are traded commodities. If laid-off workers want to use some or all of their severance pay to purchase options, they can do so. Typically they choose not to because options are very risky, and in general unemployed people prefer holding more secure and liquid assets such as cash. Cramer is correct in saying that any stock price increase that accompanies the layoff announcement will increase the value of the options. But he misleads by intimating that this value is created out of thin air, saying his plan requires "no money from the companies themselves." Of course in the end the value increase comes from the same place severance pay does—the pockets of stockholders, when option redemptions lead to dilution and a drop in the stock price. So the shareholders and firm are neither helped nor harmed, but the employees are adversely affected since they are in effect forced to invest their severance pay in securities not of their choosing.

The absurdity of Cramer's plan is highlighted when we consider (as Cramer evidently did not) the question of who gains and who loses when severance pay is replaced by stock options. When relatively unproductive employees are laid off, firm efficiency improves, and the stock price rises, benefiting those who hold options. But when highly productive, valuable workers are laid off due to poor business judgment, the company suffers, and stock options become nearly worthless. Thus the more valuable a group of displaced workers was to their employer, the more they will lose under Cramer's plan.

RANDOLPH B. COHEN  
Chicago, Illinois

To the editors:

Great idea, James Cramer, though you realize that the market's response to downsizing will likely change if and when your plan becomes commonplace.

Such is the perversity of the marketplace. Or could it be that by subtling his concept "A Modest Proposal" Cramer is simply Swiftly following in the footsteps of the master of bitter irony and is fully cognizant of the market's obstinacy?

WAYNE BEYER  
Chevy Chase, Maryland

## Lite at the end of the tunnel

To the editors:

I was distressed to read Alex Heard's off-handed remarks linking Ted Kaczynski, the so-called "unhinged Berkeley professor," with the Unabomber ("Mommie Dearest," April 29). Despite daily news reports from Montana, to the American judicial system Mr. Kaczynski is only suspected of being the mythical Unabomber. Like all defendants, Mr. Kaczynski is innocent until proven guilty.

ELIZABETH STARLING  
St. Paul, Minnesota

To the editors:

Alex Heard's engaging account of enviro-millennialism simplifies a key factor in the paradoxical longevity of apocalyptic movements and thus obscures a telling difference between contemporary groups such as Earth Changes and wacky predecessors like Early Christianity.

As Heard notes, all end-of-the-world groups need doctrinal "safety valves" allowing them to continue after the world fails to end on schedule (what eschatologists tactfully refer to as the "disconfirming event"). Typically, however, these escape hatches evolve only after the traumatic failure of prophecy. Indeed, such retooling is a psychological response to the unpleasant predicament that inevitably results from stating that the world will end, for example, in the year after March 21, 1843 (as the Millerites did).

But in today's apocalypticism lite, the escape hatches are built in from the beginning. You don't have to stick your neck out with such easily disprovable claims—a vague unease with the state of the world is sufficient. As befits our something-for-everyone, consumer-friendly culture, apocalypticism has been defanged and predigested to be accessible to the widest possible audience. Even the end of the world, it seems, isn't what it used to be.

BRADLEY BLOCH  
New York, New York

## Stretch marks

To the editors:

In an attempt to justify an idiosyncratic interpretation of St. Paul's statements regarding homosexual practice, Robert A. Hettinger (Correspondence, April 29) quotes St. Paul as allegedly stating that heterosexual monogamous marriage is not the Christian ideal. Thus, since Christians do not take Paul seriously on this point, they should be equally free in their interpretation of his views on homosexuality.

I Corinthians 7, which Hettinger quotes, is not an attempt by St. Paul to set

forth a theology of marriage. Like most of his letters, this communication was an attempt to deal with concrete problems that arose in the lives of Christian communities that Paul had ministered to. In view of the severe persecutions that Christians were undergoing at that time, Paul was offering pastoral advice that the single life would involve fewer complications. In no sense was he legislating for the church or prejudging future contingencies. In fact, in Ephesians 5:25-33, Paul's high view of marriage is made abundantly clear, and, in I Timothy 3:2, it is implied that most Christian pastors will be married.

It is important in looking at any biblical passage to consider the context within which the passage is embedded. In any event, to consider Paul's pastoral advice on the subject of marriage as being on the same level as his unequivocal statements regarding homosexual behavior is quite a stretch, to put it as charitably as I know how.

D. B. DELANO  
Los Angeles, California

## Trade wars

To the editors:

Michael Lind displays a thin skin ("Smear Tactics," April 29) while turning to innuendo to justify a silly charge of "smear tactics" against me for my *New York Times* op ed and against Charles Lane.

Lind should know that you cannot have it both ways: take a striking position on an issue and have it taken seriously by only those you admire and not by those you despise. Indeed, one's fate is often to have one's ideas vulgarized and misused by those one despises and ignored by those one admires.

That Pat Buchanan's specific trade policy ideas on Japan were not merely the results of such misuse but came directly from the mainstream policy wonks, many walking the corridors of the Clinton administration, is both undeniable and is what I argued. Did Buchanan invent for himself the notion that Japan is a "threat," that its trade policies are "unfair," that Japan ought to be "contained," that (in view of all this) we ought to levy an across-the-board tariff on Japan of 10 percent? No, Mr. Lind: go and read James Fallows in *The Atlantic Monthly*, and you will find that he discusses with warmth a Bush *shokku* that would enact a 20 to 25 percent, not just Buchanan's modest 10 percent, across-the-board tariff on Japan, citing sources such as Rudiger Dornbusch, a well-known advocate of the use of such weaponry. Buchanan clearly has read these gentlemen. If Buchanan is a mad bomber, he certainly found his bombs, not just their compo-



nents, on our front porches, not even our backyards.

And it would be a heroic folly to assume that the administration's vote-seeking, flamboyant and assiduous adoption of a confrontational if ineffective policy on trade with Japan, and the influential writings in the media of the Japan-worriers such as Lind, did not serve to water the fields which Buchanan ploughs.

Instead of growing up and accepting this reality, Lind whines. He sees me as part of a "libertarian" attempt to "associate liberals with a particularly noxious far-right extremist." This will appear as hilarious to my friends as to my foes.

I must confess to being a registered Democrat, a social liberal and even a happy member of the MIT diaspora who was also for twelve years on the MIT faculty. I used the description (he puts it in quotes) of Dornbusch as an MIT economist because he is not a celebrity and needs identification, not because I wished to imply, as Lind clearly thinks, that he was a "liberal."

Lind charges me with creating an "enemies list." But academics call the "naming of names" the citing of sources. Lind's ignorance of this culture is equally manifest when he wrongly cites my affiliation, to reinforce his libertarian conspiracy thesis, as the American Enterprise Institute. Of course, I am at Columbia University. Like many academics, I have found it useful to work briefly with or at several reputed institutions, including both Brookings and the AEI (with whom I terminated my periodic visits last year). But Lind would not understand that, would he?

JAGDISH BHAGWATI  
New York, New York

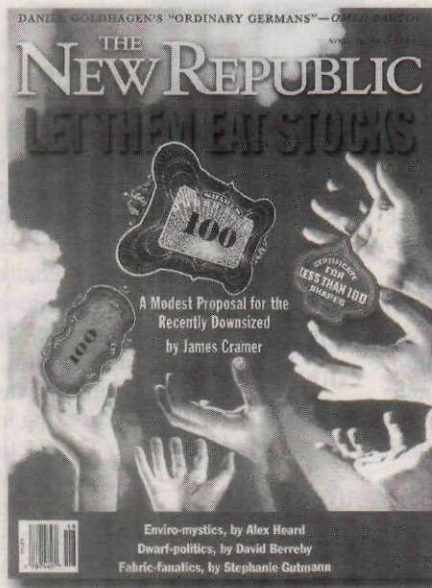
**To the editors:**

While I have no desire to accuse Michael Lind of being a "Buchananite" or to expel him from the ranks of organized liberalism, I would like to question his extremely problematic use of labor history in the cause of a more restrictive immigration policy.

First, in "Huddled Excesses" (April 1) Lind argues that immigration restriction laid the groundwork for labor's gains in the extremely broad period, 1920 to 1960. Unfortunately, Lind fails to compare these years with the decades that preceded them. Between 1880 and 1920—during the height of virtually unrestricted immigration—the ranks of organized labor grew from less than 60,000 to over 5 million. By contrast, in the first three years following the Emergency Quota Act of 1921, organized labor lost over 20 percent of its membership, over 1 million members. This is why labor historians refer to the 1920s as "the Lean Years." Meanwhile, most of the gains that

Lind attributes to restriction occurred nearly two decades after the laws were passed. So much for easy correlations.

Then, in "Smear Tactics" (April 29), Lind compounds this mistake by putting forth a crude labor-market segmentation argument, hijacking David Brody as his authority. Nobody denies, of course, that employers used ethnic differences to create disunity among workers. But, in the thirty-six years since Brody published the classic *Steelworkers in America*, a number of scholars have questioned whether immigration actually impeded unionization. In crafts where particular ethnic groups gained control over a niche—in the garment industry, in the building trades and in public transit—ethnicity frequently proved to be the foundation upon which organizers built strong unions. And even



in Big Steel, as Lizabeth Cohen, a Brody student, has recently shown, cultural difference proved to be an impediment to organization only as long as labor refused to confront it constructively. The CIO's successes of the '30s were directly attributable to its successful appeal to ethnicity on behalf of industrial unionism. If the modern labor movement and its supporters wish to duplicate the successes of that period, they must build upon existing cultural structures rather than seeking to limit their presence in the American economy.

ANDREW WENDER COHEN  
Chicago, Illinois

**To the editors:**

Thanks for giving Michael Lind space to clear up the difference between his lukewarm "liberal nationalism" and the America First economic nationalism of Pat Buchanan.

It's hard to see why left-wing libertarians like Virginia Postrel can't make the

distinction. Building on badly potted history and loony-left idealism, Lind has constructed a "nationalism" that bears only a nominal resemblance to Buchanan's nationalism, which has its roots in the all-American tradition of George Washington, Thomas Jefferson, Henry Clay, Abraham Lincoln and Teddy Roosevelt.

For Postrel-types who are still confused, here's a litmus test for telling authentic nationalism from the liberal pretenders: if it's fit to print in journals like *The Atlantic Monthly* and *THE NEW REPUBLIC*, it doesn't deserve to be associated with Pat Buchanan.

JOHN CARNEY  
Chevy Chase, Maryland

## Wage fright

**To the editors:**

Matthew Miller's ("Econ 2," April 29) conversion to the raise-the-minimum-wage camp ranks him among the minority of economists. And for good reason. The vast majority of authoritative studies have agreed with the ivory-tower economic theories that hold that raising the minimum wage causes joblessness. Miller's reference to the raft of recent studies showing otherwise probably relates to news generated by one recent authoritative study that showed no increase in joblessness. This analysis was performed by respected economists David Card and Alan Krueger who studied fast-food outlets on the New Jersey/Pennsylvania border after New Jersey raised its minimum wage. However, follow-up studies, which have been mostly ignored by the press, have overwhelmingly reaffirmed the traditional ivory-tower view.

Of course, today's minimum wage of \$4.25 is puny, but so is the proposed new one of \$5.15. Someone earning \$5.15 per hour working full time all year would earn well under \$10,000. Thus, the notion that raising the minimum wage somehow makes it a living wage is rather farfetched. Furthermore, the joblessness such an increase would create would have a lasting impact on the ability of low-skill workers to ultimately earn a true living wage. The real importance of keeping the minimum wage low is that it allows relatively unproductive laborers into the workforce, where they can receive on-the-job training. Indeed, one recent study has shown that workers hired as minimum-wage workers average approximately \$6 per hour one year later. So, while I know this year's burger builder may not be able to afford a family, I think next year's kitchen manager might.

DAVE ESRIG  
West Orange, New Jersey



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