



Comment on the Commentary of the Day

by

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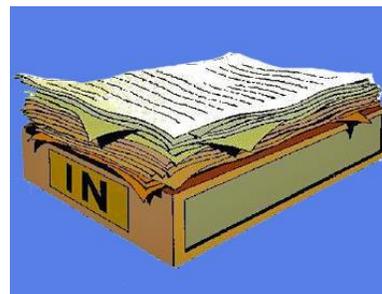
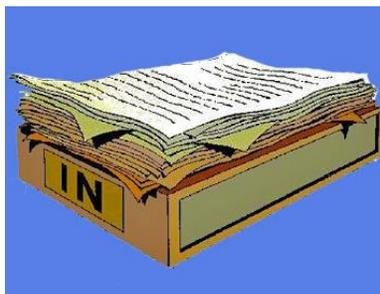
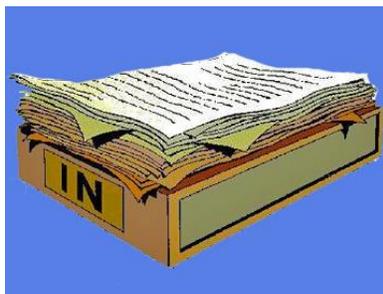
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Disclaimer: The following "Letters to the Editor" were sent to the respective publications on the dates indicated. Some were printed, but many were not. The original articles that are being commented on may or may not be available on the internet, 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.

14 June 2015

Editor, *Observer*

Dear Editor:

Cathy Young's excellent June 12th article ("The Pecking Disorder: Social Justice Warriors Gone Wild") on the absurdities of "social justice" sentiments and protests now so prevalent on college campuses reminds me of Deirdre McCloskey's keen observation that "American Babbitts save for their children's college educations on an impressive scale, educations in which the children are taught to despise the values of their parents."*

Sincerely,

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* Deirdre N. McCloskey, *The Bourgeois Virtues* (Chicago: University of Chicago Press, 2006), p. 148.

16 June 2015

Mr. Craig Clayton

Dear Mr. Clayton:

Criticizing my unconditional opposition to conscription,* you ask what I would do if "our fighting forces were undermanned and needing substantial infusions of manpower to protect our freedoms." That's easy: raise soldiers'

pay until the supply of such workers is sufficient to meet the Pentagon's 'needs.'

This market method of recruiting workers works for every other sort of business. When convenience stores (which are very dangerous places to work) need more workers, no one frets about the nation being "underserved" because of a shortage of convenience-store clerks - and no one proposes that the government, to protect against this contingency, conscript people to work in convenience stores. Instead, the pay of such store clerks rises. Problem solved. Ditto for fishing boats (also very dangerous places to work). And ditto for local police, fire-fighting, and EMS forces. Ditto for every other job you can name.

If every job other than those in a national-government's military are routinely filled without problem or concern by market forces, I see zero reason to worry that jobs in the U.S. military cannot continue to be filled in the same way. And I see every reason to worry that, should politicians and Pentagon brass once again grab the power to enslave young people, that power will be used with even less humanity than was the power of antebellum plantation owners in the American south to enslave blacks. Plantation owners, for all of their vileness, at least were not in the business of waging war.

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* <http://cafehayek.com/2015/06/my-son-will-never-be-a-conscript.html>

17 June 2015

Mr. Aaron the Aaron

Dear Mr. the Aaron:

Like many Progressives, you champion both conscription and the minimum wage. As such, you call my opposition to conscription "dogmatic," while you reckon that my

opposition to minimum-wage legislation results from my being (quoting one of your earlier e-mails) “blind to employers’ power over employees.”

Allow me to summarize your policy position: You wish to force people to work for certain employers (governments) at wages that these people judge to be too low but that *you* judge to be acceptably high for them, while simultaneously forcing people *notto* work for other employers (private firms) at wages that these people judge to be acceptably high but that *you* judge to be too low for them. In short, you presume to forcibly override with your own assessment - or with that of politicians whom you mysteriously trust - the assessments of each of millions of individuals of what are and what are not acceptable working terms and conditions for these individuals.

I could comment further on your arguments’ inconsistencies (for example, no employer has as much “power over employees” as does one that can actually conscript workers). But I’ll simply add that the lone consistency running through your arguments is a faith that employment arrangements dictated by force are superior to those reached through mutual and voluntary consent.

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22 June 2015

Editor, *The Washington Post*

Dear Editor:

Robert Samuelson correctly notes that CEO pay over the past three decades has become tied more closely to the value of share prices and that CEO pay today is generally higher than it was thirty years ago (“The CEO backlash,” June 22). But crediting only lower inflation and interest rates, Mr. Samuelson errs in asserting that “CEOs had nothing to do with this” rise in the overall real value of shares - and, hence, “nothing to do” with the increase in their pay.

While improved monetary and fiscal policies are unquestionably boons (to everyone, and not just to CEOs), companies never manage themselves. Weak leadership, failures to anticipate changing consumer demands, imprudent decisions to expand, and hosts of other executive errors lower a company’s market value - and often hurl it into

bankruptcy - even under ideal monetary and fiscal conditions. Likewise, sound monetary and fiscal policies do not themselves spontaneously generate iPads, Amazon.com, Facebook, fracking, and the uncountable other goods and services that greatly improve our lives: these things - and the all-important means of making them widely available at affordable prices - require entrepreneurial vision, risk-taking, and hard work. Entrepreneurship, successful management, and wealth creation are not bundles of manna that rain down upon a land if only it is blessed with prudent central bankers and parsimonious budget officials.

Evidence of the continuing importance of the scarce resource 'executive talent' is found in research done by Steven Kaplan and Joshua Rauh. These economists find that (quoting Kaplan) "Analyzing some 1,700 firms, we found that compensation was highly related to performance: the companies that paid their CEOs the most saw their stocks do the best, and those that paid the least saw their stocks do the worst."* This conclusion makes sense to everyone who understands that there is nothing routine about starting and managing successful businesses, and that wealth requires for its creation active and on-going human imagination, enterprise, and effort.

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* Steven N. Kaplan, "The Real Story Behind Executive Pay," *Foreign Affairs*, May/June 2013:

<https://www.foreignaffairs.com/articles/2013-04-03/real-story-behind-executive-pay>

