

1 **Within Our Power: Johnson and Kwak’s “White House Burning” Explains How to Change**
2 **the Course of the US Economy**

3 by Allie Collins-Anderson | 21 March, 2019

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5 MAKE A CHOICE. This is the call to action which Simon Johnson and James Kwak present
6 Americans with in their book “White House Burning: The Founding Fathers, Our National Debt,
7 and Why It Matters to You.”

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9 They argue that the future of our country is almost completely in the hands of citizens. We can
10 decide to elect a government which either, as presented by Johnson and Kwak, believes in low
11 taxes and limited government intervention in the economy where people largely must fend for
12 themselves or in high taxes and broad intervention in the form of services and social programs
13 which protect citizens from risks such as unemployment and poor health.

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15 The authors present a highly-detailed overview of US history relating specifically to the
16 relationship between federal budget policy and politics from the founding of the nation to 2012.
17 They argue, above all else, that the major budget challenges facing the US are rooted deeply in
18 political divisiveness that has existed for the entirety of the country’s lifespan. The level of
19 power that the central government should have has been heavily debated since before
20 Washington’s presidency. As Johnson and Kwak highlight, the 1787 constitutional convention
21 resulted in the federal government gaining the authority to impose taxes as well as pay off debts
22 and borrow money on the credit of the country. Many eighteenth century politicians strongly
23 opposed this new role of government as they feared it would have too much power over the
24 everyday lives of US citizens. Not much has changed, it seems, in this centuries-long debate.

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26 Johnson and Kwak focus specifically on taxes and the long-standing argument over whether
27 fewer or more of them make a better society. They mention specifically the conservative belief
28 that government intervention in the economy decreases freedom and disprove this statement by
29 citing findings that show that often countries with the smallest governments and lowest level of
30 taxes are the poorest. Why? Because those governments do not provide basic services such as
31 public transportation nor do they protect property rights or enforce laws. Meanwhile, they note
32 that countries such as Denmark, where government spending is far more extensive, offer citizens
33 a much higher level of economic freedom.

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35 They propose a comprehensive solution to the monumental budget challenge. Their plan focuses
36 specifically on seven different policies: tax cuts and expenditures, social security, health care,
37 national defense, energy, finance, and consumption and saving. They place significant emphasis
38 on tax increases and reductions in tax expenditures (tax breaks for specific groups), arguing that
39 this is the largest step policymakers can take to ensure funding for programs such as Social
40 Security and Medicare which the middle class depends on. All heavily researched and supported
41 with data-driven evidence, each category of government spending is examined with a fine-tooth
42 comb. Not everyone will agree or disagree with every solution they propose, but the authors
43 make a strong case that the history of the US provides evidence in support of much of what they
44 claim.

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46 They emphasize that many of the problems facing the US economy, not only today but
47 throughout history, are rooted in the country's political system and partisan goals rather than
48 mere economic struggle. Interestingly though, Johnson and Kwak themselves use relatively
49 partisan language when discussing past and current policies and certainly push a more liberal
50 outline of proposed changes to such policy in the future.

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52 The overall tone of the book is itself very left-leaning – its overall objective being to urge
53 Americans to vote for politicians who will push a more liberal agenda, specifically when it
54 comes to taxes. Johnson and Kwak take every opportunity they can to highlight the negative,
55 anti-government rhetoric which conservatives have historically pushed. While what they
56 highlight is true of many conservatives, similar emphasis could be placed on critiques of the
57 views of liberal thinkers by conservatives.

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59 To some extent this use of political language is unavoidable when discussing US economic
60 policy simply due to the deeply rooted relationship between the two in American society.
61 However, I was disappointed in Johnson and Kwak's use of partisan language when criticizing
62 the political nature of the economy. I would have been more impressed and hopeful for a brighter
63 future had they proposed economic policy without arguing for the beliefs of one specific political
64 party. Because they failed to do so, the book read mostly as a critique on conservative policy
65 rather than a solution to partisan policy.

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67 But perhaps Johnson and Kwak did not propose a party-neutral solution because they aimed to
68 highlight the fact that such a solution can never *really* exist. By providing us with such detailed
69 historical context and then using partisan language in their analysis, they emphasized the fact
70 that the US may inevitably be defined as a country in which politics and economic policy are
71 forever linked.

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73 If their intention was simply to propose a solution to balancing the US budget, they could have
74 easily done so by suggesting that taxes be increased and spending on social programs such as
75 Social Security and Medicare be decreased or even cut all together. But they didn't do this. They
76 emphasized time and again that decreasing spending on such programs would be overlooking
77 those citizens who rely on them.

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79 If they looked at the budget solely in black and white dollar terms they would have no need to
80 even mention how cutting spending would impact people. But this would be a pointless exercise.
81 Economies function and fluctuate, in general, based on choices that consumers make as a result
82 of their preferences. We can't discuss economic policy without discussing how it will impact
83 people. And beliefs about how exactly we should be impacted by those policies will always
84 differ among individuals. Therefore, unless someday this proves to be false and every citizen
85 somehow agrees on how the government should influence economic policy, we will never truly
86 escape the partisan gridlock in the US.

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88 Johnson and Kwak's concluding question suggests that the choice is simple. We could all agree
89 that we do not want to face the risks of financial hardship in retirement or in the case of a layoff
90 or disability or if we or a loved one need extended care in a nursing home. We could all agree
91 that we "want to live in a society that will protect [us] from misfortunes that lie beyond [our]

92 control.” If we make this simple choice, the solution to balancing the US budget is also simple.
93 We just need to decide whether we want to continue writing the same history that our country
94 has developed over its lifetime or if we want to create a new future of economic prosperity and
95 political agreement.