

## Renowned economists debate over fiscal crisis, policy

by Nicolas Wahl May 1, 2013

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K-State students and members of the Manhattan community packed the Town Hall in the Leadership Studies building Tuesday evening to see the economics debate between Brad DeLong, professor of economics at Cal-Berkley, and Alan Reynolds, Senior Fellow at the Cato Institute, on how America could solve its current fiscal crisis.

Money was the topic as two renowned economists, Alan Reynolds and Brad DeLong, traded figurative punches over the United States' monetary and fiscal policies Tuesday night at a debate sponsored by the K-State Economics Club.

It was standing room only in Town Hall at the Leadership Studies Building as more than 200 audience members packed in for an evening of discussion on "Proposed Solutions to the Fiscal Crisis in the United States."

Dan Kuester, director of undergraduate studies in economics and faculty adviser of the Economics Club, was both surprised and pleased by the large turnout. He said he had figured on an attendance of 90 people.

"Both of these economists are held in high regard, and they attract their own audience to some degree, and we did a nice job promoting," Kuester said. "I couldn't be more thrilled with the turnout that we had, the level of conversation and debate and the audience questions."

Reynolds, a fiscal conservative with a Libertarian bent and one of the original supply-side economists who worked closely with the Reagan administration, championed the cause of lowered spending and flatter tax rates. DeLong, a professor of economics at the University of California-Berkley who served as Deputy Assistant Secretary in the U.S. Treasury department during the Clinton administration, took the baton for the Keynesian argument.

The two men opened by taking turns giving the audience an overview of their general thoughts with regard to the current fiscal situation. The debate was then furthered by their fielding of several questions from audience members on topics including the economic impact on the environment, optimal top-marginal tax rates, the depression and whether or not they supported the government controlling interest rates.

Gerald Mashange, sophomore in finance and economics, appreciated the diversity of the discussion, but was most intrigued by DeLong's take on government size and spending.

"Reynolds voiced a Republican or Libertarian perspective that government is growing too fast and getting too large," Mashange said. "DeLong brought up the point that though a \$15 trillion debt looks bad, but it is still much smaller per capita than comparative countries in Europe like Germany and across the world."

Reynolds did say that he supported spending increases in times of crisis or needed wars, but that the problem was discretionary spending outside of those times.

Both Mashange and Grant Defonso, freshman in economics, were pleased with the wide scope of the debate topics. Both, however, felt that a bit more time spent on wealth distribution would have been beneficial.

"I was looking forward to them talking more about wealth distribution," Defonso said. "They're always talking about raising wealth in America, but if it goes toward just a small amount of people or even a large amount of people unequally you aren't going to create the kind of growth we need in the middle class of America."

The two economists played nice until their final statements of the evening, when DeLong thanked Reynolds for his support of the Clinton administration's economic policies, but asked where that support was when they needed him in the 1990s. Reynolds laughed it off and finished off by going over his main points of small government intervention while getting in a few barbs of his own.

Joe Dasenborck, sophomore in economics and psychology and vice president of the Economics Club, said he was pleased that the long process of putting the event together paid off.

“We started putting this debate together two semesters ago,” Dasenborck said. “We put a lot of thought on the topic and especially in finding the right participants. Two highly regarded people who would have opposing opinions on things and foster debate and increase the quality of the debate itself.”