

# LIBERTY NATION

Truth is Making a Comeback

## Swamponomics: Long Live Milton Keynes!

Andrew Moran

February 16, 2020

Vulture capitalism is a money manager's investment tactic of acquiring shares in businesses that are failing with the aim of turning a profit by dissolving the company and selling its assets to the highest bidder. It might appear to be an odious strategy on the surface, but the economic reality is that it frees up the assets for more productive purposes. The transaction creates new wealth rather than leaving the resources idle.

Moving the assets around makes the economy more efficient because more goods and services are produced, which improves everyone's living standards. It is true that some jobs would be lost in the shuffle, but on balance, there is a net gain.

Eminent television personality Tucker Carlson has been on a tirade against this practice, hosting segments on his program that dissect how "hedge funds are destroying rural America." Carlson might have the right intentions because he does not appreciate witnessing the "shuttered car dealerships next to defunct restaurants across straight from thrift stores and methadone clinics." You cannot fault his objectives.

Robert Wenzel, the editor and publisher of the *Economic Policy Journal*, recently provided an excellent example using the Fox News Channel:

*"If Tucker is truly in favor of a stagnant economy, then he should resign immediately and encourage everyone else at FOX to resign to help out the poor people who lost their jobs at other networks because of FOX.*

*If a vulture capitalist can sell off assets to a high bidder, then those assets are being used somehow more efficiently just the way FOX has been successful in providing news and entertainment from a different direction than the other networks."*

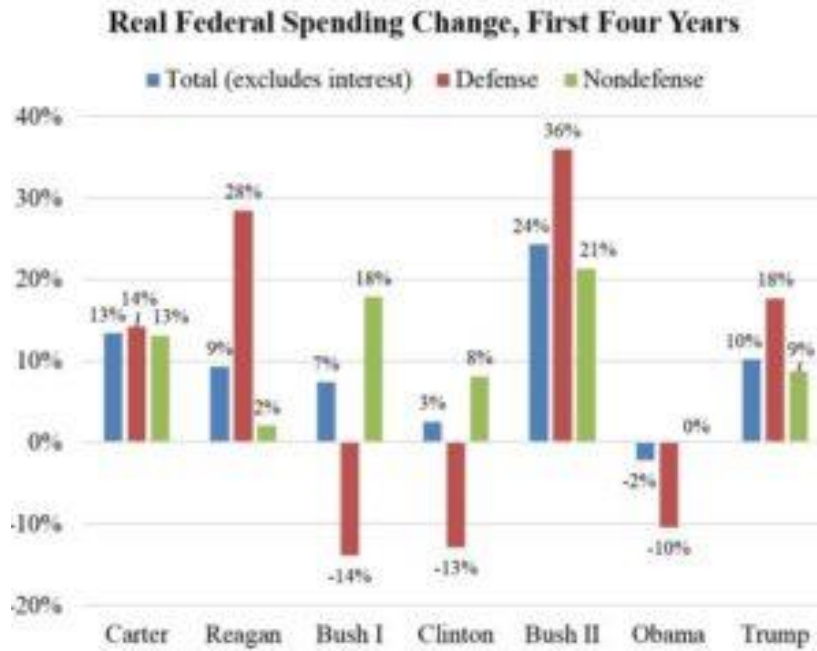
As with the term robber baron from the 1920s (the titans of industry did not rob anybody, nor were they barons), perhaps it is time for mavens of markets to dismantle the term vulture capitalists. The real vultures are the parasitic cronyists in the public and private sectors who receive special privileges from the state, whether it is a bailout or subsidy. Green energy companies are handed taxpayer-funded loans. Wall Street banks are given taxpayer-funded bailouts. Automakers were subsidized to fail.

### A Trumped-Up Budget

President Donald Trump recently unveiled the \$4.8 trillion federal budget for the fiscal year 2021. For anyone even remotely concerned about the exploding national debt, the ballooning

deficit, and the immense interest payments, this is a pecuniary disaster. It indeed contains a plan to slash \$4.4 trillion over the next 15 years, but this figure is peanuts compared to how much debt will be added over that period. At least the incumbent is not lying to fiscal conservatives about balancing the budget.

On the one hand, President Trump never promised to be a penny-pincher with the public purse. On the other, it is terrifying to realize that he is a spendthrift Republican whose outlays are comparable to that of former President Jimmy Carter. At least you can give him credit that he has spent less than former President George W. Bush.



Chris Edwards of the Cato

Institute analyzed the inflation-adjusted spending patterns of the last seven administrations and produced this chart (he adjusted 2009 spending to eliminate the stimulus bill and the Troubled Asset Relief Program):

The budget subject is difficult for the GOP. On the campaign trail, the party will accuse the opposition of being careless with your tax dollars and willing to give the next generation the bill. Once in office, all promises of being fiscally responsible are tossed out the window. The Babylon Bee ran this headline a couple of years ago: “Republicans Announce Plan To Pretend To Be Fiscally Conservative Again The Moment A Democrat Takes Office.”

Should a Democrat oust President Trump in November, you can bet that the elephants will shriek to the heavens about the donkeys drowning the nation in a sea of red ink and raising the debt ceiling.

### **Long Live Milton Keynes!**

Economist Milton Keynes changed the society forever with his unique insights into the world of economics. He touched upon every subject in the field, from monetary policy to the minimum wage. He will be etched in time as the greatest thinker in human history, and the world will be eternally grateful for what he contributed to the advancement of mankind. But who exactly is Milton Keynes and why should you care?

Well, Milton Keynes is not a real person anywhere except in the mind of Representative Alexandria Ocasio-Cortez (D-NY). The socialist *it-girl* of the Democratic Party, who possesses a bachelor's degree in economics from Boston University, hosted an Instagram discussion on the issue of the four-day workweek, and cited John Maynard Keynes' famous essay, "Economic Possibilities for our Grandchildren."

She told her followers:

*"I was just reading today about how in 1930, famed economist Milton Keynes predicted that by 2030 GDP and technology would have advanced so much that it would allow everyday people to work as little as FIFTEEN HOURS a week and provide for their families."*

AOC later corrected herself by noting that she mixed up Milton Friedman and John Maynard Keynes. While this is insulting to a legend like Friedman, her bigger error was essentially claiming that the rich are idling and the impecunious are slaving away. She noted: "The problem is that those advancements have not been enjoyed by the very people who are actually producing the goods in our society."

This is not even remotely accurate. The latest Bureau of Labor Statistics (BLS) data found that the average working hours are approximately 34, which are more than half of what they were more than a century ago. Greater output inevitably leads to fewer work hours needed – and all without the intervention of government. The real and insightful economic conversation we should be having is on the umbrella term *jobism* and everything that comes with it.

What is interesting is the talk you can have about a personal choice and the national goal. So, while workers would usually refrain from trading off work for leisure beyond a certain level (the 40-hour workweek would be enough for the average employee), the national economic objective is *fewer jobs* and *more wealth*. Friedman explained the latter in a 1980 lecture:

*"But in the main, what we want is not jobs, but productive jobs. We want jobs that will be able to produce the goods and services that we consume at a minimum expenditure of effort. In a way, the appropriate national objective is to have the fewest possible jobs. That is to say, the least amount of work for the greatest amount of products."*

AOC got the name wrong, but at least she should be commended for indirectly initiating an insightful discussion. The name does have an elegant and refined ring to it, though. Milton Keynes sounds like a butler who might be employed at the Alec Berg Manor serving lobster, caviar, truffles, veal, and rich chocolate desserts during Wednesday evening dinner party with cello sonatas playing in the background.