

DeLong Today

Getting Political

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Good morning. Good afternoon. Or good evening. Whatever time zone you are in. Whether you are watching this at its scheduled time or delayed. This is DeLong Today—in which Brad (that’s me) holds forth on where economics, political economy, and politics currently collide.

What am I doing here?

Well, I came back from Washington DC, from the Clinton-Bentsen-Rubin Treasury Department, to academia back in 1995. I came back convinced that a good economist should do two things. First, he or she should advance smart, kind, and good-intentioned economics within the community of economists—because there was a lot of ignorance, a lack of knowledge out there. And there was some dumb, mean, and malicious economics as well.

But, second, it seemed to me at least as important to advance smart, kind, and good-intentioned economics outside the community of economists, in the public sphere. For out in the public sphere ignorance was much greater, and the balance between smart, kind, and good economics on the

one hand and dumb, mean, and malicious economics on the other was much worse, and much more in need of repair. And so I started on the career path that has, well, led me to many interesting places. And thus it has led me here.

I promise that I will not BS you. You are my students, my colleagues, my teachers. You are not my cattle, to be driven to some position or conclusion that I have decided you should go to, whether you would will or nill if you had a complete grasp of the situation. I hope to teach. I hope to learn. I hope to provoke thought. I hope to think. There is great uncertainty. There is great ignorance, even—or is it especially?—among the smart, the kind, and the good. I promise to set out what I think the live possibilities are, and why.

And while I cannot promise to listen, I can promise to try to listen

Let's get political today. I hasten to say that I would really rather live in a world in which I did not think I should get political. I think that my natural register is technocratic, and curious, and thinking that my proper role is to, without wrath or bias, set out benchmarks for how the world might really work and what the mapping from desired conclusions to present actions is. But, at the moment—and, truth be told, for a decade and a half now—I have, more often than not, felt as though with respect to my attitudes and beliefs as to what I should be doing—I freely confess that I have not controlled events, but rather events have controlled me.

So let's get political:

There is always a sense in America, when a presidential election approaches, that this time is a decisive moment—that America is the last best hope of (hu)man(ity) on earth, and that upon the outcome of this election depends whether we shall nobody save or meanly lose that last best hope of (hu)man(ity) on earth.

The problem is: this time it may well be true.

I am one of those who thinks that the world is a much better place now because of the United States and the role it has played since, say, Abraham Lincoln signed the Emancipation Proclamation on January 1, 1863, and so refounded America as not the country that kept trying to drown its government in the bathtub so that people could be free from bureaucrats and taxes on tea but, rather, as a country that knew in its bones that none of us could be securely free unless everyone was securely free—as Lincoln put it: only “in granting freedom to the slave can we assure freedom to the free” and “It is not ‘can any of us imagine better?’ but ‘can we all do better?’

Imperfectly, disastrously, dishonorably—as MLK, Jr. said: “America has given the Negro people a bad check, which has come back marked ‘insufficient funds’”—and hypocritically. But Donald Trump and his enablers are not hypocritical, do not attempt to hide their belief that some American citizens are much, much, much more equal than others. And viruses make me at least recognize that even though it is often said that “hypocrisy is the tribute that vice pays to virtue”, that tribute is very valuable. Its loss would be a disaster.

We can see that disaster not far ahead but right here. As Republican never-Trump public-intellectual David From says:

Trump wants a military that acts as his own personal goon squad....
Trump's present anger against the military senior command arises from his outraged discovery that the US military is loyal to the US government, to the US constitution—and not to Donald John Trump personally. That's all this is about. Trump wants a military that will shoot protesters to clear the streets for his photo ops...

This is a rock-ribbed Republican, a former George W. Bush speechwriter, someone who punched the ticket behind every Republican cause until he refused to get on the Obama-birther and Obama-antichrist trains.

The astonishing thing for me is that the forthcoming presidential election even hangs in the balance at all.

I can understand Hillary Rodham Clinton's defeat in 2016. First of all, she won the popular vote count by some 3 million. Second, there were an awful lot of people—from James Comey at the FBI to Dean “Emails!” Baquet and Maureen “Donald the Dove” at the New York Times to Mitt Romney and Susan Collins—who really thought that Trump would make an awful president, but who thought that Hillary Rodham Clinton had it in the bag, so that they could cut away at her position with glee so as to set themselves up for more prominent careers and easier lives when she became president.

And there were those people who thought that tax cuts for the rich and federal judges hostile to civil-rights plaintiffs and criminal defendants were very valuable thing that Trump would get them—and worth the incompetence, the idiocy, and the racism. Never mind that it is Federalist Society honcho Steve Calabresi, chief of the “we need right-wing judges” movement, who is now explicitly calling Trump “fascistic”.

And there were those who thought that Trump would be a “Sam’s Club” Republican who sincerely cared about and would do things for semirural manufacturing workers.

And there were those grifting ministers attached to the Mammon of Unrighteousness told them that God had chosen Trump as messiah, in the sense that God had earlier chosen Cyrus of Persia as small-mm messiah to

rescue his people Israel from captivity in Babylon, refound the nation, and rebuild the temple.

But now?

Maybe you liked the tax cut. Maybe you thought it was good for America. Maybe you believed John Cogan, Douglas Holtz-Eakin, Glenn Hubbard, Larry Lindsay, Harvey Rosen, John Taylor, Robert Barro, Mike Boskin, and George Shultz when they predicted the Trump-McConnell-Ryan tax cut would induce a great wheel in spending in America, toward investment and faster economic growth. Maybe you believed them when they predicted that 2018-2019 would see spending on investment in America rise by an extra \$800 billion a year that would permanently boost economic growth by 0.4%-points per year every year. Didn't happen. Was not going to happen. Maybe you believed them, but you shouldn't have. I wasn't surprised that Cogan, Holtz-Eakin, Hubbard, Lindsay, Rosen, Taylor, and Barro took whatever credibility they had as analysts and forecasters and set it on fire.

I admit I was surprised by Boskin and Shultz: shame on you, Mike; shame on you, George.

And the only one of them I have ever seen give an explanation or an account of where the extra investment and growth that was supposed to show up went to was Doug Holtz-Eakin, who said that the tax cut boosted investment by as much as Trump's ill-considered decisions to fight and lose trade wars depressed it. I cannot believe he has done the math to support that claim. And in any event, all I can think in response is: "Hell of a job choosing a presidential candidate to support, Doug."

Whether it is the inability to assemble a coalition of allies so that he could

avoid losing his trade war, 200,000 dead from coronavirus when Japan has 1400—1/50 as many per capita—the constant bombardment of lies, the truly bizarre crush on the North Korean dictatorship, the very strange subservience of Trump foreign policy to whatever the current interests of the chaos monkey in the Kremlin appear to be—whatever hopes or non-negative expectations anyone might have once held about a Trump presidency, who holds them now.

And I don't think that Trump's chances now are boosted by what bosted them four years ago; I don't think anybody now thinks that Joe Biden has it in the bag.

Thus I do find myself surprised when, say, I run across David Dayen and Robert Kuttner from the liberal *American Prospect* thinking that the most important thing they can do with their time write now is to write things like “Biden's big tent gone berserk”, kicking Joe. Why? For having people like the highly, highly competent and effective Steve Ricchetti, Anita Dunn, Jennifer Hillman, and Miriam Shapiro working for him. Trying to set yourself up for a more prominent role in 2021, David and Bob? Without caring about what risks you are thereby making the world and the rest of us run?

Not a good look.

And yet. And yet. 52% of white men say they will vote for Donald Trump, compared to 41% fo Joe Biden. 58% of white men making between \$50 and \$100K a year say they will vote for Donald Trump. Admittedly, only 52% of likely Trump voters say that they think the country is headed in the right direction—but the 36% who say it is headed in the wrong direction think Trump is striving manfully against the tide.

And if you look at the world according to Fox News, you can understand where they are coming from. You are told:

- “owners of shuttered private gyms outraged as liberal city reopens facilities for public employees”—apparently, the San Francisco Police Department never shut down its own gyms in the police stations.
- Joe Biden is rapidly-declining in mental acuity.
- a “disgraced FBI agent [is] now downplaying dossier used to spy on Trump campaign”.
- our “tradition[s] abandoned [as] American flags removed from overpasses ahead of 9/11 ceremonies”.
- the “globalist betrayal” that has led Trump to “question motives of Pentagon leaders”
- how “Antifa violence [is] backed by ‘powerful political entities’ who need to be exposed”.
- how Larry Kudlow assures us that “we have had a spectacular recovery”.
- that “Trump [may well] dominate Joe Biden in [the] presidential debate”.
- how we “could be closer than we thought to a coronavirus vaccine”.
- and a question: “Could Trump swipe suburban voters from Biden with law-and-order message?”

Those are the words you see.

And if you believe that Fox News is trying to inform you about the world—rather than trying to grift you by scaring the piss out of you, glueing your eyeballs to the screen, and then selling you fake diabetes cures and overpriced gold funds—that is the world you see.

Even if Trump is defeated, there are still out there the 52% of white men, and 58% of white men making between \$50 and \$100K a year, and 64%

of southern white men who think he would make a better president than Joe Biden. Tom Cotton or Josh Hawley may well be the Republican Presidential nominee in 2024. And their worldview—that the promise of America is being robbed from them by non-white enemies within and without, from George Soros on down—will still have an awful presence in the mind of America.

And these numbers are, as the very sharp Joe Trippi pointed out to yet another zoom group I was in on Labor Day, extraordinarily stable. In past presidential elections, people change their minds. And even people who didn't change their minds became more or less enthusiastic about their candidate so they became more or less willing to say "yes, this is my candidate" rather than "undecided". This time, people have made up their minds. And no information coming down the pike leads to any significant reevaluation of the candidates—not even a temporary one. This year, for the first time, there was not even a "convention bump".

Now you can say that things have been worse. In 1912, for example, the United States elected a president, Woodrow Wilson, who was against not just African-Americans, but Chinese-Americans, whose "abhorrent social arrangements and filthy habits of living" made them "local nuisances"; not only Chinese-Americans, but the "Italians, Hebrews, and Slavs" whom "poverty stricken" were "neither disposed nor able" to make their way to become a proper part of proper America.

Admittedly, opposed to Woodrow Wilson was Theodore Roosevelt, inviting Booker T. Washington to dinner at the White House and stating that just as all Christians were children of Abraham by adoption, all Americans were WASPs—children of the Mayflower by adoption. But that was not how the tide was running in the 1910s and the 1920s: the 1920s KKK revival was predominantly anti-Catholic as well as anti-Black.

And America survived—although the African-American middle class did not, and did not revive for more than half a century.

And even though the clan was riding high again in the 1920s on the coattails of the movie “Birth of a Nation”, by the 1930s it was embarrassing to have been in the Klan in the 1920s. Well, embarrassing outside of the south. And Indiana. And Orange County, CA. America recovered—and, in fact, began the walk toward at least the Democratic Party’s 1948 abandonment of “states’ rights” for human and civil rights.

But the very stability of the Trump vote in spite of everything Trump daily does to try to erode it suggests that this time things may be different. Let me refer once again to David Frum, who says: “When this is all over, nobody will admit to ever having supported it.” I think he is wrong. I think that the Trump-was-stabbed-in-the-back legend will be to the 2020s what the Confederate Lost Cause was to the 1890s. There will, after all, be a good deal of money to be made by feeding the prejudices and reinforcing the world view of those who will, if we are lucky, merely analogize Trump’s 2020 presidential campaign to the charge of Pickett’s division at the Battle of Gettysburg.

Remember, The Trump base approves when Trump says something like:

I can tell you I have the support of the police, the support of the military, the support of the Bikers for Trump—I have the tough people. But they don’t play it tough—until they go to a certain point, and then it would be very bad, very bad...

So from all this I reach three conclusions, which lead to three action items for you:

First, vote. And more than vote. Work for and contribute to your candidate. And tell your friends, acquaintances, and those you simply run into on the street who your candidate is and why are you think they would make the best president America might elect in 2020. And listen to what you hear in reply.

This advice of mine—to vote, work for them contribute, argue for and advocate, and listen—applies even more, I think, to those of you who are happy and are going to vote for Donald Trump than to the majority of my likely audience. We try very hard to understand you. And you owe it to us and to yourselves to try to understand us. And who knows: you might persuade us. Although the fact that of all the other people in the world only the Russian and North Korean governments are happy with the Donald Trump administration makes me think that is not terribly likely.

But it is on the existence and development of a rational sphere of public discussion, debate, and decision that America's future as a good and an exceptional nation rests. If we don't have that, then, even if Trump is decisively defeated and Trumpism vanishes, we will not have much to show or say for ourselves.

Second, do not expect a rapid economic recovery this fall. Larry Kudlow may tell you that we already “have had a spectacular economic recovery”. But as my daughter told me back in the days of 2010, back when the Obama administration was talking in a similar vein, of “recovery summer” and “green shoots”, such a statement evidences an excessive reliance on the second derivative and a neglect of both first derivatives and levels.

Right now people are hoarding a lot of cash for spending when they think

they can do things again without running a substantial risk of catching coronavirus. That would not mean a depressed economy if the government were willing to stand up and employ people, or even if private businesses were confident enough in the future to stand up and invest in building capacity while the consumer is sitting down. But they are not. Other countries' economies are recovering, and may recover fully.

Our recovery is stalled, and will stay stalled—unless our government's policy changes bigtime in a productive direction—as long as the coronavirus plague lasts, and if Trump is reelected that looks like not months but years.

Third, consider where you want to invest your money and your lives. My friend Matthew Yglesias has a brand-new much worth-reading book, *One Billion Americans*, about how an America that will welcome talent, energy, and entrepreneurship of all kinds from all around the world and combine it with our great landscape, enduring institutions, and excellent people can truly make an America far greater than it has ever been before.

But such a truly greater-than-ever America would require that we be excellent to the talented, entrepreneurial, and energetic people from all over the globe we would like to attract.

And in a Trump-ridden America, we cannot even be excellent to each other.

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