



## Letters to the Editor – Paul Krugman

August 11, 2009

*The following letters are in response to our [interview](#) with Paul Krugman, which appeared last week:*

Dear Editor,

Who still thinks the Keynesians are relevant? - the Ivory Tower Ivy Leaguers, I guess. The theory has been disproved many times over, yet those who would want to control others still deem it viable from a theoretical perspective. Government spending is supposed to put money in our pockets to spend and "stimulate" the economy. Government cannot just inject money; it has to come from somewhere.

So they borrow it, from us!

Hoover tried it by increasing spending 47% in four years. He got lower growth and higher unemployment. Ford tried it and even George W. Bush sent us checks to stimulate the economy and got nothing. Japan has tried since the early 1990's and also has nothing to show for it besides increased debt.

In the future, let's keep reality in mind. We don't need to keep repeating our past mistakes. Mr. Krugman's comments remind me of a quote from John Kenneth Galbraith: "The function of economic forecasting is to make astrology look respectable."

Bruce Boyd  
United Planners

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Dear Editor,

I just finished reading your interview with Paul Krugman and I am not surprised by his answers. Krugman has always preached the same gospel – bigger government is better for America. What did surprise me were the softball questions that were asked. If we are attempting a fair debate, at the very least Professor Krugman should have been asked at least these types of questions:

1. If massive deficient spending creates employment, why didn't it work during the Bush II administration? They spent nearly half a trillion and employment dropped.



2. Can you give us an actual example of when, where and how massive government spending has revived an economy successfully in the past? If so, are we following that guideline?
3. With home prices still falling and automotive sales plummeting, how does government intervention do more than just artificially prop up prices and sales?
4. What is the ultimate cost to Americans for becoming a borrower nation rather than a lender nation, especially when our largest lender is China?
5. Is this stimulus just saddling more and more debt on the children of our nation and how are we ever going to pay it all back?

People like Krugman are highly influential in politics and they need to be asked the hard questions as well as the easy ones.

Donald F. White, CLU ChFC AEP  
CEO/President  
Treasure Coast Financial  
Stuart, FL

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Dear Editor,

Holy cow, why would you want to quote a misleading political hack like Paul Krugman on economic recovery? His opinions are far-left politically motivated and foolish. They certainly are not in the best interest of clients, myself or our collective success as a country. I have lost a little respect for *Advisor Perspectives*. You may want to re-think quoting Krugman or other politically motivated “theorists” or at the very least get another politically motivated commentary from the other side to give a difference perspective on issues of economic recovery.

P. Hammond



Dear Editor,

Krugman's "analysis" could just as easily been delivered in a White House "Talking Points" memo. You really ought to label political editorial content as such. A Nobel Laureate he may be, but so were Yasser Arafat, Jimmy Carter and Al Gore. Perspective and objectivity are what are needed here and Krugman has chosen sides.

Kimble Johnson  
LPL Financial

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Dear Editor,

I just want to say how much I enjoy your newsletter, because:

- It is current and covers critical subjects with which we are dealing.
- It is concise. I can quickly review an article and access it in PDF format to print or forward it.

Whoever does your website is outstanding.

Best wishes,  
Hank Klausman, RIA, OSJ  
The Klausman Group

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