

Where is Harry Truman, When We Need Him?

By Harlan Green



Harry "Give 'em Hell" Truman

care and hospitals are fine — for people who can afford them. They consider electrical power a great blessing — but only when the private power companies get their rake-off. They think the American standard of living is a fine thing — so long as it doesn't spread to all the people. And they admire the Government of the

Why is this malaise dragging on so long? With some \$2 trillion in cash sitting on S&P 500 corporations' balance sheets, and profit margins the highest since WWII, employers are refusing to hire more workers. This is why there was zero (0) nonfarm payroll growth in August.

up as the supply constraint related parts shortages from Japan is easing.

So what is the lesson from "give 'em hell, Harry"? Truman was not afraid to take on those who wanted to reduce government, when government was the only support for both businesses and consumers during tough times.

The post-WWII economy was going through the same malaise as today. Federal debt had ballooned to 120 percent of GDP to pay for WWII (vs. 80 percent today), unemployment was high, and Republicans crying deficit reduction had triumphed in the 1946 Congress.

The U.S. economic outlook has "clearly" deteriorated this year, and the continued softness of economic indicators shows that the headwinds facing the country are even stronger than thought, Chicago Federal Reserve President Charles Evans said last Wednesday.

"Conditions still aren't much different from an economy still in recession," said Evans, speaking at a seminar in London.

Is there something we can do about it with our Accommodator-in-Chief giving conservatives what they want, such as cancelling the new air quality regulations, without negotiating for something in return? Well yes. Bring back another "Give 'em hell" Harry Truman, or have President Obama choose him as a model for how to weather the next year during an election season, instead of the "Give 'em what they want" Barack we have known of late.

"Give 'em hell" Truman was given that nickname for a reason. During a 1948 campaign speech a supporter yelled out "Give 'em Hell, Harry!". Truman replied, "I don't give them Hell. I just tell the truth about them and they think it's Hell."

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"Republicans stand four-square for the American home — but not for housing," he said during his 1948 campaign. "They are strong for labor — but they are stronger for restricting labor's rights. They favor minimum wage — the smaller the minimum wage the better. They endorse educational opportunity for all — but they won't spend money for teachers or for schools. They think modern medical

United States so much that they would like to buy it."

Does all this sound terribly familiar, even to the Republican attacks against him?

"The smear campaign on your President started in all its vile and untruthfully slanted headlines, columns, and editorials," said Truman. "Hearst's character assassins, McCormick-Patterson saboteurs all began firing at me, as did the conservative columnists and radio commentators. Not because they believed anything they said or wrote, but because they were paid to do it."

Truman was following one of FDR's more well-known maxims: "Human kindness has never weakened the stamina or softened the fiber of a free people. A nation does not have to be cruel to be tough." Truman and the Democrats were alone in trying to keep the U.S. economy afloat, in other words. So instead of compromising with deficit hawks by cutting spending, he blasted the "do nothing 80th Congress of that time", advocating Universal Health Care and extension of unemployment benefits. When the deficit hawks in Congress voted down those benefits — both 'blue dog' Democrats and Republicans, we might add — he was able to blame them for the continuing malaise. Then he upset heavily favored New York Governor Thomas Dewey in 1948 — it was one of the most famous comebacks in Presidential history.

"I have told the people that there is just one big issue in this campaign and that's the people against the special interests. The Republicans stand for special interests, and they always have. The Democratic Party, which I now head, stands for the people — and always has stood for the people."

It's because businesses have been living in a bubble they are reluctant to leave. It is called supply-side economics, because of a succession of business-friendly administrations that believed the bulk of government benefits should be directed to business, rather than consumers. This was mainly in the form of tax breaks, which are of little benefit to consumers — most of whom pay a payroll tax that has never been cut. Business tax breaks are an indirect form of government support, but nevertheless result in reduced revenues.

Yet consumers have been spending more as wages and salaries — 80 percent of the workforce — are rising; have been rising in fact since July 2009, the nominal end of the Great Recession. Consumer spending rebounded a sharp 0.8 percent after slipping 0.1 percent in June. By components, durables jumped 1.9 percent after declining 1.1 percent in June. Clearly, motor vehicle sales are

"People are waking up that the tide is beginning to roll, and I am here to tell you that if you do your duty as citizens of the greatest Republic the sun has ever shone on, we will have a Government that will be for your interests, that will be for peace in the world, and for the welfare of all the people, and not just a few."

So the Obama the Accommodator has to turn into Obama the fearless Negotiator who is willing to attack his enemies, who are also the enemies of majority who have been hurt most by the Great Recession.



Harlan Green is a syndicated columnist and the owner of Bankers Pacific Mortgage, Inc. Questions and comments are welcome, please email Editor

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Harlan Green, Broker (805)681-6363
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