

FINAL WORD ↔ BY TIM ROWLAND

Trump's '70s Show Reboot

Hard as it is to believe in today's hot-take world, adults of a half-century ago would coolly sit in front of a grainy black-and-white TV stoically absorbing the news without comment, the way one might watch a house being painted. OK, *no*. That was the era of John Birch and the Black Liberation Army, of the counterculture and more cults than what several strapping men could shake sticks at. Still, many Americans occupied roughly the same plane of reality and could talk about it, even if they disagreed vehemently over what to do about it.

And reality wasn't so good. The Vietnam War and the Great Society, coupled with energy shocks and rising global competition, were hammering the American economy. As a boy circa 1971, I sensed a general unease in our household and beyond that grew over the next decade into Jimmy Carter's national malaise.

That year President Richard Nixon unveiled what came to be known as the Nixon Shock, a set of economic policies that were meant to address inflation, trade deficits, and international currency concerns—troubles that resonate today. You'd think he would have tried not pushing the Fed to keep goosing the money supply—"always and everywhere a monetary phenomenon," after all—but *no*. Instead, one Sunday night when families like mine were tuning in to watch *Bonanza*, in place of Hoss and Little Joe we saw Nixon lay out a stunning menu of wage and price freezes, tariffs, and the abandonment of an already unraveling Bretton Woods.

Safe to say, none of it worked as planned. These moves were economic

fentanyl: They made the public happy for a short time—just long enough to get Nixon re-elected (imagine that)—but within a couple years we were awash in inflation, gasoline shortages, stagnation, double-digit interest rates, and Whip Inflation Now buttons.

When such misguided policies are enacted, the key questions are how much damage they will do and for how long. There are all sorts of scholarly fights about the end of the Great Compression, the rise of "rightsizing" and "outsourcing," the divergence of productivity and median wages, and the effects on the American middle class. But clearly some big things changed in the '70s. That may be echoing today, too.

Instead of the Nixon Shock, we have Donald J. Trump, a seemingly limitless source of shocks. We've watched with varying degrees of horror/disbelief/amusement as he created a billion-dollar-a-chair Board of Peace, deposed the admittedly problematic leader of Venezuela, and made a ham-handed pitch for ownership of Greenland—or was it Iceland? As shocking as those things are, there almost assuredly will come a day when his Greenlandic and Venezuelan policies will seem quaint. Iran may well give us that day.

We're being told now that Trump will

soon be focusing like a laser on the US economy—a circumstance that recalls Johnny Carson's proposed motto for China Airlines: "You've seen us drive, now watch us fly."

Back in 1971 when Nixon retreated to Camp David (it was a Friday the 13th, no less) to design his economic grenade, he at least had a clear idea of what problems needed solving. And he took with him a diverse and savvy cadre of advisers, including Paul Volcker, John Connally, and George Shultz. (I assume they spent most of the weekend shaking their heads in disbelief.)

Trump, by contrast, doesn't acknowledge that anything is wrong other than his falling favorability rating. So, he has no idea what fixes to try, apart from more social media posts and press conferences where he trumpets achievements "no one thought possible" and tossing out word salads about capping credit card rates, imposing more tariffs, creating 50-year mortgages (600 steep payments beats 360, I guess), and restricting who can buy real property. (You'd think he'd try not deporting agricultural and construction workers, ending tariffs on ag and building supplies, and resuming the rule of law, but *no*.) Suddenly, those WIN buttons don't seem so bad.

Trump did learn one thing from the Nixon Shock: Foolishness can yield a positive boost for a little while, and that's the timeframe Trump's historically worked in. But as the midterms draw near and the chances of a Blue wave ("Bluenami," patent pending) grow, he'll become more inclined to try a Trump Shock. Perhaps caps on the price of energy, food, and housing? More tariffs? US adoption of \$TRUMP and \$MELANIA?

The Nixon Shock reminds us that even the largest economies are no match for politicians' market meddling, with unpredictable and long-lasting results. Meddling driven by fear, ego, and incompetence could leave us with a mess that will take decades to clean up, if it can be cleaned up at all. R

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