The Election: Our View from the Avon Hills

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**Recommended Citation**

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NOVEMBER 16, 2016

Trump’s Economic Policy: Squaring the Circle

Louis Johnston

Donald Trump will take office at an enviable time in US economic history. Low unemployment and inflation combined with slow but steady economic growth means that a Trump Administration could concentrate on long-term policies without having to deal with economic challenges of the magnitude facing Ronald Reagan in 1981 or Barack Obama in 2009.
Unfortunately, instead of using this opportunity to formulate a coherent economic plan, Trump spent the 2016 campaign proposing a grab bag of policies that work against each other at every turn and that threaten our current economic situation. Among the schemes:

- Massive tax cuts combined with increased defense spending along with promises to prevent further increases in the national debt;
- Tariffs on Chinese imports and revocation of trade agreements while assuming that other countries will continue to purchase our exports at current levels;
- Rejuvenation of the coal industry while at the same time enacting energy policies that will drive down the price of substitutes for coal such as natural gas.

Now comes the struggle for the economic soul of Donald Trump. What’s more important to him? Cutting taxes for his fellow members of the 0.1 percent at the risk of exploding levels of debt? Stopping Chinese imports at the price of enraging American multinationals? Helping the fracking industry at the cost of pounding more nails into the coal industry’s coffin? Closing off immigration at a time when American businesses have become dependent on cheap, low-skilled immigrant labor?

What compounds this problem is that none of these policies are appropriate for our current economic circumstances. Our two biggest problems are relatively slow economic growth combined with high levels of income inequality. None of Trump’s proposals will solve these problems.

As I wrote in MinnPost, what we should do is apply policies economists know are both theoretically and empirically sound.

For instance, economists in the middle 80 percent of the political spectrum would, I think, agree that to promote economic growth and reduce income inequality the tax system should be reformed in such a way as to minimize distortions (that is, stop encouraging households from taking actions only to avoid taxation), minimize tax preparation costs, and minimize the bureaucracy necessary to collect taxes. The result would be to move resources from tax evasion, preparation, and collection to more productive uses, such as hiring more workers, paying existing workers higher wages, and allowing companies to invest more of their income in capital.

Anything is possible, but I’m pessimistic that this type of reform is a priority for Donald Trump.

So, how will a Trump Administration square these circles? That’s the $18 trillion question.
The bromance continues. Russian President Vladimir Putin did more to help President-elect Donald Trump than, for example, Gov. Chris Christie. James Comey could not have flipped the election had the Kremlin not hacked into the DNC emails and let Julian Assange deliver Hillary Clinton’s emails to the Trump campaign. After the election, emboldened Russian diplomats admitted to their contacts with the Trump entourage and effectively implied that Moscow had a hand in Trump’s success. To use the jargon of the espionage world, Putin has played Trump and is dealing the next hand.

There are precedents for this. Russian leaders have a gift for playing American presidents. During WWII, FDR referred to Russia’s Joseph Stalin as a fond “Uncle Joe” and boasted that he could handle Stalin in the same way FDR dealt with Chicago politicians. Years later, one of FDR’s key advisors and diplomats, Chester Bowles wrote that FDR never understood that Stalin was “a bastard.”

At the 1987 Reykjavik Summit, Ronald Reagan thought he had resolved the Cold War when he persuaded Soviet President Mikhail Gorbachev that the two of them should address one another by their first names. Then, Reagan pitched his big request. He asked Mikhail if Russia would come to the aid of the United States if it was attacked by extraterrestrial aliens. The Russian president promised to help, let Reagan take this as victory of sorts, and today, nearly thirty years later loves to tell this anecdote for the amusement of audiences.

President George W. Bush looked into Putin’s eyes and saw his Russian soul. Others saw the eyes of a former KGB agent. Putin has never said what he saw in Bush’s eyes.

From 2008 to 2012, Moscow played a game of musical chairs. After two terms as president, Putin stepped aside assuming the modest position as Prime Minister and setting up the virtually unknown Dmitry Medvedev as president. President Obama believed this fiction, threw his support behind his friend “Dmitry,” and looked rather foolish when Putin took back the presidency in 2012.

Enter President-elect Trump. During the 2016 campaign, Trump praised Putin as a “strong leader,” sent music to Putin’s ears when he called NATO “obsolete and expensive,” and exaggerated his friendship with Putin whom, by the way, he had never met.

Shortly after the announcement of Trump’s victory, Putin played his next card. His congratulations arrived by telegram. Putin reminded Trump that “burning issues are on the international agenda” and invited him to work together to restore normal relations between Washington and Moscow. “It is not our fault,” Putin added, “that Russia-US relations are as you see them.”

Flattery, Putin knows, will get you everywhere with Trump. The Kremlin accompanied Putin’s statement with praise for Trump whom it said “had averted WWWIII” and implied that a Trump/Putin “deal” was already in place.

The deal is simple. Putin encourages Trump to play Nixon to a new détente ending the new cold war between Moscow and Washington.

- No friend of NATO, Trump will, first of all, concede to Russian demands in Crimea and the eastern Ukraine.
- Secondly, Trump will cancel the plans for a missile shield in Central Europe.
• Third, he will accept the continuation of the Assad regime in Syria or at least the installation of a new regime sympathetic to Moscow in Damascus.
• Finally, the US and Russia will join in a strategic alliance against ISIS.

Trump’s invitation to Moscow is probably already in the mail.

Whoever in the Trump entourage has his ear on foreign policy would certainly point out that such a Trump/Putin deal would face fierce and bi-partisan opposition in Congress and betray our friends in Europe.

Never mind, Putin would tell the new American president. Forget them. Donald, look at all the new friends you have: Marine Le Penn, head of France’s anti-immigration party, France’s National Front; Nigel Farage, head of the UK Independence Party and leader of the Brexit movement; Fauke Petry, head of the neo-fascist Alternative for Germany (AfD); Heinz-Christian Strache, head of Austria’s far right Freedom Party, Viktor Orban, Prime Minister of Hungary and Putin ally. Welcome to your new friends, the deplorables of Europe.

By the way, be sure to read your mentor, Silvio Berlusconi’s glowing praise and congratulations on your victory.
Cyberspace: Democracy's Brave New World

Noreen Herzfeld

Never have computers figured so prominently in an election: Hillary’s emails, Russian hackers, Wikileaks, Trump’s 3 AM tweets, Anthony Wiener, more on Hillary’s emails, Trump’s hint of rigged voting. Not a news cycle went by without some reference to the use or misuse of computer technology.

These were the things we saw. But, just as computers influence our lives every day in ways we do not see (do you ever ponder how many computers jump into action when you switch on a lamp or turn your car’s ignition?), this election was influenced by our increasingly ubiquitous technology in ways that were less than obvious.

This was the first election in a world dominated by social media, the source of news, according to a recent Pew study, for over 62% of Americans today. It was widely noted that most of us gravitate to on-line platforms that confirm our political biases in a trend that exacerbates “us vs. them” thinking. And while much was made of the role of Russian hackers in making public the DNC’s emails and collaborating with Julian Assange, “troll factories” in Moscow and St. Petersburg played an equally large role in the election by posing on Facebook and Twitter as angry US citizens, spreading false news stories and raising the level of vitriol and suspicion. We think of cyberwarfare in terms of drones or hacking into power grids, but a sophisticated cyberwar is already underway as various groups and nations spread carefully crafted propaganda. The goal is not so much to be believed as to sow confusion, doubt, and dissatisfaction. Social media epitomizes Churchill’s quip that “a lie gets halfway around the world before the truth has a chance to get its pants on.” This was the first election in a “post-truth” environment.

As an election waged in cyberspace, 2016 showed the traditional trappings of a campaign to be superfluous. Clinton’s superior ground game, staffing of local DNC offices and use of sophisticated database information to target likely voters made little difference. Nor did the fact that she was endorsed by more than 80 local and national newspapers while Trump was endorsed by two. The roles of both the national parties and the traditional press will never again be what they were.

Nor will candidates. Computer technology makes sure little one says or does, either during the campaign (Clinton’s “basket of deplorables”) or in the past (Trump’s “grab them by the p—-“) goes unnoticed. To what extent will such a level of scrutiny make erstwhile candidates think twice about entering the race?

Finally, computers lie underneath the dissatisfaction and anger expressed by the working class that propelled Donald Trump to victory. Trump has promised to use tariffs and to tear up trade agreements in order to bring jobs back. But even if companies were to find it fiscally advantageous to rebuild their factories here, you can bet those factories would be state of the art, in other words, highly roboticized. Automation has taken more American jobs than China and Mexico and those jobs are not coming back. Rather, those missing blue collar jobs will soon be joined by the legion of pink and white collar jobs next in line to be automated.

It’s a brave new world, not just for the election but also for the victor and how he will govern. Trump now has access not just to the nuclear codes, but to all the apparatus of a surveillance state, what Edward Snowden called a “turnkey tyranny.” Let us pray he does not use either one.
Has Trump Become a Post-election Centrist?

Jim Read

Donald Trump’s upset election victory over Hillary Clinton has propelled the United States into uncharted political territory. This is the case in part because Trump’s own policies – both foreign and domestic – are far more difficult to predict than is the case for most presidents-elect; and in part because his campaign unleashed divisive and violent passions that Trump himself will be hard-pressed to contain even if he were committed to doing so.

On the policy front, many of Trump’s post-election policy hints have had a centrist tone: perhaps he won’t wholly repeal the Affordable Care Act ("Obamacare") after all, but retain many parts of it; the thirty-foot high concrete wall along the Mexican border has now apparently been downsized to a wire fence; it seems now he won’t appoint a special prosecutor to put Hillary Clinton in prison, as he insisted during the campaign he would do; instead, as he announced in his first post-election speech, “we owe her a major debt of gratitude for her service to our country.” Given that Clinton received at least 1.5 million more popular votes than Trump did, the rhetoric of reconciliation, whether sincere or otherwise, would seem politically well-advised. In short, one optimistic post-election theory goes, Trump was the consummate con artist, channeling the rage of his supporters for extreme measures, only to recognize realistically that his presidency cannot succeed unless he attempts to govern from the center.

Maybe so. I wouldn’t put it past Trump to deliberately con his electoral base in that way. But I have a distressing suspicion that those who too readily buy into the Trump-moves-to-the-center conclusion might be falling for a confidence game ourselves. To a greater degree than is usual for a president-elect, until the actual policies emerge, we really will know almost nothing about what he will actually do. And how someone with Trump’s temperament will react when he faces his first major crisis as president is anyone’s guess.

What we already know with certainty, however, is that the racially divisive forces his campaign unleashed have not settled down, but indeed have increased post-election. There has been a large and alarming upsurge in racist graffiti and vandalism, racially-motivated threats, and racially-directed hate crimes in the wake of Donald Trump’s election — including here in Minnesota (see for instance the linked story from CNN: http://www.cnn.com/2016/11/10/us/post-election-hate-crimes-and-fears-trnd/).

It would not be accurate to say that Trump owes his election principally to racists and misogynists. The evidence indicates that economic anxieties were more important in tipping a decisive proportion of voters in Trump’s direction. Here in Minnesota, a supposedly safe “blue” state that Trump came close to winning, the concern that voters mentioned most often in the pre-election Minnesota poll was health care. Especially significant here was the steep increase in premiums for individuals who had to buy coverage on their own – an increase announced just five weeks before the election.

But if it was not principally racism and misogyny that elected Trump, it was certainly the case that his racially divisive and often misogynist rhetoric did not prove to be the electoral liability that many observers across the political spectrum predicted it would be. On the contrary, his victory has legitimized a kind of threatening, abusive political rhetoric that most of us thought our nation had put behind us. That genie will not soon be pushed back into its bottle, no matter what Trump actually says and does as president.
Scripture Helps Some Christians Explain the Election

Kathleen A. Cahalan

In the face of historical chaos, people seek meaning and consolation, often in the narratives of their religious tradition. Some look for hope beyond their loss; others find hope in their victory. This election was no different.

After their stunning defeat in the presidential election last Tuesday, both Democratic candidates turned to the Christian New Testament to make sense of their loss. As a way of honoring Clinton’s dedication to her followers, Tim Kaine referred to a parable in the Gospel of Matthew (20:1-16). He said it’s a “beautiful and kind of comical parable in the New Testament about a vineyard owner who hires people to work and says, ‘And I’m going to pay you this for a full day.’ Then he hires people at noon — ‘I’m going to pay you the same thing for the half day.’ Then he hires people one hour before and — ‘I’m going to pay you the same.’ And those who started early in the day say, ‘Hold on. We don’t like this. That you’re treating everybody who came late just as well as you’re treating us.’” Clinton, he said, showed the same degree of “loyalty and compassion and sensitivity” to all the people who joined her campaign team, including those who worked, supported, and voted for her, even at the last hour. An interesting comparison, to say the least.

Hilary Clinton, too, turned to the New Testament to find some meaning for her followers, but my guess is, she herself was searching for a message. She probably will for a long time. She quoted from Paul’s letter to the Galatians (6:9): “Scripture tells us: ‘Let us not grow weary in doing good, for in due season, we shall reap, if we do not lose heart.’” Like the parable, Paul is pointing to an eschatological harvest, though my sense is, like Kaine, Clinton means this in more worldly terms—keep working to transform the world now.

White Evangelical Christians, who overwhelmingly voted for Trump, also turned to the Christian Scriptures to find some meaning. For instance, Barry C. Black, Chaplain of the United States Senate, stated, “I feel grateful, optimistic, and satisfied. I feel grateful because 1 Thessalonians 5:18 admonishes, ‘In everything give thanks, for this is the will of God concerning you in Christ Jesus.’ I feel optimistic because of Romans 8:28: ‘in everything God is working for the good of those who love him, who are the called according to his purposes.’ I also feel satisfied because Philippians 4:12 declares, ‘I have learned in every state to feel contentment.’ In short, after the election of any president, as a person of faith I know I have nothing to fear.”

Others were not so confident. Gabriel Salguero, President of the National Latino Evangelical Coalition, stated “This week I’ve read messages from some immigrants, women, and people of color in evangelical communities with profound sadness, and I’ve also heard from evangelicals who have celebrated the election results. I am the pastor of both groups…. we have work to do. This means asking the difficult question asked by Dr. King—‘Where do we go from here: chaos or community?’ For me, Micah 6:8, Zechariah 7:9, and Isaiah 1:17 mean we need to balance our refusal to place Messianic expectations on political parties while engaging in Christian engagement that is transformative and just. Yes, ‘Jesus is Lord,’ and yes, we cannot ignore our continued work of reconciliation, peace, and justice.”
Will Trump Seek to Reverse Environmental Gains?

Derek Larson

Environmental policy ranks high on the list of “known unknowns” for the nascent Trump presidency. After eight years of modest progress on climate, renewable energy, air quality, and public lands issues environmentalists are suddenly looking to 2017 with trepidation: what can they expect from a Trump presidency?

The environment was not an issue in the 2016 presidential campaign; only one question on climate was asked during the presidential debates and the media did very little to press the candidates in other settings. As a result, we are left to guess at President-elect Trump’s likely environmental policies based on past statements and hints about potential key appointments to positions like Secretary of the Interior, EPA Administrator, and Secretary of Agriculture. The story told in those tea leaves has left environmental advocates fearing not only a slowing of already modest progress, but likely a rollback unlike any seen since Ronald Reagan’s election in 1980.

For many environmentalists climate change is the pressing concern; we have essentially run out the clock on preventative action and are now left with only the hope of mitigating or adapting to the worst impacts of climate change over the next century. President Trump’s claim that “The concept of global warming was created by and for the Chinese in order to make U.S. manufacturing non-competitive” leaves the future of the 2015 Paris climate accord in question. Indeed, Trump vowed to “cancel” the Paris agreement during the campaign, though that cannot be done unilaterally. Without American leadership the hope of limiting the global rise in average temperature to two degrees centigrade over the next century— still enough to wreak havoc on coastal cities, agriculture, and infrastructure—may be doomed.

Energy policy, which is linked not only to climate but also public health issues like air and water quality, will also be a major concern. Trump campaigned on an unabashedly pro-fossil-fuel platform, arguing repeatedly for expanding coal production and other carbon-intensive domestic energy development. He will likely seek to restart the Keystone XL pipeline project, kill the EPA’s “clean power plan” for renewables, appoint justices to the Supreme Court who would reverse the 2007 decision allowing the EPA to regulate CO2 as a pollutant, and revise or eliminate regulations on power plant emissions established during the Obama administration. While seen as a boon to the coal industry, these positions will put the Trump administration at odds with the booming renewable energy sector, public health advocates, and global climate accords.

Though 2016 marked the centennial of the National Park Service, President-elect Trump has signaled hostility to public lands as well. While he has offered very little in terms of specific policy statements, he has shown sympathy toward a range of radical positions through his surrogates and via praise for Republican politicians well known for their hostility to the public estate. Long-time conservative goals such as privatizing the National Parks, transferring federal lands to state control, and opening more offshore areas to gas and oil development are likely high on the agenda while priorities for environmental advocates like securing permanent protection for the Arctic National Wildlife Refuge and stopping the Dakota Access Pipeline are dead on the vine.

The first indicators of the likely environmental orientation of the Trump administration will come from his cabinet, agency, and advisory appointments. For environmental advocates these early signs could not be worse; the critical position of environmental policy team director for the transition went to the Competitive Enterprise Institute’s Myron Ebell, a known climate change denier. Among the names floated for Secretary of the Interior—the agency in charge of the National Parks and other federal lands –
have been oil executive Forrest Lucas and former Alaskan governor Sarah Palin, who is also apparently under consideration for Secretary of Energy. The EPA fares even worse; since Trump has called the agency “a disgrace” and suggested it should be shrunken or abolished, any administrator appointed may have a short tenure in office.

As the environmental community is thrown into disarray by Trump’s ascendency another and perhaps graver threat looms large: a GOP congressional majority unchecked by a Democratic president may embolden those who have wanted for years to aggressively roll back environmental regulations, eliminate protection for wildlife under the Endangered Species Act, open public lands for development or sale, and double down on fossil fuel development in hope of reviving depressed economies in coal and oil country. Now unfettered, their actions in the first months of the Trump presidency may prove even more significant to long-term environmental health of the country than those of our new chief executive. Whether the American public agrees with the priorities of either may be the biggest environmental question of 2017.