

Marty Feldstein: Influential Advisor to Policymakers, Economists & Students

By Kent Smetters

Martin Feldstein was the most influential U.S. economic policy adviser during the past half century. As Chairman of the Council of Economic Advisers under President Reagan, he introduced a new era of supply side economics to a US President, Congress and the nation. When needed, Marty openly disagreed with White House operatives, including issuing public warnings about the negative effects of larger deficits on the economy. The CEA had considerably more independence during those days, prior to President Clinton's introduction of the National Economic Council.

Earlier this week, I gave a talk at the Peterson Foundation's annual Fiscal Summit. I was followed by House Speaker Pelosi whose remarks about her relationship with President Trump naturally made headlines. For policy economists, the real insight, though, went widely unnoticed: Speaker Pelosi acknowledged the value of supply-side economics. While debates about distributional fairness continue, gone are the days where supply-side economics is derided wholesale as merely "trickle down." Supply side economics is now an accepted part of the nation's policy tool belt; not surprisingly, it sometimes makes more sense to focus on stimulating supply than demand.

Marty was the dissertation advisor to scores of students, including me. Incredibly generous with his time, he pushed his students to think hard about the economics intuition of their ideas instead of just hiding behind the math. Yet, despite many of his students taking on successful careers, we always walked in his glow.

About 15 years ago, the Mexican government invited Marty and me to give two public lectures to the government, press and various academics. On the plane ride to Mexico City, the overhead television announced Professor Feldstein's imminent arrival. In Mexico City, the speaking auditorium was packed with reporters and television crews from Mexico and various Latin American countries. Marty talked first. When he finished, the press core followed Marty outside of the room, leaving me with a few academics, a couple polite Mexican policymakers, and the echo of my own voice. Several months later, I was on a panel discussion with Marty at a large event in DC. I told the room about the Mexican event and that I had, therefore, arranged with the DC panel organizers (I actually had not) to speak before Marty because I would rather be his warm-up act instead of his closer. I warned the audience that I might end early, and so they risked missing the real event if they left the room and tried to time when Marty would speak.

As a political appointee at Treasury during the George W. Bush Administration, the Marty glow was everywhere. Unknown to him (I told him later), virtually every op-ed he wrote was scrutinized in detail within Administration offices and across agencies. I was the second person in Treasury to receive a new type of "phone pager" that could send emails (a monochrome Blackberry), allowing me to engage in these debates with a competitive advantage. Within six months, almost everyone in the Administration had one, and so the debates mostly passed from computer keyboard to fervent clicks on the new phone. Communication technology constantly improves over time, but the teaching of sensible economics stands the course of time, and Marty was a steadfast defender of it to the very end.

