



Donald Trump Just Picked A Laughingstock For A Huge Federal Reserve Job

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March 22, 2019

For years, the economic commentariat has enjoyed a running joke: Stephen Moore.

Moore, you see, has made a career of advancing various right-wing political priorities by dressing up as an economist and saying things about money and numbers in print and on TV. Unfortunately, almost nothing he says is true.

Moore is so bad that an editor at the Kansas City Star once refused to run literally anything he ever wrote, because a piece Moore had previously published in the paper was so littered with basic factual errors. He's a living embodiment of the worst elements of the economics profession — a man who doesn't care about the truth, abuses statistics, makes outlandish predictions, smears his opponents and never pays any professional price.

Moore is constantly, laughably wrong. In 1993, he said President Bill Clinton's slight income tax increase for the wealthiest Americans would "torpedo" the economy. In 2009, he warned that federal budget deficits and the Federal Reserve's low interest rates were a recipe for hyperinflation, and then doubled down on that prediction. In 2010, he said surging prices would send the price of gold to \$2,000 an ounce, as investors fled the worthless dollar for precious metals. None of these things ever happened. He spent much of 2018 applauding President Donald Trump's supposed efforts to "shoot for" zero tariffs, while Trump actually imposed hundreds of billions of dollars in tariffs.

Moore, unscathed, has bounced from the Cato Institute to the Club for Growth to the Heritage Foundation, happily absorbing the excess capital of conservative think-tank donors in the market for a white guy with the courage to advocate tax cuts. On Friday, in what would be the economist's greatest, most frightening achievement, Trump announced that he will nominate Moore to the Federal Reserve's Board of Governors.

The Fed is an important institution, responsible for managing the American economy to ensure "maximum employment" and "reasonable price stability." As the most powerful bank regulator in the country, it's also responsible for preventing a financial crisis. There are a lot of problems with the way the Fed currently operates, but none of them will be solved by adding a clown to the board of governors.

Prior to the Trump presidency, Moore's most prominent policymaking experience was a disastrous tax experiment in Kansas. Along with conservative economist Art Laffer, Moore helped then-Gov. Sam Brownback (R) design a program to slash income taxes on the richest families in the state and eliminate taxes altogether for partnerships, LLCs, S-corporations and sole proprietorships — essentially small businesses, but also hedge funds, law firms, doctors, people with book deals and other varieties of wealthy persons.

Moore predicted the tax cuts would bring an “immediate and lasting boost” to the state’s economy. Instead, they created a disaster. As the Center on Budget Policy and Priorities has detailed, Kansas state revenues fell \$700 million overnight, the state’s credit rating was downgraded, and Brownback began slashing basic social services to balance the budget. Job growth stalled out at less than half the national average. To salvage the state budget, lawmakers cut education funding so severely that some schools began to close early, and the state’s Supreme Court ruled that the government was violating the state constitution. After five years of economic misfortune, Kansas’ conservative legislature reversed the tax cuts in 2017. The whole experiment is almost universally regarded as a calamity.

It’s not exactly a secret that the political operatives who hire economists in Washington don’t actually care if economists get things right. They care if economists are willing to say the right things, support party policy and speak the language of prestigious professionals to at least give that policy the pretense of legitimacy.

But typically economists at least pretend to care about things other than, say, raw partisan advantage. When Congress was considering Trump’s tax cuts in late 2017, Moore — who never saw a tax cut he didn’t like — was enthusiastic. But the reasons he gave to Bloomberg’s Sahil Kapur didn’t have much to do with economic performance.

“It’s death to Democrats,” Moore crowed. “They go after state and local taxes, which weakens public employee unions. They go after university endowments, and universities have become playpens of the left. And getting rid of the [individual] mandate is to eventually dismantle Obamacare” — by sparking “a death spiral” for the law, he enthused.

Moore’s nomination to the Fed, then, will be proof that conservative donors don’t have to keep bothering with the charade of independent expertise any more. If a hack like Stephen Moore can land a job at the Fed, why keep funding all these think tanks and policy shops?