



Think Tank

Greek Bailouts, Free Speech Impediments And A Faux Debt-Ceiling Wrestling Match

Edward H. Crane, 07.19.11, 11:10 AM ET

Don't you just love the Big Fat Greek Bailout? Here's a country that has been in default for centuries, and now all of a sudden we're supposed to have heart palpitations because they may default on their financial obligations yet again. Of course, anyone daft enough to buy Greek debt deserves to lose their money. Alas, many of those deserving entities are European banks--the ones our esteemed Federal Reserve Chair, Ben Bernanke, is obsessed with bailing out.

Personally, I rather enjoy watching the Greek government rioting against the Greek government. Since the promises of "austerity" that yielded a \$150 billion bailout from Europe, the Greeks have fired precisely zero bureaucrats. This is a country, mind you, where a large number of bureaucrats may retire at full pension at the ripe old age of 45.

According to Holman Jenkins, the state railroad maintains a payroll that is four times larger than its ticket sales. The truth is that the Greek government owns so much private industry (and monopoly industries) that it could cover its debt obligations simply by creating a free enterprise system. (Not a bad thought for the United States, now that I think about it.) Still, the likelihood is that the American taxpayer will play a major role in bailing out this clownish nation once again.

And speaking of clowns, I note that with a crucial nudge from the U.S., the IMF has picked French finance minister Christine Lagarde to be head of the International Monetary Fund. One of Cato's longer-term policy goals is to see the IMF disappear, but that may take a while. She will replace former managing director Dominique Strauss-Kahn, who is otherwise occupied. Ironically, Ms. Lagarde is famously known for having quipped at an otherwise all male French finance meeting that there was "too much testosterone in one room." Presumably she would feel the same about Strauss-Kahn in a room by himself. My guess is that the Greeks are going to find out that estrogen is just as lucrative as testosterone.

On a happier note, it appears that Hugo Chávez may be seriously ill. This tyrant is getting free medical care at one of Cuba's famous free hospitals. Well, they say you get what you pay for, and in this case I hope he does.

Cato has many friends from Venezuela who have suffered because of this megalomaniac, including our senior fellow in free speech, Guillermo Zuloaga. Zuloaga is the owner of the last independent television station in Caracas, Globovisión, and is now in exile in the U.S. Chávez has consciously prevented any individual in Venezuela from being perceived as a possible successor, and it will be interesting (and probably disturbing) to see what happens when and if he fades from the scene. Certainly with rampant crime, runaway inflation, and the economy in the tank it will be an extremely unstable situation.

Congratulations to our friends at the Goldwater Institute in Arizona for their Supreme Court victory in *Arizona Free Enterprise Club's Freedom Club PAC v. Bennett*. There is virtually no aspect of so-called campaign finance reform that is not intended to enhance the prospects for incumbent politicians.

Certainly that was the case with the law in Arizona that the Supremes struck down in a 5-4 majority (it is depressing to see the so-called liberal justices on the Court consistently vote against the First Amendment.) Anyway, the law was intended to discourage fundraising on the part of private candidates who were not publicly funded candidates. After a certain threshold, the more the private candidates raised, the more money went to the publicly funded candidates from the taxpayers. As I've mentioned many times previously, there's not too much money in campaigns, but too little.

Money should be viewed as a proxy for information/speech and given that most people can't even name their congresscritter, one would think more information might be useful. There is not a point on the political spectrum that doesn't have plenty of resources to have their case made. The government should simply butt out.

Finally, professional wrestling comes to mind as I watch the pitched battle between the Republicans and Democrats over raising the debt limit. Trust me, the debt limit will be increased and the Democrats will agree to demands from the GOP to accept faux spending cuts. Why there shouldn't be real spending cuts, I don't know.

After all, we're looking at \$23 trillion of debt over the next decade, and I believe the goal of these "negotiations" is something like \$2 trillion over 10 years. Knock yourselves out, fellas. Lest I sound even more cynical than usual, I will concede, without naming names, that there are more serious limited government people in Congress today than I've ever before witnessed. Let us hope their numbers grow.

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