

Paul Krugman: Always Wrong, Never in Doubt

By DAVID HARSANYI | November 15, 2019 12:35 PM



Nobel Prize winning economist Paul Krugman speaks during an interview in New York, May 4, 2012. (Brendan McDermid/Reuters)

He's a stopped clock who has yet to be right about Trump.

This Thursday, Federal Reserve chairman Jerome Powell told the House Budget Committee that there was “no reason to think, that I can see, that the probability of a downturn is at all elevated.” Not every economic indicator is **perfect**, but wages are rising (especially **on the lower end**), unemployment is still at historic lows, and markets are **booming**.

You might remember that only a couple of months ago, there was a torrent of stories cautioning us about the imminent downturn. Some of the scary coverage, as Robert Shiller **warned**, consisted of “self-fulfilling prophecies.” Some seemed

almost giddy about the political prospects of a downturn. Others just said what they felt. “I feel like the bottom has to fall out at some point,” Bill Maher **explained** at the time. “And by the way, I’m hoping for it because I think one way you get rid of Trump is to crash the economy. So please, bring on the recession.”

One of the nation’s leading doomsayers has been the *New York Times*’ perpetually mistaken Paul Krugman, who warned shortly after the 2016 election that Trump’s victory would trigger a **global recession** “with no end in sight.” We could file that under “post-election hysteria,” but as late as April of this year he was still telling crowds that the bond-market signals predicted “a pretty good chance of a recession sometime in the next year or so.” And he has kept this going all year:

February 11: Paul Krugman expects a global recession this year, warns “we don’t have an effective response.”

August 1: “Why Was Trumponomics a Flop?”

August 15: “From Trump Boom to Trump Gloom”

September 5: “Trumpism Is Bad for Business”

October 3: “Here Comes the Trump Slump”

October 24: “The Day the Trump Boom Died”

A couple of weeks after the Trump Boom expired, CNBC **reported** that “October job creation comes in at 128,000, easily topping estimates even with GM auto strike.” This cycle has been going on for three years.

(My favorite Trump-era Krugmanism, though, is when the esteemed economist explains away his bad predictions by claiming that the economy's successes are really just driven by instances of his own political preferences playing out — “[Impeaching Trump Is Good for the Economy](#),” “[The Economics of Donald J. Keynes](#),” and so on.)

At some point, of course, doomsayers such as Krugman are going to be right. In the past 60 years the United States has been hit with recessions in 1960–61, 1969–70, 1973–75, 1980, 1981–82, 1990–91, 2001, and 2007–09. History says we're probably due for another one soon. When it hits, Krugman will blame tax cuts, unfettered capitalist greed, a dearth of regulations — and maybe climate change, or whatever hobbyhorse he's riding at the time. MSNBC hosts will hail him as a seer.

Much like most **economists**, I have no clue what the future holds. But I do know that Barack Obama, who oversaw the slowest recovery in American history, was constantly being given credit for averting disaster by adopting smart policies (read: spending). *Years* after the bailouts — which is to say years of D.C. gridlock in which the former president, by his own admission, couldn't enact any of his preferred economic policies — Democrats were still claiming that short-term first-year spending fixes were the impetus for growth.

There's a more rational explanation: Washington stopped helping.

Voters vastly overestimate the role that presidents play in economic growth, to be sure. But Trump-era job creation was a far tougher task, since he was operating with less room for job growth than his predecessor. And considering the (self-inflicted) trade wars, political turmoil, and foreign-policy concerns that have dominated much of his first term, conventional wisdom tells us we should be struggling. Yet it's clear that we've had a pretty resilient economy.

What has Trump done? The two things Paul Krugman hates most: Regulatory rollbacks and tax cuts. And yet here we are.



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