

# Trump's Battle for the Economy Ahead of Midterms



By Victor Davis Hanson

There's been a lot of talk about affordability. That's a new word for the generation between 20 and 40 who feel stifled or their careers derailed because they cannot afford a house, they cannot afford a vacation, they cannot afford health care. And this involves questions of the economy.

It's a very strange logic that the Left and the Democrats are making, though. It goes something like this: For four years we had hyperinflation, reaching 9.1% in 2022 but averaging over 5%. And [President Donald Trump](#) should be blamed for having 2.6% to 2.7% inflation in his first 10 months because he didn't arrest the hyperinflation that we caused. And therefore, we should be able to either stop him in the

Congress or in 2028, take over because we have policies that created hyperinflation, and the prices have not gone down under Donald Trump. He should have had not just moderate inflation, but no inflation, like us.

So, in other words, they're blaming Donald Trump for not correcting quickly enough the mistakes that they made.

There's another question, though. The Trump economy is what I would call in a race. A race because it has one year before the referendum of the midterms comes due. These midterms are gonna be different than most midterms because the [Democratic Party](#) is different. It's not the Democratic Party. It's a Jacobin, neo-socialist, radical clique. And if Donald Trump loses the House, within a week, he will be impeached. And those impeachment hearings will go on for weeks and months. They will make the shutdown look like nothing. So, they will derail his agenda.

So, how does he prevent that? Well, first of all, we have a pretty good economy. Inflation is 2.6% to 2.9%. It's probably gonna be 3% for the year. We don't know. Gross Domestic Product will probably be 3% for the year. Although, the Atlanta Federal Reserve Bank says it could get up to 4%. The stock market is at an all-time high.

All of the media news that we were told in the spring, was going to destroy the economy, it turned out to be incorrect. We did not have a tariff trade war that destroyed the international commercial system. We did not have a trade war with China that destroyed that dependence that each has upon the other. We did not have a stock market collapse. Indeed, it's at all-time, as I said, record highs. We did not have a recession that we were told about.

So, what the Trump administration needs to do in this race is a couple of things, maybe three things. It has to remind people that the economic record, within its first 10 months,

is vastly superior, in almost every category, to what happened the four years under [President Joe Biden](#). You pump a million extra barrels in 10 months, and the price of gasoline last week was \$2.98 per gallon. It was up \$3.46 under Biden, on average. That's a spectacular achievement, to lower the gas price by almost 50 cents. But that is not getting out.

Then the next thing you have to do is to remind people that the Left is waging a war to stop you in this race, so that this economy stalls before the midterms.

And how do they do that? They do it by having the longest shutdown in government history. It was incoherent what the Democrats did. I mean, they had voted again and again, in the past, for continuing resolutions. Former President Barack Obama had given impassioned speeches on the immorality, the wrongness, the almost illegality of shutting the government down just because you lost elections and did not achieve a majority in the House.

And of course, we were told, when Obamacare came in, in 2010, it wouldn't need subsidies. And almost immediately, it was revealed what people had feared. It was a bankrupt idea. And it needed multibillion-dollar subsidies. And they put—the Democrats got that through. And they put a sunset clause that they would end after a while, when Obamacare purportedly, allegedly, maybe would become more market-driven. That never happened. So, for that, all of those reasons, they shut down the government.

But that wasn't the real reason. The real reason, if it was not to cause chaos with government workers in Virginia during this recent election, more importantly, it was to slow down the economy.

The same thing is true about Federal Reserve Chairman Jerome Powell and the Fed. For some reason, members of the Fed that determine interest rates do not want the interest rate to be

lowered so that people could obtain a 30-year mortgage, 15-year mortgage for 4% to 5% and buy a home. I don't know why that's true, but it is true.

I mean, because there are no indications that we are in a hyperinflationary mood, as happened during Biden. Inflation is tolerable. Growth is good, but not, you know, too robust to cause inflation. There's some indication, with tariff revenue and [Department of Government Efficiency](#) cuts, that the deficits are being managed. They're not growing. So, there is no reason not to address the interest rates. And Donald Trump then is fighting the Fed. He's fighting the lockdown. And he is fighting this media narrative that he caused hyperinflation, that we're going to have a recession, etc.

What does he have to do? It's pretty obvious. In the next year, Donald Trump must say, "This was what the Biden record was for four years. This is what I have done in just two years. This is what the Biden record left me. And this is what I'm going to do."

And then he has to, finally, articulate that many of his agendas are longer-term. They're not short-term. By that I mean, he is vastly expanding federal leases. He's vastly deregulating the departments of Interior and Energy. We've already, in 10 months, increased oil production by 1 million barrels. But he'll probably go up to 2 or 3 million barrels. That's gonna have a dramatic effect on energy prices, by lowering them.

He's also pushing more natural gas use in electrical generation and many nuclear plants. So, we are not going to be subsidizing inefficient and costly wind and solar projects, as we have in the past. That will have some effect.

We have never deported, in our history, 2 million people, either by coercion or self-deportation. We did this year. And we will next year. That'll mean 3 to 4 to 5 million, probably,

people who are not only not on social welfare programs that are costly at the state, local, and national level, but they will not be taking jobs from Americans. You'll have 4 or 5 million people out of the workforce, who should be out of the workforce, that will have a great effect on [the economy](#).

There are new technologies: AI, robotics, genetic engineering. As I said, many nuclear plants. All of these technologies have been green-lighted and Silicon Valley entrepreneurs are all on board with them. They will start to kick in.

If a third of Donald Trump's \$15 trillion in foreign investment is reified, actualized, that will start to have long-term effects. The tariffs have brought in \$400 billion—maybe \$400 billion to \$500 billion. And the last year of the Biden administration, there was only \$77 billion.

If Donald Trump takes that \$400 billion and applies it to the deficit, rather than gives a check for, I don't know, 200 million people, \$2,000, then that will have a strong effect on markets and Wall Street and bonds, that the president is really using \$400 billion of tariff revenue to reduce the deficit and stop the amount of federal debt toward GDP ratio. And that will be very reassuring to investors.

Bottom line: Donald Trump is in a race to get the message out that the economy is much better than the Biden economy. It's going to get much better. And don't believe the media because the media, like the Democratic shutdown, like the Federal Reserve, these artificial efforts to keep interest rates high are politically motivated.

But if everything works out the way that he had planned and he does the right thing, right around midterm time, the economy's gonna take off.

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