



## Comment on the Commentary of the Day

by

Donald J. Boudreaux  
Chairman, Department of Economics  
George Mason University  
[dboudrea@gmu.edu](mailto:dboudrea@gmu.edu)  
<http://www.cafehayek.com>

**Disclaimer: The following "Letters to the Editor" were sent to the respective publications on the dates indicated. Some were printed but many were not. The original articles that are being commented on may or may not be available on the internet and may require registration or subscription to access if they are. Some of the original articles are syndicated and therefore may have appeared in other publications also.**

---

18 March 2012

Editor, Washington Post  
1150 15th St., NW  
Washington, DC 20071

Dear Editor:

Eloquently explaining the baleful consequences of corporate welfare dispensed by the Export-Import Bank, George Will notes that this 'bank' is the product of an "understandable urge to counter the subsidies that foreign governments give to companies competing with U.S. companies" ("Boeing's Bank," March 18).

Distinguishing illegitimate government subsidies from legitimate government

expenditures, however, is far more difficult than politicians' mercantilist bombast suggests. Cash grants from government to private firms clearly are subsidies. But what about government expenditures on infrastructure? Uncle Sam today annually spends about 30% more per-capita than the government in Beijing annually spends per-capita on infrastructure projects in China. Does this reality give the Chinese government grounds to complain that any resulting fall in transportation costs for American firms is a subsidy that unfairly 'tilts' the playing field in favor of American producers? Are U.S. Government guarantees of student

loans for engineering students at schools such as MIT and Stanford unfair subsidies to U.S. producers who, in consequence, have access to a larger pool of educated workers? Does Uncle Sam's provision of history's most powerful coast guard and navy constitute an unfair subsidy to American exporters who might otherwise incur larger losses to piracy and other dangers at sea?

As the debate over continuing the Ex-Im Bank reveals, this absence of a bright line separating "subsidies" from "legitimate expenditures" is exploited by duplicitous politicians desperate for excuses to

pick the pockets of the many to inflate the portfolios of the few.

---

13 March 2012

Programming Director,  
WTOP Radio  
Washington, DC

Dear Sir or Madam:

During this morning's 8 o'clock hour I heard one of the most ironic lines that I've heard in some time. That this irony was unintentional makes it all the more telling.

Asked by your "pump patrol" reporter about rising gasoline prices, a motorist at a gasoline station noted that "My tank is actually way more than half full now. I'm topping it off because I'm sure the price will be even higher this weekend." When your reporter then asked her "What do you think explains these rising prices?" she replied "Speculators." Your reporter followed up with "Do you think they should be stopped?" The motorist responded immediately: "Of course! They're criminal."

Speculating that the price of gasoline will rise, this motorist took action today - buying gasoline that she

otherwise wouldn't have bought today - that puts upward pressure on the price of gasoline today.

Had your reporter pointed out that this motorist herself is speculating in gasoline, I wonder if this motorist would have persisted in regarding speculation as being criminal. I wonder, too, how she would react if government - heeding her advice to stop speculation - were to forcibly prevent motorists from topping off their tanks.

---

13 March 2012

Editor, Washington Post  
1150 15th St., NW  
Washington, DC 20071

Dear Editor:

Reporting on voters blaming Pres. Obama for rising gasoline prices, you quote Paul Bledsoe: "This notion that a politician can wave a magic wand and impact the 90-million-barrel-a-day global oil market is preposterous" ("Voters blame president for gas prices, experts say not so fast," March 13). Mr. Bledsoe is largely correct. I say "largely" because, with futures markets for commodities such as oil, credible signals today to ease restrictions

on exploration and drilling would indeed begin today to put some downward pressure on fuel prices.

But the thrust of Mr. Bledsoe's point remains valid - a fact that prompts this observation: if politicians have no magic wand to wave to make gasoline prices more desirable, why do they act as though they have a magic wand to wave to make the wages of low-skilled workers more desirable? If government can perform no alchemy to change at will the market value of gasoline at the pump, why do so many people and politicians continue to fantasize that government - with the alchemy called "minimum-wage legislation" - can change at will the market value of low-skilled workers?

[Note: As it happens, my colleague Walter Williams and I have an essay in today's Wall Street Journal on the minimum-wage: [http://online.wsj.com/article/SB10001424052970203458604577263033966950776.html?mod=WSJ\\_Opinion\\_LEFTTopOpinion](http://online.wsj.com/article/SB10001424052970203458604577263033966950776.html?mod=WSJ_Opinion_LEFTTopOpinion)]

---

12 March 2012

Editor, The Washington Times

Dear Editor:

Bravo for Judge Andrew Napolitano's forceful defense of due process of law ("Can the President kill you?" March 12). Attorney General Eric Holder would smash this bulwark against tyranny by excusing the President from obeying its centuries-old specific requirements whenever the President judges such requirements to be inconvenient.

An identical attempt by England's Charles I to claim for himself such arbitrary power led directly to the unanimous approval, by both houses of Parliament in 1628, of the Petition of Right - a document forming much of the intellectual soil in which the U.S. Constitution is rooted. That Petition provides, in part, "That no man, of what estate or condition that he be, should be put out of his land or tenements, nor taken nor imprisoned, nor disinherited, nor put to death without being brought to answer by due process of law." It goes on to state that due process is violated if criminal charges are unspecified or if citizens are punished for alleged crimes without trial by jury. And the Petition

makes clear that "no offender of what kind soever is exempted from the proceedings to be used" – which proceedings, it should be noted, were assumed to include also the bringing of writs of habeas corpus.

<http://www.britannia.com/history/docs/petition.html>

Charles agreed to the Petition and then arrogantly ignored it. That he believed that his royal concern for his subjects justified his ignoring it did not reduce the danger that such arbitrary power posed to ordinary people. Quite the contrary, as history attests.