

Name:

Period:

“Fight of the Century” Lyrics

Written by John Papola and Russ Roberts

In 2011, Economist Russ Roberts teamed up with John Papola to write the long awaited sequel to “Fear the Boom and Bust. If you haven’t watched the rap battle yet, go to <https://emergentorder.com/blog/fight-of-the-century>

Directions: As you review the lyrics of the video; explain the BOLD concepts.

KEYNES

Here we are... peace out! great recession
thanks to me, as you see, we’re not in a depression
Recovery, destiny if you follow my lesson
Lord Keynes, here I come, line up for the procession

HAYEK

We brought out the shovels and we’re still in a ditch...
And still digging. don’t you think that it’s time for a switch...
From that hair of the dog. Friend, the party is over.
The long run is here. It’s time to get sober!

KEYNES

In have a look, the great recession ended back in '09.
I deserve credit. Things would have been worse
All the estimates prove it—I’ll quote chapter and verse

HAYEK

Econometricians, they’re ever so pious
Are they doing real science or confirming their bias?
Their “Keynesian” models are tidy and neat
But that top down approach is a fatal conceit

REFRAIN

*Which way should we choose?
more bottom up or more top down
...the fight continues...
Keynes and Hayek’s second round*

*it’s time to weigh in...
more from the top or from the ground
...lets listen to the greats
Keynes and Hayek throwing down*

KEYNES

We could have done better, had we only spent more
Too bad that only happens when there’s a World War

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You can carp all you want about stats and regression
Do you deny World War II cut short the Depression?

HAYEK

Wow. One data point and you're jumping for joy
the Last time I checked, wars only destroy
There was no **multiplier**, consumption just shrank
As we used scarce resources for every new tank

The multiplier effect:

Pretty perverse to call that prosperity
Rationed meat, Rationed butter... a life of austerity
When that war spending ended your friends cried disaster
yet the economy thrived and grew faster

KEYNES

You too only see what you want to see
The spending on war clearly goosed GDP
Unemployment was over, almost down to zero
That's why I'm the master, that's why I'm the hero

HAYEK

Creating employment's a straightforward craft
When the nation's at war, and there's a draft
If every worker was staffed in the army and fleet
We'd have full employment and nothing to eat

REFRAIN REPEATS

HAYEK

jobs are a means, not the ends in themselves
people work to live better, to put food on the shelves
real growth means production of what people demand
That's **entrepreneurship** not your central plan

Entrepreneurship:

KEYNES

My solution is simple and easy to handle..
its spending that matters, why's that such a scandal?
The money sloshes through the pipes and the sluices
revitalizing the economy's juices

it's just like an engine that's stalled and gone dark
To bring it to life, we need a quick spark

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Spending's the life blood that gets the flow going
Where it goes doesn't matter, just get spending flowing

HAYEK

You see slack in some sectors as a "general glut"
But some sectors are healthy, only some in a rut
So spending's not free – that's the heart of the matter
too much is wasted as **cronies** get fatter.

Crony Capitalism:

The economy's not a car, there's no engine to stall
no expert can fix it, there's no "it" at all.
The economy's us, we don't need a mechanic
Put away the wrenches, the economy's organic

REFRAIN REPEATS

KEYNES

so what would you do to help those unemployed?
this is the question you seem to avoid
when we're in a mess, would you just have us wait?
Doing nothing until markets equilibrate?

HAYEK

I don't want to do nothing, there's plenty to do
The question I ponder is who plans for whom?
Do I plan for myself or leave it to you?
I want plans by the many, not by the few.

Let's not repeat what created our troubles
I want real growth not a series of bubbles
Stop bailing out loser, let prices work
If we don't try to steer them they won't go berserk

KEYNES

Come on, Are you kidding? Don't Wall Street's gyrations
Challenge your world view of self-regulation?
Even you must admit that the lesson we've learned
Is more oversight's needed or else we'll get burned

HAYEK

Oversight? The government's long been in bed
With those Wall Street execs and the firms that they've bled
Capitalism's about profit and loss
you bail out the losers there's no end to the cost

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the lesson I've learned? It's how little we know,
the world is complex, not some circular flow
the economy's not a class you can master in college
to think otherwise is **the pretense of knowledge**

The pretense of knowledge:

REFRAIN REPEATS

KEYNES

You get on your high horse and you're off to the races
I look at the world on a case by case basis
When people are suffering I roll up my sleeves
And do what I can to cure our disease

The future's uncertain, our outlooks are frail
That's why free markets are so prone to fail
In a volatile world we need more discretion
So state intervention can counter depression

HAYEK

People aren't chessmen you move on a board
at your whim—their dreams and desires ignored
With political incentives, discretion's a joke
Those dials you're twisting... just mirrors and smoke

We need stable rules and real market prices
so prosperity emerges and cuts short the crisis
give us a chance so we can discover
the most valuable ways to serve one another

FINAL REFRAIN

Which way should we choose?
more bottom up or more top down
the fight continues...
Keynes and Hayek's second round

it's time to weigh in...
more from the top or from the ground
...lets listen to the greats
Keynes and Hayek throwing down

Which way should we choose; Keynes or Hayek? Why?