

A retail tale

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14 Letters

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Charity begins at home

SIR – In praising Warren Buffett, Bill Gates and others for their philanthropy, you endorse the view that capitalism's winners should "use some of their wealth to compensate the losers" ("Billanthropy", July 1st). Innovators like Mr Gates make money by serving their customers, who also gain from the exchange. The idea that wealth creators have a duty to "give back" betrays a lack of understanding of that most basic principle of economics: voluntary trade benefits both parties. Whether the wealthy should help the poor is an important ethical question, but to confuse charity with compensation is just bad economics.

ISAAC DEIANNI
Fairfax, Virginia

SIR – I was disappointed to read that Mr Buffett would be leaving the bulk of his entire fortune to the Gates Foundation, with the balance going to foundations controlled by his children. This is the same Mr Buffett who has very publicly advocated the retention of the estate tax to prevent intergenerational transfers of wealth. Current estate-tax rates would ensure that Mr Buffett's estate would generate around \$17 billion for the treasury (were he to die this year), which he will now avoid. Is this, perhaps, a classic case of "Do as I say, not as I do"?

DAVID ZISSER
San Francisco

SIR – I would be the last person to argue against investing research dollars where they can do the most good ("How to spend it", July 1st). But in the case of diabetes the statistics you used underestimate—by multiples—the mortality and disability burden of the diabetes epidemic (350m sufferers by 2025, 80% of them in developing countries). Most of your data is based, originally, on World Health Organisation statistics, which came from death certificates. Rather than coding diabetes as the cause of death, 89% of doctors code

the end-stage complications of diabetes. These include heart disease and stroke, renal failure and opportunistic infections. More recent work from the WHO gives diabetes mortality numbers that are 3.5 times higher.

The investments that the Gates Foundation and others are directing towards infectious and parasitic diseases like malaria are wonderful and long overdue. Perhaps now they can also address diabetes and cardiovascular disease, which impose an equal burden in the regions they are trying to help.

JONATHAN BETZ BROWN
Chair, Task Force on Diabetes Economics, International Diabetes Federation
Portland, Oregon

SIR – It is not true that "the Gates Foundation will eventually be able to count on assets of around \$60 billion", at least not as a result of Mr Buffett's generosity ("The new powers in giving", July 1st). One of the conditions Mr Buffett put on his annual gifts is that "beginning in calendar 2009, [the Gates Foundation's] annual giving must be at least equal to the value of my previous year's gift plus 5% of [the Foundation's] net assets."

That condition has important income-tax benefits for Mr Buffett, and it guarantees that his annual donations will be promptly distributed rather than accumulate. Annual spending will go up from (approximately) \$1.5 billion to \$3.5 billion, but the Foundation's assets will not increase to \$60 billion because of Mr Buffett's munificence.

HARVEY DALE
Director, National Centre on Philanthropy and the Law, New York University School of Law
New York

Employment opportunities

SIR – I agree that the change to tax rules for American expatriates is counterproductive ("The tithes that bind", June 24th). Americans who work abroad do more than just gen-

erate money. They also boost America's "soft power" by contributing to a better understanding in their host countries of Americans and their values. Indeed, Americans working in other countries provide cheap public diplomacy for America. Congress should eliminate, not raise, taxes on expatriates and encourage more Americans to work abroad as the best way to alleviate stereotypes and break down cultural barriers.
DONALD OSTERLUND
Beijing

Work fair?

SIR – I was somewhat taken aback in your support for rural job programmes as a model upon which to rebuild Haiti's infrastructure ("An uphill struggle", June 24th). "Make work" schemes have been a dismal failure in Haiti. They are neither transparent nor accountable; in most cases local leaders, who receive funding to employ workers, select people who are personally connected to them and expect kickbacks from the workers in return. But the worst aspect of the programmes is that they have completely undermined the cultural tradition whereby people living in the countryside would volunteer for community-based projects, such as cleaning canals. Now, most Haitians won't pick up a single piece of paper unless they are getting paid.

DAVID DOHERTY
Camp Perrin, Haiti

A retail tale

SIR – Your report on internet advertising claimed that John Wanamaker invented the department store and price tagging in the 1870s ("The ultimate marketing machine", July 8th). Accustomed as one is to ideas originating in America and spreading to the rest of the world, it seems that the French can probably lay claim to creating both the first department store and price tags. Aristide and Marguerite

Boucicaut founded a large drapery and dry-goods outlet in Paris, Le Bon Marché, in 1852. Starting in 1869 the store launched the novel idea of displaying its wares for customers to inspect with price tags attached. Wanamaker entered the menswear business in 1861 and probably introduced price tags in 1874, around the time he commenced his innovative (ie, truthful) advertising.
JON MANNING
Sans Prix Strategic Pricing Consulting
Ascot Vale, Australia

Location, location, location

SIR – I find the concept behind the Svalbard International Seed Vault a good one in theory ("Seeds of hope", June 24th). But I'm a little curious as to how the last survivors of a nuclear war are going to manage to get to the remote Arctic island that houses the vault, traverse the frozen glacier, avoid polar bears, descend 70 metres underground and prise open the "strong" security door to get at the precious seeds? I guess at that point I won't be around to find out.

JOSH KRITZLER
Manhattan Beach, California

Fashionistas

SIR – Thank you for letting us know that Hillary Clinton was "decked out in an orange trouser-suit" during a recent conference (Lexington, June 17th). I am using this information in conjunction with economic policy I have gleaned from various fashion magazines to make up my mind about her candidacy. Perhaps in the future you could report if Al Gore's tie matched his trousers and if George Bush wore shorts on a hot day.

ALEXANDER FERWORN
Toronto

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