



OFF THE NEWS



Donald Trump

I. Donald Trump, Call Your Office!

Since 2009, 140,000 more Mexicans emigrated from the United States than arrived.

—Pew Research Center

II. Xi Jinping, Call Your Office!

“China has the world’s largest population at 1.37 billion. But China’s working-age population—those who are 15 to 64—is drastically shrinking. The United Nations projects that the number of Chinese over the age of 65 will jump 85 percent to 243 million, in 2030, up from 131 million this year.”

—Wall Street Journal



Xi Jinping

Meanwhile, China’s bond market is ballooning to bubble-like dimensions. Bond issuance has already reached nearly \$2 trillion, almost twice the bond issuance in 2014.

—Wind Information

III. Barack Obama, Call Your Office!

The real median income of black American households is down 13 percent from its peak in the 1990s. White households are down by less than one-third of the drop for African-American families. This differential is higher than it was in 1989 when George H.W. Bush occupied the White House.

—Census Bureau



Barack Obama

New World (Dis)Order?

1. For the first time since 1950, the combined working-age population of the world’s advanced economies will drop. The total number of workers in China and Russia will fall as well. At the same time, the share of these countries’ population over sixty-five will soar.

—United Nations

2. In less than thirty-five years, India will be the world’s most populous country. Nigeria will be third. Indonesia will come in fifth. By then, 14 percent of the global population will be low-income. That figure today is 19 percent.

—United Nations

3. “Emerging markets’ advantage over rich countries, in terms of a faster growth rate, will be the smallest this year since 2001, according to IMF forecasts.”

—The Economist

4. “About one in eight U.S. workers report they regularly spend more than fifty hours a week on the job. In Europe, the ratio is usually less than one in twenty. In the Netherlands, it plunges to one in 250.”

—Washington Post

Architect of the Global Economic Order

Helmut Schmidt, who died on November 10, was justly renowned as a world statesman and one of the greatest leaders of post-war Germany. He was also a founding father of the international financial architecture of the past half-century.

In early 1973, Minister of Finance Schmidt, with his French counterpart and good friend Valéry Giscard d'Estaing, launched the G-5, which subsequently evolved into a G-7 and annual summits to become the steering committee for the world economy for more than three decades. That initiative paid immediate dividends when the first oil shock hit a few months later and begat historic episodes of international cooperation such as the Plaza Agreement a decade later.

In 1978, Chancellor Schmidt hosted the Bonn summit that still represents the most ambitious effort of all time to coordinate the economic policies of the major industrial nations. All participants were faithfully implementing their commitments until the second oil shock derailed the effort and the United States used the agreement to decontrol its oil prices and promote global energy adjustment. After initially asking the United States to press him to adopt Bonn's "locomotive strategy," the Chancellor turned on it for a while but reversed course after leaving

office and forcefully advocated "a new Bonn summit" to stimulate global growth.

Shortly thereafter, the Chancellor (again with Giscard) gave birth to the European Monetary System that ultimately spawned the euro, the most important currency union in history. From a German national standpoint, this was his greatest legacy: Germany now enjoys the world's largest trade surplus and a weak currency, a state of nirvana for its economy.

I had the great honor to meet with, and lecture before, the former Chancellor in June 2014, when he was already ninety-five years old. Like other distinguished senior statesmen, such as Henry Kissinger and Lee Kuan Yew, he remained deeply engaged in global events and full of creative ideas for responding to them. Intellectually acute to the end, he feared that Germany's excessive trade surpluses were generating worrisome enmity throughout Europe, and that the decline of France was leaving his country dangerously exposed at the helm of the continent. The ovations he received from the German public testified to the respect and affection with which he was showered in his later years. The world has lost a great leader and a great human being.

— C. FRED BERGSTEN

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Chancellor Helmut Schmidt in his office in the then-new Federal Chancellery, 1976.