

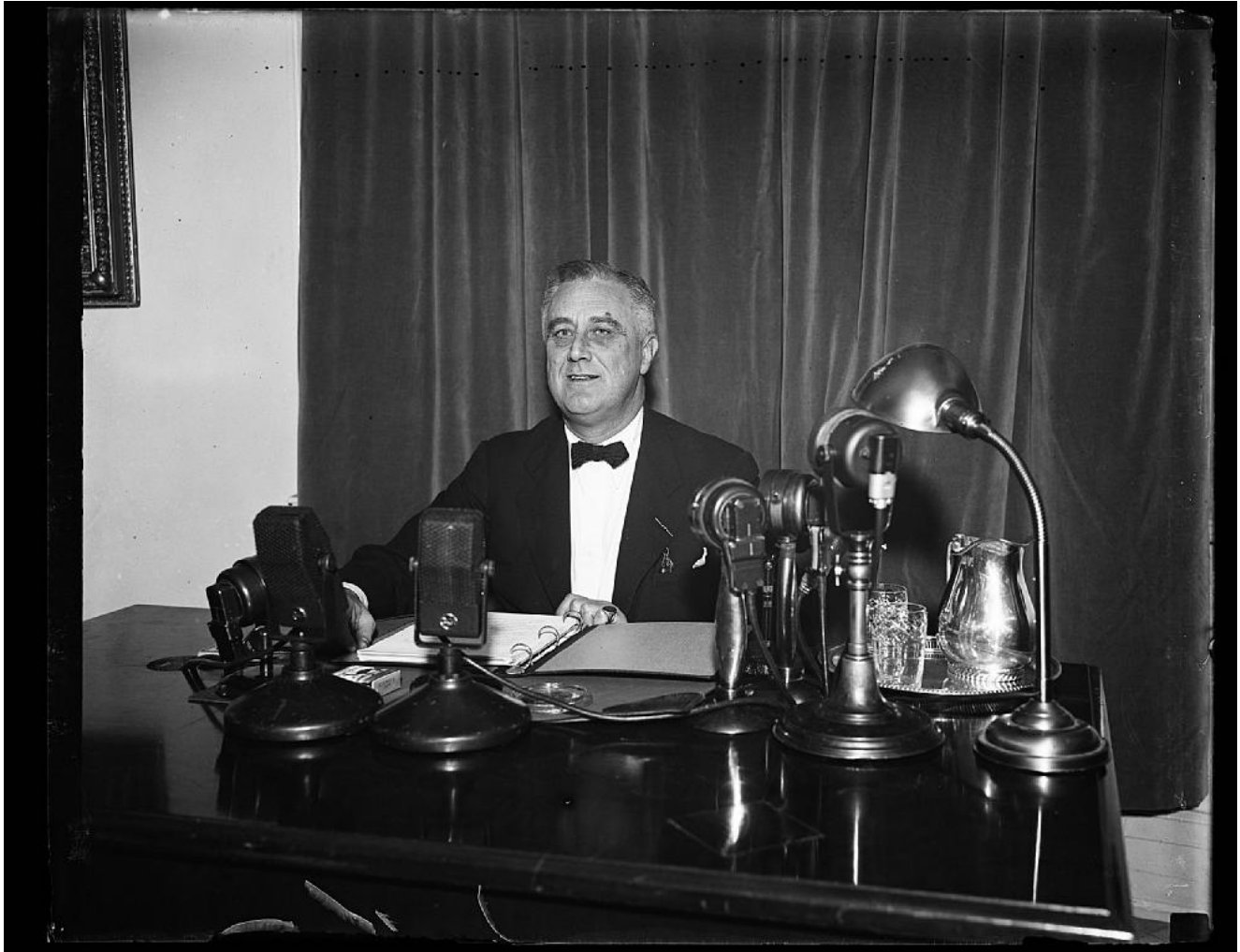
A Speech I've Needed to Give

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Ben Stein

About the many problems we face and have faced (and overcome) as a nation.

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One of America's great men, FDR, although not without faults, began the practice of speaking to the nation via radio shortly after he was inaugurated in the winter of 1933. He was talking about the banking crisis that then enveloped the nation and his aim was to alert the people about the problem and then sell them on his drastic proposals to shut all the banks, audit any and all of them, and then reopen the ones that were basically sound and put in place restrictions and guarantees that still underlay the banking system in this country. And by the way, federal deposit insurance has turned out to be as successful a government program as ever was. We have the strongest consumer banking in the world because of the FDIC. The next time someone questions whether government interference in the economy works, just whisper FDIC and there the quarrel stops.

Because of the informal nature of these talks, no audience, no cheering, no music, FDR came to call them Fireside Chats. Just like a family sitting around a fireside and getting instructions from the patriarch.

FDR used them as campaign material, too. He did not give them every week but instead gave about 60 of them in his 13 years at 1600 Pennsylvania Avenue. The practice was picked up by Ronald Reagan in his eight years in the Oval Office. He gave almost weekly chats over the radio to bolster his standing in the nation and to promote plans as varied as tax cuts and Star Wars missile defense.

His successor, Mr. Bush, also gave them as did his predecessor, Mr. Nixon. They were a low-key, low-cost way of reaching the nation.

So, this is a sort of fireside chat by me, your humble servant, about key issues as I see them.

First let's get the economics out of the way:

The economy is staggeringly strong.

Trump's promises to make the economy hum have worked out well. Unemployment has fallen by roughly five million souls. Unemployment is a true curse, and for it to fall that much is very good news.

The growth rate has greatly accelerated, close to doubling in the Trump years as compared with the Obama years.

The stock market is way, way, way up, as are corporate profits.

Even manufacturing jobs, which were believed to be dead and buried, have risen amazingly.

Oil production is way up, which is a miracle in these days of extreme uncertainty about the world's energy supplies. The fracking states have stepped up to the plate in a way that literally avers war. We don't need to fight over oil in the sand when we have plenty in North Dakota and Midland/Odessa.

Why is the economy so strong? Some say it's because Mr. Trump has cut way back on excessive regulation, allowing expansion without fear of bureaucratic strangulation. Some say it's just Mr. Trump's lively cheerleader's personality leading by example. Maybe.

But I am an economist, so I look for answers in economic theory. The one that gives me the most satisfactory answers is massive deficit finance.

Now, Mr. Trump campaigned on what we might once have called supply side. This meant the belief that if we cut taxes, the stimulative effects would be so large that they would offset the loss of revenue and then some. We would have budget surpluses and also rapid

growth.

As far as I can tell, that didn't work out. Deficits grew, and the aggregate federal debt skyrocketed. But we did get a massive kick in the hindquarters from the deficits, and that made the economy grow.

We basically borrowed from our children and grandchildren and the Chinese and invested and spent the money in 2017-18 and it sure looks as if that will go on forever. The effect is the same as if a family borrowed on a second mortgage and spent the money. The family bought a new house and new cars and a pool and looked prosperous. But then the money has to be paid back in the family example.

The big difference is that the federal government does not ever have to pay back the money, or at least not for a long time. We can just keep borrowing more indefinitely until the lenders show up at the door and want their money back.

Even then, we can just print the money or have the fed lend it to the Treasury. So that scam can go on for a very long time.

While it goes on, we have a deficit fed boom and it's great.

What is not so great? The prospect that at some point lenders, even the Fed, will get sick of lending to a failing Treasury department and we go into some form of bankruptcy.

That's a long time in the future, though, so let's not worry about that today.

Here are some things we do have to worry about, though: The collapse of education at the public high school and junior high school level.

This is a world in which education matters a lot. The high-tech world. That's our future. But what happens when a huge fraction of our high school students cannot read or do simple math? Oakland. Detroit. Anacostia. Our kids there have close to zero proficiency in basic math and reading. This is NOT true in Korea or Vietnam. It's going to matter.

Violent crime: This is a terrifying statistic. The number of gang-related killings in America's heartland, especially Chicago, has become scandalous. It greatly outnumbers mass killings with assault rifles, although those are terrible in and of themselves.

But now let's talk about a real-life story that illustrates and illuminates our times.

A few days ago, I was talking to a friend who is a fashion model. Her picture had appeared on the cover of a famous magazine with worldwide circulation. A super-wealthy businessman in the Middle East contacted her through her agent. He offered her close to \$100K to come to his home town and visit with him for a week. Supposedly, no sex.

She asked me what I thought about it all.

"Run like heck out of his life," I said. She was dubious. She really wanted the money. I did my best, but she was still arguing with herself about it.

At just that moment, I started to go through my mail, and what did I see but a bill for over \$5K for termite eradication at our house in Malibu.

I was furious. Just out of my mind with anger at what seemed like an outrageous bill. It's quite a small house after all.

So, I did what any halfway sane man would do. I prayed for the Lord to give me some sense of what to do.

Instantly almost, like a thunderclap, I had the answer. PROPORTION.

Yes, I had just had an attempt at a rip-off. It might still succeed. It didn't help that it arrived the day after an immense and crumbly law bill for some trivia arrived. For adding some jewelry and some artwork to our assets, the law firm sent us a bill for almost \$10,000. That's straight rip-off.

But as fate would have it, at just the same moment, a woman arrived bearing a gift. She is a Polish woman, and she had just returned from a trip to the Motherland. What did she bring me but a picture book of photos of Auschwitz, along with some diary entries by SS guards about how even they were shocked by what they saw, which they described in some detail.

This book, which I originally thought was perhaps the worst present in history to give to a Jewish man who had lost three cousins to the Nazis, was a lifesaver.

It told me, in the most graphic terms imaginable, just how blessed I am to have been born in America, to have grown up in America, to have had parents and grandparents who grew up in America.

When these people were being gassed and slave-labored to death in death camps, I was playing with toys in Silver Spring, Maryland. *How blessed can one man get?*

My mind immediately raced to some words of wisdom from my super-smart father, the economist Herbert Stein. He had entered Williams College in 1931 at the age of 15. His family had no money to speak of. His father had been a skilled tool and die maker at Ford and then at GE and then went unemployed for most of the Great Depression. My grandmother had supported that side of the family working as a clerk at a department store in Schenectady, New York.

When the rearmament for World War I began, he worked as an engineer at the Pachytene Arsenal. He had fought in the Philippines in the jungles long before that.

Anyway, there was my father working at any odd job he could get at Williams College, which even in the Great Depression had its fair share of rich kids. One of the odd jobs my father got was washing dishes at the Sigma Chi fraternity house. Like all of the other frat houses at Williams in those days, the Sigma Chi did not admit Jews.

So my father, a very sensitive teenager, worked in the kitchen washing dishes in a basement with no air conditioning — while the rich Gentile frat boys partied above.

Many years later, when my father had become a famous man, I asked him if he still resented being discriminated against at Williams.

“Not at all,” he said. “I didn’t resent it then, and I don’t resent it now. I was just grateful that I had a job that helped me get an education at the best small college in America during the worst industrial Depression of modern history.”

I try like mad to keep that thought and thoughts just like it all of the time.

Yes, we have plenty of problems. We have serious race problems in the United States, and unfortunately some politicians try to capitalize on them for votes — on both the right and the left. But overall, things are far better for everyone in America than we have ever seen them before. And they’re incomparably better for non-white people than we have ever seen them before.

When I was a child, more than half of the school districts in the state of Maryland, where I grew up, were racially segregated by law. That was not just a custom. That was the law. That’s all been gone for more than 55 years now.

When I was a young man, a homeowner could put in his deed of trust that his home could not be sold to black people or to Hispanics or to Jews. The first house I ever bought, on Klinge Street in Wesley Heights, D.C., had in its deed of trust that the house could not be sold to “Hebrews,” but thanks to LBJ and his civil rights acts, that part of the deed was illegal and I could indeed buy that house.

So you see before you an economist and actor and comedian who does not know the answers to certain basic economic queries. No one knows why the economy is so strong under Trump. We just don’t know. No one knows why we have had so much monetary growth and not seen any serious signs of inflation.

But I do know one very important thing: gratitude. Gratitude that my corpse is not sticking out from those mountains of bodies at Auschwitz. Gratitude that I never had to fight in World War II or Vietnam or Korea. Just call me Mr. Grateful and you’ve pretty much got it.

Now, some people say to me, "Well, naturally you're grateful. You are famous. You live in nice neighborhoods, especially Beverly Hills and Malibu. You live among the real stars. Nick Nolte. Babs Streisand. Martin Sheen." But I always say to them, "Those are not the real stars. The real stars are the men and women who fought for freedom in Okinawa and Inchon and Khe Sanh. The real stars are humping heavy loads along mountain trails in Anbar Province.

"I am just a beneficiary of The Real Stars." And when I think of them, I think of words that I was privileged to hear John F. Kennedy say when I, as a high school boy, went down to the Capitol in the snow and witnessed that great man's inauguration. In his address, he listed many of the problems we faced as a nation. Nuclear war possibilities. Communism in Cuba. Civil rights struggles. Inflation.

He ended with this brilliance (which I paraphrase):

We ask for God's blessing. And we ask for God to go to work for this great nation. But in our hearts we know this:

Here on earth, God's work must truly be our own.

Thank you, and good night.