

Grasping Reality with Both Hands

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Timiraos & Davidson: Depleted Trump Economic Team Faces Major Test Over Extending Coronavirus Relief Efforts—Noted

As I said back at the beginning, electing a Fox News viewer and reality TV star to the presidency and asking him to pick personnel will not go well. As I said in the middle, the way to think about Trump's personnel picks is picking William Shatner to command your battle fleet because Shatner played a ship captain on TV. And, lo and behold, it has all come true. Tomas Philipson has no clue that the economic response to the coronavirus plague needs a macroeconomic balance as well as a social insurance component. Tyler Goodspeed has no pretense to domain expertise here at all. Kevin Hassett is still predicting the plague will be effectively over by 15 May. Steve Mnuchin makes word salad. And Larry Kudlow was last a real economist—asw opposed to playing one on TV—back in the late 1970s:

Nick Timiraos & Kate Davidson: *Depleted Trump Economic Team Faces Major Test Over Extending Coronavirus Relief Efforts* <https://www.wsj.com/articles/depleted-trump-economic-team-faces-major-test-over-extending-coronavirus-relief-efforts-11595073600>: ‘Tomas Philipson, who succeeded Mr. Hassett as CEA chairman last year, was forced out of the post in June following months of tension that coincided with the worst of the crisis. The three-person CEA now has just one member, its acting chairman, Tyler Goodspeed, a 35-year-old economic historian appointed to the council last year. The Treasury Department entered the current crisis with several vacant senior positions...

...Mr. Philipson said the White House’s senior team has little expertise analyzing economic policy proposals.... Kudlow... Mnuchin... “neither of these guys are people who formulate policy and quantitatively evaluate policy,” he said in an interview. “That skill is lacking now.” After the coronavirus pandemic hit in March, “the policy process broke down,” said Mr. Philipson. Mr. Kudlow disputed the characterization. Mr. Philipson “wouldn’t know because he was never in the meetings,” he said. The White House brought Mr. Hassett back because Mr. Philipson “was so inadequate to the task.”...

“Not only do we have a highly developed policy process, but we have been consulting regularly with Senate leadership,” [Kudlow] said. Mr. Mnuchin played down the importance of technical economic expertise in the current crisis. “In this environment, the best feedback is not theoretical macroeconomic models from traditional economics,” he said in a July 10 interview. “It’s the real-time information that is coming back on the economy.”...

“There is no plan or even a coherent message from the White House” on how to design the next bill, said Andy Laperriere of research firm Cornerstone Macro last week. “This lack of White House leadership is making it difficult for congressional Republicans to forge consensus.”... Mr. Philipson said he had been frozen out of policy discussions in recent months after other advisers sought control over the president. He said policies now should focus on reducing the spread of the virus by encouraging the separation of elderly, high-risk populations from lower-risk and more productive younger workers. “That has not been pushed in as forceful way as it could,” Mr. Philipson said. “Simply handing out checks to everyone regardless of their risk status” is a mistake, he said...

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