



Morning Money at the Milken Institute Global Conference

POLITICO's Ben White is bringing Morning Money to the Milken Institute Global Conference to provide coverage of the day's events and evening happenings.

Morning Money at the Milken Institute Global Conference: Wrapping up in Los Angeles

By BEN WHITE (bwhite@politico.com; [@morningmoneyben](https://twitter.com/morningmoneyben)) | 05/02/2018 08:07 PM EDT

WRAPPING UP IN LOS ANGELES — The sun finally broke through on the final day of the Milken Institute Global Conference in Los Angeles, allowing attendees to sun themselves in the Wilshire Garden at the Beverly Hilton in the morning and watch on the big screen as Dr. **Vivienne Ming** — a self-described “mad scientist” — blew everyone’s minds with talk about the rise of neuroprosthetics and wonder drugs that in just a matter of years could produce super-smart humans with better working memories and turn negative experiences into positive ones inside your head.

Forget worrying about artificial intelligence, Ming warned; worry about potential divides between those able to afford super-brains and those who can’t. It was enough to make those of us gorging on avocado toast in the garden stop for a minute and think ... maybe we could turn all this in a **Tom Cruise** vehicle? Or maybe **Bradley Cooper**? But wait, he already did that in “Limitless.” (Sorry, we’ve gone totally Hollywood this week.)

RYAN ON TRUMP — Things were somewhat more tethered to our current planet earth inside the International Ballroom this morning as outgoing House Speaker **Paul Ryan** engaged in an at-times rollicking and highly enjoyable conversation with CNBC’s **Brian Sullivan**.

On the newsy front, Ryan suggested that the bank regulatory reform bill that passed the Senate and at one point seemed stuck in the House will, in fact, likely become law within the next month. This followed House Financial Services Chairman **Jeb Hensarling** (R-Texas) telling your MM columnist on Monday that he would no longer stand in the way of the bill moving forward, hoping instead for separate Senate votes on some other measures to change Dodd-Frank.

On the 2018 midterms, Ryan said if the election were held today, Republicans would hold the House. But he's worried about Democratic momentum and what could happen if the GOP loses control. "You'll have gridlock, you'll have subpoenas," Ryan said.

He said Democrats would not just dial up investigations and subpoenas to 10: "This one goes to 11," he said, invoking the eternal line from "This is Spinal Tap." Not clear that many in the room got the reference. Because "Spinal Tap" is not a webinar about increasing internal rates of return (we kid because we love).

On Democrats' momentum: "There is a great amount of enthusiasm on the other side of the aisle, no two ways about it."

Ryan also had lots of other thoughts on the state of American politics, and he chastised his own party for engaging in "identity politics" and using current media technology to do it. Nowhere did he mention the words "**Donald Trump**" in this critique. But it's an inherent critique of Trump's entire political existence.

Ryan: "The business model of the internet is that you can monetize anxiety, you can monetize and provoke anxiety. ... What alarms me the most is that something that I used to believe was just a province of the left ... is now being practiced on the right as well, and that can be practiced with devastating effect with 21st-century technology."

On whether he can stop the president from tweeting so much and so aggressively: "I've tried and it doesn't work. We could definitely do with a few less tweets. He rightfully believes that he has found a way of communicating straight to people by going around the media."



Actor George Takei prepares for a panel at the Milken conference in Los Angeles. | Ben White/POLITICO

GOOD WEDNESDAY EVENING — This is the final pop-up newsletter here from the Milken conference. I hope we added some value for you. MM is wheels up to San Fran this evening for a monetary policy conference at Stanford University's Hoover Institution with **Kevin Warsh, John Taylor** and more. It won't quite be LA glamour, but it will be wonky fun. Catch you next year, La La Land. Email me on bwhite@politico.com and follow me on Twitter [@morningmoneyben](https://twitter.com/morningmoneyben).

A FINAL THANKS to the staff of the Milken Institute for their assistance this week and to my intrepid "spotted" crew including **Daniel Lippman, Alexis Williams** and **Brad Dayspring**.

LAUGH LINE — Props to Sully for giving it to Ryan during the a.m. interview when the House speaker recommended a line of tractors to the Milken crowd: "The only farm these people own is some vineyard ... they own for tax reasons."

SPOTTED at the Four Seasons Hotel in Beverly Hills at a "Trust and the CEO" cocktail party Tuesday night hosted by Edelman with the firm's **Matt Harrington** and **Justin Blake** getting interviewed by **Andy Serwer** to unveil the findings of the "2018 Edelman Trust Barometer: Expectations for CEOs" report: **James Anderson, Christina Zilber,**

Adam Nagourney, Stephen J. Scott, Rick Berke, Margot Edelman, Pam Barnett, Oscar Suris and James Reed ...

Gene Sperling, holding court outside the Wilshire Garden today, joking with someone who also lived through the Wall Street bailout years during the Obama administration: “We should have T-shirts printed up: ‘I survived TARP.’” ...

SPOTTED (WILDLIFE EDITION) — Simone Friedman and EJP Philanthropies hosted a “Cheetah Reception” Tuesday night at **Brian Sheth’s** house in Beverly Hills, featuring Dr. **Wes Sechrest** from the Global Wildlife Conservation and a **cheetah from the San Diego Zoo.**

ART AND POLITICS — From the Ryan session, your intrepid columnist checked in on a panel on the role of art in politics that featured both actor and onetime "**Howard Stern Show**" regular **George Takei** and actor-activist **Sophia Bush**, screenwriter and producer **Damon Lindelof** and playwright **Sarah Gubbins**, moderated by CNBC’s **Julia Boorstin.**

Takei told the moving story of his family’s imprisonment during World War II and their return to a life of poverty and danger on LA’s Skid Row: “At 5 years old, I was labeled an enemy alien by my government. ... In one lifetime, because of the ideals of our nation, I can sit here and discuss the intersection of art and politics.”

Bush suggested that she now gravitates only to projects with some kind of social message, citing “Blank Panther” as a high-grossing superhero film with a significant moral core.

On social media, Bush said celebrities have a responsibility to use it not just for branding but also for causes: “Any platform offers you the opportunity to have a conversation longer than a soundbite. An era where transparency matters more and more, it’s important to stand up for what you believe in. It is a social responsibility to do the right thing and show up with facts.”

LAUGH LINE II — Here was Dr. Doom **Nouriel Roubini** during a blockchain panel: “How do you retain a crypto-billionaire as an employee? You wait a week.” Rim. Shot.

FLY AROUND — Reuters’ **Lawrence Delevingne**: “The titans of finance who flock to the annual Milken Institute Global Conference each spring say they believe their quest for profits can also make the world a better place. ...

“Milken’s positive portrayal of finance does not ring true to all. ‘Big investment firms and banks are not helping to create better jobs for most American workers. They’re helping the rich get richer,’ said **Michael Kink**, executive director of the Strong Economy For All Coalition.” Read more.

Bloomberg’s Stephen Gandel: “At the Milken Institute Global Conference ... the one investment it seems worth yelling about is the opposite of the one that made many hedge funds billions nearly a decade ago. Call it the Big Long, or scream it.

“That’s what **Manny Friedman**, chief executive officer of hedge fund EJV Capital, did on Tuesday during an investing panel at the annual confab. ... Friedman said his fellow panelist didn’t get it when it came to bank stocks. ‘This is the exact opposite of what was happening in ’08,’ Friedman shouted. ‘The pendulum has swung all the way back.’” Read more.

Axios’ Dan Primack has three takeaways from Milken: “Optimism. So much optimism, about nearly everything. If **Mike Milken** had decorated the Beverly Hilton with rainbows, it wouldn’t have been out of place. Someone actually said to me yesterday that the rules of economic cycles may no longer apply, and this was a senior capital markets professional with a head full of gray.

“Regulatory confusion, as the venerable playbook has been set on fire without a replacement. ... Less Trump. Last year’s conference was dominated not only by talk of Trump, but also by top administration officials on the agenda. This year Trump was more in the background, as not even the tariff spats seemed to particularly irk the free-trading crowd (again, optimism).” Read more.

MM AT MILKEN FINAL THOUGHTS — Generally agree with Dan that there was less overt Trump anxiety at Milken in 2017. But the president’s behavior and policies remained a primary backdrop. Even sessions like the one on designer brains included a crack about how increasing the president’s working memory might not be enough to help him function better. This crowd still pretty much disdains the president of the United States while mostly enjoying his tax and regulatory policies.

But the anxiety this year was tinged by hope, which could prove either warranted or totally fanciful. There was hope that the renewed tariff exemptions on steel and aluminum mean that the White House really wants to avoid an economy-staggering trade war.

The fact that Commerce Secretary **Wilbur Ross** and Treasury Secretary **Steven Mnuchin** left LA to head to China for talks also left people musing that there would be no

damaging tariff battle between the world's two largest economies. (Ross' comments about the "pain" the U.S. must endure to win concessions from China was less reassuring.)

There was also great hope that a NAFTA deal could come in the next few weeks or that at least the three sides could acknowledge progress and come back to the table in the fall. All these hopes could turn into reality. But in private conversations, bankers and economists and investors around Milken acknowledge they could all also end in disaster.

One striking thing about Milken was how little anyone talked about the **Robert Mueller** probe, or White House palace intrigue or **Stormy Daniels** or any of the rest of the Trump scandals. News that **Ty Cobb** would leave the president's legal team merited not a peep. There seems to be a general consensus that none of this will matter unless and until the president faces impeachment or real legal jeopardy. Then markets will react and the economy could take a hit from destabilizing uncertainty. But until then, it's just background noise that the titans gathered in LA this week felt free to ignore in pursuit and better investments and Botox for the brain.