



Baltimore Mayor Vetoes Minimum-wage Bill After Doing “Research”

During her election campaign for mayor of Baltimore last fall, Democrat Catherine Pugh (shown), along with dozens of other Democratic politicians, supported the “Fight for 15” to raise the minimum wage to \$15 an hour. Last week, she had the opportunity to fulfill that promise when the Baltimore city council passed a bill doing just that. But, after doing “some research,” [Pugh changed her mind](#) and her position, saying instead that “I am vetoing this bill.”

One wonders just what her “research” uncovered that was persuasive enough to cause her to change her mind, go against the grain, veto the bill, and incur the wrath of the progressives on the city council. Perhaps she had a conversation with Donald Fry, the CEO of the Greater Baltimore Committee (made up of business and civic leaders), who said that the bill “threatened jobs, made Baltimore an island surrounded by counties with lower business costs, and hit the city budget with millions of dollars in higher labor costs it simply cannot afford.” She did say that the bill would cost Baltimore taxpayers \$116 million in increased labor costs over the next seven years.

Perhaps she has friends in nearby Washington, D.C., who have seen with their own eyes just how effective its minimum-wage law was in stopping wage employment growth in its tracks in 2014 compared to a year earlier when restaurants, hotels, and other employers added 2,000 jobs.

Or she might have spoken to friends living in the Bay Area where, thanks to the implementation of minimum-wage increases, employment growth there slumped to five-year lows.

Or maybe they hail from the Windy City, which saw its weakest year of hospitality-and-leisure sector job growth in nearly a decade after it passed a similar bill raising the minimum wage.

Possibly her research included talking to folks from Seattle, where job growth in restaurants was cut in half following passage of a minimum-wage law.

Or she might have at least looked at the summary page of the Congressional Budget Office’s study released in February 2014 entitled “The Effects of a Minimum-Wage Increase on Employment and



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Family Income.” After all, nearly a third of the people working in her city have low-wage jobs. Concluded the CBO, raising the minimum wage to \$10.10 an hour “would reduce total employment by about 500,000” and would consequently push 900,000 workers below the federal poverty level.

Maybe Mayor Pugh considered the words of Ed Rensi, the former CEO of McDonald’s Restaurants, who said: “I guarantee you if a \$15 minimum wage law is passed, you’re going to see a job loss like you can’t believe.”

Perhaps Mayor Pugh saw through the falsity of claims that a \$15 minimum wage “helps everybody” by asking, rhetorically of course, “If \$15 is so good at raising everyone’s standard of living, why not raise it to \$20 an hour, or \$30, or \$50? Or how about \$1,000 an hour and make everyone rich?”

Maybe she understands that any minimum wage violates the rights of individuals to buy and sell their skills in the marketplace. Isn’t the right to offer one’s labor to someone willing to buy it a natural right — a “right to life, liberty and the pursuit of happiness,” as Thomas Jefferson put it?

She might have come to the conclusion on her own, knowing that when the price of something goes up, less of it is demanded.

Or maybe she found and read a copy of *Human Action* by Ludwig von Mises, in which he explores the concept of praxeology — where individuals, when left alone, will always seek their own highest and best good, without government interference.

However Baltimore Mayor Catherine Pugh arrived at the conclusion that minimum-wage laws hurt more than they help, it was the correct one. What is surprising is that she was open to the idea at all, and then was willing to veto the bill.

As expected, members of the city council are outraged and are already plotting a strategy to override her veto. After all, they know more than she does about these things.

Photo: AP Images

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