

Donald Trump, American political economy and the “*terrible simplificateurs*”

Kurt Jacobsen and Alba Alexander [University of Chicago; University of Illinois at Chicago, USA]

Copyright: Kurt Jacobsen and Alba Alexander, 2017

You may post comments on this paper at

<https://rwer.wordpress.com/comments-on-rwer-issue-no-79/>

“People accustomed to knowing they know everything worth knowing resent having to turn away from the mirror” (Lewis Lapham).

Art historian Jacob Burckhardt in 1889 bewailed what afterward became a cherished conservative term of abuse, “*terrible simplificateurs*”.¹ This memorable epithet, smacking of supreme erudite scorn, demands a closer look in President Donald Trump’s USA for all the barbed ironies it actually contains. Burckhardt ably fulfilled the checklist for card-carrying conservatives enamored with an organic status quo, ancient institutions, and lower orders who were revolting solely in their tastes.² What he foretold was an age overrun by ambitious apparatchiks who “descend upon our old Europe and make short work with voting rights, sovereignty of the people, material well-being, industry, etc. and will stand upon small ceremony”.³ Burckhardt, make no mistake, prized elite ceremony above all the crude annoyances of democracy. These new barbaric experts would accelerate accumulation of wealth to fantasized levels but in doing so would ruin, as he saw it, harmony among the classes. Next would gallop in wily demagogues to sort it all out. “For this will be the inevitable end of the state based on rule of law,” Burckhardt anticipated, “once it has succumbed to mere numbers and the consequences”.

Little wonder that this hoary old term revived with the mind-boggling election of Donald Trump. No one likes “mere numbers” more than he, evidently because they are so easy to play around with. In today’s usage “terrible simplifiers” is synonymous not only with authoritarian twits braying to the masses but also with utopian social engineers who decide for everyone else what is good for them. The engineers’ remedies (*pace* Veblen) are imposed one-size-fits-all formulas; hence, free market utopians, flat tax advocates and states’ rights proponents, however much they fancy themselves fastidious Burkean conservatives, are ideal candidates for the “terrible simplifiers” label too. Their ardent mission is to harness the state to serve the neoliberal market, Mirowski finds, and their revered freedoms do not include the

¹ For an example of the conservative application at derisive work see Leslie Mellichamp, “George Orwell: Terrible Simplificateur.” *Modern Age* Spring/Summer 1984.

² Historical conservatives were attentive to “an irrational realm in the life of the state which cannot be managed by administration,” and whose skill in managing cannot be taught *a priori*.” Karl Mannheim, *Ideology and Utopia* (New York: Harcourt Brace & Co, 1954), pp. 106. “It expressed the ideology of the dominant nobility in England and in Germany...” (p. 107).

³ *The Letters of Jacob Burckhardt* (Indianapolis: Liberty Fund, 2001).

Since you’re here ...

... we’ve got a small favour to ask. More economists and other professionals are reading the *Real-World Economics Review* than ever. But because our journal **is not kept behind a paywall nor owned by a corporate giant nor funded by the one-percent** it needs voluntary financial support from its readers. You can provide that support by paying a voluntary membership fee or making a contribution to the World Economics Association.

[Pay membership fee →](#)

[Make a contribution →](#)

freedom to criticize the purity of the marketplace.⁴ Neoliberals employ politics, in other words, to abolish politics and so relegate power to private actors who, being on intimate terms with the market, really do know best. If neoliberalism isn't utopian social engineering, then what is? Here we glimpse the compulsive schematizing state juggernaut that James C. Scott dourly analyzed, and which is repudiated as much by the anarchist left as by the anarchist right.⁵

President Trump, soon the subject of numerous off-the-couch psychoanalyses, is indeed a *terrible simplificateur*, but this brief essay is a “look in the mirror” exercise regarding many aghast critics who conveniently overlook the wreckage that their own terrible simplifications, appared in high verbiage and numerical mysticism, have inflicted on the American economy for decades. Trump would not be in the worrying position he is in without immense inadvertent aid from simplifiers of different stripes and partisan leanings. Alan Greenspan, for one, and Lawrence Summers, for two, could not grasp that their economic paradigmatic blinders were inadequate to the task before them during the 2007-2008 crash, and amends have yet to be made.⁶ So how far can the “terrible simplifier” trope take us in anticipating what the Great Orange One is likely to inflict upon and, or instigate in, what Page and Jacobs conclude is, after all, a “conservative egalitarian” citizenry?

Contrary to favorite media images of a tight-fisted, parochial, and selfish citizenry, Page and Jacobs' survey research finds that “most Americans are philosophically conservative and operationally liberal”.⁷ Many Americans, moreover, became acutely aware after the recent crash, as Rexford Tugwell discerned during the 1930s version, that “rugged individualism really meant regimentation of the many for the benefit of the few”.⁸ Americans cannot always find precisely the right words to describe their leanings - although interestingly the word “socialism” reappeared without much incident during the Bernie Sanders campaign. Yet Americans (72%) know and care that inequalities are widening, but, since Congress doesn't seem to heed them anymore, don't know how to fix it. Even majorities of Republicans (56-58%) agree that income inequality levels are “too large” and are willing to make “personal sacrifices to deal with it”.⁹ Americans may like the sound of conservative values but pragmatism “overcomes philosophical rectitude” so that they “look to government to ensure genuine economic opportunity” in education, housing, health and other arenas.¹⁰ This is the real nation, not the Tea Party prism of it, that Trump and a Congress likewise elected by a minority (through astute gerrymandering and voter suppression) have taken the reins of. Still, the bailout of the thrift industry (157 billion) in the 1980s could have educated every college student with room, board and tuition, Slater reminds.¹¹ “Americans are very generous when it

⁴ The “*neoliberal moment must seek to consolidate power by operating from within the state.*” Philip Mirowski, *Never Let a Serious Crisis Go To Waste* (London: Verso, 2014), pp. 443, 437

⁵ On “Olympian ruthlessness toward victims of their interventions,” see James C. Scott, “High Modernist Social Engineering: The Case of the Tennessee Valley Authority,” in Lloyd Rudolph and Kurt Jacobsen, eds. *Experiencing The State* (New York: Oxford University Press, 2006)

⁶ Yanis Varoufakis, *The Global Minotaur: America, Europe and the Future of the Global Economy* (2015), p. 3.

⁷ Benjamin Page and Lawrence Jacobs, *Class War?: What Americans Really Think about Economic Inequality* (Chicago: University of Chicago Press, 2009), p. xi. An estimable forerunner to this research is Joel Rogers and Thomas Ferguson, *Right Turn: The Decline of the Democrats and the Future of American Politics* (New York: Hill and Wang, 1986), which demolished the pro-Reagan popularity narrative with poll data regarding public responses to his policies, not his personality.

⁸ Cited in Nancy Isenberg, *White Trash* (New York: Viking, 2016), p. 221

⁹ Page and Jacobs, *Class War?*, pp. xi, 41, 44.

¹⁰ *ibid.* p. 97. From 1979 to 2000 the top 1% enjoyed a 184% income rise, the top 20% got a 70% boost and the middle fifth only 12% (p. 7).

¹¹ Philip Slater, *A Dream Deferred* (Boston: Beacon Press, 1991) pp. 169, 170.

comes to giving money to the rich.” Is this likely to remain the case in the forthcoming Trump years?

The economically astute political science contributors to *The New Politics of Hard Times* embarked on an early appraisal of “a deep economic crisis and its relatively slender effects to date on political realignment and ideational orientation.”¹² As of 2013 they were still a bit perplexed that the crash “produced few signs of fundamental political realignment, policy experimentation (apart from Central banks), or mobilizations by new political actors in any of the most seriously affected economies.”¹³ (The Sanders campaign, Jeremy Corbyn's ascent to UK Labour Party leader, and Brexit were yet to stir.) The volume coeditors, like much of the mass media, jumped anyway to what they curiously depict as a “backlash against increased government spending and rising levels of debt” – as if this “backlash” were not an anticipated element of the bank rescue scheme and essential to inflicting austerity policies afterward. What is oddly labeled “policy experimentation” by central banks was a crimped Keynesianism customized so that federal money funneled to the richest strata and only through their digestive systems in dribs and drabs to the rest of a stricken population. Why, contributors ask, were there no “redefinitions of interest in conditions of crisis”? Well, here was one key moment when the state redefined itself publicly as savior of the wealthy (in order of course to stabilize the system to serve those at the bottom).

Indeed the venerable Ralph Miliband-Nicos Poulantzas “theories of the state” debate abruptly was decided in Gordian knot fashion in Miliband's favor. How can sophisticated analysts prattle about “relative autonomy” structural power, institutional constraints and myriad nuances of capitalist rule when a committee of the not quite whole and entire bourgeoisie is glowering at us across the cabinet table? The executive branch brazenly is populated by members of a class – not least since Bill Clinton appointed Robert Rubin Treasury Secretary – that textbooks say it governs at arm's length. These strategic placements, which in a peculiarly heartening way show that economic elites do not trust the state to act in their interests, ensured that it was Wall Street that got bailed out and not the American people, as should have been the case if the state displayed a legitimating degree of distance from wielders of private power. Donald Trump is a sigh of exasperation, a part of the price that a subsequent decline in legitimacy of the state has cost us.

Right wing coalitions, such as the one Trump erratically presides over, “will satisfy their constituents through asset bubbles and financial deregulation”, as Kahler and Lake predict, and Trump, like any Republican, is busy pretending he is doing it for the sake of average Americans, which no one outside his base believes.¹⁴ Although Trump is discovering that his chronic absolutist manner cannot make bureaucracies buckle to his whims, he was never going to threaten major players. “An absolute monarchy”, as Ambrose Bierce illuminatingly explained, “is one in which the sovereign does as he pleases so long as he pleases the assassins”.¹⁵ In all his accommodations Trump, if one sees him as an ordinary if big-time and thin-skinned huckster, is easy to predict. Many pundits say he baffles them but only because the blustery businessman ditches slick policy theatrics to tell lies he believes in to loyal

¹² Miles Kahler and David Lake, “Introduction: Anatomy of Crisis: The Great Recession and Political Change,” in Miles Kahler and David A. Lake, Eds. *Politics in The New Hard Times* (Ithaca: Cornell University Press, 2013), p. 24.

¹³ *ibid*, p.2. It is strange to argue that TARP was “unthinkable by a Republican administration,” except for a crisis, when rolling it out as needed during a crisis was the whole point. (p.10).

¹⁴ Kahler and Lake, “Introduction,” *The New Politics of Hard Times*, p. 11.

¹⁵ Ambrose Bierce, *The Devil's Dictionary* (New York: Neale Publishing Company, 1911), p. 3.

followers, and makes the further mistake of appointing some of them to high posts. Trump packages himself not so much as a traitor to his class as a bad boy within it. Unlike FDR, he does not welcome the wrath of economic royalists since he remains one of them, one who intends to turn the spigot of federal funds and tax breaks wide open for the rich. What then are the consequences for new and stable coalitions for and against Trump?

An uninhibited businessman's self-serving demeanor ought to, and apparently already does, serve to motivate counter-mobilization. Trump has stepped into a crisis of neoliberalism he is equipped only to exacerbate. The voices warning about fascistic tendencies are probably but not entirely off track inasmuch as intensifying divisiveness is the way Trump instinctively promotes his agenda. Can his mishandlings, blunders and bluster generate a movement that can check him before he sics the not so secret police on all opponents? The prospects for a new New Deal/Great Society style coalition promoting "collective goods and social protection" are slim but should not be discounted, Peter Evans reckons:

"Leaner, meaner is still more likely, but the possibility that state apparatuses might forge new alliances with civic actors in the early decades of the new millennium is no less implausible than the alliances that were actually forged between labor organizations and the state during the early decades of the twentieth century."¹⁶

Real estate magnates will thrive as infrastructure spending pours in for however long it lasts, as Galbraith notes,¹⁷ bankers routinely get pampered, the corporate sector wins tax cuts and regulatory "relief," the military is pacified as always with more cash, the medical system – with untenable Obamacare on the ropes – absorbs every spare penny and then some from anyone unlucky enough to need it, so-called entitlements are cut or given short shrift by the most entitled people on the planet, and the police continue to enjoy carte blanche. Anthony Russo of Pentagon Papers fame, by the way, said he knew why they tortured people in Vietnam -because they tortured people in the US, that is, former wardens and cops ran the interrogation programs.¹⁸ William Leuchtenberg, William Appelman Williams, Franz Schurmann and many other scholars noticed that the Democratic Party's progressive vision of regulated capitalist order was no less a natural fit with neo-imperialism than anything Republicans had to offer. Trump at least will behave sanely with Russia, while Hilary Clinton diehards do their best to hang the preposterous collaborator label on him.

Nothing Trump burbles is credible because every phrase is geared to his fleeting notion of what pleases his core crowd. Once they are cheered up, Trump reverts to the shadowy business practices he relished all his life alongside schemers every bit as dubious as he is. No recent public figure, except maybe Halliburton's own Dick Cheney, embodies all the reasons why Plato and the Renaissance Church regarded merchants as unfit as governors: "the astuteness of merchants, fostered by their lust for gain, has discovered so many tricks and dodges that it is hardly possible to see the plain facts, much less to pronounce judgment

¹⁶ Peter Evans, "The Eclipse of the State?: Reflections on Stateness in the Era of Globalization." *World Politics* 50, 1 (October 1997), pp. 86, 87.

¹⁷ James K. Galbraith, "Can Trump Overcome Secular Stagnation?" This volume.

¹⁸ Jerry Kuzmarov, *Modernizing Repression: Police Training and Nation Building in the American Century* (Amherst: University of Massachusetts Press, 2012), p. 6.

on them.”¹⁹ Trump epitomizes the glib amoral executive who tells any tall tale that serves low purposes. Who hasn't at some time suffered a boss or a provost like him? One swoons, though, at the thought of a fiery Obama fighting just as combatively from the bully pulpit for single payer or military cutbacks to pay for domestic needs as Trump does for his agenda against the media. As the Trump era starts, which indeed feels like an arrival of a demented Roman emperor, it is worth asking in the spirit of Monty Python's "What do we owe to the Romans?" what does Trump owe to Obama and to both Clintons? Trump owes the Obama administration and Bill Clinton's administration the licenses to kill afforded by drone warfare and JSOC, bank and brokerage firm bailouts, steep welfare cuts, habitual deference to market rhetoric, unchecked and unmonitored military expenditure, failures to roll back mass surveillance and police state authority, and promotion of the low bar temporary contract or part-time "gig" jobs which comprised over 90% of Obama's boasted job creation.²⁰ Nothing in Hillary's own creed of terrible simplifications militated against any of the foregoing list.

Hilary Clinton blithely aided and abetted Trump every step of the way by running on a platform way to the right of Eisenhower's, force-feeding neoliberal nostrums to thinning crowds, and alienating Sanders supporters who discovered that the Democratic party establishment is as deft at dirty tricks as Republicans are (against unwanted insurgents but not Republicans they desperately desired to entice), and scolded Americans that they would never ever afford Canadian-style National health care, wherein her donor network, not her statesmanship, was plainly showing. The Washington Consensus, with Clinton buttressing it, so far has proven to be politically impervious, which antagonizes highly mobilizable swathes of the populace. Trump alertly appeases some of them temporarily by balking at mega-trade deals, which antagonizes a quite different band of terrible simplifiers, but he does so more as a matter of hidebound bargaining tactics than principle. Yet no one is better suited in this century than Trump to galvanize a broad and potent counter movement of Polanyiesque proportions.²¹

Trump's tax plan, a Reagan repeat, is geared to raise taxes on working and lower class families, with single parents hit hardest and the lowest tax rate raised for all who barely make enough to pay it.²² His infrastructure plan is at root a corporate welfare giveaway and a stealth privatization scheme, as Krugman notes.²³ Regarding Trump's proposed repatriation holiday for overseas corporate cash troves, Craig Whitney notes, Goldman Sachs estimates that three quarters is "going go into buybacks that will pump up the equities bubble (that Trump criticized before he was elected) into the biggest colossus of all time. Is that the change that Trump backers were hoping for?"²⁴ Eyebrows raised at the filling of the White House with minions from Goldman Sachs, an organization that feasts on suckers, which Trump reviled during the campaign. Chief advisor Steve Bannon, Steve Mnuchin (fourth Goldman Sachs

¹⁹ The Secretary of the Society of Jesuits to the Council of Trent, 1554, quoted in Chris Bobonich, "Why Should Philosophers Rule?: Plato's *Republic* and Aristotle's *Protrepticus*." *Social Philosophy & Policy* 24, 2 (2007), p. 158.

²⁰ "Nearly 95% of New Jobs During Obama Era were Contract, or Part Time." Investing.com, 21 December 2016. Accessed at <https://www.investing.com/news/economy-news/nearly-95-of-all-job-growth-during-obama-era-part-time.-contract-work-449057>

²¹ For a good inventory right out of the gate of the makings of such a many-stranded movement see Peter Dreier, "Preparing for President Trump," Moyers & Company 22 December 2016. Accessed at <http://billmoyers.com/story/list-anti-trump-liberals-progressives/>

²² Lily Batchelder, "Families Facing Tax Increases Under Trump's Tax Plan," Tax Policy Center, Urban Institute & Brookings Institution 28 October 2016. Accessed at <https://ssrn.com/abstract=2842802>

²³ Paul Krugman, "Build He Won't." *New York Times* 21 November 2016.

²⁴ Craig Whitney, "The Reason the Fed is Raising Rates and Why It Won't Work." *Counterpunch* 29 December 2016

Treasury secretary in a row), Gary Cohn and Anthony Scaramucchi snapped into high places, direct from a reptilian outfit that wriggled its way “out from under the mortgage crash by dumping its disastrous mortgage investments on its own clients as it simultaneously bet against them.”²⁵

One million fewer Americans now work at jobs of any kind than before the Great Recession while the conventional 9 to 5 job with benefits and security increasingly is an endangered species.²⁶ A billionaire CEO in charge of the Department of Labor is epically ill-suited to reverse course. None of these are things you talk your way out of, and only 27% of the nation’s eligible voters went for Trump in the first place. “If only rhetoric remains the rich are in trouble, James Scott observes, “because an inequality in resources can only be justified in terms of their social function”.²⁷ We suspect we soon will see what it takes to ignite a conservative egalitarian nation.

Elsewhere in his *oeuvre* Burckhardt pertinently compared the modern dealmaker’s mentality to that of ancient Greek figures who viewed themselves as integral parts of the polis, and he waxes Arendtian about it. Today’s “educated men are firmly resolved to make a bargain, with whatever power, for their existence at any given time,” he lamented.²⁸ “There is an enormous veneration of life and property.” But in this myopic orientation there is a “mass abdication, and not just on the part of the rulers” from the common good, for there are “numerous bargaining positions and concessions against the worst – and all with great touchiness in matters of recognition and so-called honor.” Sounds like someone we know. Keynes scribbled in a rueful and infamous line that for a little longer fair must be deemed foul and foul be deemed fair. Isn’t the time up on that one?

Author contact: jkjacobs@uchicago.edu

SUGGESTED CITATION:

Kurt Jacobsen and Alba Alexander, “Donald Trump, American political economy and the ‘terrible simplificateurs’”, *real-world economics review*, issue no. 79, 30 March 2017, pp. 136-141, <http://www.paecon.net/PAERreview/issue79/Jacobsen-Alexander79.pdf>

You may post and read comments on this paper at <https://rwer.wordpress.com/comments-on-rwer-issue-no-79/>

²⁵ Matt Taibbi, “The Vampire Squid Occupies Trump’s White House.” *Rolling Stone* 16 December 2016.

²⁶ Lawrence Katz and Alan Krueger, “The Rise and Nature of Alternative Work Arrangements in the United States, 1995-2015.” 29 March 2016. Accessed at https://krueger.princeton.edu/sites/default/files/akrueger/files/katz_krueger_cws_-_march_29_20165.pdf

²⁷ James C Scott, *Weapons of the Weak* (New Haven: Yale University Press, 1985), p. 308.

²⁸ Jacob Burckhardt, *Judgments on History and Historians* (Indianapolis: Liberty Fund, 1929), p. 7.