



## **Comment on the Commentary of the Day**

by

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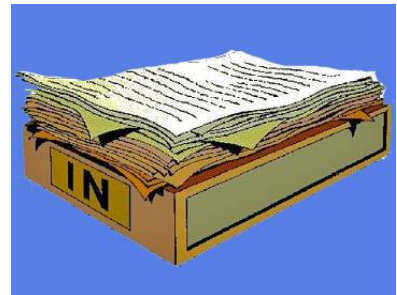
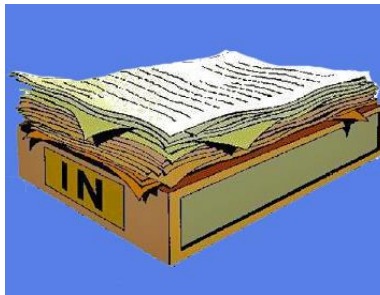
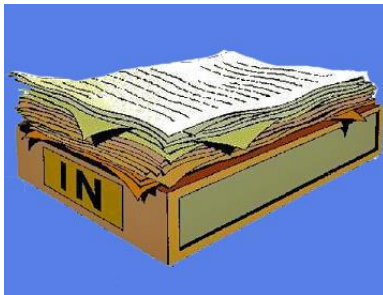
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**Disclaimer: The following "Letters to the Editor" were sent to the respective publications on the dates indicated. Some were printed, but many were not. The original articles that are being commented on may or may not be available on the internet,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

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26 March 2014

Editor, *Wall Street Journal*  
1211 6th Ave.  
New York, NY 10036

Dear Editor:

Many of your correspondents rightly agree with you that the effort to restrict the exportation of natural gas is lunacy (Letters, March 26). Sadly, attempts by politically influential corporations, such as Dow Chemical, to use government to secure captive supplies of low-cost inputs for themselves at the expense of the general public are nothing new.

Writing in 1776, Adam Smith roundly condemned British woolen manufacturers for "persuading the legislature that the prosperity of the nation depended upon the success and extension of their particular business" - an extension that was achieved by government prohibition of the exportation of sheep and wool.

Smith explained that such restrictions, of course, damage the economy. Even worse, in Smith's view, are the extreme measures that government must use to prevent suppliers from getting around the export restrictions. The great Scot explained that the enforcement of export restrictions have the result that "the whole inland commerce ... is laid under very burdensome and oppressive restrictions." Smith pulled no punches in slamming restrictions of the sort that Dow Chemical is today seeking on the exportation of natural gas: "But the cruellest of our revenue laws, I will venture to affirm, are mild and gentle in comparison of some of those which the clamour of our merchants and manufacturers has extorted from the legislature, for the support of their own absurd and oppressive monopolies. Like the laws of Draco, these laws may be said to be all written in blood."\*

Sincerely,  
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and  
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\* Adam Smith, *An Inquiry Into the Nature and Causes of the Wealth of Nations* (Indianapolis: Liberty Fund, 1981 [1776]), Bk. IV, Ch. Vii; pp. 647-649.

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27 March 2014

Editor, *New Yorker*

Dear Editor:

John Cassidy's review of Thomas Piketty's *Capital in the Twenty-first Century* is insufficiently critical ("Forces of Divergence," March 31). Here are two examples.

First, by repeatedly describing the incomes of the rich as being "taken" and "took," Mr. Cassidy misleadingly suggests that income is a fixed-size pie. Why not, instead, describe incomes more accurately, as being "produced" and "earned"? (It's true that some high incomes are gotten illegitimately, but surely no society can be as prosperous as ours if most high-income earners are economic predators rather than producers.)

Second and relatedly, Mr. Cassidy accepts Mr. Piketty's explanation that a major cause of today's rising incomes of the rich is corporate-oligarchs' habit of simply giving each other high salaries and lucrative stock options. But if such payments serve no purpose other than to perpetuate the oligarchy, it's very difficult to explain the rising market value of the capital that Mr. Piketty believes to play such a central role in driving increasing inequality. A more likely explanation for patterns of executive compensation is that these salaries, bonuses, and stock options are designed, generally successfully, to incent corporate managers to improve their firms' efficiencies and to keep their firms innovative. One result, in turn, is a growing economic pie and greater prosperity for nearly everyone.

Sincerely,  
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30 March 2014

Editor, *Atlanta Journal-Constitution*

Dear Editor:

Joe Biden proclaims that raising the minimum wage will, as you summarize his assertion, be "good for business" because it will "generate worker loyalty, leading to higher productivity and less turnover" ("Biden: Raising minimum wage is good for business," March 29).

Solid evidence that Mr. Biden is mistaken is found not only in his own failure to launch a business to reap what he confidently declares are easily reaped profits from still-unexploited productivity gains, but also in the fact that tens of thousands of existing businesses - along with countless other profit-hungry aspiring start-up firms - must be *forced* by government to do what this career politician proclaims is in their individual, private interests to do.

If, however, Mr. Biden *is* correct, he would do American consumers and workers a far greater service by quitting politics and going into private business.

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3 April 2014

Editor, *Pacific Standard*

Dear Editor:

Twenty-seven year old Johnie Jones is the first person profiled in your "Top 30 Thinkers Under 30" (April 1). According to your description, he is among an elite few "social-science wunderkinds," each of whom boasts a "brawny brain" and "jaw-droppingly impressive" ideas for "addressing society's toughest challenges." And the challenge for Mr. Jones - as he describes it - is to "advance the mission of providing our country with healthy food options."

Is Mr. Jones an innovative farmer staking his own funds on experiments to improve agricultural yields? Is he an entrepreneur with a new business plan for reducing the costs of retailing food in poor neighborhoods? Is he an agronomist testing new varieties of plant seeds that might grow abundantly in poor soil? Nope. Nothing like that. Mr. Jones is a government bureaucrat who aspires to be elected to Congress. Yawn.

Rather than creatively figuring out how to spend his own money, or money voluntarily entrusted to him, on ways to improve the life of Paul, Mr. Jones's only idea is the depressingly primitive one of forcing Peter to spend money on ways to improve the life of Paul (or, more accurately, on ways that Mr. Jones merely *fancies* will improve the life of Paul).

So while Mr. Jones might have admirable intentions, there's nothing remotely new or "brainy" or "jaw-droppingly impressive" about his ideas. Quite the opposite.

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