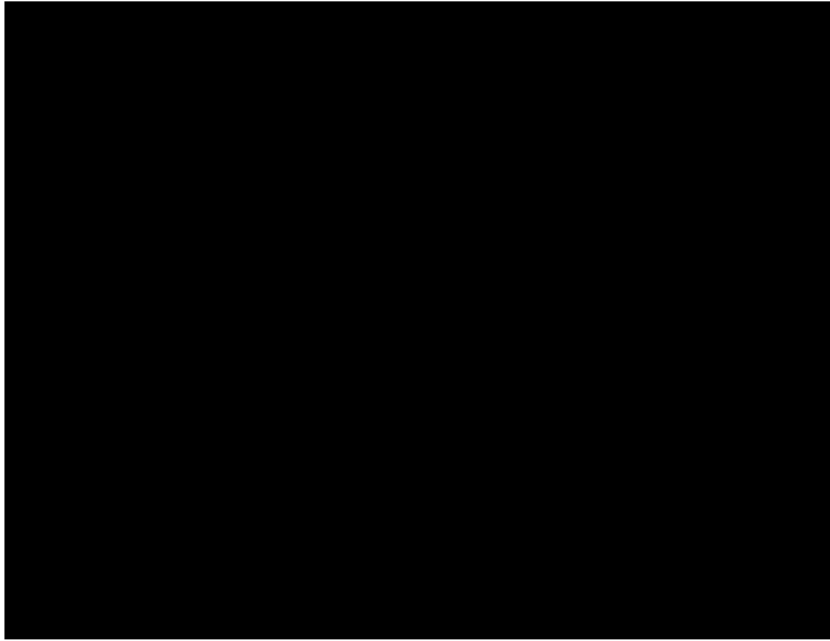


Wednesday, April 06, 2011 5:09 PM

Too Many Bureaucrats and They Are Paid Too Much

Please consider the following YouTube video by Daniel J. Mitchell, Ph.D. Senior Fellow, The Cato Institute.



Here is a link in case the above video does not play: [There Are too Many Bureaucrats and They Are Paid too Much](#)

I met Dan Mitchell last week at the Kauffman Foundation. Every year, Kauffman holds a conference for economic bloggers. It's a lot of fun and I have participated 3 consecutive years.

I am a big fan of the [Cato Institute](#). They stand for Individual Liberty, Free Markets, and Peace. Those are three admirable goals.

I just added them to my left sidebar under the heading "Taxpayer Friendly Sites". Inquiring minds may wish to bookmark their site.

Addendum:

Proving that some people can neither read nor think, I received an email from an apparent government sympathizer showing a graph by Calculated Risk on [Government Employment Since 1976](#).

Interestingly, the Cato video posted a similar chart then went on to dispute it three ways, primarily by salary, second by mentioning quasi-government employees, and third by pointing out figures do not include military employees, post workers, subsidy recipients, or contract jobs.

Here is a chart from the video.

There Are too Many Bureaucrats and They Are Paic
by afq2007

Civil servants	1,872,000
Contract jobs	7,634,000
Grant jobs	2,892,000
Military personnel	1,436,000
Postal service jobs	767,000
Total	14,601,000

Source: The True Size of Government, by Paul C. Light, August 2006.
http://wagner.nyu.edu/performance/files/True_Size.pdf

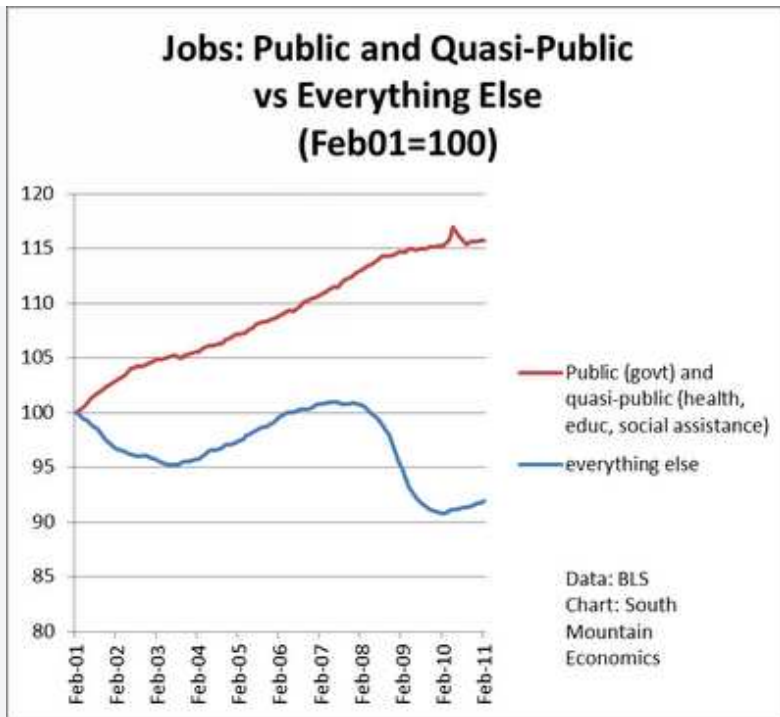
Those numbers are from 2005. Care to guess where those numbers are now?

Quasi-Public Jobs

Bear in mind the numbers also do not include "Quasi-Public" jobs.

Please consider [Current Decade of Job Losses vs. Great Depression; How Did Quasi-Public Jobs Fare? Wh](#)
[is Whining?](#)

Public and Quasi-Public Jobs vs. Everything Else



Please see Mandel's article for a state-by-state breakdown.

Who is Doing all the Whining?

Who is doing all the whining and all the pissing and moaning? The answer of course is those who fared the best in the last decade: the police and fire unions, the teachers' unions, transit unions, and public unions in general.

Many in private sector fields have been hammered silly with rapidly rising healthcare costs and lower paychecks (assuming they have a job at all). Meanwhile those with the most benefits and those who have suffered the least are the ones unjustifiably bitching to high heavens about how unfairly they are being treated.

The above chart is from [A Decade of Labor Market Pain](#) by Mike Mandel.

Amusingly the person who wrote me said I need to "get a grip". No Kurt, you need to listen to what the video said, then think.

Mike "Mish" Shedlock

<http://globaleconomicanalysis.blogspot.com>

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Too Many Bureaucrats and They Are Paid Too Much

Posted by Michael Shedlock at 5:09 PM [Print](#) [Email](#)



Alstry Nomics

First, I agree with you Mish.

But based on our current system, why do we care how much bureaucrats get paid? They pay taxes and we pay them out of a deficit and NOT our taxes.

A deficit that is created out of printed money and not borrowed money. If we didn't print the money and pay the idiots, our tax receipts would go down...but that really wouldn't matter anyway, because we could just print more money just like we are doing now.....until eventually our money is worthless.

Now, if we restructured the entire system, maybe we could return to a nation of morality and not one dependent on a deficit to function.

15 Hours Ago . [Reply](#)



dc.sunsets

Alstry, I propose we ALL get jobs as overpaid bureaucrats.

What would be the problem? The Fed/Treasury could print the money, pay us, we'd remit some of it in taxes, and we'd all live happily ever after, right?

I mean, when the gov't spends money it prints, it's not like it makes the rest of us poorer or anything, right?

(Sarcasm off). Look up Richard Cantillon and his observations about how monetary inflation enriches those with first access to new money and impoverishes everyone else.

14 Hours Ago



Alstry Nomics

At this point, absent making the dollar worthless, the only choice left is to force the world to accept our currency for their production with the threat of force.

We have been doing a pretty good job of it lately with relatively weak nations, what happens when we try it with a nation that can actually hit back?

It is interesting times indeed.....unfortunately now our lives and our children's lives are on the line. I find it amazing that an entire nation can be lulled into believing we can counterfeit our way to prosperity.....just because it worked in the past.

14 Hours Ago

Type your comment here...



dc.sunsets

I used to think CATO was great, until they became corrupted by proximity to the District of Criminals and began supporting Mordor-on-the-Potomac's endless wars, et.al.

Now CATO largely is the tamed, "kept" opposition. Nothing they do or publish represents the tiniest threat to the institutionalized corruption because if they get too uppity they won't be invited to the soirees to rub elbows with the ruling elite.

You can't reform the "system" by working within it. All that happens is you get co-opted.

15 Hours Ago . [Reply](#)



r00t61

Over the years, Cato has become libertarian lite, unlike some of the more hard-core libertarians found on lewrockwell, but they're better than nothing.

Damned better than accepting the false choices of the DemoPublicans.

God, I hope the debt limit doesn't get raised and the government shuts down for a while. Then maybe people would get an inkling of an idea of how unnecessary most government is.

14 Hours Ago

Type your comment here...



itzybitter

Too many bureaucrats, too well paid ... noted by a think tank "fellow". Let's get busy thinning their ranks, too.

13 Hours Ago . [Reply](#)



JimNorCal

As long as I don't pay their salary, they can have as many "fellows" as they want and pay them whatever the traffic will bear. 😊

13 Hours Ago

Type your comment here...



ataushumme

The CATO Institute is totally derivative in their economic and monetary thinking. Oddly enough I believe in much of what they want to do economically (with some exceptions), but we will never



Johnathan S

>>"I am a big fan of the Cato Institute."

Is this a joke -- isn't that a subsidiary of Koch Industries, like the Tea Party?

13 Hours Ago . [Reply](#)



JimNorCal

I hope so!

After all compare Koch Industries and GE--

Which one employs Americans in increasing numbers?

Which one pays taxes?

Which one is NOT dedicated to extracting tax payer money from the federal gov't?

13 Hours Ago



Kenny

There must be some kind of lefty dog whistle that they can tune to different frequencies, then all the brainless lefty parasite zombies start marching to it like the children following the pied piper. One frequency is Palin, another Bachmann, another Koch brothers, and the latest frequency that they are still tuning in is Scott Walker.

7 Hours Ago

Type your comment here...



O Jeff

The Cato institute misses the mark in several cases.

They are wrong about money and banking, just like Milton Friedman was.

They have foolish thoughts about international trade.

They fail to see the harm that corporate interests do to individual liberty.

Cato has a lot of work to do in order to be a decent organization again.

They should listen more carefully to Paul Craig Roberts and his criticism of their views on trade and the influence of corporatism over individual liberty. They should ditch monetarism and support ethical monetary and banking structures more vigorously.

<http://www.thedailybell.com/1220/Paul-Craig-Robert...>

<http://www.creators.com/opinion/paul-craig-roberts...>

13 Hours Ago . [Reply](#)



ataushumme

Charles Hugh Smith's latest article is clear thinking. I take issue with him that we can't still come to a relatively steady state condition with our current population and continued innovation, but what he says about current economic and monetary orthodoxy is spot on.

<http://charleshughsmith.blogspot.com/2011/04/grand...>

13 Hours Ago . [Reply](#)



cabreado

"I take issue with him that we can't still come to a relatively steady state condition with our current population and continued innovation"

ataushumme, there will be no steady state condition for the rest of our lifetimes, and beyond...

12 Hours Ago



ataushumme

Maybe. But that will be primarily because we refused to institute the economic and monetary mechanisms that will enable us to create the deeper efficiencies needed to make that transition.

12 Hours Ago



roysyl

C H Smith has written several outstanding articles, this is one of his better efforts.

However, I don't believe he understands the difference between an exponential curve and a parabolic curve. The curve illustrated in his essay is a parabolic curve, not an exponential curve. For this illustration I will use only 2 to the N power, 2, 4, 8, 16, 32, 64, -- -- and so forth. The compounding, interest or growth rate is 100%.

Any rate lower than 100% will move doubling time farther down the x axis. A rate of 10% will take 7 years to double (Rule of 72). A rate of 3% will take 25 years to double. A rate of 1.1%, world population growth, will double in about 65 years. Any growth, interest or compounding rate will eventually double, redouble on and on until it asymptotically approaches infinity. Continuous growth is mathematically impossible.

Lowering interest rates extends the time until you approach infinity; kick the can down the road. It also lowers government borrowing costs and transfers wealth from savers to the bankers.

11 Hours Ago



FedWatcherAdmin

ataushumme,

Type your comment here...



James Cole

CATO once was independent and thoughtful. Today they are wholly owned by the corporate and military industrial complex.

12 Hours Ago . [Reply](#)



Kenny

I forgot to mention that the elites have also a frequency for Cato. They just blow that doq whistle at the correct Cato frequency and the zombies come out of the wood work with statements like *"they are wholly owned by the corporate and military industrial complex"*

7 Hours Ago

Type your comment here...



leochen24551

Wealth Creation, that is what America is sorely -- and increasingly -- lacking.

Wealth Creation cometh from Jobs in Manufacturing. Wealth Creation comes from Jobs in Mass Production, jobs in factories and plants.

It lifts a nation's economy. It creates and maintains our Middle Class, our Working Class.

But it doesn't any more.

Once upon a time America was the INDUSTRIAL Capital of the World.

But it isn't any more.

Made in America was stamped on just about everything that we bought, from clothing to small appliances to cars and trucks to airplanes and ships and locomotives, from earth moving equipment to cameras to just about everything that you could find in the Sears catalogs.

Now, of course, it's Made in China. Or it's made in Bangladesh.

American Big Business Owners fired MILLIONS of their American Working Class and moved their factories -- America's Mighty Wealth Producing Engines -- to China in their search for bigger profits.

Now we wonder if liberals or conservatives are to blame. We ponder whether Republicans or Democrats, Teabaggers or whatever political party will lead us back to 'Prosperity'.

As someone commented, 'we sold the Goose that laid the Golden Eggs to China'. Or as Esau sold his birthright to his brother Jacob, so have we sold our Engines of Wealth Creation to China.

Cato? Who gives a flying f^ck what Cato thinks?! That isn't going to change the fact that America's Big Business Owners really, really f^cked up when they turned over our Industrial Capability -- once the greatest in the world -- sold it to China.

It was a wonderous windfall for China. It was a stupendous error in judgement by American Big Business and Big Money and Big Government. And it's too late to recover.

Cato?! Thinkest thou that they will lead us out of our wilderness and into the promised land? Jeez!

12 Hours Ago . [Reply](#)



James Cole

Indeed, outsourcing has produced massive corporate profits, this is the sort of thing CATO supports. If America's middle class and future must be destroyed on the alter of increased corporate profits, then that is what must be done. A good profit and a prosperous nation is not part of corporate culture. The maximum profit obtainable at any price is the nature of a



itzybitter

I just googled Cato donors, interested to see who the bankrollers are. But, I was side tracked by coming upon this:

Under the banner of "Individual Liberty, Free Markets, Peace"

"Cato study advocates compensation for kidney donors
Compensating donors would alleviate shortage and save lives"

<http://www.cato.org/pressroom.php?display=news&id=...>

So bottom line, Cato has no problem with outsourcing American jobs. We just need to start selling our kidneys. And lest anyone worry about potential downsides, they suggest it will be REGULATED.

I've been following the libertarians around these parts who want to see Kansas City sell the water department. Nothing to worry, it will be REGULATED.

So, for our water, our kidneys, regulators are just dandy, keeping everything on the up and up. But when it comes to finance, NO WAY, CAN'T BE DONE.

11 Hours Ago



FedWatcherAdmin

Even if Cato is "the devil incarnate" what is said in the video Mish posted is RIGHT ON!

Even Adolf gave us the Autobahn and the VW bug. So even "evil people" are capable of being right sometimes.

10 Hours Ago



Kenny

One minute Leo says we need wealth creators and the next he vilifies them because they wont stay and pay the extortion fees demanded by the lefty governments that people like leo and james cole elect.

Earth to you lefties: Wealth Creators (entrepreneurs) are no longer shackled to you. They can go anywhere on the planet and produce wealth without having to carry simpering mooches like you on their backs. They can go anywhere on the planet and avoid paying for the green extortion racket and public unions and deficit spending that you have foisted on them.

7 Hours Ago

Type your comment here...



Lisa Tippi Murphy

Damn I wish gold were up to where it should be (2000 or higher), and all fiat currencies in ashes, as they deserve to be. I'm disgusted each and every day that the powers-that-be are keeping this sick and corrupt game going. Every day that this system chugs along is a win for the creatins in D.C. whom I hate with all my heart and soul.

12 Hours Ago . [Reply](#)



Lisa Tippi Murphy

And that said, let me also say that karma voting was idiotic and anyone who misses it is sorry piece of 🤔🤔🤔🤔.

12 Hours Ago . [Reply](#)



ataushumme

Oh I don't know, it was kind of reassuring in a funny sort of way. 😊

Like for instance if I went to Mish's blog and got negged by libertarians and then went to a progressive/socialistic site and got negged for saying the exact same things.....I figured I was probably close to the unorthodox solutions. Actually, I didn't need that reassurance. All I really needed and had was a few synapses of true independence and cultural objectivity, and then the intellectual curiosity and fortune of discovering a third way. Consequently, faith in a largely intellectually blinded world, hope in a cynical and despairing time and an internal confirmation that love and grace have more power than money or any allegiance to smaller "ultimate realities" can ever have.

11 Hours Ago

Type your comment here...



Lisa Tippi Murphy

doggie poop

12 Hours Ago . [Reply](#)



Lisa Tippi Murphy

Also anyone who thinks it a big deal to post with their real name is a sackless coward. 😊😊

I mean that in the nice way of course.

12 Hours Ago . [Reply](#)



cabreado

Lisa Tippi Murphy,
Just a "gentle reminder" that insulting your audience never works for very long.

Type your comment here...



Luton

"Also anyone who thinks it a big deal to post with their real name is a sackless coward."

Mish, I think you're getting a Commie Swarm.

11 Hours Ago . [Reply](#)



leochen24551

The Board Rooms of America's Corporations may not care -- arrogant fools that they are -- but the Barbarians are at our gate.

Hell, the Barbarians are within our borders.

As Confucius would say, 'Essentially, we are screwed.'

You know, that happened to China. The Mongols, who conquered China, and the Mongol Empire was a massive empire during the 13th and 14th centuries.

Beginning in the Central Asian steppes, it eventually stretched from Eastern Europe to the Sea of Japan, covered Siberia in the north and extended southward into Southeast Asia, the Indian subcontinent, and the Middle East. It is commonly referred to as the largest contiguous empire in the history of the world.

Anyway, the Mongols, after conquering China, decided to BECOME Chinese, taking on Chinese culture, language, dress, etc.

Maybe the Barbarians who take control of our nation will decide that it would be advantageous to become Americans. Maybe they will want to pass for Republicans.

11 Hours Ago . [Reply](#)



FedWatcherAdmin

Leo,

You are wrong here. The Barbarians are almost complete in their take over and do not want us to see them. They prefer to act through their paid surrogates and shun the light.

10 Hours Ago



leochen24551

FWA, so you say that I'm wrong. It appears that -- using your arguments -- that it's really a question of degree. We agree that the Barbarians are lurking within and/or just outside the gates.

Type your comment here...



used

To restrain the U.S.'s future budget crisis, the federal government must raise taxes by at least 35% and cut entitlements such as health care and Social Security by 35%, International Monetary Fund economists warned Monday in a new working paper.

The IMF paper, written by Nicoletta Batini, Giovanni Callegari and Julia Guerreiro, shows that if the government doesn't cut entitlements, it will have to raise taxes by 88% to pay for their costs

<http://blogs.wsj.com/economics/2011/04/04/to-conta...>

11 Hours Ago . [Reply](#)



dave

I don't even know why I post...

But your face is paid too much.

Is Mountainview Jim from CA your webhost provider? Does the IRS know?

http://farm.ewg.org/top_recips.php?fips=00000&prog...

10 Hours Ago . [Reply](#)



FedWatcherAdmin

Huh?

10 Hours Ago

Type your comment here...



PVguy

Fresh from the BBC

<http://www.bbc.co.uk/news/business-12993318>

"Portugal calls for EU financial bail-out. "

Does that really qualify as news?

10 Hours Ago . [Reply](#)



fundies

Type your comment here...



FedWatcherAdmin

The ever brilliant Charles Hugh Smith has another great post:

The Devolution of the Consumer Economy

<http://www.oftwominds.com/blogapril11/consumption4...>

He notes one symptom of the "Consumer Economy" we should all note:

"There are also some practical limitations, such as where to put all the crap you've bought. Luckily, ever-resourceful capitalism has the answer: self-storage units, which act as "cheap" extensions to store your valuables. "

I bring this up because I believe most three car garages have one bay just for storing stuff. Many have houses that are mainly used to store their toys. Thus, they paid interest to acquire the toys and then pay again to store the toys.

This is a life style that the "new" economy will not support for many.

But of course today, used "toys" are very very cheap.

9 Hours Ago . [Reply](#)



JimNorCal

AP rewrites a story to avoid discomfort for Obama?

<http://pajamasmedia.com/instapundit/118137/>

" "Obama needled one questioner who asked about gas prices, now averaging close to \$3.70 a gallon nationwide, and suggested that the gentleman consider getting rid of his gas-guzzling vehicle."

I was confused when I clicked the link on your page and couldn't find this quote. So I googled the quote. It shows up in all the google hits but when I click on those articles, it's nowhere to be found. Looks like AP scrubbed it from all copies of the article! Nothing like a compliant media, eh? Hope you got a screenshot.

In fact, I did. And a good thing, because the story's been almost completely rewritten. But the "memory hole" doesn't work very well any more. "

4 Hours Ago . [Reply](#)

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