

Letters to the editor

Neoliberal slogan

Dennis Wesselbaum (*\$350 boost fuels inflation*, May 27) seemed to be on track to a sensible story about how fiscal expansion can fuel inflation, until he came to the point where his logic clearly implied that tax hikes, especially targeted at the high-income high-wealth end of town, could help to reduce inflationary pressures.

Rather than go there, he reached for the Kool-Aid: “The basic lesson economists have learned . . . is do not try to use fiscal policy to deal with inflation – leave it to monetary policy.”

Actually, the basic lesson from the past half-century is that monetary policy needs fiscal support and that fiscal tools can play a central role against inflation in certain circumstances.

Wesselbaum was not actually reporting any “basic lesson” learned by economists in general. He was just parroting a neoliberal slogan that right-wing economists keep shouting at governments.

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