



Trump Is Killing the Economy Out of Spite

So what will he do if he loses the election?

Last year Donald Trump called¹ Nancy Pelosi, the House speaker, a “nasty, vindictive, horrible person.” Actually, she isn’t — but he is.

Trump’s vindictiveness has become a major worry as the election approaches. He has already signaled that he won’t accept the result if he loses, which seems increasingly² likely³ though not certain. Nobody knows what chaos, possibly including violence, he may unleash if the election doesn’t go his way.

Even aside from that concern, however, a defeated Trump would still be president for two and a half months. Would he spend that time acting destructively, in effect taking revenge on America for rejecting him?

Well, we got a preview of what a lame-duck Trump presidency might look like Tuesday. Trump hasn’t even lost yet, but he abruptly cut off talks⁴ on an economic relief package millions of Americans desperately need (although as of Thursday he seemed to be backtracking⁵). And his motivation seems to have been sheer spite.

Why do we need economic relief? Despite several months of large employment gains, America has only partly recovered from horrific job losses in the early months of the pandemic — and the pace of recovery has slowed to a relative crawl⁶. All indications are that the economy will remain weak for many months⁷, maybe even years.

Given this grim reality, the federal government should still be providing the kind of relief it offered in the first few months of the crisis: generous aid to the unemployed and loans that help keep small businesses afloat. Otherwise we’ll soon be seeing millions of families unable to pay their rent, hundreds of thousands of businesses going under.

In addition, state and local governments — which, unlike the federal government, are generally required to balance their budgets — are in desperate fiscal straits, because the pandemic slump has drastically reduced their revenues.

¹ <https://www.politico.com/story/2019/06/06/trump-pelosi-nasty-vindictive-ingraham-1356595>

² <https://projects.economist.com/us-2020-forecast/president>

³ <https://projects.fivethirtyeight.com/2020-election-forecast/>

⁴ <https://www.nytimes.com/2020/10/06/business/economy/jerome-powell-economic-recovery-coronavirus.html>

⁵ https://www.washingtonpost.com/us-policy/2020/10/08/trump-stimulus-pelosi/?utm_source=twitter&utm_campaign=wp_main&utm_medium=social

⁶ <https://fred.stlouisfed.org/graph/?g=wwZT>

⁷ <https://twitter.com/ernietedeschi/status/1312009001538854914>

They need a lot of aid, soon, or they will be forced into deep cuts in employment and services. We've already lost around 900,000 jobs⁸ in state and local education.

So there's an overwhelming humanitarian case for major spending on relief: Unless the federal government steps in, there will be huge unnecessary suffering. There's also a macroeconomic case: If families are forced to slash consumption, if businesses are forced to close and if state and local governments are forced into extreme spending cuts, the economy's growth will slow and we might even slide back into recession.

I know, I know, the usual suspects will say that the calls for economic relief are just more big-government liberalism. But warnings about the dangers of failing to provide more relief aren't just coming from progressive Democrats; they're coming from Wall Street analysts⁹ and Jerome Powell¹⁰, the chairman of the *Federal Reserve*.

Yet negotiations over relief have been stalled for months, even as special aid to the unemployed and small businesses has expired. The main stumbling block, I'd argue, has been the adamant refusal of Senate Republicans to consider aid to state and local governments; Democrats would probably have agreed to a deal that included significant aid, even though it would have helped Trump politically.

But Republicans have insisted — falsely — that this is all about rescuing badly run blue states¹¹. And Trump echoed¹² that falsehood as he pulled the plug on Tuesday, claiming that Pelosi's proposals are nothing but a bailout of "high crime, poorly run, Democrat States." (Not that facts matter, but Democratic states actually have lower crime rates¹³, on average, than Republican states.)

The question is, why did Trump choose to reject even the possibility of a deal less than a month before *Election Day*? True, it's too late for legislation to make much difference to the state of the economy on Nov. 3, although a deal might have averted some corporate layoffs. But it would surely be in Trump's political interest to at least look as if he's trying to help Americans in distress. Why would Trump choose this, of all moments, to torpedo economic policy?

As far as I can tell, nobody has offered a plausible political motive, any way in which refusing even to try rescuing the economy helps Trump's prospects. What this looks like, instead, is vindictiveness.

I don't know whether Trump expects to lose the election. But he's already acting like a deeply embittered man, lashing out¹⁴ at people he feels have treated him unfairly, which is basically everyone. And as usual he reserves special rage for smart, tough women; on Thursday he called Kamala Harris a "monster."

Yet getting a relief deal would have required accepting a compromise with that "nasty" woman Nancy Pelosi. And it seems that he would rather let the economy burn.

⁸ <https://fred.stlouisfed.org/graph/?g=wx1P>

⁹ <https://www.cnn.com/2020/10/07/as-stimulus-talks-falter-the-us-economy-faces-growth-coming-to-a-halt.html>

¹⁰ <https://www.nytimes.com/2020/10/06/business/economy/jerome-powell-economic-recovery-coronavirus.html>

¹¹ <https://www.foxnews.com/politics/mccconnell-blue-state-bailouts-off-table-coronavirus>

¹² <https://www.washingtonpost.com/us-policy/2020/10/06/trump-kills-stimulus-talks/>

¹³ https://www.cdc.gov/nchs/pressroom/sosmap/homicide_mortality/homicide.htm

¹⁴ <https://www.nytimes.com/live/2020/10/08/us/harris-pence-trump-biden/trump-unleashes-barrage-of-attacks-in-interview-pulling-focus-from-vp-debate>

The thing is, if he's behaving like this now, when he still has some chance of winning, how will he act if he loses?

The most immediate concern is that he won't accept the election results. But we should also be worried about what will follow if he is forced to accept the will of the people, but is still running the country. Trump has always been vindictive; what will he do if and when he has nothing left but spite?

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