

This is the absolute worst economic theory in the history of theories

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The Washington Post, June 24, 2019

President Trump speaks during his 2020 reelection bid announcement in Orlando, Fla., on June 18. (Cristobal Herrera/EPA-EFE/Shutterstock)

One of the more depressing things right now is that, in at least a few important ways, it seems like George Orwell's "1984" might have been more optimistic than our own 2019.

Chief among them is the fact that he thought it'd take a totalitarian state to create the kind of propaganda apparatus that would completely try to rewrite the past. We now know that all you need is a shamelessly partisan news organization. What else can we say about the fact that various right-wing talking heads are now saying that President Barack Obama, who took office in 2009, was to blame for the Great Recession, which began in 2007? Either they don't believe in a linear theory of time, don't understand the first thing about economics or are just willing to say whatever they think is in the best interests of the Republican Party at any particular moment.

Yes.

None of this, of course, is exactly new. It's been going on ever since Obama stepped into the White House in the middle of what was the worst economic crisis in nearly 80 years. Which is why it should be no surprise that Art Laffer, the conservative economist who was just awarded the Presidential Medal of Freedom for his role in popularizing the mostly false idea that tax cuts can pay for themselves, returned to this theme just a few months ago. He [told](#) Fox News that he thought Obama "was the reason we had the Great Recession," since, in what might be the ultimate example of confusing correlation for causation, "as he got closer and closer to winning, the markets collapsed." Fox Business host Charles Payne, for his part, [said](#) much the same thing just a few days ago when he claimed that the steep stock market sell-off in late 2008 and early 2009 had been Wall Street's "knee-jerk reaction" to the prospects of an Obama presidency.

It's hard to believe this needs to be said, but apparently it does: Obama's election in 2008 didn't cause banks to invent time machines so they could make a lot of bad loans in 2005. Because that last part is what actually happened. As everyone who doesn't work at Fox News probably remembers, there was a massive housing bubble back then that was both a cause and an effect of almost nonexistent lending standards. The problem, though, wasn't just that there were so many losses when all of this inevitably went bad but also that it wasn't clear who was on the hook for how many of them. The result was a worldwide bank run — there were bubbles in other countries too — that brought the global economy to the brink of complete collapse.

It's worth taking a minute, then, to reflect on just how ridiculous this right-wing alternate history is. According to Laffer, the crisis wasn't actually about people's (very legitimate) fears that the financial system might go under but rather that their taxes might go up. It's a theory that only makes sense as long as you don't think about it. After all, if markets had solely crashed because they were afraid of Obama's redistributionist agenda, then why did they rally to set new all-time highs when he actually started to implement it? And if this really was all about U.S. tax policy, then why did markets fall in the rest of the world too? Did Iceland go bankrupt in 2008 because of the repercussions of America's top tax rate going up from 35 to 39.6 percent?

These questions answer themselves as long as you want them to. The problem is that a lot of conservatives don't. They don't want to admit that sometimes markets fail, or that cutting taxes for the rich isn't some economic elixir. (Indeed, things didn't fall apart when Clinton and Obama raised the top tax rate, nor did they suddenly get better after George W. Bush and Trump cut it.) Even more to the point, though, they might not want to say anything that would undermine what, judging by [his tweets](#), looks like it will be one of Trump's top arguments in the 2020 election: that stocks would supposedly crash "the likes of which has not been seen before" if a Democrat replaced him. And so they say that it happened before, even if it means trying to contort the truth in the most ahistoric ways possible.

No Big Brother required.