

### **Micheal Vernarelli: Award in Economics**

George W. Bush, our sitting president, is self-billed as a compassionate conservative. Luiz Freitas took a critical look at President Bush's macroeconomic policy during his first term and concluded that the rhetoric of the Bush administration economic policies was more closely aligned with a liberal, interventionist approach towards macroeconomic management.

Luiz's work necessarily included a careful examination of the government response to the economic recession which followed 9/11. What Luiz determined was that the Bush rhetoric did not match the Bush reality. While the rhetoric focused on programs designed to help the economy move forward again, the reality was that the enacted tax cuts were aimed primarily at the highest income earners and were to be phased in over the long term. Thus, an opportunity for effective public policy was missed.

Luiz has a disciplined, yet delightful writing style. If that weren't the case, it would be unlikely that he would today be receiving his 3<sup>rd</sup> consecutive Kearsse Award. That has to be some kind of record. But what really stands out is the quality of Luiz's critical thinking. As he commented in his conclusion,

“If Bush's tax cuts had been orchestrated in such a way to create short term relief – say, over the first two or three years immediately after the recession appeared on the government's radar –rather than focusing on the long term, tax policy might have provided a truly formidable tool for stimulating growth.”

In any case Luiz has presented another “formidable” piece of economic analysis. Congratulations on a job well done, Luiz Freitas.