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Yahoo Watch: Arthur Laffer

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Distinctly Catholic

If anything should be obvious to an economist, as opposed to a propagandist, it is that economic data can never be viewed in a vacuum. Yet, the American Principles Project presents Arthur Laffer, who never met a tax cut he did not like, making precisely this kind of fallacious argument.

Laffer looks at tax revenues and concludes that lowering taxes increases revenues. Period. He does not consider what else might be going on in the economy.

This kind of spurious argument is also made by those on the left. It is true that the Clinton years saw the first balanced budget in decades, as well as unprecedented growth, but this had as much to do with the explosion of internet-related companies and the wealth they generated as it does with the fiscally sound policies, although those policies were opposed by people like Laffer and the by the GOP.

Letting the Bush tax cuts lapse will not lead to lower revenues. It will not result in less investment and job creation. It will not harm most small business, 98 percent of which will not be affected. But, why let a little thing like perspective get in the way of economic dogma.

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