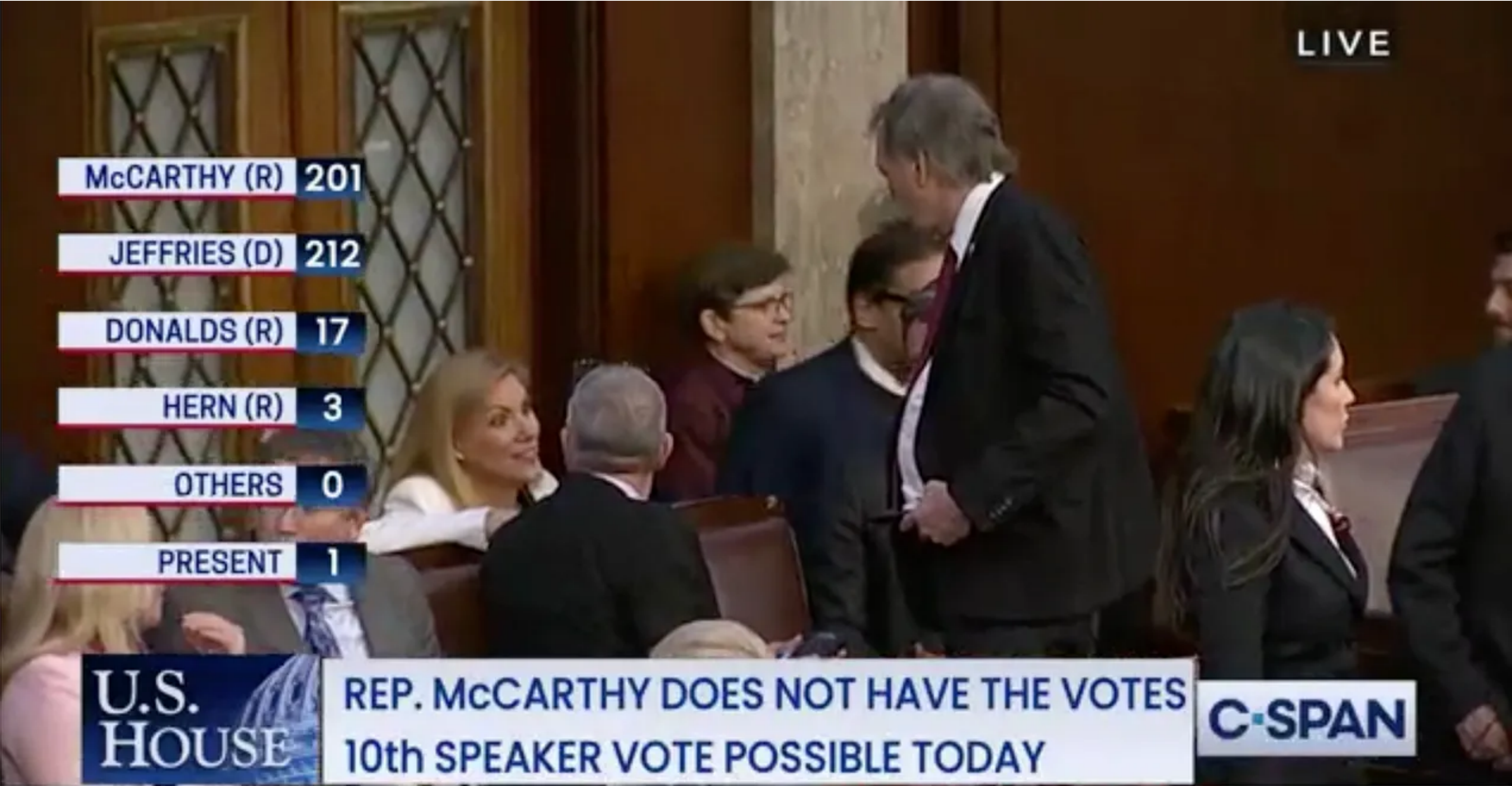


If I were Kevin McCarthy, I would make a motion to elect the Speaker by a plurality, and see what happens...



LIVE

McCARTHY (R) 201

JEFFRIES (D) 212

DONALDS (R) 17

HERN (R) 3

OTHERS 0

PRESENT 1

**U.S.
HOUSE**

**REP. MCCARTHY DOES NOT HAVE THE VOTES
10th SPEAKER VOTE POSSIBLE TODAY**

C-SPAN

OPENING of 118th CONGRESS NINTH VOTE FOR SPEAKER

Right Now ã½e House Is a Zombie (2023-01-04)

Right now the House can only do three things:

1. Collect nominations for Speaker
2. Vote on a Speaker
3. Adjourn until a date and time certain

itâ€™ s a strange form of Constitutional Groundhog Day.

Furthermore, at the moment there are no Representatives. There are only Representatives-Elect, who will not become Representatives until they are sworn in, after the election of a Speaker.

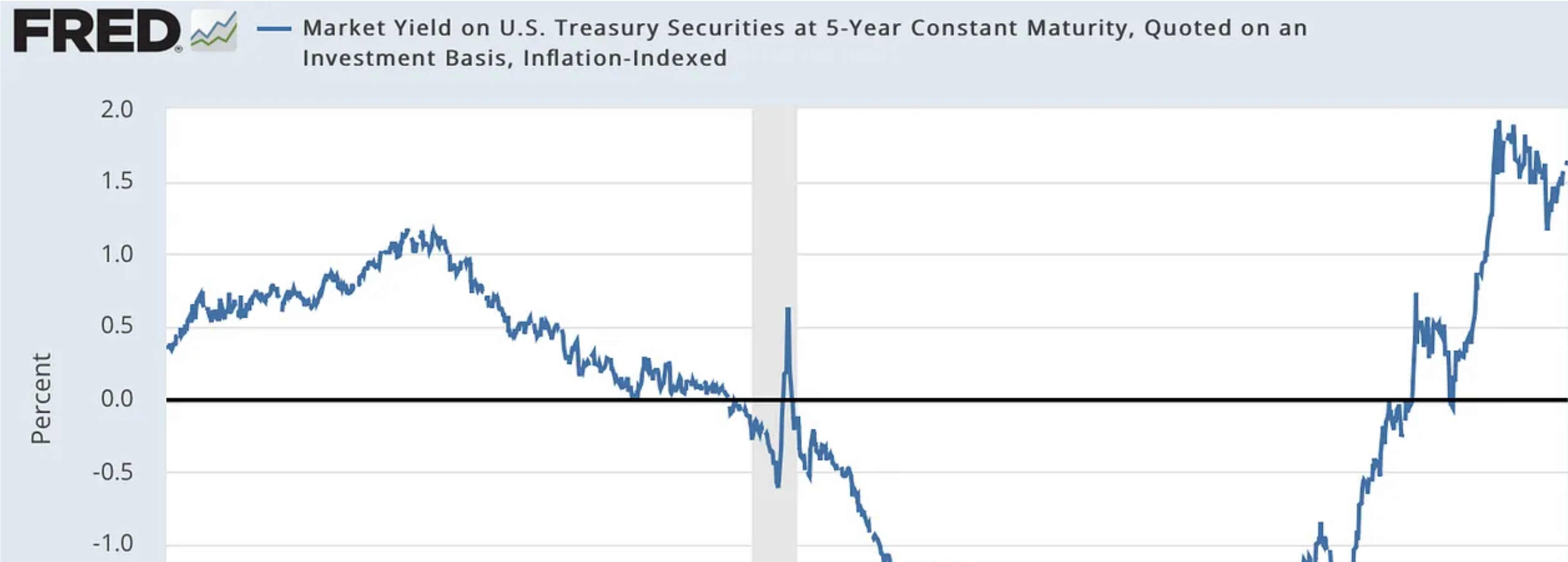
Parliamentary Procedure (2023-01-04)

Were I Kevin McCarthy this morning, I would wind up some of my guys and tell the Handmaiden Caucus that, for each one of them who does not vote for me, one of my guys will vote â€œrepresentâ€œ. Thus, if more than eight handmade caucus members do not vote for McCarthy, Hakeem Jeffries becomes Speaker. ÷¼(The Republicans will then be able, when they do have their ducks in a row, to vote to vacate the chair next week.

Variable â€œSpeakerâ€œ = â€œnullâ€œ (2023-01-03)

The variable â€œSpeakerâ€œ has value â€œnullâ€œ!

Variable Lags, Monetary Policy, & ã½e Inflation Situation (2023-01-03)





Noah Smith writes: The "monetary policy hasn't had time to work yet, therefore inflation is falling all on its own and the Fed is needlessly endangering the economy" line is not credible.

I reply: That argument is for a tighter gearing from short-term rates to spending-relevant rates. The five-year TIPS did not begin to move until mid-December 2021: 6 mos to affect demand and then 6 mos more to affect inflation andâ€¦ we will start to see its effects this monthâ€¦! pic.twitter.com/zu3zxLAFPF

Distributional & Monetary Models of Inflation (2023-01-03)

There is an interesting debate between **David Glasner**<https://uneasymoney.com/2023/01/01/you-say-potato-i-say-potahto-you-say-tomato-i-say-tomahto-you-say-distribution-i-say-expectation/> and **Olivier Blanchard**



[Olivier Blanchard @ojblanchard1/18. A point which is often lost in discussions of inflation and central bank policy. Inflation is fundamentally the outcome of the distributional conflict, between firms, workers, and taxpayers. It stops only when the various players are forced to accept the outcome. 11:24 PM â™™ Dec 30, 2022](#)

[3,888Likes1,009Retweets](#)

going on.

I think the easiest way to conceptualize what I think of as the major point is to set up a model in which:

- The central bank has a target rate of inflation.
- The rate of inflation is a constant markdown applied to the rate of nominal wage increase.
- The rate of increase of nominal wages that workers are able to demand, and enforce, is a declining function of the unemployment rate and of the real wage.

In this model, there is a warranted rate of nominal wage increase: the central bankâ€™s inflation target, plus the wedge between price inflation and nominal wage increase. In this model, the natural rate of unemployment is the rate at which the actual rate of nominal wage increase is equal to the warranted rate, and thus depends on the level of the real wageâ€”with a lower real wage sustainable only with a higher natural rate of unemployment.

You can understand this as a distributional conflict: total demands for production greater than 100% of supply, and so attaining a feasible equilibrium requires one of:

1. diminishing other groupsâ€™ claims on income and so pushing real wages up enough that nominal wage increases demanded are at the nominal warranted rate of wage increase.
2. raising the unemployment rate enough that nominal wage increases demanded are at the nominal warranted rate of wage increase.
3. accepting an inflation rate higher than the central bankâ€™s target, and thus achieving feasibility via the exploitation of workersâ€™ short-run money illusion.

If you take this approach, I think it becomes clear that Blanchard and Glasner are talking past each other, and are not really disagreeingâ€¦!

My Rapidly Mounting Intellectual-Attention Debt (2023-01-02)

It is only 12 hours into 2023, and already I have read (well, in the case of the first notedâ€”I read it last fall) four things that I really want to re-read again, carefully, and think for a long time about:

- **Olivier Blanchard:** *Fiscal Policy under Low Interest Rates*¼ <<https://mitpress.mit.edu/9780262544870/fiscal-policy-under-low-interest-rates/>>
- **Nick Confessore:** *The Invention of Elise Stefanik*: ¼To rise through the Trump-era G.O.P., a young congresswoman gave up her friends, her mentors and her ideals. Will it be enough?... <<https://www.nytimes.com/2022/12/31/us/politics/elise-stefanik.html>>
- **Steve M:** *Today I Learned What Right-Wingers Mean When They Say â€œBig Mike*"â€œ <<https://nomoremister.blogspot.com/2022/12/today-i-learned-what-right-wingers-mean.html>>
- **Noah Smith:** *The Third Magic: A Meditation on History, Science, & AI*¼ <<https://noahpinion.substack.com/p/the-third-magic>>

RÃ¼di Dornbusch used to say to us graduate students: They pay me to write the literature, not read the literature.

I still do not know whether or not I should be saddened by this, because if I just read the literature, and do nothing else, I am of no use...

Happy New Year! (2023-01-01)

May your 2023 go as well as humanly possibleâ€¦!

And, now that my book *Slouching Towards Utopia* <bit.ly/3pP3Krk> is well launched, what do you think I should do with this SubStack Newsletter?

Yours,

Brad DeLong

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Yours,

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Merry Christmas, Everyone! (2022-12-25)

Stable Diffusion is trying its best:



[Brad DeLong Merry Christmas, everyone!](#)

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