

As the Swedish poet Lars Gustafsson once wrote,

“We act in order to justify the acts which we have already committed. We take steps whose only function is to give meaning to the steps we have already taken. Obstinate, we stay on a the bad hotel in order to give meaning to the fact that we were once stupid enough to check in there.”



**TO LIVE
OUTSIDE THE
LAW, YOU MUST
BE HONEST**

- Bob
Dylan

The End of Hibernation in American Politics?



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**'I'm the Last Thing
Standing Between You
and the Apocalypse'**



From Joseph Nye

As the Nobel laureate economist Angus Deaton argues, “what is crazy is that some of the opponents of globalization forget that a billion people have come out of poverty largely because of globalization.” Even so, he adds that economists have a moral responsibility to stop ignoring those left behind. Slow growth and increased inequality add fuel to the political fire... But we should be wary of attributing populism solely to economic distress. Polish voters elected a populist government despite benefiting from one of Europe’s highest rates of economic growth, while Canada seems to have been immune in 2016 to the anti-establishment mood roiling its large neighbor. In a careful study of rising support for populist parties in Europe, the political scientists Ronald Inglehart of the University of Michigan and Pippa Norris of Harvard found that economic insecurity in the face of workforce changes in post-industrial societies explained less than cultural backlash.

From Jean Pisani Ferry

They regard economists and other experts as isolated from and indifferent to the concerns of ordinary people; driven by an agenda that does not coincide with that of citizens; often blatantly wrong, and therefore incompetent; biased in favor of, or simply captured by, big business and the financial industry; and naive – failing to see that politicians select analyses that suit their ends and disregard the rest

Experts On Trial

I ain't the reason that you gave me
No reason to return your call
You built a house of cards
And got shocked when you saw them fall
Well I ain't saying I'm innocent
In fact the reverse
But if your heading to the grave
you Don't blame the hearse
You're like a little girl yelling at her brother
Cause you lost his ball

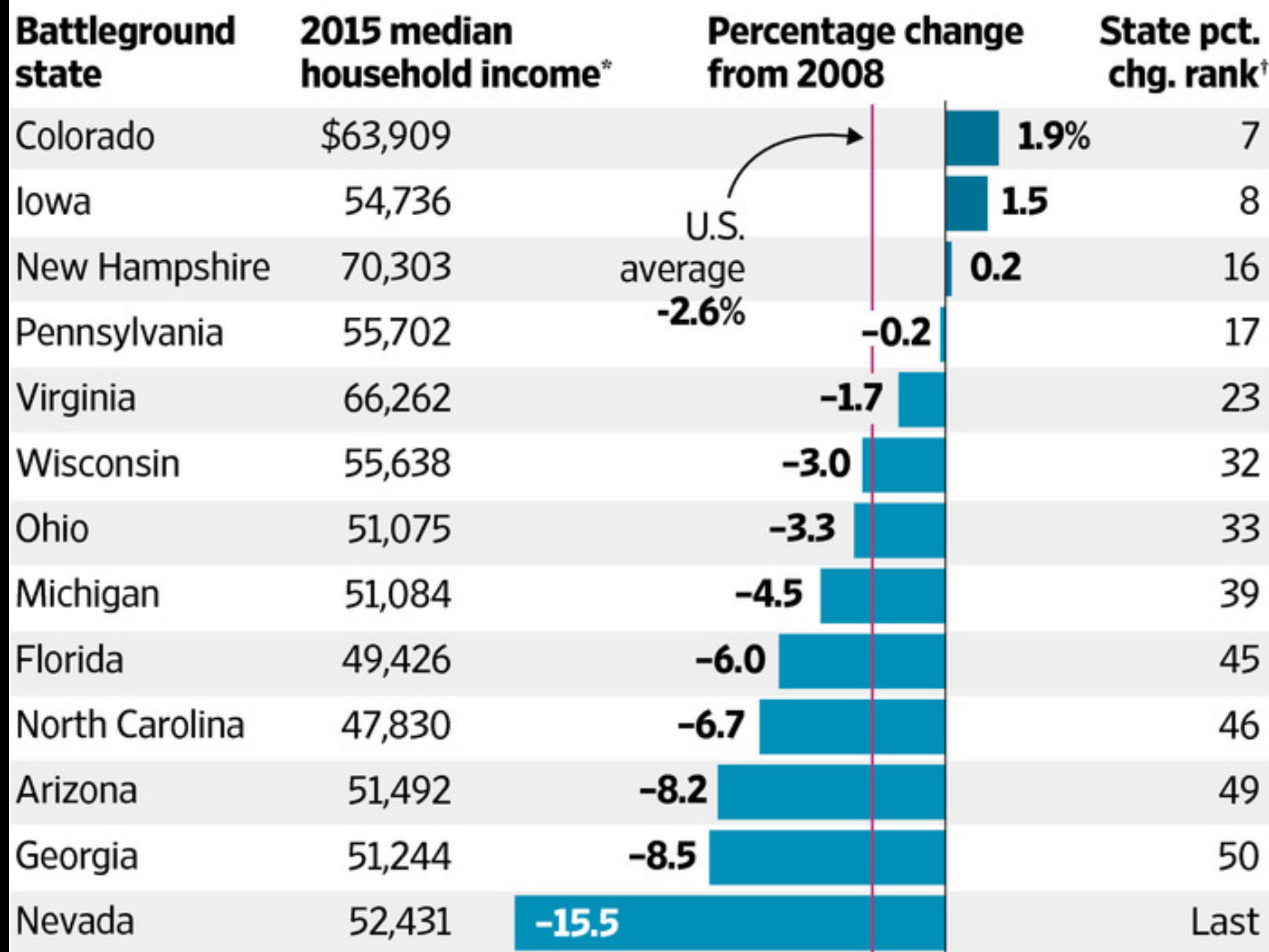
**ICKY
TRUMP**

**WHITE AMERICANS? WHAT?
NOTHING BETTER TO DO?
WHY DONT YOU KICK YOURSELF OUT?
YOU'RE AN IMMIGRANT TOO.
WHO'S USING WHO?
WHAT SHOULD WE DO?
WELL YOU CAN'T BE A PIMP
AND A PROSTITUTE TOO.**

Effect and Cause- The White Stripes

Still Underwater

Many battleground states lag behind the national average in income growth since 2008



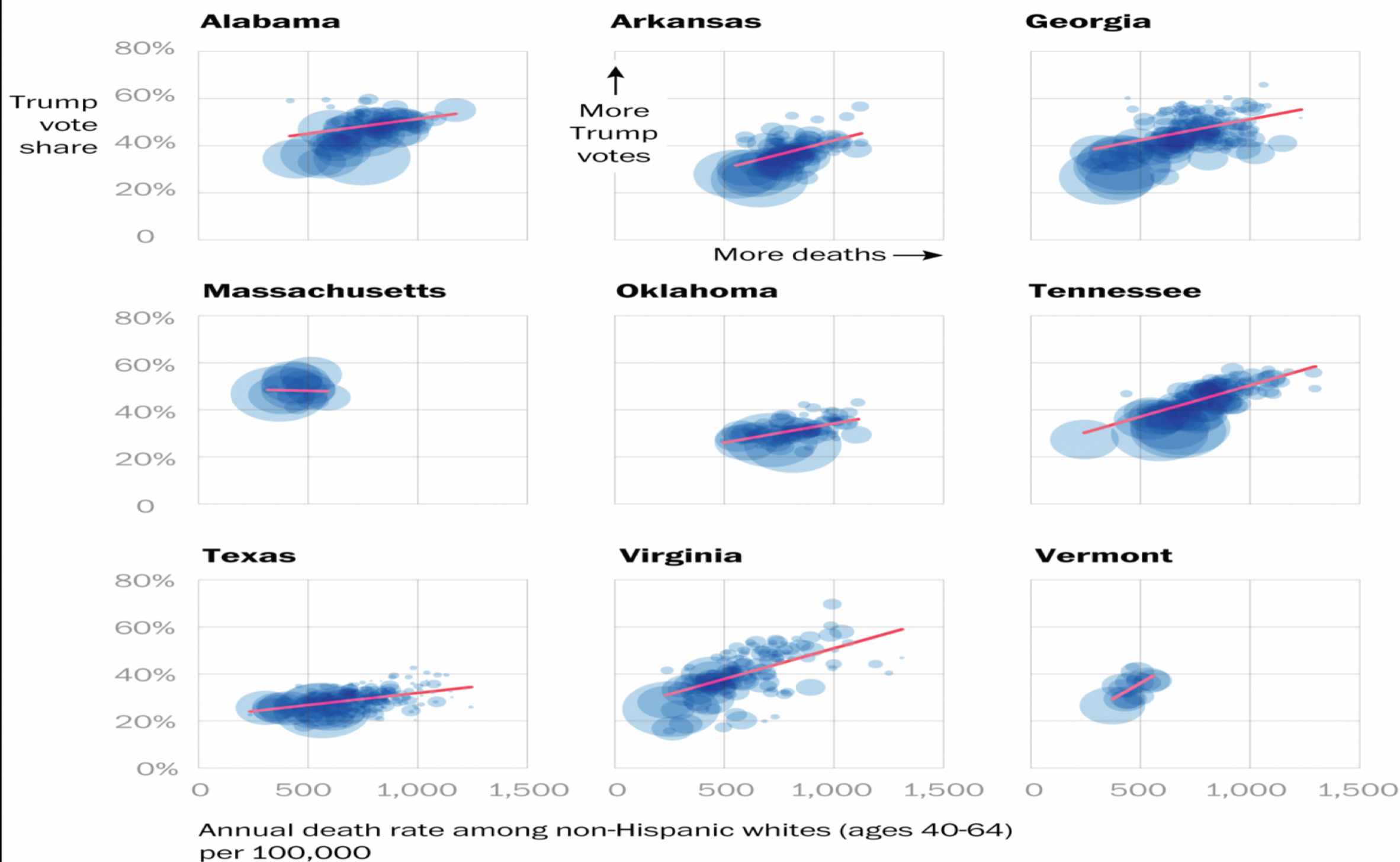
*Estimate, in 2015 inflation-adjusted dollars †Ranking includes Washington, D.C.

Source: U.S. Census

THE WALL STREET JOURNAL.

Swing States

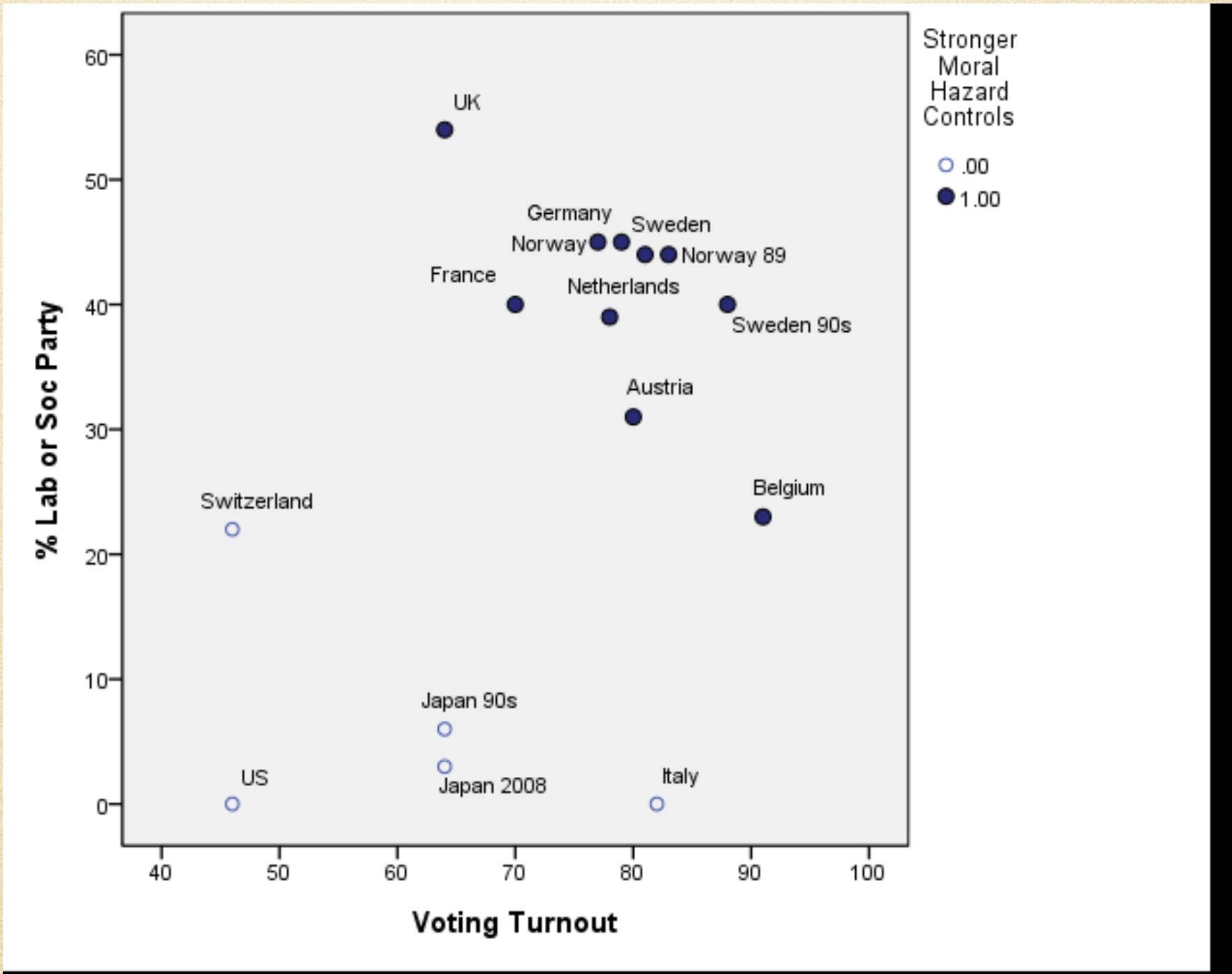
In counties that went for Trump on Super Tuesday, middle-aged whites die at a faster rate



WAPO.ST/WONKBLOG

Source: AP, CDC data from 2011-2014, and 5-year 2010-2014 ACS

Moral Hazard Controls by Voter Turnout and Labor or Socialist Party Parliamentary Strength



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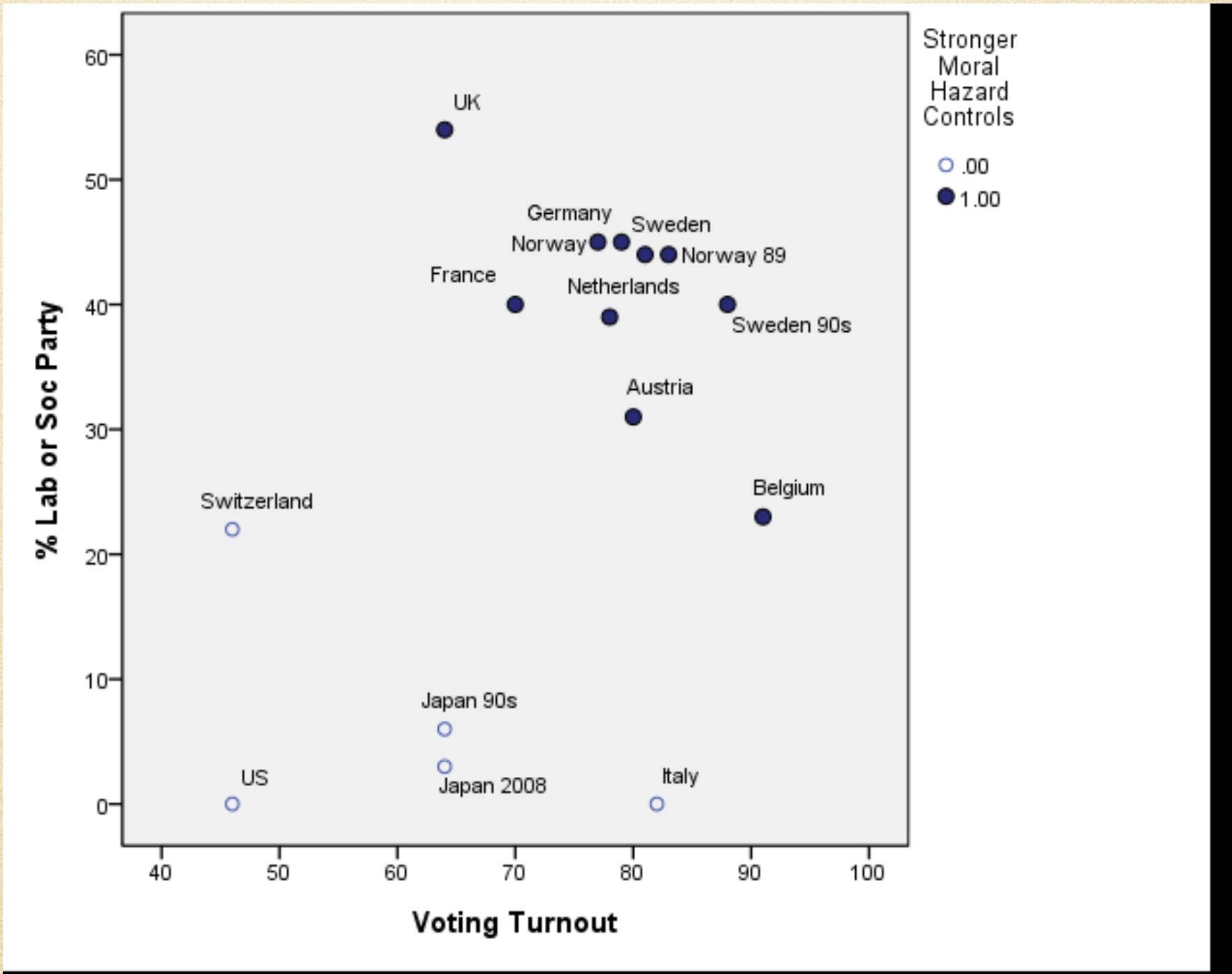
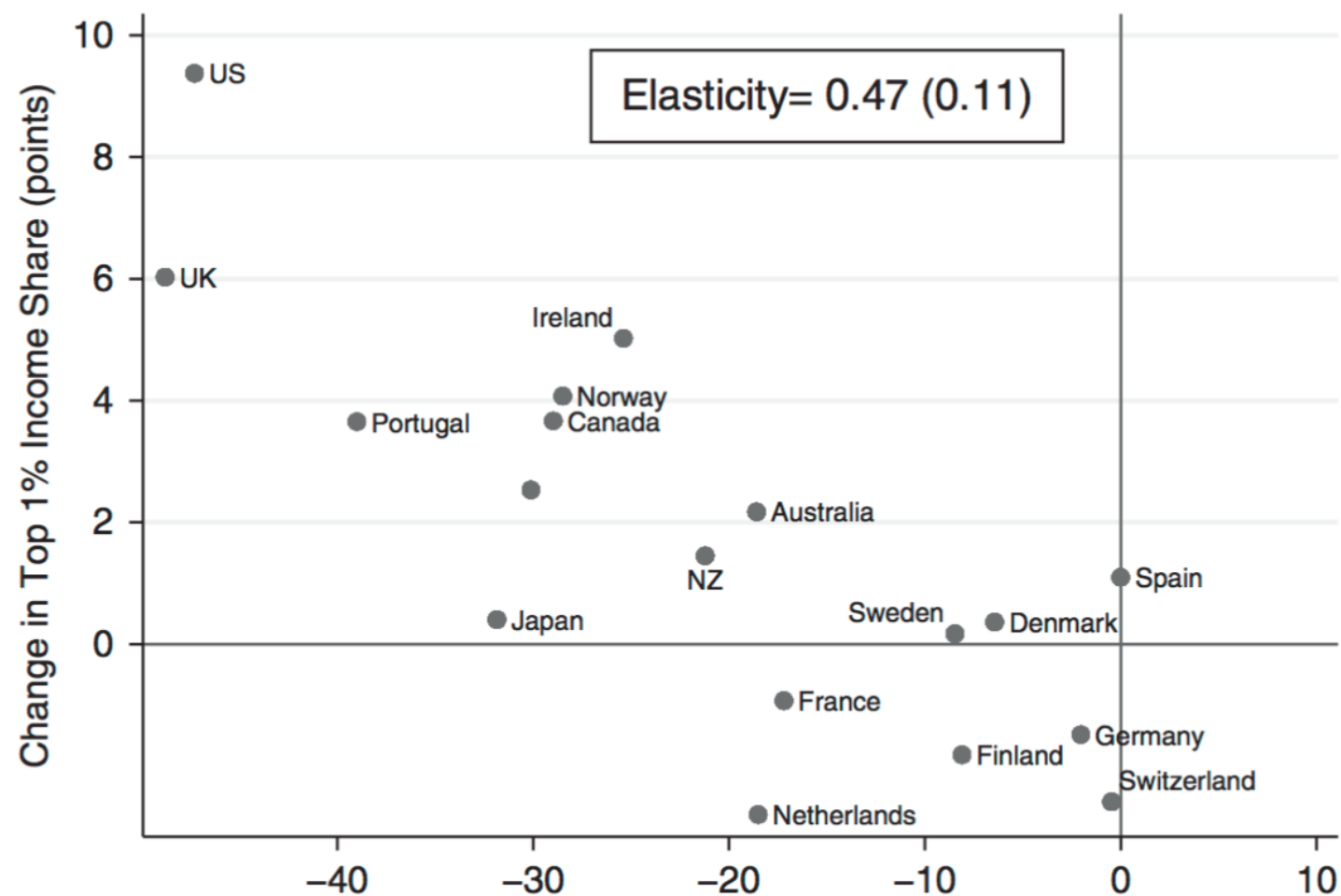


Figure 6. Changes in Top Income Shares and Top Marginal Tax Rates



Piketty and Saez

The Two Frank Sinatras



<-America

Come Fly With Me
I've Got You Under My Skin
You Make Me Feel So Young
The Way You Look Tonight
Strangers in the Night
All of Me
Time After Time
Body and Soul

Amerika->

The Detective
From Here to Eternity
The Man with the Golden Arm
The Joker is Wild
Some Came Running
Manchurian Candidate
The Naked Runner
Contract on Cherry Street
The First Deadly Sin



He'd known the inner circles of mobsters and politicians. How things really worked. What made America tick. And he'd profited from it. He'd seen himself as a monster in an elite of monsters, as well as a lover and a star. "I saw things that terrified me, and I thought I was above them - but I wasn't." His guilt humiliated him. He was humiliated not by the world but by the truth he'd seen - seen, but had been powerless to resist. And he had to get the word out somehow. To admit without admitting. To confess his horror and complicity without having to do penance for his confession. He was going to beat the rap, while he lived. But he was going to leave a clue. His honesty, such as it was, demanded this of him. Like the song says, "What is a man? What has he got?"

Michael Ventura- The Guilt of Frank Sinatra

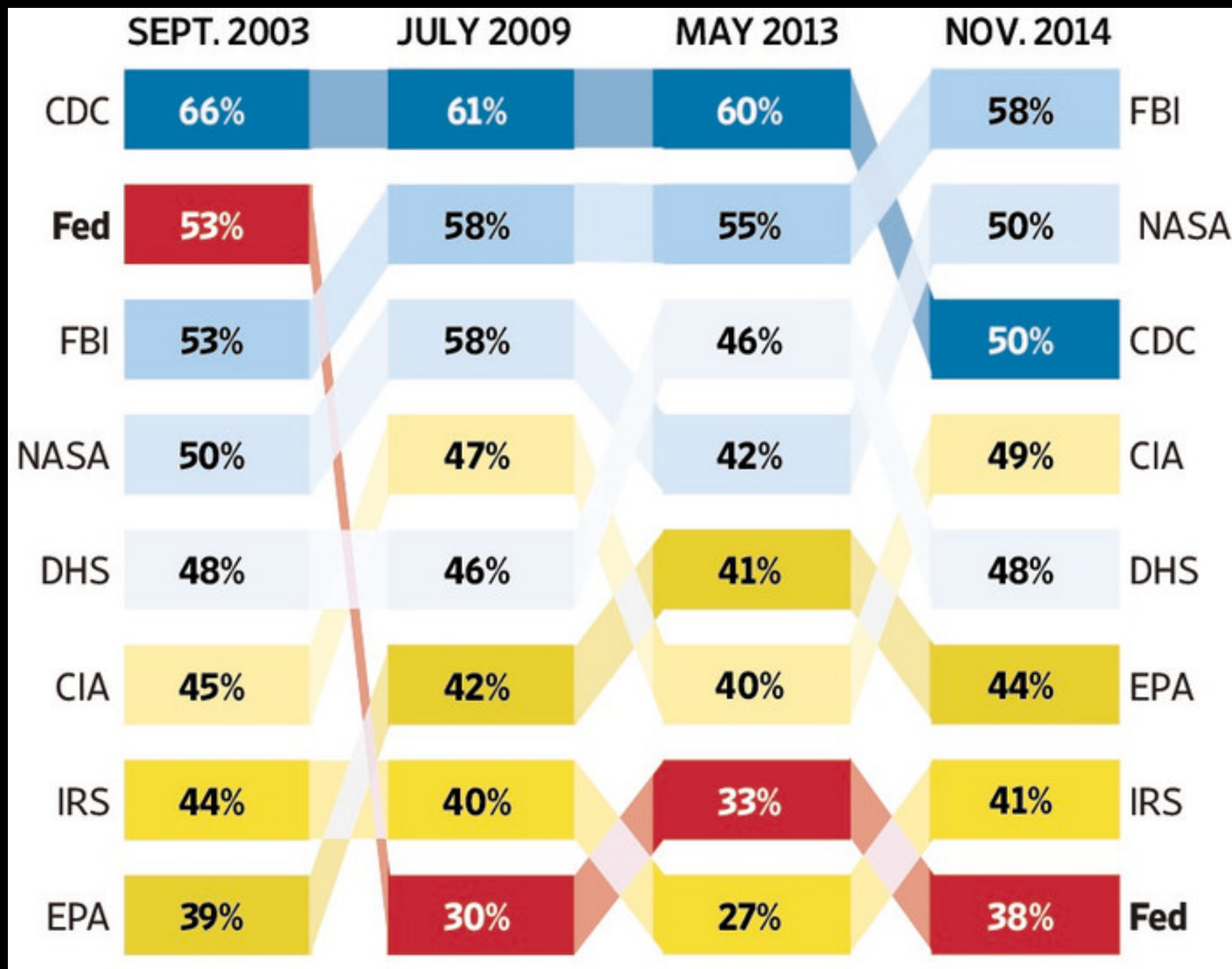
For what is a man, what has he got
If not himself, then he has naught
To say the things he truly feels
And not the words of one who kneels
The record shows I took the blows
And did it my way

2008 Was Not Just A Crisis in the Financial Sector

- It was a crisis of the **very legitimacy** of governance

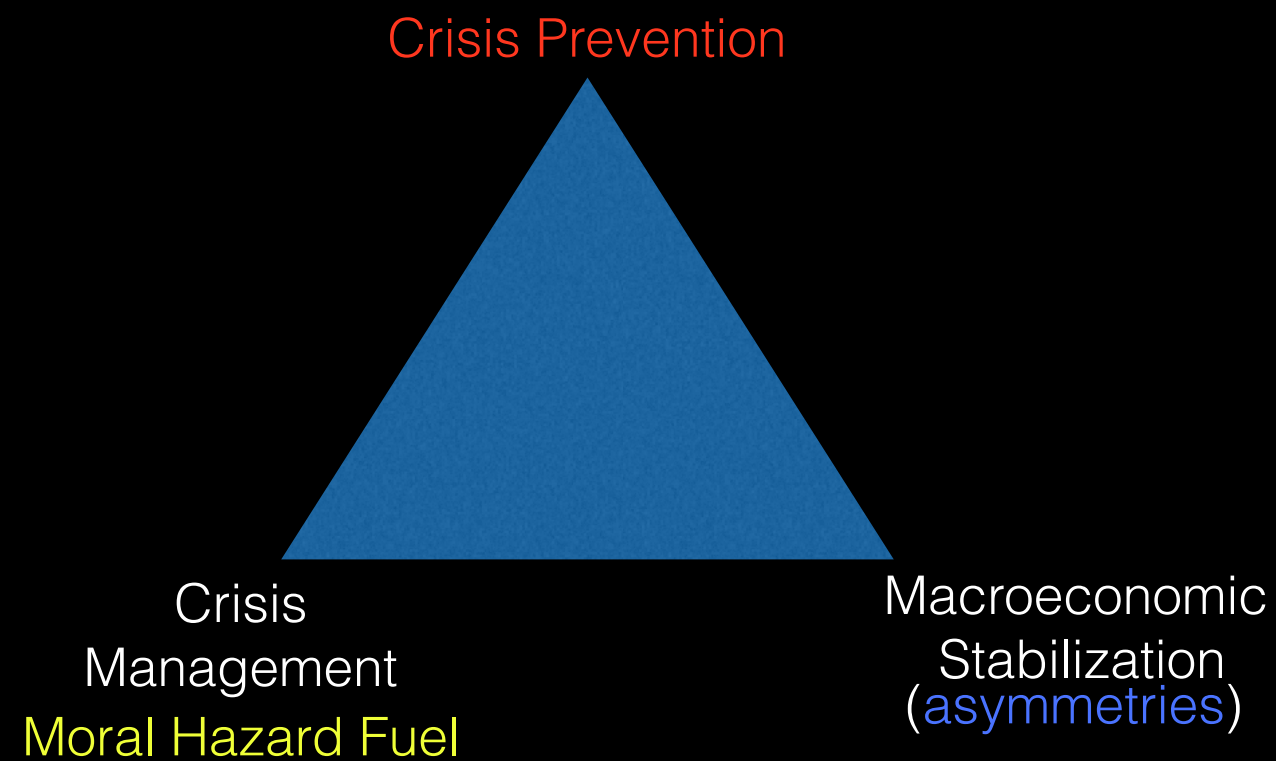


- Polluters Did Not Pay
- Money Politics Laid Bare
- The Federal Reserve has Fallen in the Eyes of America

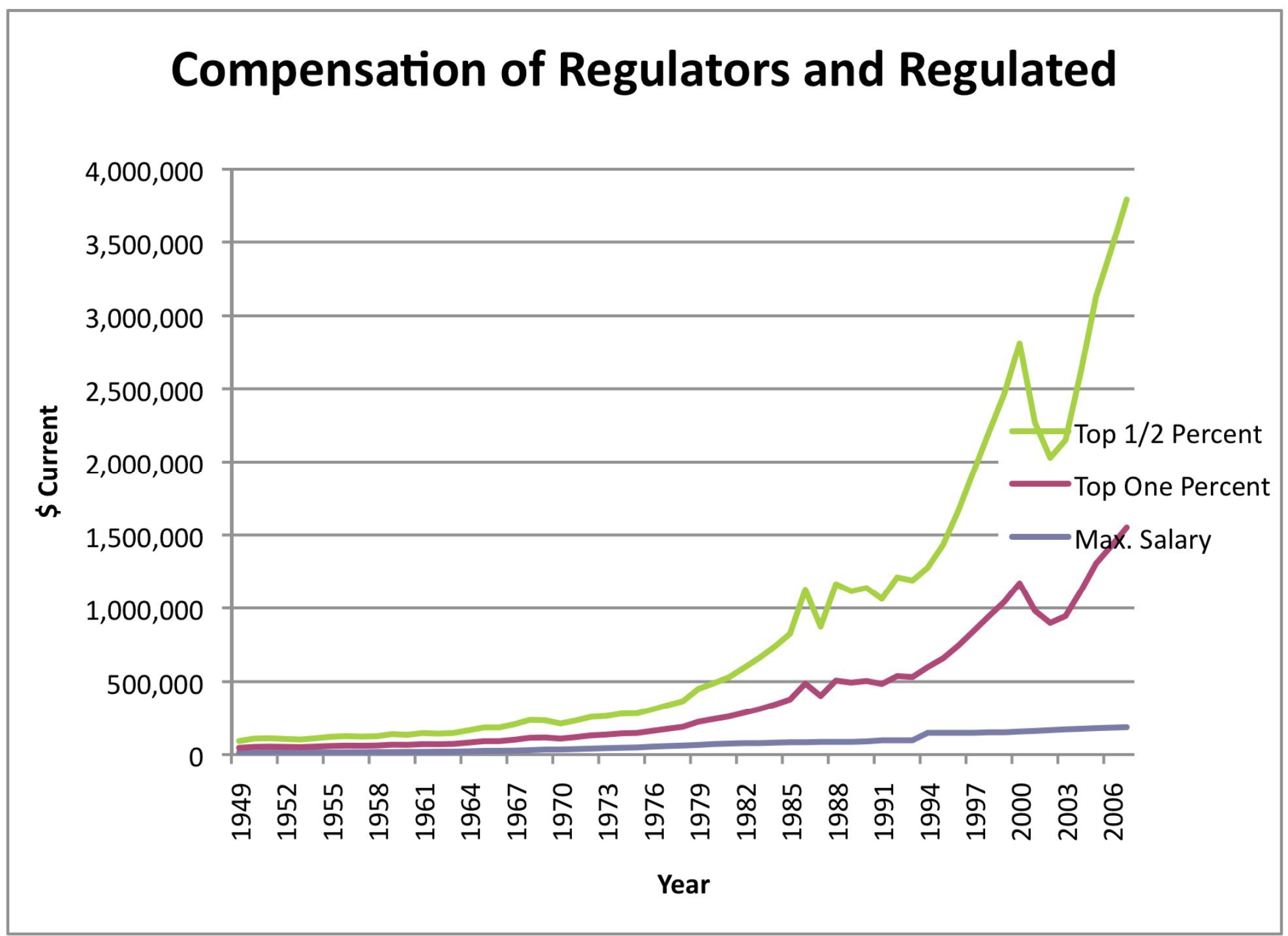


Approval of Government Agencies- Gallup

Central Bank Triad of Responsibilities



The Opportunity Cost of Doing Good: Salaries of Regulators Compared with Incomes of the Regulated Over Time: **Enforcement-Bubble** **Amplifying Feedback Loop**



What to Do?

- Money Politics Reformed For Real
 - Public Financing of Elections
 - Media Time Donation
 - Pay Civil Servants Well
 - Central Banks Independence from the Financial Sector
 - What is Global Governance?(Treaty of Westphalia Dead)



Nobel
Laureate(Bravo)



Bob Dylan For President!!
(You Gotta Better Idea?)