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## Learning to Love Insider Trading

*By Donald J. Bourdreaux*

25 November 2009

*Here's a hot tip: Want to keep companies honest, make the markets work more efficiently and encourage investors to diversify? Let insiders buy and sell, argues Donald J. Bourdreaux.*

*It's Halloween season, and the scariest demons in the world of business are insider traders, lurking behind every stockbroker's desk and four-star restaurant banquette. They whisper dark corporate secrets into the ears of venal speculators, and inflict pain and agony upon ordinary investors.*

*Time to stop telling horror stories. Federal agents are wasting their time slapping handcuffs on hedge fund traders like Raj Rajaratnam, the financier charged last week with trading on nonpublic information involving IBM, Google and other big companies. The reassuring truth: Insider trading is impossible to police and helpful to markets and investors.*

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