

## REVIEW

**The Awful Truth**

by Russell Baker

The Great Unraveling: Losing Our Way in the New Century

by Paul Krugman

Norton, 426 pp., \$25.95

When *The New York Times* tempted Paul Krugman to try daily journalism, no one, including Krugman, could have anticipated what was to come. Krugman was an Ivy League professor of economics, a scholar acclaimed for his youthful brilliance, and an author of learned books and occasional commentary on international money crises. All clues pointed to a master of the tedious. One suspected the *Times* wanted someone to be boring in a genteel, scholarly way twice a week on its Op-Ed page. Krugman himself may have thought so. In *The Great Unraveling* he says he intended to write about globalization, world financial problems, and sometimes the “vagaries” of the domestic economy.

Before anyone could say “narcolepsy,” politics intruded, and it quickly became obvious that Krugman was incapable of being either boring or genteel, but was highly gifted at writing political journalism. Starting in January of the election year 2000, he rapidly acquired a large, adoring readership which treasured his column as an antidote for the curiously polite treatment President Bush was receiving from most of the mainstream media.

At his most polite, Krugman was irreverent, but much of the time he seemed to think irreverence was much too good for the President, the people around him, and almost everything he stood for. In *The Great Unraveling* he commits the ultimate rudeness: Bush, he says, is surreptitiously leading a radical right-wing political movement against American government as it has developed in the past century. The words “radical” and “right-wing” are bad words in the political lexicon of mainstream American journalism. Normally they are simply not used to describe presidents, except by the kind of people who write for funky little out-of-the-mainstream journals.

As a *Times* columnist, Krugman is as mainstream as it gets. His readiness to apply disapproved words to the President helps to explain why his column quickly became catnip to so many who had voted for Al Gore and were still angry about the bizarre manner of Bush’s elevation. For them, to have the Bush presidency so relentlessly and expertly savaged was a consolation of sorts.

From the White House viewpoint criticism itself was bad enough—Bush people are famous for thin skin—but the really troublesome problem was that Krugman seemed to know what he was talking about. This is not entirely unheard of among political columnists, but the typical Washington pundit is stupefyingly uninformed about economics, a field in which Krugman is exceedingly well informed. He had the professional skills needed to tell when the political rhetoric was nonsense and he took a short-tempered professor’s sadistic delight in holding oafs up to ridicule.

The vocabulary Krugman applied to the President bristled with words such as “dishonesty,” “lying,” “mendacity,” and “fraud.” Among political pundits such language verges on the taboo. As a class, political columnists do not shrink from the occasional well poisoning, but on matters of etiquette they are conservative to the verge of stuffiness, and they tend to view plain speech as the mark of the ill-mannered bumpkin.

The good opinion of his colleagues does not seem to concern Krugman. His indifference toward journalism’s conventional etiquette may even contribute to his success. By speaking rudely about the President and his policies he gave loud voice to what

many of his readers had been wishing somebody important would say ever since Bush was created president by Supreme Court fiat. In some measure Krugman helped satisfy a hunger for political opposition, a longing which, not surprisingly, became acute after the election of 2000 turned out to be a nonelection.

**I**t is hard to imagine the Republicans, had the Supreme Court appointed a Democrat to the White House, accepting the decision as meekly as the Democrats accepted the Court's anointing of Bush. Republicans thrive on combat and have a passion for opposing, which is rooted in all those years of opposing the New and Fair Deals, not to mention Theodore Roosevelt's "square deal" a century ago. Theirs is a party so dedicated to opposition that it opposes government itself and often seeks power mainly to dismantle a great deal of it. A favorite Republican battle cry is: "Government is the problem!"

Democrats have a flabbier tradition. Congressional Democrats, who might have been the natural source of an opposition to Bush, chose instead to be good sports about the aborted election. They promptly joined the President in granting lavish tax cuts to the richest part of the population, then moved en masse to endorse his request for authority to make the war he wanted in Iraq. After managing to lose the off-year congressional elections of 2002, they settled into a torpor so restful that they are still vexed with Howard Dean for disturbing their peace.

As for the press and television, so tigerish when Bill Clinton presided, except for a few audacious malcontents (notable among them the artful female columnists Molly Ivins, Mary McGrory, and Maureen Dowd) they mostly turned into tim'rous beasts. Krugman is hard on the print and TV people and sometimes openly contemptuous. In his view the mainstream media gave Bush a free pass in the campaign and let the public down by neglecting to focus on what the candidates were saying, preferring instead to dither about the style in which they said it, their wardrobes, their performance skills, and their physical appearance.

The question of why the media slept is open to several speculations. One is that they simply missed a very big story. Bush had hardly settled in at Washington when he began to carry out the right wing's long-stalled agenda. This should have been startling to political reporters. The election numbers, after all, showed a country so evenly divided that neither party could win. Yet here was Bush bolting toward the right after the country had just voted to stay at dead center.

Though he had actually lost the election in the popular vote (he finished 540,520 votes behind Gore), he was governing as if he had been elected by a landslide. It was an outrageously bold political gamble or an act of preposterous gall, depending on your politics. But the media either failed to find it very significant news or, lacking Democratic cries of alarm to justify headlines, found the ideological nature of the story too difficult to cover in its conventional he-said-she-said storytelling style.

There is also the theory that the press has been so successfully bullied by the right that it has lost its spunk and after Bush's ascension instinctively chose not to call attention to itself by covering Bush as aggressively as it had gone after Clinton. The charge here is cowardice, but Krugman does not include it in his own extensive bill of complaints against the press. He seems to think it was institutional listlessness and intellectual sloth that made them miss the story.

**E**ven Krugman, however, seems to have been slow to grasp the fact that Bush's rightward move might be a very big story indeed. *The Great Unraveling* includes a generous batch of his columns which show how his view of the Bush era developed between 2000 and the present; there is no hint in the early pieces that Krugman senses a shifting of the ideological tides. At first he seems merely irritated by Bush's use of "bogus" numbers to justify his tax-cut, Social Security, and Medicare proposals, but he seems to

accept these as the usual political flimflammy of campaigning politicians, not to be taken too seriously.

He tweaks Alan Greenspan for adjusting his economic analysis to fit the political needs of the new president; he has fun showing how Bush's selling his Harken Energy stock just before the price collapsed compares with the nick-of-time stock sale that got Martha Stewart into trouble; he argues that the California electricity crisis of 2001 ("a \$30 billion robbery") was created by power corporations manipulating the market, and is proven right a year later.

It is late in the day, however, before Krugman sees the details begin fitting together to form a larger picture. His big picture of what was going on is developed not in his columns, but here in an introduction and a series of essays written for his book.

Though "ahead of the curve in realizing that something radical was happening" in the government, he writes, it took time for him to realize how hard the right was pressing its agenda. One result of its aggressiveness was a form of class warfare created "by the efforts of an economic elite to expand its privileges." Other ideas which had once been "beyond the pale" were being openly supported: that "inherited privilege is good," for example, and that "poor people don't pay enough taxes."

He saw a "crusade against the welfare state" driven by "an ideology that denigrates almost everything, other than national defense, that the government does." The administration was working to end government roles in environmental protection, securities regulation, and air traffic control.

The Krugman indictment makes no concessions to the idea of Bush as pillar of strength after September 11:

Few things I have written have generated as much hate mail as the columns in which I accused the administration of exploiting September 11 for political gain, of wrapping itself in the flag while it sought weakened environmental regulation, tax cuts for corporations and the rich, and above all an upper hand in the midterm elections. . . . We had some very unscrupulous people running the country. Every administration contains its share of cynical political operators. . . . But this administration seems to have nothing but cynical political operators, who use national tragedy for political gain, don't even try to come to grips with real problems, and figure that someone else will clean up the mess they leave behind.

And how did they come to power? Through "the increasing manipulation of the media and the political process by lavishly funded right-wing groups. Yes, Virginia, there is a vast right-wing conspiracy," he concludes.

**K**rugman says the alarm went off for him while reading Henry Kissinger's reflections on the French Revolution in his 1957 doctoral dissertation on the age of Metternich and Castlereagh. Reading Kissinger's first three pages "sent chills down my spine," he writes. In them Kissinger "describes the problems confronting a heretofore stable diplomatic system when it is faced with a 'revolutionary power'—a power that does not accept that system's legitimacy."

. . . The revolutionary power he had in mind was the France of Robespierre and Napoleon, though he clearly if implicitly drew parallels with the failure of diplomacy to effectively confront totalitarian regimes in the 1930s. . . . It seems clear to me that one should regard America's right-wing movement—which now in effect controls the administration, both houses of Congress, much of the judiciary, and a good slice of the media—as a revolutionary power in Kissinger's sense. That is, it is a movement that does not accept the legitimacy of our current political system.

Krugman sees Bush as a stealth revolutionary, a Robespierre in George Bush clothing, relentlessly pushing a revolutionary right-wing agenda, a true radical bent on dismantling America's *ancien régime* and replacing it with one that is even more *ancien*—perhaps the Harding-Coolidge-Hoover model which was scrapped by the New Deal, possibly even the Mark Hanna model. Many a Republican alive today has still not forgiven Teddy Roosevelt for trading in McKinley's good old Hanna for the twentieth century's "progressive" styling. In Kissinger's formulation the revolutionaries confounded the incredulous defenders of the status quo by the force of their determination to "smash the existing framework" and carry their principles to "their ultimate conclusion." The established powers, lulled by a long age of stability and old habits of political thought, were baffled when the revolutionaries turned out to be revolutionary.

This history, Krugman says, has a modern parallel in the way the American political system and the media have "responded to the radicalism of the Bush administration," allowing it to "push radical policies through, with remarkably little scrutiny or effective opposition."

The relentless push for cutting the taxes of the well-to-do seems to Krugman to illustrate Bush's "revolutionary" determination to push a principle to its ultimate conclusion over all sensible opposition. The tax cut was concocted in 1999 when the Clinton budget was running a large surplus, and it was sold in the 2000 campaign as a way to reduce an excessive surplus: money would be given back to the middle class. When the economy faltered and the surplus shrank, the reason for the tax cut had to be adjusted, and it was sold as a short-term stimulant for the economy. Then, as the economy continued to stagnate, it was promoted as essential to long-term growth and job creation. Nor did the start of the war on terror and a record-setting rise in the deficit dampen White House enthusiasm for it.

These "ever-shifting rationales for its unchanging policy," Krugman writes, suggest "an obsession in search of a justification." Whatever the various reasons used to justify its tax policy, Krugman contends that the administration's real purpose is to end taxation on capital income and, perhaps, abolish the progressive income tax for a system in which "poor people pay a higher share of their income than rich people."

Oddly, Krugman makes no effort to identify the leaders of his radical right-wing revolutionary movement, or even to insist that Bush is anything much more than a first among equals, a dependable member of the movement, a useful tool who was chosen because he seemed to be the most electable.

Most political columnists, given Krugman's belief in the movement, would have some sport speculating on personalities. Is Karl Rove really its Machiavelli directing Bush's moves? Are Supreme Court Justices Rehnquist, Scalia, and Thomas members of the leadership circle or merely pro bono legal supporters? And what of the mystifying Cheney? It's said that in the 2000 campaign it was Cheney's job to interview potential vice-presidents and recommend the very best man for the job. Did Cheney recommend himself on his own initiative, or did someone order him to do so? And if so, who gave the order? Karl Rove? Justices Rehnquist, Scalia, and Thomas sitting *en banc*? Krugman is not a hardened political pundit, so he shuns such trifling and leaves us to speculate for ourselves about the anatomy of the right.

**A**mong the privileges enjoyed by rich, fat, superpower America is the power to invent public reality. Politicians and the mass media do much of the inventing for us by telling us stories which purport to unfold a relatively simple reality. As our tribal storytellers, they shape our knowledge and ignorance of the world, not only producing ideas and emotions which influence the way we lead our lives, but also leaving us dangerously unaware of the difference between stories and reality. Walter Cronkite used to sign off his nightly CBS television news show by saying, "And that's the way it is. . . ." I once heard Senator Eugene McCarthy say he always wanted to reply, "No, Walter, that's

not the way it is at all.”

Krugman entered the journalism scene at a moment when most of the big newspapers and networks and the Bush political group were harmoniously telling the same story. The narrative line held that though Clinton may have left the economy in good shape, he was not to be trusted, especially not with other men’s wives and daughters, so the nation was now fortunate to enjoy the governance of good, honest, born-again George W. Bush.

Their story line “had it that George W. Bush was dumb but honest,” Krugman notes. After September 11 that was no longer good enough for a nation under attack. And so “the new story was that he was a tough-minded hero, all determination and moral clarity,” he writes. “The overwhelming evidence that neither of these pictures bore any resemblance to reality was simply brushed aside.”

From the beginning Krugman was persuaded that the story presented by press and television was false. He has spent the past three years “providing a picture of the world that differs greatly from the vision of most other mainstream pundits,” he writes. “At a time when most pundits were celebrating the bold vision, skill, and moral clarity of our leaders, I saw confusion, ineffectuality, and dishonesty.”

Why was he able to detect “the outrageous dishonesty of the Bush administration long before most of the rest of the punditocracy”? Well, for one thing, because his training as an economist enabled him to see what most journalists couldn’t. He did his own arithmetic—or, where necessary, got hold of real economists who could educate me on subjects I wrote about—and quickly realized we were dealing with real mendacity, right here in the U.S.A.”

As Krugman saw it, the nation was obviously not fortunate to have Bush in charge. Then what made so many reporters in the press and television persist in a happy story line? His explanations, scattered throughout his book, are not much different from the self-criticism journalists enjoy heaping on themselves. This will not make them more palatable to media people, for Krugman is still a greenhorn in the business, speaks with a very sharp tongue, and obviously thinks most of them were pathetically inept during the first years of Bush and during the run-up to the Iraqi war. Why, he wonders, did most mainstream journalists remain so calm, so uninterested, while he grew increasingly alarmed?

When criticizing the press and television he suggests a terrible-tempered professor heaping scorn on the doltish freshmen of Economics 101. Their failures, he says, resulted from intellectual laziness and not doing their homework. Mainstream journalists, he thinks, are easily gulled by politicians and their press agents because they are captives of Washington “groupthink.” He sees them as a group of Washington insiders, all attending the same dinner parties, all attuned to a common story line.

Krugman is that rare bird among political pundits—a Washington outsider. He teaches at Princeton and lives in New Jersey. This, he says, meant he was never “part of the gang” and so could not be “bullied” or “seduced” into seeing things the administration’s way. With characteristic immodesty he states that he was doing a first-rate job of exposing Bushian flimflam while his colleagues were letting the public down. Thus: When the first Bush budget appeared, “it was obvious to me that . . . he and his people were simply lying about all the important numbers.”

As for the tax-cut plan which Bush the campaigner presented as a boon to the middle class and one which would easily fit into a sound budget, “It took only a bit of homework to show that both claims were just plain untrue—but for some reason almost nobody in the media was willing to do that homework.”

Krugman was flabbergasted:

I had trouble believing what was happening. Was the presidential candidate of a major political party really lying, blatantly, about the content of his

own program? Were the media really letting him get away with it? He was, and they were.

The Bush plan for Social Security reform “was a fraud from the start,” he writes. “The mendacity in the administration’s Medicare plans was subtler, but equally stark.” Few in the media seemed to notice.

Though Krugman’s unblushing display of self-esteem sometimes makes his book read like a job application, events have proven him correct about much of what he has said during the past three years. Most notably, the tax cuts for the most affluent have not been paid for by an expanding economy. Instead they have helped convert the Clinton administration’s \$230 billion surplus into a \$500 billion deficit. Krugman also foresaw the likelihood of a “jobless recovery,” which now appears to be in progress as the economy fails to create new jobs.

Probably his most provocative writing appeared after the September 11 attack on the World Trade Center when it took courage to speak sharply about the administration. Ten weeks after the attack he wrote that an honest picture would show “politicians and businessmen behaving badly” and getting by with it because “these days selfishness comes tightly wrapped in the flag.”

This referred to Congress’s voting \$15 billion in aid and loan guarantees for airline companies “but not a penny for laid-off airline workers”; to a House-passed “stimulus” bill which provided \$25 billion in retroactive tax cuts for corporations but almost nothing for the unemployed; and to efforts to open public lands to oil and logging interests “under cover of the national emergency.”

September 11, Krugman writes, actually helped the President execute “the largest bait-and-switch operation in history”:

First he described a budget-busting tax cut, which delivered the bulk of its benefits to the very affluent, as a modest plan to return unneeded revenue to ordinary families. Then, when the red ink began flowing in torrents, he wrapped himself and his policies in the flag, blaming deficits on evil terrorists and forces beyond his control.

Krugman’s analysis of journalism’s limp coverage during Bush’s first three years overlooks some potentially interesting explanations. One has to do with political journalism’s heavy dependence on polling. Incessant polls make it tempting to do easy horse-race journalism and ignore what candidates stand for. Since polling doesn’t require going far from the office and social centers where professionals chat about polls, it has tended to make political journalism a stultifying kind of work. There is no longer much fresh air blowing through the political columns, but a great deal of deadly dull inside-baseball stuff that sounds like Washington insiders talking among themselves.

The healthy income of top Washington-based political writers may also have an effect. For those with a foot or two in television, the income is very healthy indeed. Six-figure incomes are the rule, and those seen frequently as TV performers may be millionaires. We are talking of people who may well be in that top bracket so generously favored by the Bush tax cuts. Self-interest almost always begets a little prudence.

Krugman’s column is remarkable for its single-minded concentration on the President’s economic policy. There is very little of the mock ideological posturing about “conservatism” and “liberalism” which most pundits churn out on dull days. He rarely deals with foreign policy except as it affects the economy. He has not said much about the Bush administration’s astonishing switch to a unilateral policy of making preemptive war against nations the President considers dangerous, and there has been virtually none of the conventional pundit’s bread-and-butter material: information about what insiders

are saying, meditations on the small-town virtues of New Hampshire, startling scoops on what the next usually reliable poll will reveal about public outrage, contentment, or utter indifference.

Most pundits dwell on such stuff because they started out as political reporters or were politicians themselves when they were hired into journalism. They grew to maturity talking this shop talk, and they come to the work with a somewhat limited intellectual reach, as well as a repressive sense of dignity.

Few are equipped to challenge the mathematics and economic theory underlying the Bush budget, and though Krugman may scold them for not doing their homework, doing so would involve prodigious feats of reeducation. Even then it's doubtful that many would be willing to attack a president with charges of deceit, as Krugman has done. A sense of propriety, of dignity, sits heavily on the "commentariat," as Krugman calls it. In the code language of the trade, a colleague like Krugman is said to be "shrill" or "strident," words commonly used to caution a colleague that he is being crude and undignified.

In the higher levels of journalism there is a curious uneasiness about dealing candidly with the quite natural relationship between various money interests and government. All politics is to a great extent about who gets the lion's share of the money at a government's disposal, and a public that realized this might be less insouciant about elections than today's American nonvoter.

Journalism is reluctant, however, to make much of an effort to find out who will benefit if a given candidate wins, and who will lose out. Instead of providing this valuable information, the media tend to explain politics in terms of high-sounding ideological piffle about a "conservatism" and a "liberalism" which have very little pertinence to anything of consequence to the voter. The result is to deaden public interest in politics by diverting the mind from the fact that there is real money at stake.

It seems slightly scandalous that Krugman has persisted in noting that the present administration has been moving the lion's share of the money to an array of corporate interests distinguished by the greed of their CEOs, an indifference toward their workers, and boardroom conviction that it is the welfare state that is ruining the country. Krugman has been strident. He has been shrill. He has lowered the dignity of the commentariat. How refreshing.