

Is There A Democratic Party Policy Agenda?

WASHINGTON – If you watch most of the cable news channels these days you get a steady diet of endless, in fact almost obsessive, commentary on what President Donald Trump said or tweeted today, and what the seasoned analysts around the table think about it.

Endless coverage

As President Trump relishes being unconventional and breaking all the established “Washington rules”, plenty for the experts to talk about. Fine. Except that this –Trump– is all they talk about. Which is to say that if you watch CNN or MSNBC what passes as “the news” is the endless effort to score the latest Trump outrageous tweet. And as different talk shows follow each other on the same cable news channel, the new anchor picks up exactly where his/her colleague left it and repeats the very same tweet of the day, and asks a different panel of supposedly savvy experts what we should make of it. The variations in all this are limited to the degree of (feigned I believe) amazement and/or outrage.

Again, this is not happening on occasion. This is now the standard offering throughout the 24/7 news cycle. Look, I do understand that the media has a duty to report on what the President of the United States says or tweets. And certainly, since Mr. Trump enjoys being unconventional and controversial, his statements give fodder for talk shows.

Is there a Democratic Party agenda?

Still, my point here is that there is practically nothing else in the news. The one thing that is missing, probably because it does not really exist, is a thoughtful alternative policy agenda coming from the Democratic Party. Cable news shows do

not report on it because most likely there is nothing to report.

And this is truly astonishing. We have an entire news media apparatus supported by scores of pundits who keep telling us that we have a strange President sitting in the White House who says and occasionally does unpredictable things, while the Republican majority in Congress is in (terminal?) disarray. And yet no alternative vision to this (apparently) unsatisfactory state of affairs is presented by the Democrats and discussed by the media.

Sit back and watch the Republican Party implosion

Are we to conclude that the Democratic Party strategy is just to sit back and watch the hoped for Trump implosion and the eventual dissolution of a Republican Party torn apart by incurable internal ideological battles? This may be a clever tactical approach.

But this is not a strategy for a national political force aspiring to govern the United States of America. Let us not forget that the Democratic Party in 2016 lost its momentum and ability to connect with millions of voters. It lost the White House to a complete outsider with zero political or campaign experience, and it failed to regain control of the Senate even though the odds favored it. Some party!

No compelling message in 2016

In 2016 the Democrats best hope was Hillary Clinton, a shop worn, uninspiring candidate who represented a retread of the tired Clinton Brand. And, notwithstanding the Clinton machine open effort to game the system via the guaranteed support of the super delegates at the Democratic Party Convention, Clinton had to fight until the end against Bernie Sanders, a feisty old socialist whose astonishingly outdated policy agenda was all about redistributing (ill gotten) wealth accumulated by the demonized 1% in a more equitable way.

That's all the Democrats had to offer: Clinton and Sanders.

What's the alternative?

Today, precisely because the Republican Party policy program seems confused and confusing, the American voters need to hear about a credible and thoughtful Democratic Party alternative agenda. It is OK for the late night comedy shows to use the latest Trump outrage as material for their jokes. This is fine. Political satire is healthy in a vibrant democracy.

Show America how the Democrats will govern

But the news media should stop this obsessive Donald Trump saturation coverage, while the Democratic opposition, instead of relishing the Republicans' self-inflicted wounds, should rise to the occasion and offer a new and inspiring vision on how they intend to govern America.

As of now, I have seen none of that. And the reason for this, I suspect, is that the Democrats do not have anything new to say. And this is sad. A healthy republic needs a healthy debate on policy alternatives. Right now we have mostly noise.

Unhappy Americans Look for Culprits

WASHINGTON – The most visible impact of “*The Great Stagnation*” , (the title of Tyler Cowen’s book provides a good definition for this uninspiring economic era), is that many Western societies, including America, have lost whatever confidence they had in the ability of elected representatives

to deliver steady economic growth, and therefore more prosperity. Hence a peculiar mix of revulsion and cynicism towards the *“political establishment that failed”*, and at the same time completely unrealistic confidence –almost blind faith– in would-be new, non traditional leaders who promise cost-free, total transformation –first and foremost the overnight rebirth of slow-moving economies.

Politicians do not deliver the prosperity they promised

Regarding popular sentiments in the U.S., just look at the stunning outcome of a recent NBC/Wall Street Journal poll. Only 24% of all American polled indicated that the country is moving in the right direction, while 70% believe that we are headed the wrong way.

The problem is that most people, looking for the causes of an anemic economy, now believe that their own personal economic misfortunes are almost entirely attributable to the errors and/or misbehavior of corrupt or incompetent political leaders.

Hence the delusional hope, in many cases absolute certainty, that if we finally *“throw all the rascals out”*, and replace them with genuine fresh talent, all will be well. Sadly, here we have a combination of bad diagnosis and delusional faith in an impossible cure.

Lack of innovation, constrained opportunities

As Tyler Cowen explains in his book referenced above, the developed world is going through a bad patch of slow growth due lack of innovation. This means that there are very few new economic opportunities created by new technologies.

In the meantime, most Western societies, the U.S. included, are suffering because of the negative consequences of globalization. With hundreds of millions of Asians willing to work for far less money, millions of steady manufacturing and

services jobs held by so many Americans migrated to Asia. No chance that these jobs will be coming back. I mean not a chance. Which is to say that anybody who promises to “bring our jobs back” is dreaming, or worse.

Who is guilty of all this?

Anyway, no matter what the real facts are, this is what millions of Americans believe. **Number one:** most U.S. voters have lost confidence in the political and policy-making process as we know it, mostly because “establishment politicians” are unable to deliver improved economic standards. **Number two:** large numbers of voters – large numbers; but not majorities– are willing to take a chance on untested would-be leaders (businessman Donald Trump on the right, and Senator Bernie Sanders on the left) because they are perceived to be “good outsiders”, not tainted by the corrupt Washington establishment; even though one should note that, just like the old establishment politicians, both Trump and Sanders also promise great things at almost no cost. In fact, these brand new would-be Chief Executives promise much bigger and better things.

So, here we have a really bad combination of disgust about what exists and childish fantasies about what the next happy chapter is going to be. It is clear that there would be no *number two* (escapist fantasies about great, flawless leaders), without *number one* (excessive pessimism about the current political establishment).

Loss of confidence

Number one is serious business. Millions of Americans are now convinced that this country is run by an insiders’ game rigged by the special interests who pay for the election of candidates. Once in office, these puppets do exactly as they are told by their paymasters. The accepted story is that the innocent American people are fooled by nice stories told at

election time; and then they get just a few crumbs that fell from the table, because all the goodies go to the crooks who paid for the elections of their corrupt representatives.

Disgusted voters

While this is an exaggeration, there is unfortunately enough truth in this generalization, (think of the armies of Washington lobbyists, the “revolving door” always open for retired politicians who want to go into business, the PACs, the convenient tax exemptions), to generate and justify genuine disgust about the whole political process. And this is a real problem.

Let’s not forget that the peaceful self-perpetuation of the American Republic rests on the assumption that most people believe and will continue to believe that we have a legitimate, ethical system that operates in a transparent way, and that this system is run mostly by law-abiding office holders.

People feel cheated

This is not the case anymore. People feel cheated because politicians do not keep their promises. And there is some truth to this. Indeed, in order to get elected, most candidates for public office routinely promise that they will magically create millions of new jobs. But the honest truth is that elected officials at best can help create a more pro-business environment. No elected officials can create millions of jobs. Looking at our current predicament caused by aggressive Asian competition and lack of innovation, it should be clear that nobody can reverse new historic trends and major global shifts through legislation.

Politicians cannot fix this problem

No U.S. Senator, Governor or President can reverse the rise of Asia, with its hundreds of millions of low-cost workers who

get millions of jobs outsourced from the U.S. simply because Asian workers are happy with much lower salaries, and therefore are more cost competitive. By the same token, no U.S. President can prevent automation from killing hundreds of thousands of factory and now services jobs.

Promising the impossible is immoral. And yet all candidate do it, all the time. Voters believed those who in either party made the biggest promises. But now they do not believe them anymore, not because they understand the truth about "*The Great Stagnation*", an epochal change that cannot be controlled, let alone reversed by elected officials; but because they believe that these politicians are personally responsible for their plight.

The accepted narrative is that the masses suffer because most U.S. politicians are in the pockets of the greedy 1% who want to grab everything. Unfortunately, most Americans do not really understand the true dynamics of globalization.

Rigged game

Most voters no longer believe in the establishment because now they are convinced that America is a rigged insiders' game. According to the simplistic and yet generally accepted narrative, America is still very rich. The problem is that most of the wealth is stolen. Millions of Americans believe that Wall Street and major corporations are making huge gains by willfully sending jobs abroad, while all the cash goes to them, a tiny minority. Meanwhile, corrupt politicians paid by the special interests twist the system so that the greedy few will keep receiving even more, thanks to customized laws and tax provisions that favor the already ultra rich elites.

Throw everybody out

Contemplating this ghastly picture, the disgusted voters are not asking for reforms. No, they decided that the entire establishment needs to be junked. And so, in this most unusual

presidential campaign, they turned their attention and hope to outsiders, with blind faith that, once elected, these new leaders will step forward and fix everything, quickly and painlessly.

The fact is that the outsiders, if anything, make even bigger and therefore far more preposterous promises. But millions of voters are willing to believe them, because they appear to be "sincere". Since they are outsiders, they are not tainted by Wall Street money, PACs, Washington lobbyists, and the dirty business of buying and selling votes. So, they must be real saviors.

There are no saviors

Well, they cannot be. And this is has nothing to do with their intentions. It has to do with the limited reach of any public policy. As indicated above, we are going through a bad patch that is only in some measure the result of poorly designed laws and regulations.

Washington cannot make productive innovation happen by legislative or regulatory fiat. Washington can and should promote and support a pro-growth, pro-innovation, pro-business environment. But even assuming that we did this tomorrow, this would be no guarantee of success. Eventual success is about the drive and the ingenuity of smart people who will come up with new technologies, new products and new services. This is a highly desirable outcome; but it cannot be mandated by law.

Aspiring "Political Saviors" cannot and will not deliver prosperity just because they say they will. Unfortunately, this simple common sense message will not be listened to by people yearning for a panacea.

The old guard is out

At this point, the infatuation is on, and the focus is and will stay on those who promise miracle cures. Sadly the

traditional political forces are too discredited. Whatever sensible message about establishing a healthy distinction between realistic and unrealistic expectations they may put forward, they will not be believed.

And why? Well, because for decades they have been in the business of making exaggerated promises they knew they could not keep. For a long time they got away with over promising, because the economy was still growing. But now it isn't anymore, and so nobody believes them. Hence the rise of the Savors.

Angry American Voters Cannot Coalesce Around A Real National Leader

WASHINGTON – The American voters are angry and upset. They “feel” more than know that the country is losing ground. Many look at their own circumstances and see that they are not moving ahead in terms of disposable income and new opportunities. In fact, millions have been treading water, or lost ground.

The game is rigged

Right at this juncture, the same despondent and disgruntled Americans are told by aspiring national leaders that this is happening because a few clever scoundrels, domestic and foreign, rigged the game, (“Wall Street”, the 1%”, “large corporations”, “big oil”, “China”, “Japan”, you name it). The wealthy and powerful and our dishonest international competitors get all the financial gains squeezed out of a not

so hot US economy, while the vast majority of the American people is left with nothing.

Confused people, confused politics

All this –unhappy citizens and populist politicians promising quick and sweeping change– is coming together, (in a rather confused and disjointed way), in this election year.

The Republican Party, excluded from real power since it lost the White House in November 2008, decided that the best course of action was to tear itself apart.

There are some within the party who think that only a radical conservative revolution could save them, and the country. Motivated by this belief, they proceeded to attack all the “Establishment Republicans”, found guilty of having sold out. These are politicians willing to compromise with the other side, essentially traitors who need to be humiliated and defeated, so that the true orthodox principles can be restored.

But then there are many other Republicans who do not want to go back to first principles of pristine conservatism. They want something completely different. They want national leaders who are completely outside the existing parameters of professional politicians beholden to the “special interests”.

No more “Establishment Politicians”

The net result of this confused political upheaval is that the (once respected) experienced candidates for the GOP nomination have been wiped out, simply because they are “same old”.

In his quest for the Republican party nomination, early favorite Jeb Bush, (twice Governor of Florida, and a recognized national leader in education reform), hardly registered anywhere. Despite enormous financial backing, and despite spending much of it on hundreds of expensive TV ads,

he failed –miserably. So, he is gone. And so are all the others.

Who's left standing? Texas Senator Ted Cruz, a right-wing populist, (ostensibly a "true conservative"), and Donald Trump, a wealthy celebrity TV personality, (he is the populist with no well-defined program, except for his promise to "change everything" in Washington in order to make "America Great".)

Trump's moment

The considerable (although not overwhelming) support Trump is getting represents the purest expression of a yearning for "something totally different". Oddly enough, Trump's main qualification for the highest office in the land, according to his supporters, is that he is a complete novice.

Indeed, the fact that he plainly admits that he does not know much about the complex policy implications of complicated issues is viewed by his supporters as refreshing. And they are not worried about electing to the highest office in the land someone who does not have governing experience. *"Trump is rich. He is very successful. Therefore, he must be clever. Of course, he will figure out some common sense solution for this and that, once he is in the White House."*

This is where we are now

That said, here is the odd (provisional, as we are months away from the actual nominations, and then the elections) outcome of the generic anger vented by the Republican base. The old guard (Walker, Bush, Christie, Jindal, and Rubio) has been attacked and discredited by the "revolutionaries" and wiped out. They all abandoned their quest for the Republican nomination. (Ohio Governor John Kasich survives as a contender. But his chances of getting anywhere are very, very low).

No national leader

The yearning for total change promoted two potential candidates, Trump and Cruz. However, both of them have limited appeal beyond their grass-roots supporters.

In other words, this revolution produced mostly internal disruption and feisty factional leaders. There is no new Republican leader here with a good chance of getting real national support.

Disaster

And here is why this odd season most likely will spell political disaster for the Republicans. Trump is the most likely Republican nominee. However, this is not due to his ability to attract broad-based support from a variety of Republican constituencies, hopefully extending it later on to millions of independents who will vote in the November general elections. No, this is due to the fact that he has a strong, but limited base of support among the “insurrectionists”, while the other more “traditional” candidates have been abandoned by the base.

Trump’s support at 40% looks a lot more impressive when the number two contender gets 18% and number three, four and five (when they were still in the race) were way behind, in single digits. Trump has won most Republican primaries. But usually with strong pluralities, hardly ever with clear majorities.

This is important. The fact is that Trump, although clearly on top, is not an exceptionally strong candidate. In reality he looks stronger than he is because very few primaries voters were supporting the other candidates. Again, getting 40% or even 45% of Republican primaries voters is impressive; but it is not good enough to win a national election in November.

High negatives

But this is only half the story. The other half is that, while 40% to 45% of Republican primaries voters are definitely for Trump, the rest of the country finds Trump an unappealing (or worse) choice. Trump has an incredibly high unfavorable score. According to the most recent polls, about 63% of all voters (this includes Republicans, Democrats and Independents) do not like him, while 30% like him. Many Republicans have stated that if Trump is the nominee they will not vote for him.

Trump will not get elected

So, here is the thing. Trump in the end may get the GOP nomination because a large plurality of Republican primaries voters supports him, while nobody else has emerged who looks like a plausible alternative, not even number two Ted Cruz.

However, the support Trump is getting represents less than half of the GOP base, and 1/3 or less of the national electorate. If these polls do not change, nominating Trump spells defeat for the Republicans in November.

The Democrats have their own problems

Yes, this would definitely be the case, if the Democrats would nominate a strong candidate. But guess what, they will not. In the Democratic Party we also see an insurrection against the establishment. But it played out differently.

The Republicans essentially “killed” the Establishment candidates and promoted populists like Trump and Cruz. The Democrats are still going with Hillary Clinton, their anointed “Establishment Candidate”; but many are having buyers remorse. Hence the rise of ultra-leftist Senator Bernie Sanders.

The surprising resilience of this most improbable challenger may be due to the fact that Clinton also has high negatives. She started with 40% and now she is at 54%. Not as bad as Trump. But not very promising either, for a national politician with a long CV, (former Senator and former

Secretary of State), who wants to be President.

In what is now a two candidates race, Clinton is definitely ahead and likely to finish ahead. But it is astonishing that Senator Bernie Sanders, until yesterday a complete nobody who promotes idiotic ideas about wealth redistribution and “free everything” for the masses, has become a real challenger, with a massive national following and unsuspected fund-raising abilities.

Voting for a lunatic

Many Democrats go for Sanders as their way to show that they do not want Clinton, that is business as usual. They want someone entirely different. And, boy, is Sanders “different”. That he is.

However, the very notion that mature voters would vote for a left-wing lunatic who would destroy the American economy just to show that they are fed up with the Establishment represented by “Clinton Inc.” gives you pause.

Again, let me stress that Sanders’ chances of getting the Democratic Party nomination are really slim. Still, on a national basis, Democrat Sanders is getting millions of votes, while Republican Jeb Bush, an accomplished Governor with a real record, got almost nothing. But who is Sanders? What has he done? What following and national recognition did he have prior to these primaries? Notwithstanding years in national politics, practically zero.

Populists and lunatics

So, here is the thing. These days, populists (Trump) and lunatics (Sanders) are in. Experienced politicians, (granted some of them shopworn and fatigued), are out.

Just like what is happening in Europe, here in America voters are also upset and angry. They want immediate positive change

(impossible in any democracy); and they are willing to vote for the clever (or unhinged) new aspiring leaders who promise it.

Dangerous immaturity

Whatever the outcome of this confused political year, one thing is certain. The American society is not becoming more mature. Picking untested populists and “socialists” as the best people to run the most important country on earth is not a sign of maturity.

On the contrary, as these strange (frankly dangerous) political choices reveal, we are regressing into infantile temper tantrums, (“kick everybody out”), mitigated by foolish dreams of complete fixes magically carried out by super smart outsiders.

If this is the approach that most Americans these days have towards the political process, let me just say that emotions and childish dreams are a pretty lousy foundation for a functioning modern republic.

Hillary Clinton Will Ban Fracking - Less Energy For America

WASHINGTON – When it comes to America’s energy needs and viable alternatives to fossil fuels, it looks as if Democrats running for the White House live on another planet. Front runner Hillary Clinton recently declared that, as President, she would place so many restrictions on extracting oil and

natural gas from shale formations using hydraulic fracturing, or fracking, that this will amount to a complete ban. Her opponent Bernie Sanders declared that he is totally against fracking.

The benefits of fracking

Indeed. And yet fracking has been one of the few pieces of real economic good news of the last decade. Thanks to fracking America doubled its oil production. This means importing less crude oil, and keeping billions of dollars at home, every day. And fracking used to produce natural gas means abundant supply and lower electricity prices.

But no, this is not good news. The Democrats are telling us that this energy revolution that increased supply and lowered prices is actually bad, because of the environmental impact of fracking. Well, this allegation, even though endlessly repeated by the green movement, is almost entirely baseless.

Fracking is safe

Of course there have been incidents of pollution deriving from poorly constructed wells and other sub standard practices. But there is no evidence of any systemic risk. If energy companies follow best practices and established industry standards, and most of them do, fracking is safe. And, by the way, this industry is regulated, and heavily monitored.

Environmental protection agencies at the state level keep an eye on it. At the federal level the Environmental Protection Agency, EPA –certainly no friend of oil and gas companies– reviewed the entire US fracking industry and could not come up with anything bad to say about it. Again, while the Obama EPA is certainly not in the pocket of the energy lobby, it could not come up with any justifications to restrict fracking, let alone banning it.

Renewable energy will become more important...

If we look at the broader world context, it is clear that fossil fuels, (and natural gas in particular), will continue to dominate as essential energy sources. It is true that the most recent energy outlook produced by the energy company BP clearly indicates that the renewable energy sector is rapidly growing. It is gaining a bigger share of total energy consumption. But it starts from a very low base. Therefore, even if it continues its impressive growth, it will take years before it will be able to displace fossil fuels.

...But oil and gas cannot be replaced

In the meantime, oil and gas will continue to dominate. In particular, natural gas share of total energy consumption will grow significantly. And –guess what– most of the new natural gas produced in the USA comes from fracking shale formations.

The very tangible economic benefits coming from new natural gas extracted via fracking are stable or lower electric rates, (natural gas is used mostly for electric power generation), and huge advantages for US petro-chemical industries that use natural gas as feed stock. Cheaper natural gas means lower costs, and therefore more competitive prices for finished products.

Therefore, all sane people know that until we shall have truly cost-effective alternatives to oil and gas the fracking revolution is and will continue to be a major asset for the US economy. It allowed America to become once again a major energy producer, with clear advantages for industry, US global competitiveness, and huge savings for millions of consumers in terms of lower energy bills.

Politics

So, why do Clinton and Sanders make such outlandish statements about banning or restricting fracking? Very simple. This is just politics. They both want to appeal to the Democratic Party far left where the greens and the pure environmentalists

are strongly positioned. In order to get their precious votes, they need to assuage these ideologues with ritualistic anti hydrocarbon policy statements.

This makes no sense

And yet, if you think of it, all this is absolutely crazy. In the real world, for would be presidents of the USA –one of the largest oil and gas producers on this planet – to state that they will ban a significant component of the production of this vital source of energy should be dismissed as totally preposterous.

But no, nothing happens. Both Clinton and Sanders declared that they will ban fracking. And no one says anything. I wonder how will Democrats in North Dakota, Pennsylvania, Ohio, and Texas –all of them major energy producers– react to this nonsense.

The Moral Case For Capitalism

WASHINGTON – Would Hillary Clinton make a moral case for American capitalism? I am not so sure. First of all, let's point out that Hillary Clinton will not be Bill Clinton 2.0. Remember that Bill Clinton came along in 1992 as a “sobered up” new centrist Democrat who proclaimed the end of the era of Big Government and actually as President passed welfare reform, notwithstanding the fierce resistance of the left of the party. (More on this later).

But that was then. Today, strongly challenged from the left by a vociferous Bernie Sanders openly advocating wealth redistribution, Hillary Clinton's message is about expanding benefits, subsidies, tax breaks to the poor, the disadvantaged

and the minorities. Her presidency will be about more of the neo-Keynesian deficit-spending stuff that failed over and over again, and yet seems to be the only medication in the cabinet of most Western left of center political forces.

More failed neo-Keynesian remedies

Therefore, should Clinton become President, this will be America's death by a thousand cuts. More public programs, more welfare, more aid and assistance to this or that needy constituency. More unproductive publicly funded jobs. More stupid and counter productive regulations; and, of course, higher taxes needed to finance all this ill-advised social engineering. The combination of ad instincts and bad policies will stifle innovation, enterprise and private sector jobs creation.

Nobody makes the case for capitalism

Here is the real tragedy of American politics. In this critical election year, no one has been able to articulate in a simple, clear and cogent manner the moral case for free market capitalism. (In fact those who tried, mostly Jeb Bush and John Kasich, did not do it well, and got no attention)

By this I mean the ability to convince people, especially the poor and disadvantaged, that capitalism and free enterprise are good for everybody, including those who are currently at the bottom of the pile. And by that I do not mean that people should be convinced that on balance capitalism delivers better results than social democracy. This is true in principle. But this truth does not resonate with people who are and feel helpless because they believe that they do have any open path forward.

By "morally superior" I mean the ability to explain how capitalism empowers people, and therefore makes them better human beings.

Here is the simple truth. Even if well-intentioned, welfare programs make recipients perpetually dependent and listless. Whereas a system that fosters personal responsibility encourages people to take charge of their own lives. And this makes them more self-confident, more optimistic.

Bill Clinton's welfare reform worked

Let's go back to Bill Clinton's partial welfare reforms. That was about public aid to single mothers. These were mostly uneducated, poor African American young women with small children, trapped in an endless cycle of dependence on public subsidies.

Being poor, they were entitled to get enough money to survive. But the programs as designed provided no incentives so that recipients had to do something in order to get out of poverty. The reform passed by Clinton was about sun setting benefits, while giving the women tools, so that they could find work.

"It will not work"

The critics cried that this would never work. This bad reform was about taking the life jackets away from shipwrecked, defenseless women, thereby drowning them.

Well, the reformers argued instead that the goal was to teach these women how to swim before taking their life jackets away.

And, on balance, it worked. With assistance, women found jobs. There were lots of testimonials by women who had received training, and found work, so that they could care of themselves and their children. As a result, they felt more optimistic and more confident.

The "moral case" for capitalism

This is what I mean when I talk about "the moral case for capitalism". An economic system that encourages people to become self-reliant and independent is morally superior.

If we recognize this basic premise, then the purpose of enlightened public policy should be to make sure that all citizens “learn how to swim”, so that they do not need the perpetual life jacket of public assistance.

In today’s ultra competitive world, this means that all children should have access to quality public education. And meaningful adult education and/or training should be made available to all adults who did not have a chance to get an education as children.

Educated citizens do not need welfare

I am not suggesting that this is easy. It is not. But deep down this is the case for a rules based competitive system in which all participants have a fair shot at doing something and making a decent living without help, because they are empowered by a good education that gives them the tool to become active participants.

Of course, there are special circumstances in which public assistance is warranted. But these should be the exceptions, not the rule. Temporary relief should not morph into a permanent subsidy.

Making a case

What both Democrats and Republicans have failed to do is to make a moral case for free market economics and the role of public policy in enabling and fostering it. Indeed, if we are convinced that free market capitalism on balance works, then public policy should be about making sure that everybody can and will participate.

Public policy is about giving everybody a good chance

Good public policy is not about more subsidies or about creating fake jobs. It should be about making sure that all citizens get into adulthood “knowing how to swim”. And this

means that everybody –all Americans– should be reasonably healthy and educated.

It is obvious that education is the functional equivalent of knowing how to swim. Without good to superior public education, the poor do not have a chance to get out of poverty. They really do not. Again, if we want capitalism to be fair, then all people should have good tools, so that they will be able to participate.

Until now we have tried to deal with poverty attacking the symptoms. While well-intentioned, this approach has done nothing to eliminate it, or substantially reduce it.

Capitalism works well if all citizens are active participants

The “moral case” for capitalism is about reaffirming the superiority of a free market economy, because it empowers people; making them self-reliant and self-confident, therefore better human beings.

At the same time, the goal of public policy, (this is the job of elected officials), must be to enable everybody to participate. Sound public policy will focus on health and education, so that all Americans can do their best, without the burden of feeling perennially disadvantaged.

It is going to be difficult

I realize that transforming our value systems and the content of public policy so that it will focus on these objectives is very difficult. But this is a worthwhile cause. Perhaps the most critical one we can think of.

In the end, a successful moral case for capitalism is about more prosperity, and about self-confident citizens who know that they have the ability to take care of themselves.

US Economy and Public Finances Deteriorating – Candidates Talk About Something Else

WASHINGTON – While we wait with trepidation for the outcome of the Iowa caucuses that will finally begin to shape the race for the Democratic and Republican nominations, none of the candidates really care to discuss in any detail the actual conditions of America, both its economy and public finances.

On shaky ground

Let's make this simple. The US economy is on shaky ground. A lot of the rather modest (2%) economic growth that we had since the end of the 2008 recession is due to free money doled out by the Federal Reserve for an absurdly long time.

Energy bust

And now, some of that growth is gone, for good. Thanks to Saudi Arabia and its all out oil production policy that depressed prices, the massive energy boom that America enjoyed until 2014 is over, killed by oil at \$ 30 a barrel. More than 100,000 high paying jobs have vanished in about a year. More losses to come as more US energy companies go bankrupt, or have to retrench.

Easy credit

And what about the good news, like higher consumer spending? Well, the stunningly large 2015 car sales were financed almost entirely via easy credit extended to practically anybody

walking into any dealership. (Some analysts talk openly about “*sub-prime auto loans*”). With these kinds of credit tricks it is easy to jack up GDP figures. The problem is that you cannot keep doing this for ever. When consumers who do not earn that much (their incomes have been stagnating for decades) have used up all their credit, then what? Is it just a coincidence that Wal-Mart is planning to close a large number of stores?

True, we have had significant employment growth. But most new jobs are low paying, and many of them are only part-time. Where will the new economic growth come from? From massive new consumption driven by store clerks and janitors who make \$ 20,000 a year?

High dollar hurts exports

US exports have been hit and will be hit by a deteriorating global economy (this means less demand) and by a high dollar that makes Made in the USA products more expensive. For the moment, manufacturing output is relatively steady. However, thanks to automation, this sector will not create many new jobs.

Jittery markets

Are we headed towards a recession? Probably not any time soon. Still, with modest growth and declining corporate earnings, we are barely treading water. It would only take a bit of bad news (look at the Wall Street jitters anytime something strange comes out of China) to wipe out many of the newly created restaurant and hospitality jobs.

Of course, compared to weak Europe or Japan, let alone disaster zones Brazil or Russia, the US is doing much better. But this is not a robust, resilient economy built on the production of valuable goods that give America a strong competitive edge. Sure, we still have many IT giants. But there is only one Silicon Valley in America.

Fiscal picture getting worse

Sadly, we have to add to this a slowly deteriorating fiscal picture. With due credit to President Obama, it is true that after years of gigantic federal deficits that added massively to the national debt, more recently US public finances have improved –a great deal. the US Federal deficit is now down to less than 3% of GDP for 2015.

However, this will not last. A combination of increased discretionary spending and the higher costs of all key entitlement programs due to an aging population will cause an increase of the Federal budget deficit beginning in 2016. According to the Congressional Budget Office, a non partisan, research and analysis public body, the US Federal deficit will go from \$ 439 billion in 2015 (2.5% of GDP) up to \$ 544 in 2016, (2.9% of GDP).

The rising cost of entitlements

And any fair estimate of the increased costs of Social Security, Medicare and Medicaid –the largest Federal entitlement programs – indicates that year after year the deficit outlook will get progressively worse.

Entitlements will soon absorb 15% of GDP (now it is 13.1%). Higher deficits mean higher cost of debt service and the reduction of discretionary spending, including defense.

Obamacare does not pay for itself

And there is more. The just released numbers on Obamacare enrollment do not look good. The new people who signed up for medical insurance are mostly old and sick. The young and fit did not enroll in sufficient numbers. And this means higher costs for the system. Since most of the new, needy “patients” receive Federal subsidies to pay for their brand new medical insurance, soon enough Obamacare’s extra costs will add to the deficit.

Not a catastrophe

For the time being these numbers, while worrisome, do not look catastrophic. And in fact they are not. But they indicate a bad trend of higher costs and higher deficits, notwithstanding higher tax revenue. And here why this is happening. As new births keep declining, while more and more Americans get older and live longer, the cost of well-meaning social programs designed in another era, (Social Security was designed in the 1930s), at a time in which retirees were expected to collect benefits only for a few years before they died, will keep growing.

Candidates do not talk about any of this

Given the above, it is obvious that entitlements reform should be on top of any serious candidate's list of policy priorities. But it is not. Sure, some of them have presented fiscal reform plans. But they are mostly attention grabbing tax cuts ideas. They fear that any serious talk of real reform amounting to benefits cuts for millions of Americans would amount to political suicide.

So, here is the thing. This elections year should be an opportunity to focus on the real issues affecting America: a fragile economy and deteriorating public finances due to entitlement programs no longer in line with current and future demographic trends.

No serious talk about policy

But no, the candidates do not talk about any of this. This year we have had a mixture of political theater, lunatic plans to redistribute wealth, populism and empty grandstanding. Between the crazy ideas pushed by socialist Bernie Sanders and Trump's bravado, mixed with his endless recitations of his good poll numbers, there is no room for seriously talking about anything.

A bizarre President or a weak one

As I said, Thank God America is not in a serious crisis. But we see a once vigorous society that is slowly deteriorating, while those who want to run the Republic peddle fantasies to people who just want to be duped. My hope is that this unusual political season that started as vaudeville will finally get serious. But I would not count on it.

Sadly, we will end up either with a bizarre president (Trump, Cruz or Sanders), or with a weak one (Clinton) who will do nothing to change course.

Bernie Sanders For President?

WASHINGTON – It is truly bizarre that a significant percentage (more than 30%) of potential Democratic voters are considering Vermont Senator Bernie Sanders a serious candidate for the White House. So serious that, according to the polls, he might even win in the early Iowa and New Hampshire contests.

Ultra-liberal

But how is this possible? Senator Bernie Sanders is an unreconstructed, old-fashioned ultra-liberal (in fact he calls himself a socialist) who proposes silly leftist reforms, wealth redistribution via dramatic tax changes, and other pie in the sky egalitarian policies. This stuff is junk.

He does not look real

And yet Sanders is considered a legitimate contender. Nobody is laughing when his candidacy is mentioned. But they should.

Indeed, if you watch Sanders on TV and listen to him, he looks like a very credible Saturday Night Live comedian impersonating the stereotype of the crazy old liberal politician ranting about injustice and the rights of the downtrodden masses.

But Sanders is not a caricature. He is real. So real that he shares the podium with Hillary Clinton, the anointed establishment candidate. And he is making life a little difficult for her. If he wins in Iowa and New Hampshire, as he may, this would embarrass Clinton.

Sanders will not win the Democratic Party nomination. I see no path to victory. But the fact is that this elderly gentleman who really looks like the crazy uncle in some old comedy show is actually taken seriously by the public and by the media covering the campaign.

Republicans have a much bigger problem

I do recognize that the Republicans have a much bigger problem when it comes to "strange" candidates. Donald Trump is not just a "curiosity", a thorn in the side of an establishment candidate. He is actually leading among all Republicans, by wide margins. And the runner-up, Texas Senator Ted Cruz, while slightly more polished, is yet another unreliable populist.

Populists with no credible programs

So, here is the issue. A majority of the Republican and a sizable minority of the Democratic voters seem to have lost their minds. They now believe that populists with fiery oratory (this is what passes for "authenticity" these days) but no credible programs would make good presidents.

Of course, it is still very early. Nobody voted yet. Today's high poll numbers may vanish later on. However, when so many adult Americans express full confidence in would be leaders who peddle fantasies, there is reason for concern.

The system does not work anymore

It is obvious that the established political process is not working anymore. Too many Americans feel alienated. Well, unless we really want to see bizarre outsiders in charge, the traditional political forces should do something –and quickly– to restore genuine confidence in our institutions by putting forward fresh and sound ideas that address real problems, while resonating with the millions of Americans who now feel left out.

Can We Find Decent People To Fix Our Democracies?

WASHINGTON – Democracy and free markets anyone? By this I mean opting for a real republican government with fair rules, transparency, honesty, and constructive debates. And office holders who really believe that their job is to further the public good, while allowing private citizens who play by clear and fair rules to engage in whatever activity they may be interested in.

What happened to liberal democracies?

Does any of this still exist? The answer is a qualified yes. However, the real article is almost extinct. There are only approximations. Unfortunately, most self-described liberal democracies are only distant relatives of the original model.

In most Western countries, citizens mistakenly believe that it is perfectly alright to bend the political process and the

state institutions so that they will provide for them, or at least subsidize them. This entitlement mind frame is a perversion of any honest notion of the state as guardian of the public good. And yet, the “welfare state” model is now the standard, with plenty of intellectuals willing to affirm its legitimacy and high moral standing.

Welfare and statism

To make things worse, the welfare state goes hand in hand with a statist economic model. Many people do not believe that public institutions should limit themselves to the role of impartial arbiters and enforcers when economic rules are broken. No, the state should run things, (banks, utilities, airlines, railways, factories), or at a very least dictate via minute regulations how they should be run.

All this amounts to a state that got bigger, more expensive and more powerful, and in most cases more wasteful. As a consequence, some people in charge of powerful institutions that control huge assets or resources have enormous power. And this often unchecked power is an open invitation to corruption.

Corruption

Corruption in turn has the effect of a chronic, debilitating disease. It is nasty parasite that eats up resources, while engendering cynicism and sometimes despair. Who will have the enthusiasm to think about starting a new business when they know that at each step of the way there will an intrusive bureaucracy run by voracious corrupt officials demanding bribes?

Well, this is the picture. In some instances, it gets to be too much. And people protest, loudly. (Witness what is going on right now in Brazil, with daily street protests and demands for the impeachment of President Dilma Rousseff).

Ironically, even semi-dictators complain about corruption. Vladimir Putin commented that there is way too much corruption in the recently annexed Crimea. Think of that. According to Putin, the once oppressed ethnic Russians of Crimea, instead of showing gratitude towards their Russian liberators, engage in all sorts of shady practices. The level of corruption in Crimea is now so bad that even Putin thinks it is way too much.

Here is the picture

Well, without being too gloomy, here is the picture. Europe is slowly sinking under the weight of unsustainable public debt. Indeed, lacking enough revenue, this is the only way to finance all the benefits. Too much debt weighs on the economy. Too many regulations impede innovation, business formation, and therefore the creation of new employment. A bloated public sector fosters waste and corruption.

These days, confronted with economic stagnation, lack of opportunity and high unemployment, people are restless and unhappy. This being the case, they could opt for better political leaders.

But no, they do not do this. With few and limited exceptions, no way that any political force proposing to go back to the original free market, liberal democratic model could get vast popular support and succeed. *“Yes, reforms may be nice, but don’t even think of touching my benefits”.*

Looking for a “Big Man”

As real world solutions are excluded, the only alternative seems to be escapism. Yes, let’s elect someone –*A Big Man*– who will make all this go away. Let’s elect someone who will tell us that we are the innocent victims of a vicious cabal made out of corrupt politicians in bed with exploitative financiers. And then we have all the illegal immigrants who steal our jobs, not to mention unfair trading partners who

cheat. Therefore, let's elect someone who will clean house, throw all the rascals in jail, and start fresh. (*Of course, the magic broom will steer clear of all my benefits and subsidies. And don't you dare raise my taxes*).

Hence the appeal of Beppe Grillo and his 5 Stelle movement in Italy, the National Front in France, Podemos in Spain, and Syriza in Greece. And, most recently, the British Labor Party choose as new leader Jeremy Corbyn, an old (age 66), unreconstructed Socialist whose ridiculous ideas have the fresh fragrance of the 1950s.

Bad news from America

But what about America, the reliable bastion of democratic capitalism? Bad news from that front. Right now, in what is supposed to be a serious exercise aimed at selecting candidates for President, the leading contenders on the left and on the right are people who in ordinary circumstances would be dismissed as laughable populists.

Bernie Sanders and Donald Trump

But no, they are not dismissed. They are in fact adored. On the left, Vermont Senator Bernie Sanders is an eccentric museum piece, a socialist who talks with passion about income redistribution. On the right, businessman Donald Trump argues passionately that he is really smart, while everybody else is stupid; and this is his main qualification for becoming President.

All this is disheartening. Confronted with this detachment from reality and consequent lowering of the level of policy debates, many commentators argue that this is a "healthy rebellion" against an ossified political system dominated by worn-out elites made out of professional politicians.

"You see, the people got fed up with the establishment, and so now they vent their frustrations by supporting populists who

make outlandish claims. Perfectly understandable, no?"

Venting frustration is not smart

No, not at all! While we can understand that frustrated people may engage in foolish behavior, this does not make foolish behavior smart. It is in fact stupid and destructive. If we accepted this logic, then we should accept as "normal" the fact that some unemployed workers become thieves, while others become alcoholics or drug addicts.

Indeed, lets agree that *"the system is inefficient and corrupt"*. Let's assume that this is true. Well, then let's try to find more honest and more competent people to run it.

Electing Jeremy Corbyn in the UK, or Bernie Sanders or Donald Trump here in the US will solve nothing.

We no longer understand what this is all about

But then, why are socialists, populists and demagogues so in fashion, these days? Why the appeal of politicians who loudly promise easy fixes? Very simple: because many members of our societies have lost the meaning of the fundamental values that make republican government possible.

A republican government is supposed to manage the sectors that individuals cannot take care of on their own, while allowing people to freely live theirs lives. Government should take care of the truly needy; but it is not a philanthropy tasked with delivering plenty of goods at no cost. Government has costs that need to be financed through fair taxation; but it is not a mechanism for redistributing wealth.

Government should be about the protection of individual rights, within clear and transparent rules. Government should allow all law-abiding private citizens to engage in wealth-producing activities. In other words, I can do my own thing, but this pursuit positively excludes taking advantage of

others.

We got ourselves in this mess

Sadly, we forgot all this. And so we are caught between our deep dissatisfaction with our sorry-looking, stagnating democracies and our inability to see that we got here precisely because we lost our understanding of what the state is, and what it should do.

Why Are Americans In Love With Crazy Political Ideas?

WASHINGTON – “I play to people’s fantasies. I call it truthful hyperbole”. This is what Donald Trump once said, according to The Economist. If this is true, we see that Trump is not just an unhinged, rich megalomaniac. He exploits weaknesses.

Make people dream

Trump understands that at least some people in America want to be mesmerized by someone who says great stuff and makes outlandish promises. They want to dream about easy fixes that will propel the country to its deserved greatness. And this is in part due to the impact of a popular culture that glorifies improbable stories of sudden success, instant riches, overnight fame and fortune.

If we really like this fantasy world, why not elect President the man who became famous as the master of ceremonies of a

reality TV show all focused on success? Indeed, why not?

This is serious business

Well, the short, sensible answer is that public policy, running a country, and commanding the largest military force in the world, is serious business. TV entertainers should not be considered for the job.

Trump and Sanders

And yet, there he is, with significant if not massive, following. Trump is the most obvious example of the improbable as mainstream. But what about Vermont Senator Bernie Sanders on the left? He is also getting big crowds. He is creating problems for Democratic front-runner Hillary Clinton by harnessing a generic anti-capitalistic feeling that has now taken roots among many Americans. He is not another Trump. His style is vastly different.

Crazy socialist agenda

But he is equally outrageous. Sanders is an old Socialist (his definition). He is saying, with the conviction of the ideologue, incredibly stupid things about the evil of capitalism, the need to tax the rich a lot more, so that we can finally redistribute wealth. This surprising policy platform articulated by an old man who understands nothing about how any wealth generating economy works is not laced with offensive statements, but it is just as outrageous as most of what Trump says.

The outrageous is popular

So, what do we make of this large popularity for impossible policies promoted, with uncommon vigor, by anti-establishment candidates? Is this a sign of an American society that really lost its bearings? A society in which both on the left and on the right the interesting candidates are a lunatic (Sanders),

or a celebrity who willfully manufactures outrageous ideas (Trump), because he knows that outrage sells?

Or should we say that this is “just a phase” that will pass? Something akin to teen-age rebelliousness? Can we say that now, so early in this process, many people feel free to manifest their raw emotions by picking extremists? Having had a chance to vent their frustration, later on, when the game gets serious, they will come to their senses and focus on experienced candidates?

Decline of the main parties

Well, who knows really. Hard to say how all this will play out. However, we can make a couple of considerations. We are now in an era in which the two main parties, at the national level, have retreated into bunkers of stupid ideological orthodoxy. The result is complete dysfunction in Washington. Gridlock is now the norm. We know that absolutely nothing will get done until the next elections. And we have no guarantee that with a new President and a new Congress things will get any better. This spectacle of incompetence and dereliction of duty creates disaffection and –at least in some– a desire for something radically “different”.

What is America about?

In addition, we seem to have lost a broad-based consensus of what this country is and where it should be headed. Indeed, what is this American Republic all about?

If we go back to our origins, the Founders believed that –yes– different people with different persuasions and different interests would try to prevail and push the country this way or that way. However, the saving grace of a republican form of government, with power divided among the Presidency, the Congress and the Judiciary, is that no single faction would be able to prevail indefinitely, this way creating a form of tyranny. The optimistic view was that, fractious tendencies

notwithstanding, given this unique constitutional arrangement, the happy outcome would be that different factions would balance each other.

Besides, through the spreading of science and education, all citizens would have a chance to become more enlightened, therefore more sensible, and ultimately more rational.

Guarded optimism

In other words, while aware of the fragility of republican institutions, the Founders shared a guarded optimism. They somehow assumed that things would take care of themselves. Democracy and self-government would not morph into a hot bed of insanity and demagoguery. Sane ideas eventually would prevail.

But here is the thing. It is nice to hope that people will choose to be more enlightened and wiser. But what if they don't?

What is the soul of America about?

Years ago, (1983), conservative columnist George Will wrote an interesting book titled *Statecraft as Soulcraft*. In this book he noted that we Americans have never bothered to establish what the "values" underpinning our Republic should be. Sure, we have the *Declaration of Independence*, but the self-evident truths proclaimed there are both sweeping and ill-defined.

So here is the open question. What is America about? What should it be about? And, most importantly, what should we teach our children? Or are we saying that America is the country in which freedom means that you can believe whatever you want, and that the open market place of ideas will determine which ideas will succeed? From this perspective that implies that whatever sells must also be good, Bernie Sanders and Donald Trump agendas are just as good as Ted Roosevelt's or Lyndon Johnson's.

If it sells, then this is what people want.

Therefore, as we are ruled by whatever the majority has affirmed, we have to agree that what sells must also be good. Indeed, this is what Trump keeps saying in all his political rallies. *“I am leading in all the polls. Therefore, by popular acclamation, I am the best”*.

“Statecraft as Soulcraft”

Well, what can we do to ensure that what is popular is also good? Here is what George Will wrote in his book:

*“The principles of free government advocated in Jefferson’s Declaration, embodied in the Constitution, expounded in The Federalist and defended and ennobled by the life of Lincoln have survived the rigors of two centuries singularly fraught with dangers to political decency. **But what the nation learned in Lincoln’s lifetime was that the social cohesion which proceeds from shared adherence to a public philosophy and shared emulation of exemplary behavior and values is not the result of spontaneous combustion. It takes work. But by whom, and with what? The answer is: By statecraft as soulcraft. Such work is done with laws and institutions. It is the citizenry working on itself –on itself, collectively, on its selves, individually. It is applied political philosophy”**. [emphasis added]*

Who is the arbiter?

Of course, Will’s recipe presupposes that we, or at least some of us, “know” what is “the public good”, what is “decency”, how you teach all this, how you properly apply it, and how you teach people how to separate legitimate ideas from demagoguery.

All this is of course difficult. Besides, who can claim the right to spell out the ultimate values? Isn’t this a form of ideological tyranny?

If we do nothing

Yes, all this is true. These are valid points. However, if we do nothing, Donald Trump, or others like him, will be able to play with the raw emotions of immature people who are unable to recognize real values because they were never taught what they are.

The Appeal Of Easy Fixes

WASHINGTON – There is great appeal in fundamental beliefs that can be summarized in short sentences. The problem is that some beliefs are better than others, while some are wrong and possibly dangerous. Choosing among them requires judgement.

Good ideas

For instance, here is how the British magazine The Economist describes itself and its mission. *“We are proud of our heritage of editorial and commercial independence, serving no master save the liberal credo of open markets and individual freedom”.*

So, there you have it: The Economist’s purpose is all about promoting “open markets and individual freedom”. In a simple proposition you have the essence of the mission: support democratic capitalistic societies in which the protection of individual freedom is the foundation for the pursuit of prosperity.

While many argue against these beliefs, more than two centuries of success in America and other capitalistic countries validate these tenets. Yes, as a rule, free people who are allowed to keep the fruits of their ingenuity tend to

engage in new ventures made possible by free markets. Their combined efforts usually bring prosperity to them and to their societies. On balance, the promotion of *“open markets and individual freedom”* is a worthy cause.

But then there are other beliefs, also expressed in succinct form, that do not support anything useful.

“I can negotiate a better deal”

Republican presidential candidate Donald Trump argues that America is losing ground internationally because our leaders are “stupid” and are therefore outwitted by clever foreign negotiators. The remedy to this? Simple, elect Trump and he will renegotiate everything, with far better outcomes. Well, that’s an easy solution for our chronic balance of payments shortfalls.

Except that Trump’s way to frame the issue and the solution is wrong. Sure we could use better negotiators. And may be he could be better than most. But in the end the problem is not just about getting a better deal at the negotiating table. The problem is about American global competitiveness, or lack thereof. This is the issue. And there are no quick fixes that President Trump could mandate.

Improve the business environment

America must address an outdated corporate tax system, patent laws that inhibit innovation, excessive environmental protection regulations, the declining quality of our work force, the mediocrity of the public education system that produces it, the excessive cost of child care and how it impacts women’s participation in the work force. All this is very important, and quite complicated. Improving all this is essential in order to make America strong. And addressing all these issues will require a lot more than a clever negotiator determined to get a better deal from China.

“Black Lives Matter”

Then you have the “Black Lives Matter” grass-roots movement. This has been prompted by what many describe as a surge of racially motivated killings of innocent Blacks by biased White police officers.

All of a sudden, the key issue confronting millions of African-Americans is reforming police departments across America in order to stop the carnage. There are some elements of truths in all this. Yes, there have been several cases of police brutality and killings, some of them apparently stemming from racial animus. This is a fact. And this problem needs to be fixed. Police officers should be charged and prosecuted. All racist officers should be expelled.

The real problem

That said, this focus on police brutality has become a form of escapism. A few unjustified police killings are bad. But the thousands of “Black on Black” killings that take place every year in so many American cities are a lot worse. And yet they are dismissed as a non issue by most African-American leaders. It would appear that only the lives of Blacks killed by White police officers, (a very small fraction of the total number of Blacks killed), matter.

In all this, not even a word about the crisis of the African-American family. Indeed, what about the future of Black children? More than 70% of all Black babies are born out-of-wedlock. In most cases their mothers are very young, uneducated and poor.

Many studies show that young, indigent single mothers cannot provide for their children. Therefore, these kids will be raised in poverty, with some public assistance. They will not have a decent (let alone good or superior) education. In fact, a huge percentage will never graduate from high school. Most of them will be poor. Many will choose crime as a way to

escape poverty.

These are the real problems. But it is a lot easier to believe that the number one issue affecting African-Americans is police brutality.

“Income inequality”

And then you have Democratic presidential candidate Bernie Sanders and his income equality crusade. According to him (and tens of thousands of enthusiastic followers) most Americans get a raw deal because a few clever people gamed the system. They managed to take almost everything off the table before tens of millions of honest workers could even begin to figure out what actually happened. Remedy? Redistribute these ill-gotten gains in a fair way. Spread the wealth. Sounds simple, and morally right.

It all sounds reasonable. And it allows the poor and the not so well off to dream of a benign President Sanders who will give them free money. But it is not so. Sadly, this is another pipe dream concocted by an old left-wing politician who calls himself a socialist.

Well, aside from the fact that Bernie Sanders has slim chances of becoming the next US President, this whole income inequality crusade is a gigantic distraction. Sure enough, we could and probably should debate the problem of inequality.

Low growth

But the real issue confronting the US is that the great engine that powered the American economy is sputtering. We do not grow that much anymore (around 2%), and therefore there is far less wealth produced.

Redistributing what we have according to fairness principles sounds appealing; but, even assuming that it could be done without damaging the entire system, this economic justice

policy will not even begin to address the loss of momentum due to lost competitiveness.

The point is that even if we decided to tax to death each and every American millionaire, that would not solve the problem of a slow economy that has lost momentum. Major income redistribution is a one time deal. What will President Sanders do to grow the economy, later on? This is the issue. (As Sanders is a socialist, he may recall that Karl Marx himself pointed out that Socialism should not be about the socialization of poverty).

Most easy fixes are wrong

So, there you have it. People love easy answers to complicated problems. In a political campaign those who claim to know the right answers –and who act as if they really did know– get a lot of attention.

Unfortunately, they are mostly wrong. It is up to rational, reasonably well-informed voters to know the difference between plausible policy programs and feel good slogans.