Letters to the Editor

June 19, 2012

The following is in response to Richard Vodra's article, [Energy and the Wealth of Nations](), which appeared on June 5:

Dear Mr. Vodra:

Your review of *Energy and the Wealth of Nations* is an excellent summary of the book. I just finished reading it after downloading it to my Kindle (yes, the price impeded me from ordering it but I finally caved after listening to an interview with Dr. Hall at the Degrowth conference in Montreal) and your review succinctly captures its essence and message. To critique your review, I would offer that when reading the book, one can easily get bogged down in the authors' treatise on economic history and lose sight of their real perspective. That said, the book is a gem and should be the foundation for worldwide energy and economic policy. Let's hope neoclassic economics soon follows Ptolemy and our leadership wakes up to how the world really works.

Gary H. Stroy

The following is in response to John Hussman's commentary, [The Heart of the Matter](), which appeared on June 11:

Dear Editor

While Hussman's article broke new ground and quite refreshing, I take issue with the following statement: "While the U.S. appropriately restructured General Motors – wiping out stock, renegotiating contracts, and subjecting bondholders to haircuts - the banking system was largely untouched."

Though what he said about the GM "restructuring" was partially accurate, it appears that little if any substantive "renegotiating of contracts" actually took place, except possibly the burning of suppliers and the driving of their Republican car dealers out of business. GM had and has two insurmountable problems: the unions and the most fossilized management in American industry. Essentially, the senior bondholders were defrauded in favor of the unions, and the knuckle-draggers on the management team were left largely in place. Let it not be said that Obama does not pay his debts.

If Hussman would have followed his own prescription, the company would have faced a "real" bankruptcy. The unions would have been broken, their pensions and lifetime healthcare adjusted downward, and GM's management would have been booted. The assets, their toxicity now removed, could have been sold off over time to people who really wanted to run car companies at a profit.

The banks and Wall Street were treated so well that you would almost have thought the unions controlled those entities too.

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