

Episode 157: "Standing Up For Truth" with Kevin Hasset

Automated ([00:04](#)):

Welcome to the Bill Walton Show, featuring conversations with leaders, entrepreneurs, artists, and thinkers. Fresh perspectives on money, culture, politics, and human flourishing. Interesting people, interesting things.

Bill Walton ([00:24](#)):

Welcome to the Bill Walton Show. I'm Bill Walton. In first year economics classes across the country, you usually begin the semester with the principles of supply and demand. You learn that incentives matter and to suggest otherwise is to betray basic principles of economics and human nature. You learn that you can ignore and violate these fundamental laws, but that you cannot change them throughout history. The societies that have succeeded recognize and respect these economic laws, they use them to their advantage. Well, someone needs to get this message to progressive Democrats and soon because they have become completely unmoored from economic realities. And their agenda will end in economic disaster.

Bill Walton ([01:19](#)):

With me to talk about that, is someone who knows a lot about it, my old friend, Kevin Hasset, who served in the Trump administration as Senior Advisor to the President and is former chairman of the council of Economic Advisers. He's the Senior Advisor to National Reviews Capital Matters, which is the new initiative. So focused on financial and economic coverage and is the Vice President of Lindsay Group. He also, most importantly, is the author of a forthcoming book in November called The Drift, which is about America's slide into socialism. So I can't wait for the book, but we're going to get a sneak preview here. So Kevin welcome.

Kevin Hasset ([01:59](#)):

It's great to be here with you Bill, and we've been friends for 20 something years.

Bill Walton ([02:03](#)):

Yeah. We first met on the AI.

Kevin Hasset ([02:05](#)):

That's right.

Bill Walton ([02:06](#)):

Yeah. Well, anyway, here we are. And we're in the midst of a terrible reconciliation bill, three and a half trillion dollars. It's really probably five and a half or six trillion. It gets into all the things the socialists have been dreaming about for years. What's the book about though? Give us some sense of how you see things?

Kevin Hasset ([02:26](#)):

Well, really the book it's called The Drift, describes the world that we live in today, and connects basically Donald Trump's presidency, to big historical forces that are pushing the country towards socialism. And if you watch and you see like all the successes, which are documented in the book that

president Trump had on economic policy, the lowest ever black unemployment rate, the highest wage growth ever for African Americans, income inequality declining because his deregulatory and tax cutting agenda really, really worked. You could ask yourself, well, wait a minute. The left has told me all along that they really care about social justice and income inequality is the most important issue. And you would think that they would celebrate these victories. If the numbers actually speak that way, if the score goes up, your team's winning, if it income inequality is going down, then if your social justice dude, you ought be happy.

Kevin Hasset ([03:19](#)):

But instead, they're more enraged by Donald Trump than probably any president in history. And if you look at it, impeached twice by these people for really very, very minor things. And so, ask yourself, why is the left so crazed about Donald Trump and where does he fit into the great arc of history? And I think that's really what the book's about. And the bottom line is that our country is in an organized drift towards socialism. It's incredibly well organized. And what Joe Biden's doing right now is a big part of the final steps to socialism. And Donald Trump was a very successful president, but one that was very controversial with the left because he took socialism on, straight on. You remember Bill, he would talk about it a lot in speeches and it drove them crazy. It absolutely drove them crazy. And that's why they act the way they do towards him.

Bill Walton ([04:08](#)):

Well, he took on political correctness and all the political cant's and made himself an enemy, not only to the Democrats, but the establishment Republicans, because he actually got things done.

Kevin Hasset ([04:22](#)):

He got things done. And one of the things that comes across for people who read the book that have talked to me already, is that the public persona of Donald Trump is much, much different from what he was like when we're actually in the Oval Office or in the West Wing, working on real policy problems. And so, he would've thought like you know Donald Trump a little bit and you know his public image Bill.

Bill Walton ([04:45](#)):

Sure.

Kevin Hasset ([04:45](#)):

And you've known me for 20 years, the idea that President Trump and I would become friends is like almost-

Bill Walton ([04:50](#)):

It wouldn't be my first connection.

Kevin Hasset ([04:51](#)):

Yeah. Or that he would really like working with me and invite me back during the COVID crisis to be senior advisor with an office right there in the West Wing. So the reason I think is that Donald Trump, behind closed doors is an incredibly nice guy, who's very thoughtful. He likes to see all the sides of the arguments, but also does little touches, little personal touches that I know when you were a CEO, you would do. But as an example, this is a story in the book, that I would brief the president whenever

economic data would come out before the data came out. Sometimes the night before, because the Chairman's the only person in government who gets the data the day before, or sometimes the morning of...

Kevin Hasset ([05:31](#)):

One time I was in Paris doing a diplomatic mission on a jobs day. And my chief of staff is a woman named [DJ Norquist 00:05:38]. And she's a New Yorker, President Trump's a New Yorker. They both are talking with their hands in the Oval all the time and the two of them became very close. And so I told the president, "Geez, I can't come brief you on the jobs data because I got to be out of the country. And so I'll send one of the other members, one of the other economists." And he said, "No, don't do that. Send DJ. Because your chief of staff, she knows the numbers as well as you economist guys. And I want to see DJ." And so the morning of the jobs numbers, DJ's really nervous because she's got a brief the president on economic data and she's been around economics for a long time, but she's not an economist.

Kevin Hasset ([06:13](#)):

And she gets out of her house and goes towards her car and she breaks her leg. She steps in a pothole and she breaks her leg. But DJ being DJ, she limps in, drives her car and limps into the West Wing, limps in to brief the president. And then limps back to her car and goes to the hospital. And they put like a pin in her leg in a cast and things like that. And when the president found out about this, he wrote her the sweetest note. Like what the heck are you doing? Next time go to the hospital. But another-

Bill Walton ([06:42](#)):

So did she brief the president?

Kevin Hasset ([06:42](#)):

She briefed the president with a broken leg and she's tough enough that he didn't find out until after, but when he found out he wrote her a really sweet note. I would be in the Oval at times and friends of his that were sick, or even dying, he would take calls right away, interrupt meetings to do that. One of my staffers got colon cancer and he found out about it and sent that person a note. And so I think that the backstory of first, there's all this great policy success, but then maybe someone might say, oh, it's accident because this crazy buffoon that I see on TV could have possibly done that. But if you actually look at the meetings and look at my discussion of what we were talking about and why President Trump made the decisions that he did, because he's actually a really smart guy with really good policy sense. And that's why the economy was doing so well, pre COVID.

Bill Walton ([07:31](#)):

Well, I think people don't recognize that he likes to listen and he likes to listen to lots of points of view, and he likes to listen to people who disagree with him and he doesn't shut them down.

Kevin Hasset ([07:42](#)):

And he likes to see real-

Bill Walton ([07:44](#)):

He didn't like to listen to you if he thinks you're stupid.

Kevin Hasset ([07:47](#)):

He likes to see real battles though.

Bill Walton ([07:48](#)):

Which is why I think you got along with him because you happen to be very smart.

Kevin Hasset ([07:52](#)):

Oh, cut it out. Bu I could say the one example of something, and this would be another thing that would surprise you, but I've been a free trader my whole life. But Donald Trump taught me a lot about what I didn't get right on trade because economists get trade wrong a lot. And he's actually right. When I got into the white house, we would look at the trade deals the previous presidents had signed with other countries and we had basically just given away everything.

Bill Walton ([08:16](#)):

What did you learn about... That's interesting because I was a unilateral free trader. Just open it up. We're going to do business with everybody and that rising tide's going to lift all our boats. What'd you learn on trade that made you go from the-

Kevin Hasset ([08:31](#)):

Yeah. I really flipped and became, I'm not tariff man, but I totally understand what he was doing. I think he was incredibly successful at it, but I'll give you an example. So prior to us coming to the White House, we had the previous administration negotiated a Korean Free Trade Deal. And in the Korean Free Trade Deal, the U.S. opened up our auto market to Korean autos, and Korea opened up their market to U.S. autos. And President Trump comes in and he says, "So tell me, how are we doing?" And Koreans have really great cars. They've got a big share of the U.S. market and there's not a single U.S. car sold in Korea. Not one or just about not one. And so then we dig in like, why is that at?

Kevin Hasset ([09:14](#)):

And it turns out that, it's a long story, but it's an example of how we're getting screwed all the time in these trade deals and president Trump fixed it. So when you go buy a car, you get the price from consumer reports or something, and then you go into the dealer and you drive a hard bargain. And the dealer doesn't really make money when they sell you a car. When they make the money is when you take it in to get service. And then you're probably going to be loyal to them. And so 5 or 10 years, you're going to go in once or twice a year. And it seems like it always costs 500 bucks at least whenever you take it in to get service to-

Bill Walton ([09:47](#)):

That's a minimum, yeah.

Kevin Hasset ([09:48](#)):

Yeah. that's right. And so that's where they make the money. Well, the previous Korean Free Trade Deal, the Koreans agreed to allow U.S. companies to sell their cars in Korea, but not to service them.

Bill Walton ([09:57](#)):

Oh, okay.

Kevin Hasset ([09:58](#)):

And we had signed off on that. And so the point is that these trade deals are filled with thousands of lines of stuff that clever people, basically negotiated with, loser group previous administrations that didn't actually understand what was happening to them. And they were cleaning our clock. So on the trade front, I went in and I'm like, oh, geez, tariffs. If you put them in an economic model, it's really going to hurt the country, but he put these tariffs on. And then all of a sudden Korea says, "Okay, we don't want the tariffs. So let's renegotiate the deal." And then we actually got a good deal, and they took out the stuff, they really-

Bill Walton ([10:30](#)):

Well, it seems like what he did is that he broke down the barriers between the silos. I mean, we've had state department, and defense, and commerce and then the private sector. And the people in government tend not to want to interact with the private sector that much. And so you had people negotiating these deals that didn't really have that much skin in the game. And what he did, I think, is he broke a lot of eggs and got people interacting among and between the agencies and made trade part of our diplomacy, which it hadn't been before.

Kevin Hasset ([11:01](#)):

That's right. And another example which, I mean, you hit the nail on the head Bill, so all the European countries are members of NATO and they've all agreed to spend 2.5% of their GDP on defense. And yet none of them do. And here we are basically carrying the load for all of NATO. At the same time that they've got really crappy trade deals with us that are disadvantaging our companies and their countries, and running big trade surpluses with the U.S. And so Trump, basically, you remember he famously had some troubles with Angela Merkel, that he really didn't get along. And in part it was because she was lecturing him about why he needs to respect deals and stuff with all the deals that he inherited were really, really bad. And she herself wasn't respecting the most important deal, which was to provide for the defense of Europe by spending enough money on defense.

Kevin Hasset ([11:51](#)):

In fact, I remember calculating the number for the president that Europe or Germany could have met its treaty obligation to spend 2.5% of GDP on defense and still had a budget surplus when we took office and they still didn't do it. So they had the money to do it, but they wouldn't do it. And so he said, "Oh, you know what, we're going to put auto tariffs on every a car from Germany." And then all of a sudden they're like, "Oh, okay, we'll increase our defense spending."

Bill Walton ([12:16](#)):

That's what I mean, he linked the two things that have never been linked.

Kevin Hasset ([12:20](#)):

Exactly.

Bill Walton ([12:21](#)):

You're watching the Bill Walton Show, and I'm here with Kevin Hasset former economic advisor to President Trump and we're learning about what it's like to work for him. What surprised you most?

Kevin Hasset ([12:35](#)):

Yeah, I think that what surprised me the most was what a different person he is, one on one. And how thoughtful he is about those around him. Again, like sending notes to sick people and things like that. He plays a really tough guy on TV and he is a really tough guy. If you look at what he went through and he kept on going, and take it, I couldn't have done that, I think. But that really surprised me. I didn't really know him when he asked me to do the job and I was a little anxious about it. What's going to be like working for this guy? Is he going to fire me a month in?

Bill Walton ([13:09](#)):

How much did he test you?

Kevin Hasset ([13:11](#)):

Oh, you absolutely see it right away. And again, this reminds me of something that CEO Bill would've been doing. That my very first time I went into the Oval, Gary Cohen said, "Well, now that he's got the economist here and stuff, we got to get the president used to economic briefings. So prepare whatever you think he needs to know about the economy in a little slide deck. He loves slides." He really does love slides. He loves to flip through things. And he has a sharpie and he marks them up and so on, and do that. So I did, and I had a lot of interesting data at the time that was telling about what was going on in the economy right there. But one of my first slides just showed what was going on with real estate prices around the country. And the main theme of the presentation is that there's like hot places and cold places.

Kevin Hasset ([13:59](#)):

And I'll return to that thought, but I had a map. And then in Florida, real estate prices on the map had been declining in the previous year. It was one of the places where real estate prices weren't booming, but in other places like Colorado, they were. And then he looked at me and he said, "Look, what's the one thing I know? Real estate. And you're showing me a map where Florida real estate prices are going down? That's just wrong. You're showing me data that can't be correct. You've made a mistake. I bet you did that every time a new guy came in, right?" And the right answer is, hell no, I didn't make a mistake. Here's why the number's negative, even though, I'm sure Palm Beach, where you own stuff is doing great, but the Panhandle isn't doing so great.

Kevin Hasset ([14:44](#)):

And that was the stuff at the beginning that he would do and I saw him then subsequently when new people came in, that he would do that all the time. He says, "What the hell are you showing me? This doesn't make any sense at all. This is wrong." And then if you're not willing to go to the president and say, [crosstalk 00:15:00] "No, it's not wrong," then you're not a person that should be at the team. But you're right, so he did test. But I had an experience from that first briefing too, that I wanted to add that was funny too, and showed his cleverness.

Kevin Hasset ([15:14](#)):

So one of the things that I said in that presentation, remember that there's hot places and cold places, was that one of the big problems in America then, and even now, is that it used to be that if there was a hot place where basically the unemployment rate zero, and there's all these jobs, but nobody can fill them. Then people would move from the not so hot places to those places. And so let's just say, Mississippi's not doing so good, Colorado's doing really well, that was something that was true. Then

you would see people move from Mississippi to Colorado and take jobs. But the extent to which people are moving to take jobs is the lowest it's ever been or was when I was analyzing the data for the president, right at the beginning of the administration.

Bill Walton ([15:55](#)):

Labor, what is that? Mobility.

Kevin Hasset ([15:57](#)):

Yeah. Labor mobility. And so people stop moving to jobs. And so we have all these vacant jobs and if you really want the economy to grow, we got to like talk people into moving. And there's some economists who say we should subsidize moving when people do that, like give them a tax break to move. But at any case, that was just part of the presentation, and this is after I passed the test. And so I get back to my office and before I get to my office, and it was across my... When I came back a senior advisor, I was right in the West Wing but I was in the Eisenhower building just across the driveway, so it's like a three minute walk from the Oval there. By the time I got back to my desk, my chief of staff sent me an email and said, "Look what the president tweeted." And he tweeted, "Hey, if you don't have a job, you should think about moving."

Bill Walton ([16:44](#)):

Yeah, there wasn't a lot of bureaucratic noise between your good idea and his action, which was one of the great things.

Kevin Hasset ([16:49](#)):

Another way he tested by the way, it's just a funny story is that, he would tweet about what I was talking about while I was on TV. And then the interviewer would say, "Well, the president just tweeted this. What do you say to that?" And so he would hit us. And I think that was the mischievous guy [crosstalk 00:17:07], he enjoyed yanking the chain of his friends.

Bill Walton ([17:09](#)):

Well, New Gingrich tells the story that worked the opposite direction. He said, if he wanted to get to the president on an issue, he got on Fox and started talking about the issue on Fox. And then when he would finish his hit on Fox, the phone would ring and Trump would say, "What did you say that for?" Yeah. Or that's a good thing.

Kevin Hasset ([17:27](#)):

Very often if you go into the Oval then of course is the Oval that everybody's seen on TV a million times. But then if you go to the right, there's a little room that has like a kitchen table kind of thing, or a dining room table, and a bunch of leather chairs around it. And that little room is where he really, really loved to hang out. And he would sit on your side of the table. And then right behind me, there's this giant screen TV that he had on, usually Fox. And so very often when we're having meetings, he's multitasking and keeping an eye on the television at the same time. And then he might actually say, "Hey, hold on now, Newt's talking," or something like that.

Bill Walton ([18:11](#)):

Let's try to bring this back to the drift and the socialism. I mean, he wasn't a classically trained economist yet he had great instincts. I mean, how much did his policy ideas line up with your ideas of classical liberal economics, taxes regulation-

Kevin Hasset ([18:27](#)):

Oh, totally. Except for trade. But then I actually learned that he was right on trade and I was wrong on trade. But where the drift comes in, is basically that, and this goes back to understanding the historical forces that have moved us to where we are but also-

Bill Walton ([18:41](#)):

Yeah, let's do that.

Kevin Hasset ([18:42](#)):

...but also what we have to stand up against. So we have to fight this, or we are going to become a socialist totalitarian country for sure. And so the broad historical sweep is just this, that Joseph Schumpeter, really famous economist, back in the 20s, looked ahead to America's future. And he's often viewed as a defender of capitalism, but he was a fatalist. He said the socialists are going to win. And if you look at why-

Bill Walton ([19:08](#)):

That's a 100 years ago.

Kevin Hasset ([19:09](#)):

90, 100 years ago, yeah. He said, the socialists are going to win. And so why did he say that the socialists are going to win? Well, he said, "Well, what's going to happen is capitalism's going to work for a while. At least through the 70s," he said, "and we're going to get really rich. And as we get really rich, that what's going to happen is that everybody's going to stop having their kid work at the shop or having their kid work at the family farm. And they're going to send their kids to college. And the colleges are going to be basically places that indoctrinate folks to be socialists." And then he talked a lot about why professors were so socialists. He said this a 100 years ago. And he said, "So our kids are just going to be indoctrinated into a religion of socialism by higher education, by the universities. And the best universities are going to be the best socialists."

Kevin Hasset ([19:51](#)):

And the best guy from Harvard is going to be the editor of the New York Times. They're going to control the media and the media is going to make it disreputable to defend capitalism and to stand up to the socialists. And so in fact, something that he highlights is that the far left by controlling the Ivy League and things like that, and controlling the media, will ultimately control respectability. And so if you don't agree with the New York times, if you don't agree with that Harvard professor or Paul Curtman, then you're just not respectable. He's got a Nobel Prize, what do you got? And once that happens, he said, "There'll be nobody willing to stand up to them and the socialist will just win." And then Hayek told us when this socialist win, why it turns into a totalitarian state, and you can see this already with the vaccine mandates and stuff like that. They really do have totalitarian tendencies.

Kevin Hasset ([20:40](#)):

But the main thought is that they had a monopoly on the media. They had control of respectability, very few people are willing to stand up to them. I think you and I have always been, but we've watched a lot of people chicken out around us at think tanks that we used to be at, where it seems like everybody's afraid of what the New York Times might say about them. And that monopoly on how to look at the world, was something that Schumpeter said was going to doom us to socialism.

Bill Walton ([21:09](#)):

Well, that happened to me in a visit to the Bush white house when I went in to visit one of the guys, I think, I'll make him on name, but he was there in his small office. You don't have big offices there, but he had one. And he was there and the New York Times was laid out in front of him. And he was reacting everything was in the time defensively, and the times that actually set in the agenda. And when you're in that mode, you lose.

Kevin Hasset ([21:35](#)):

Right. And so then the other thing where just to mention some of the great thinkers, whose work I go into in the book and relate to Donald Trump after really digging into what the guy was truly like, is that there's this guy named Marshall McLuhan that, we're old enough so we remember him, but he said that, "The internet," in the 60s he wrote this, "was going to fundamentally change society, because the people who control information who monopolize information," so call it like The New York Times, and the evening news are, "are suddenly going to find themselves in a competition for our attention. And the competition is going to be against potentially millions of voices. And in that competition for attention, who wins the competition for attention, isn't necessarily going to be the guy that's respectable in the views of the New York Times."

Kevin Hasset ([22:19](#)):

So just to finish the thought is, that's what Donald Trump did. So what Donald Trump did is he did an end around of the lefts controlled media, by winning the competition for attention, is like this brilliant tweeter who was at times offensive and things like that. But the offensiveness was attractive.

Bill Walton ([22:36](#)):

Well, he dis-intermediated establishment media, but then we all thought when the internet was first coming, there was going to be just this fantastic place where all the ideas could flourish and people would self organize and it would get away from a top down control of ideas and information. Well, that hasn't happened because what's happened, the power's aggregated in the social media companies and they're acting in the way the New York Times used to act.

Kevin Hasset ([23:04](#)):

Right. Well, but that didn't happen. If that happened-

Bill Walton ([23:07](#)):

He had a window.

Kevin Hasset ([23:08](#)):

He had a window but... And here's the final thing and this is really, really important. So what McLuhan said basically again in the 60s was, what's going to happen is you're going to start with a competition for

attention. And then, interesting people, maybe the most outrageous people, they're going to win that competition for attention. But then the powers that be, and I can't believe it, he said this in the 60s, are going to organize their inattention and recognize that it's their most powerful weapon.

Bill Walton ([23:38](#)):

[crosstalk 00:23:38].

Kevin Hasset ([23:39](#)):

And so what we're going to do is, we're going to say you can't look at Trump. We're going to take him off our platform. We're going to organize the inattention toward Donald Trump so that nobody can find out what he's saying. Nobody can see what he's doing, we're going to organize inattention. And the thing is that where we are right now in our is that we got really close to being a socialist country under Obama, but Biden's pushing it much harder and faster in part because I think he is panicked about the strides that Trump did. But the thing that made it so that Trump could win is now basically coalescing against him and everybody else who would be a defender of capitalism And so that's the final part about the drift that I think is so important is that, we can defeat these guys, but we have to understand what they're doing and we have to collectively stand up against it.

Kevin Hasset ([24:28](#)):

Because they can cancel Donald Trump, they can cancel this guy or that guy, but they can't cancel a million of us. And so we all have to stand up and start defending capitalism and we have to defend or be the owners of respectability. And this goes back to maybe what we should spend the last little bit of the show on that, it's not respectable to advocate the things that Democrats are advocating right now. It's economic illiteracy. So those people, we control respectability, we control the truth. We need to have the confidence to stand up and assert that because it's true. And we need to do it, not just me. I'll get canceled. Probably a month after my book comes out, I won't have a Twitter account anymore, but if we all do it, if we all look at these historical forces and stand up to them, we can defeat them.

Bill Walton ([25:14](#)):

Yeah. We did a show last week on masks, and distancing, and lockdowns. I expect YouTube's going to find out that we said some things they don't agree with and so we're going to be... But so far, I think we're not going to get censored. I think we're okay with this show. You're watching the Bill Walton Show. I'm here with Kevin Hasset, brilliant thinker, extraordinary work with President Trump, interesting background. And he also has written a very interesting book called The Drift, which talks about things like how Marshall McLuhan predicted where we'd be now with the social media phenomenon. Also Schumpeter basically laid out the playbook for the last 100 years and here we are.

Kevin Hasset ([25:56](#)):

And so therefore we understand exactly what's going on. And, and once you do that, once you understand the enemy, you can defeat him. And I think that, that's what I'm hoping to accomplish with this book, is to help everybody understand exactly what's going on. It all makes sense.

Bill Walton ([26:08](#)):

What do we do about the social media companies? I mean, we're drifting, I suppose, from hard economic things, but it seems to me, we have to have a voice. We need to be able to communicate with each other. How do you see this playing out?

Kevin Hasset ([26:18](#)):

Well, I think that what's going on is that the social media companies have behaved profoundly irresponsibly and they had first mover advantage, and then there's something economists called a network externality. So if you have a social media platform and everybody-

Bill Walton ([26:40](#)):

Okay, [crosstalk 00:26:40] explain network. Let's go.

Kevin Hasset ([26:42](#)):

Basically, if you're at Facebook, but there's only three guys on it, then it's not that valuable. But if everybody from your high school class you know is going to be on Facebook, then maybe you want to sign up too. That's what a network externality is. And so what happened is if you have the first mover advantage of social media, then everybody goes there because everybody else goes there and no one can compete. And so there's a monopoly really at Facebook, there's a monopoly at Google, at Twitter and they're abusing it. They're profoundly abusing it.

Bill Walton ([27:09](#)):

There's a classic scene in *Downton Abbey* where Carson the Butler, they get the new telephone. And they get the telephone in the hallway and everybody gathers around. They say, "Well, what's this for? I mean, who are you going to call?"

Kevin Hasset ([27:23](#)):

Yeah. Because no one else-

Bill Walton ([27:23](#)):

Nobody else has a phone.

Kevin Hasset ([27:24](#)):

It's exactly right. So yeah, that Carson understood network externality back then. So what would I do about it? This is a thing that I think I actually care a lot about what you would do about it too, because as conservatives, our view is that you don't want to give the government power over companies and things like that because they'll abuse it. And before you know it, Hunter Biden is going to be profiting from everybody that he's ordering around. And so we don't want government to have power, but now we've got these monopolies that are basically political entities. It's like we live in the Soviet Union and Facebook, and Twitter, and Google are Pravda, and as conservatives, we need to stand up to them. And I think that for me, so now I'm just going to take an extreme position, but I'm not going to assert that this is what I would do.

Kevin Hasset ([28:17](#)):

If you just, like tomorrow, said Facebook you're shut down. Just Facebook, you can't operate anymore because you've so abused your privilege of first mover advantage. And said that Twitter, you know what, you're closed. Then what would happen because of the internet is that, a few other places would spring up that would compete to take over that space. And maybe they'd be wary of misbehaving in a way that these guys have. I mean, I can imagine a person who's pretty likely, I think, to be the Republican nominee for the presidency in the next cycle. I mean, the president hasn't said that to me,

but I would guess that he might run again, that he's not allowed to communicate with Americans, because these left wing places in California control access to people's attention? Yeah, that's-

Bill Walton ([29:05](#)):

I think Trump's going to run again.

Kevin Hasset ([29:07](#)):

Yeah. I would think he probably will too, but it's just not acceptable. So I think that basically Republicans need to understand that they have to take a very, very strong stance against these guys, and that they need to stop canceling people. The America First Policy Institute, which is run by Brooke Rollins and is like the Trump alumni association a little bit, there are a lot of great people for the Trump administration there.

Bill Walton ([29:29](#)):

Yeah. She's terrific, yeah.

Kevin Hasset ([29:30](#)):

But they've launched a lawsuit about this against the big tech companies and they've started a website which, I'm sorry, because I'm an economist, I'm spacing out the name of the website, where they basically just ask Americans who feel like they've been censored to put their story up. And Brooke told me this morning that 91,000 Americans have put up stories of being censored by social media, for things that they think are unreasonable, 91,000. And if you look at the 91,000 that have posted that, there's not a single one of them that's a liberal.

Bill Walton ([30:04](#)):

But let's talk about lines of action. I don't think antitrust works. I don't think breaking them up into little pieces, I mean, it's like my analogy is metaphors. Remember Fantasia the Disney movie with Mickey and the buckets of water. And there was this bucket of water, the big broom and he got an axe out. And instead of destroying the broom with the water, he created hundreds of them. And I think the culture of Silicon Valley sufficiently progressive left that if you broke it up even, I think you'd still end up with a lot of the same political bias in these companies. And it's not really an economic issue, it's a speech issue. And so it seems like we got to get at something about maybe Section 230, are you-

Kevin Hasset ([30:48](#)):

Well, this is the thing, what the American First Policy Institute.

Bill Walton ([30:53](#)):

For those who don't know, Section 230 basically gave a carve out that protected the social media companies from getting sued for the content was on it, but also gave them the power to police the content that was on it. So it's a little bit getting both ways.

Kevin Hasset ([31:07](#)):

Well, I think that what Brooke Rollins's team thinks is that this can be resolved through litigation. That there're basically constitutional theories that these guys are violating your constitutional rights when

they deplatform you. And they've got cases before judges all over the country. I think that there's three separate cases.

Bill Walton ([31:28](#)):

Do they have a big checkbook?

Kevin Hasset ([31:29](#)):

Excuse me?

Bill Walton ([31:29](#)):

Do they have a big checkbook?

Kevin Hasset ([31:31](#)):

Well, I'm sure that people who are-

Bill Walton ([31:32](#)):

Because the litigation strategy is expensive and you're up against, I mean, the-

Kevin Hasset ([31:37](#)):

The biggest.

Bill Walton ([31:38](#)):

The biggest checkbooks on the planet or the social media companies.

Kevin Hasset ([31:41](#)):

Also, I could say is that, if you look at the facts on the ground, they're so terrible for the big internet companies that any sensible judge is going to be sympathetic to the arguments that Brooke's team is making.

Bill Walton ([31:54](#)):

Let's do economic illiteracy. The bill we're talking about now, the Pelosi and Schumer pushing is the Reconciliation Bill. They're getting it through reconciliation because you only need 50 votes and it looks like they have 50 votes.

Kevin Hasset ([32:10](#)):

Probably Joe Manchin pretends that he's conservative right up the last minute.

Bill Walton ([32:14](#)):

He's not. Joe Manchin-

Kevin Hasset ([32:14](#)):

People of West Virginia should really be ashamed of Jose Manchin, frankly.

Bill Walton ([32:17](#)):

They should be ashamed. They want to repeal Trump's tax cuts. They want a new death tax so that it would kill small businesses. They've got a PRO Act which eliminates right to work laws in the states. So everybody's got to join a union and pay union dues. They've now launched a new form of Obamacare, federal takeover healthcare, paid parental leave. And here's one that we love, they want to tax unrealized capital gains.

Kevin Hasset ([32:44](#)):

I think that one dropped out, but they do want to do that, but I think that one's dropped out of the bill, I've heard that.

Bill Walton ([32:49](#)):

Okay. Well, maybe-

Kevin Hasset ([32:51](#)):

Can you imagine if your house goes up 5% in value this year that they're going to tax that as income? I mean-

Bill Walton ([32:55](#)):

Well, that's what they're planning.

Kevin Hasset ([32:56](#)):

That's what they're planning on doing, yeah.

Bill Walton ([32:58](#)):

Sort of a wealth tax. And they want to spend \$40 billion to hire 80,000 new internal revenues to service agents to audit us. And they want to take the debt ceiling up \$6 trillion. So tell me why these are... I want your version of how bad these ideas are and what they would do to the economy.

Kevin Hasset ([33:20](#)):

Well, I want to go back to your intro, which I really thought set the stage for this conversation, very, very ably, that everybody out there, even if you've never had an economics class knows that their supply and there's demand. And so if you go down to the market and everybody's really dying for an apple, but there's one little farmer there with 20 apples, then he's going to be able to get a really big price for those apples. But if you go down to the market and there's like 20 farmers and they each have vans filled with apples, then apples are going to be pretty cheap, especially at the end of the day when they don't take them home. And so that's supply, that's demand. And so what the Biden administration is doing is first, they're lighting a fire of demand by throwing cash at everybody and printing money to do so and so demand is going through the roof.

Kevin Hasset ([34:07](#)):

But at the same time with heavy regulation, and shutting down pipelines, and increasing the corporate tax, and paying people not to work, they're attacking supply. And so if you reduce supply enormously, in fact their proposals reduce aggregate supply more than has ever been experimented with in U.S. history. It's the biggest negative supply shock of history. And they're doing that while they're giving us the biggest positive demand shock in history. And so what happens, while you've got all this demand

chasing less and less supply and so the apples are going to be incredibly expensive. You're going to have a lot of inflation-

Bill Walton ([34:44](#)):

Inflation, yeah.

Kevin Hasset ([34:46](#)):

And so the 7% inflation that we have right about now that's about what the rate is. That really hurts ordinary Americans, that hurts me, it hurts you, it hurts everybody who's listening because people who don't switch jobs especially, tend to have their salary changed in January, once a year. And the prices are going up right now. And so your take home pay under Joe Biden, so far this year has dropped in value by say at an annual rate about 7%. So you've got 7% less real income right now than you had last January when he was inaugurated. And it's going to accelerate from there if they pursue these policies, because they're giving us the biggest ever demand shock, the biggest ever negative supply shock at the same time, that's just totally economically illiterate. And again, these people might pretend to control respectability, but that's just stupid. That's insane. And it feels like all these far left economists all over the country that aren't speaking up right now-

Bill Walton ([35:38](#)):

What's, Krugman's PhD in?

Kevin Hasset ([35:41](#)):

Politics would be my guess, but it's supposedly economics.

Bill Walton ([35:43](#)):

No, it's some arcane piece of economics. It really has nothing to do with what he opines on.

Kevin Hasset ([35:48](#)):

Oh, yeah, he-

Bill Walton ([35:50](#)):

He opines on social policy-

Kevin Hasset ([35:51](#)):

He wrote some papers on the international economics back in the day.

Bill Walton ([35:53](#)):

Yeah, but they were absolutely and totally detached from what he claims as his expertise is now.

Kevin Hasset ([35:59](#)):

Yeah. I really don't understand what's going on in the mind of that person. The things, the meanness, and the certainty about things that are dead wrong, but lead us in a steeply socialist direction. But if you think about Paul Krugman, that he's actually the poster child for The Drift, going back to my book, I hate to blurb too much, but my book describes exactly why-

Bill Walton ([36:21](#)):

I'm a fan of blurbs, let's push the books.

Kevin Hasset ([36:24](#)):

But that's exactly why guys like Paul Krugman exist, is the drift is a very, very powerful force and it's threatening our country right now. And people need to understand where it's coming from and how to fight it and I think I've got a good idea for that.

Bill Walton ([36:39](#)):

You're watching Bill Walton Show on with Kevin Hasset, former presidential advisor who's written a terrific book that we're going to go through and we get to read it when? In November?

Kevin Hasset ([36:50](#)):

Yeah. Then I'll come back in November.

Bill Walton ([36:52](#)):

Yeah, well, come back in November. [crosstalk 00:36:53] I'll have a chance to read it then, because you get into solutions in the book. I mean, what are our lines of action?

Kevin Hasset ([37:00](#)):

Well, again one of the things that is a key tactic of the left is intimidation. So controlling respectability and intimidation. And too often especially public intellectuals on the right, have seen somebody like Paul Krugman go after someone and bully them in really, almost unspeakable ways and thought to themselves, geez, I'm glad he's not attacking me. So when you've seen these guys come after me, did you ever see anybody step up and say, "Hey, wait, that's out of line." People don't do that because they're afraid they're going to be next. And so you think about it that, I worked at a think tank. You were-

Bill Walton ([37:45](#)):

Yeah. You've taken your fair share of those.

Kevin Hasset ([37:47](#)):

Yeah. And when's the last time anyone, when I was in the White House from the American Enterprise Institute stood up and said, "Wait a minute, that's not fair what you saying."

Bill Walton ([37:54](#)):

Hasn't happened.

Kevin Hasset ([37:55](#)):

Right. And so the point is that these bullies have, basically made wimps of conservatives. And what we have to do is rally around our principles and stand up for them. And if we do that, we will win because we are right. And people did have wage growth under Trump that we haven't seen since the Second World War. Income inequality did go down. Black unemployment rates were the lowest we've ever, ever seen in us history. Those positive benefits of the policies are visible to people and they yearn for them.

And the point is that they'll disappear if we don't talk about them, but we have to collectively talk about it, not just one person, but a million people, and we have to stand up to the bullies.

Kevin Hasset ([38:34](#)):

And if you see someone bullying someone else, you need to say, "Hey, stop that." You're being a beast. One example, we had an event here in Washington recently, where all the ambassadors from the Middle East countries, including Israel, that signed the Abraham Accords, met and talked about how it's going, Jared Kushner gave a talk there. And the Abraham Accords, something else that Donald Trump did, he brought peace to the Middle East. Are really, really working and to hear the Israeli ambassador talk about, the first ever Israeli girl, her name was Maya, was born in the United Arab Emirates recently. And so that's what happens when you have peace deals. Well, in the middle of this thing, where we were actually celebrating Arabs and Israelis starting to work together, starting to trade together, even having babies in each other's countries, this coat pink lady stood up and started screaming.

Kevin Hasset ([39:30](#)):

Okay. So honest to goodness, she was gently pushed out by security and I commend their gentleness. But that behavior's unacceptable. She's pushing antisemitism to go and protest a conference where Arabs and Israelis have finally gotten together, and recognized each other, put emphasis in each other's countries and started to trade. There's Israeli farmers farming in Morocco now, putting up avocado farms and to go and to protest that the way she did is just evil, it's wrong. And we have to stand up to that stuff and not be intimidated by it.

Bill Walton ([40:13](#)):

But you put your finger on something that, my wife, Sarah, she has a reliably left wing resume. She worked for the New Republic and Harpers, and she had an epiphany, wait a second. This is all crazy. But I've got to do something. And she recognized what you just said. Our ideas work, their ideas don't work. And it's as simple as that. And you look at economic history of just an economic-

Kevin Hasset ([40:40](#)):

And that's why they're trying to shut you up.

Bill Walton ([40:41](#)):

Yes. But she said, the thing that struck her was they all stick together. They protect each other largely and our side is not.

Kevin Hasset ([40:50](#)):

Exactly. And that's one of the things that we're talking about in The Drift, is like basically giving a field guide to standing up for one another.

Bill Walton ([40:57](#)):

So as an entrepreneur, I do tend to think in terms of how we could organize something. We actually need to organize something, a virtual salon, a mutual support group for people. And when somebody gets singled out and attacked, bring the cavalry in.

Kevin Hasset ([41:12](#)):

Yeah, that's right.

Bill Walton ([41:13](#)):

I mean, it's almost as simple as that, take a pledge to really support each other when they get attacked.

Kevin Hasset ([41:19](#)):

But honestly, if-

Bill Walton ([41:20](#)):

And if enough of us do that, then it loses its effectiveness.

Kevin Hasset ([41:25](#)):

Right. But honestly, I'll give an example that, labor supply for people throughout the income distribution, but especially in the middle and the bottom, isn't really super responsive to tax rates. And so if you were to change the marginal tax rate from 20% to 21% for the middle class, I wouldn't support that. But anyone who said that that's going to have huge negative effects, I think would have the economics wrong because people who are working, people might decide not to work, but most people who are working are still going to go to work, even though they have to pay 1% more. But there are conservatives who would say that I just committed blasphemy and so on. But if you were to say, "Hey, you're wrong about this." And you address the specifics, the substance, then we celebrate that. That's what conservatives are all about. We love lively debate, but if you come in and you basically, you're a liar, you're a scoundrel, you're an idiot-

Bill Walton ([42:24](#)):

A dominance stuff.

Kevin Hasset ([42:26](#)):

And and that's what they do. And I read about this in the book that approximately, I got to a paraphrase, I had it exactly right in the book, but the first time I go on CNN in the White House, I was on Fareed Zakaria show. He introduced me about like this. He said, "Well, my next guest is Kevin Hasset, chair of the Council of Economic Advisers. Who is Kevin Hasset, you might ask." And then they played a clip of Larry Summers from Harvard University and this is what his quote was. "Kevin Hasset is either a liar, or stupid, or both." That's how they introed me on CNN.

Bill Walton ([43:01](#)):

I'm speechless.

Kevin Hasset ([43:03](#)):

Yeah. But the point is that when you see people acting like that, we need take it to them. We just say you can't bully me. And if I see him or anyone, and actually Larry's a brilliant economist and says a lot of good stuff. Okay. That I don't have any grudge about. He was upset about the tax cuts, whatever, I could take it. But the point is, if you see somebody from Harvard trying to bully, oh, he's an idiot. Then we should say, "Shut up. Stop being a bully. Tell me what he said wrong." And that we as a group need to just start doing that and insist that everybody else do it too.

Bill Walton ([43:39](#)):

Do we have the vehicles to do that? What are our avenues to do that?

Kevin Hasset ([43:46](#)):

Well, I think that we do. You mentioned that I'm now really super active at National Review. I think everybody should go to National Review every day because it's really hitting the ball out of the park now. I think that there's still some conservatives that really didn't like the president and still don't, but there's a lot of people who are-

Bill Walton ([44:04](#)):

Well, [crosstalk 00:44:05] the Never Trump thing has really divided us.

Kevin Hasset ([44:08](#)):

But if you go look at how it's healed at National Review, the Never Trump thing. I really believe, I'm not saying that there aren't people that are still pretty upset about some of the things that the president did, but it's really focused on substance, not on cancel culture.

Bill Walton ([44:20](#)):

Well, have you gotten to Jonah?

Kevin Hasset ([44:23](#)):

I think Jonah has strong opinions and I love-

Bill Walton ([44:25](#)):

I know, you do.

Kevin Hasset ([44:27](#)):

But the point is that that's what conservative should be about. We should be places where people could argue about, is this guy good or is he isn't? And I think that there are places like Dash Review, places like Fox News, places like the Wall Street Journal, that get more and more attention. You look at Gutfeld's ratings for God's sakes. I mean, it's because they're actually not going to play games with these bullies. So the point is that-

Bill Walton ([44:49](#)):

Well, Gutfeld did in his own way, what Trump did, which he takes on political correctness every single minute. And that's-

Kevin Hasset ([44:54](#)):

Correct. And he won't be bullied. And people love it. And so if you love it when somebody else can't be bullied, then you shouldn't be bullied either. It's basically the point.

Bill Walton ([45:02](#)):

Okay. Well, I want to work with you on this. Let's figure out something and we'll come back. When the book comes back, I'll I've read all your prescriptions and we'll start a movement or-

Kevin Hasset ([45:12](#)):

I hope so.

Bill Walton ([45:13](#)):

Okay. Kevin Hasset, great friend and brilliant thinker of Larry Summers, was it Larry Summers? Who?

Kevin Hasset ([45:21](#)):

That was Larry, yeah. But again, no hard feelings towards Larry Summers. He can say negative things.

Bill Walton ([45:26](#)):

Anyway, Kevin has new hard feelings, I do. You've been watching the Bill Walton Show, listening and we're on all the major podcast platforms on our website as well, the billwaltonshow.com and the show streams on CPAC now, every Monday night at 7:00 PM and hope you'll take it in then. So thanks for joining.

Bill Walton ([45:46](#)):

I hope you enjoyed the conversation. Want more? Click the subscribe button or head over to the billwaltonshow.com to choose from over a 100 episodes. You can also learn more about our guest on our interesting people page. And send us your comments. We read everyone and your thoughts help us guide the show. If it's easier for you to listen, check out our podcast page and subscribe there. In return, we'll keep you informed about what's true, what's right and what's next. Thanks for joining.

Bill Walton ([46:26](#)):

(silence)