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Review by **Francis J. Gavin**, LBJ School of Public Affairs

Free to be You and Me

Tom Zeiler is both one of the best scholars of American foreign relations and the rare historian who understands the important but complex issues surrounding foreign economic policy and international economics. He is the ideal person to assess the deliberations leading up to and the consequences of the seminal event in postwar U.S. international monetary history—President Richard M. Nixon’s August 15th, 1971 announcement of his “New Economic Policy.” Faced with a deteriorating economy that threatened his prospects for re-election in 1972, Nixon emerged from a top secret weekend at Camp David to announce a mélange of dramatic initiatives, including temporary wage and price controls, tax incentives, budget cuts, and a tariff on imports. In his excellent essay, “Requiem for the Common Man: the Nixon Economic Shock and the Perils of Globalization,” Zeiler focuses on the policy that had the most far-reaching, long-term consequences: the decision to end the U.S. dollar’s convertibility into gold. While Nixon did this to force countries running a balance of payments surplus with the United States to renegotiate their exchange rates, it ultimately led to the end of the Bretton Woods system of fixed parities and to the current “flexible” exchange rate system where the value of currencies is determined by the market.

Zeiler, like many others, sees August 15th, 1971 as the (unintended) birth of the modern age of globalization, or what Niall Ferguson has labeled “the age of leverage.”¹ In the past

¹ Niall Ferguson, “Beyond the Age of Leverage: New Banks Must Arise,” *Financial Times*, February 2, 2009, accessed at <http://www.ft.com/intl/cms/s/0/85106daa-f140-11dd-8790-0000779fd2ac.html#axzzzGJJQ3AwD> on December 27, 2012.

forty years, this new system has unleashed a massive increase in the movement of money across borders. Zeiler acknowledges that there have been important benefits – capital-led globalization has created much new wealth. In a refreshing and quite personal lament, however, Zeiler now worries that the downsides of unfettered global capitalism may outweigh the good, especially for the “common man” of the title. Blending scenes from the early 1970s hit television show *All in the Family* with snapshots of the Nixon administration’s political deliberations, Zeiler focuses on what he sees as unappreciated downsides of unfettered capital, including inequality, the offshoring of manufacturing jobs, and the excesses that produced the 2008 financial crisis. Since 1971, the “market has trumped domestic welfare”(2):

“Simplistic analysis aside, the power of the market elevates cosmopolitan producers and consumers, and the politicians abetting them, over self-sufficient and nationalistic locals. Market dogma rips control of livelihoods from the hands of many people, as the Occupy movement highlighted” (4).

Like the best thought-pieces, Zeiler’s essay provoked a variety of reactions. I do not agree with his characterization of the economic benefits and downsides of the post-Bretton Woods order, and find many academic portrayals of globalization misleading and misguided.² But questions of macroeconomic utility can be and are debated by economists. What is more interesting here, and what highlights the comparative insight a historian (as opposed to an economist) can provide is Zeiler’s brave entry into the arena of culture and class. For Zeiler, globalization’s greatest sin is what it has done to the “common man,” the hero of the lost American century and the ‘age of the factory.’ “The plight of Archie Bunkers – undereducated, middle-aged – over the past forty years and the erosion of the middle-class dream after this last crash, has brought me to this opinion,” suggests Zeiler (3).

Fortuitously, I read Zeiler’s essay the day after I watched a long forgotten but classic film from the 1970s – *The Friends of Eddie Coyle*.³ As a result, Zeiler’s effort to connect Nixon’s decision to end the Bretton Woods system to Archie Bunker’s laments in the popular television show, *All in the Family*, resonated. Though different in some ways – Archie is law-abiding and Eddie is a small-time crook -- Coyle is a “common man,” just like Bunker.

² For an earlier critique of anti-globalization advocates, see Francis J. Gavin, “Economists to the Rescue!” *Orbis*, Vol. 44, no. 2, Spring 2000.

³ The selection was inspired by spirited discussions of the political and cultural meanings of movies during this period with a friend, Jonathan Kirshner, who recently completed a terrific book on the subject. Jonathan Kirshner, *Hollywood’s Last Golden Age: Politics, Society, and the Seventies Film in America* (Ithaca, NY: Cornell University Press, 2012). Perhaps not coincidentally, Kirshner is a highly regarded expert on international monetary relations as well.

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Starring Robert Mitchum, *Eddie Coyle* is a dark tale about a two-bit hustler, past his prime and with a wife and kids to support, looking for a way to avoid hard time for a scam gone wrong.⁴ Equally emblematic of the period if less well known, Eddie and his associates come from the same world as Archie – white urban ethnics with no college education -- and share the same cultural references, prejudices and beliefs. Made in 1973, *Eddie Coyle* vividly captures the sense of American economic decline and moral ambiguity that marked the period. It is impossible to tell the good guys from the bad, either in dress, background, or profession. No one can be trusted, not even your closest friends, and the only shared values among the white men in the film are their racism, sexism, and desire to make a buck, regardless of the consequences. The physical landscape – the film is set in Boston and its environs – is seedy and ruined, evidence of the decline of a once prosperous nation. The scene of the greatest betrayal occurs when an informant, a working man and smalltime grifter indistinguishable from his detective confessor, sells out colleagues and friends for a mere \$20 in the shadow of the brutalist, monstrously designed government complex, the Boston Federal Center.

It struck me that Eddie Coyle and his friends are close cousins to the Archie Bunkers whose fate Zeiler laments in his essay. For Zeiler, the globalization provoked by Nixon's decision to end dollar-gold convertibility unleashed an unintended four-decade-long assault on the security and economic position of the so-called "hard-hats," or white men in blue collar jobs who were once mainstays of the American middle class but now, if they exist at all, struggle to avoid poverty. The contemporary "plight of the Archie Bunkers," caused by globalization, means that for Zeiler, "American foreign policy, by embracing globalization, has much to answer for" (2).

Did Nixon's sudden ending of the Bretton Woods system doom Archie, Eddie, and their friends, and if so, should we mourn their passing? There are several ways of getting at this question. One is purely economic – is the United States worse off, forty years after Nixon freed the dollar from gold, ultimately producing the market-determined exchange system we have now? Putting aside the issue of whether the Bretton Woods system's internal contradictions doomed it from the start and its 1971 ending was "overdetermined,"⁵ there is little doubt that the excesses of globalization have harmed notable segments of the American population. Whole industries, particularly in manufacturing, have been decimated and in some cases disappeared. Parts of the country, particularly in the Northeast, have been devastated by de-industrialization. Labor unions are far weaker than they once were, and the prospects for a white man without a college education – today's Archie Bunker/Eddie Coyle – are dismal. The 2008 financial crisis highlighted many of the perils of the American deregulated landscape, and

⁴ *The Friends of Eddie Coyle* Directed by Peter Yates, Paramount Pictures, 1973.

⁵ An argument I have made. See Francis J. Gavin, *Gold, Dollars, and Power: The Politics of International Monetary Relations, 1958-1971* (Chapel Hill: University of North Carolina Press, 2004).

Zeiler is spot on when he points out that income inequality can act like a poison on our political health. Perhaps most alarmingly, the environmental consequences of untrammelled growth are wreaking havoc on our environment.

There is, of course, another way of viewing the past forty years. The globalization that the United States spawned has generated enormous prosperity, wealth that has not only benefitted tens of millions of Americans but has lifted hundreds of millions of people in China, India and elsewhere out of the most desperate poverty. The prospect of great power war has all but disappeared. The per capita murder rate in the United States has fallen almost by half since 1971. In 1969, there were over 600 bombings *in* the United States. Infant mortality rates are dramatically lower, patent applications have more than tripled, and a far higher percentage of the American population goes to college. I could trot out numerous economic statistics that highlight how much things have improved – the GDP is almost *fourteen times* larger -- but I think the cultural references are more interesting (and more the stuff of historical work).⁶ Many of the films and television shows of the time convey a sense of ugliness, both physical and otherwise, gloom, moral ambivalence, prejudice and decline. Viewing them, it is hard to be nostalgic for the Archie Bunker/Eddie Coyle era. They and other blue-collar “common men” may have been victims, but they were also the ones who most benefitted from an earlier and less open economic, cultural, and political system that kept women, African-Americans, and others out and helped create the mess that forced Nixon to abandon dollar-gold convertibility in 1971. Should we really lament their waning fortunes?

Zeiler’s clever mixture of popular culture and international monetary policy provokes another interpretation. Looking over the past four decades, it is clear that the process of Schumpeterian “creative destruction” applied as much to American culture and politics as economics.⁷ In Eddie Coyle’s world, common men like Archie were already in trouble, and the “loyalty and unity” (21) that Zeiler contends globalization has since undermined was already long gone, as no code, no friendship prevented the meanest betrayal. The message of the film – and many others like it at the time – is that no U.S. institution or shared culture was strong enough to stave off the moral decay and decline that marked the period.⁸ This picture of a dysfunctional, ineffective, and corrupt political culture comes through vividly in Richard Perlstein’s brilliant *Nixonland: The Rise of a President*

⁶ There is no doubt that real median family income has not seen vigorous growth, and Zeiler is right to criticize policies that exacerbate this trend.

⁷ The Austrian economist Joseph Schumpeter, building upon ideas of Karl Marx, popularized the notion of “creative destruction,” whereby economic growth is often the result of new forms of economic production replacing, or creatively destroying, more traditional methods.

⁸ Kirshner’s *Hollywood’s Last Golden Age* is excellent on this point.

and the Fracturing of America.⁹ The malaise captured in *All in the Family*, or more vividly *Midnight Cowboy* or *Taxi Driver* and countless other 1970s movies was no more the singular product of the collapse of Bretton Woods than it was the 1971 release of the *Pentagon Papers* and the ensuing Watergate scandal. In the shadow of the tragedy of Vietnam, something was simply not right with the United States in the years immediately before and after 1971, a fact that the films, books, and television shows of the period make clear. Whether Zeiler's "common man" was the victim or the cause, or both, is open to debate.

Similar to economics, however, the Schumpeterian process in culture and politics, while painful in the short-term, can produce much needed long-term benefits. Contemporaneous to the Camp David decisions, Archie Bunker, and *Eddie Coyle*, another important cultural milestone appeared. Marlo Thomas's *Free to Be You and Me*, a project of the Ms. Foundation for Women, was first released as an album in 1972 and then a television special in 1974.¹⁰ The show opens with a merry go round in Central Park, with happy boys and girls of every race circling until they are transformed into animated characters heading off into a bright sunrise, a hopeful tomorrow where every child is "free to be you and me."¹¹ What many who watched it at the time remember best was a powerful performance by former NFL All-Pro defensive lineman, Rosey Grier, singing "It's alright to cry."¹² The effect of a near three hundred pound African American man who excelled in a blue collar sport known for its brutal violence telling young boys "it's alright to feel things, though the feelings may be strange" upended all conventional norms of race, masculinity, and gender. One can only imagine what the "common man" -- Archer Bunker, Eddie Coyle and the hard hats -- felt about this production, and what they would do to prevent this world from coming into being. But Archie Bunker and Eddie Coyle and their friends were the past, and fortunately, the children on that merry-go-round represented the more hopeful, tolerant, and yes, globalized future. The same process that undermined the "common man's" economic prospects could also transform his culture.

Forty years later, we live in a world with an African-American president, two consecutive female Secretaries of State (one African-American), and a palpable sense that our culture

⁹ Rick Perlstein, *Nixonland: The Rise of a President and the Fracturing of America* (New York: Scribner, 2008). Also see his excellent *Before the Storm: Barry Goldwater and the Unmaking of the American Consensus* (New York: Hill Wang, 2001), which highlights how the deep division in American society we typically associate with the Vietnam War and the Nixon Presidency had their roots far earlier, in the 1950s and early 1960s.

¹⁰ For an article marking the 40th anniversary, see <http://artsbeat.blogs.nytimes.com/2012/11/30/the-40th-anniversary-of-free-to-be-you-and-me/>

¹¹ http://www.youtube.com/watch?v=_26FOH0aC78, accessed 12 February 2013.

¹² <http://www.youtube.com/watch?v=Y52bsoaX6v8> accessed 12 February 2013.

if not our legal system is moving to accept gay marriage. Tolerance is the norm, not the exception. That is not Archie or Eddie's world. One does not have to embrace a Whig notion of history to construct a scale – economical, geopolitical, and cultural – that puts 2013 America, for all its faults, in a much more favorable light than the United States (or the world) of 1971. This does not mean there are not problems or injustice at home or abroad, or that the process and results of globalization are not deeply problematic. Nor should we be insensitive to the plight that has befallen the “common man.” Zeiler is right to highlight these concerns. But we should remember that currency and capital were not the only things that were set free in the 1970s, and that nostalgia is not the same as history. Archie and his wife Edith, scared of a rapidly changing world, may understandably hope “for a man like Herbert Hoover again.” We should not.

Francis J. Gavin is the Tom Slick Professor of International Affairs at the LBJ School of Public Affairs and the Director of the Robert S. Strauss Center for International Security and Law. He is the author of *Gold, Dollars, and Power: The Politics of International Monetary Relations, 1958-1971* (2004) and *Nuclear Statecraft: History and Strategy in America's Atomic Age* (2012).

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