

1968-2018: Plus Ça Change

A 50-Year Look in the Mirror and into a Crystal Ball

1968 was one of the most turbulent years in modern U.S. and world history. Early that year, North Korea captured the USS Pueblo, and North Vietnam launched its Tet Offensive. The entire twelve months saw anti-Vietnam war protests throughout the western world, plus battles over civil rights and capitalism. In March, President Lyndon Johnson ruled out a re-election bid. Martin Luther King, Jr. was assassinated in April; Robert Kennedy in June.

Student unrest roiled college campuses in this country and in Paris; French workers, *comme d'habitude*, engaged in general strikes. In August the Soviet Union invaded Czechoslovakia.

In September Arthur Ashe won the U.S. Open, becoming the first black player to win a tennis Grand Slam tournament, then became a social activist. At the medal podium in October during the Olympics in Mexico City, two black U.S. athletes, Tommie Smith and John Carlos, bowed their heads and raised their fists during the playing of the national anthem to protest racial discrimination in this country. Fast-forward to similar actions in the NFL today.

BY ALLEN R. SANDERSON

Chicago's contribution to the year included hosting the first Special Olympics, but also the Democratic National Convention, with its violent nationally televised confrontations between police and protesters (and the subsequent "Chicago Seven" trial).

Illinois celebrated its sesquicentennial in 1968 and the 200th anniversary of statehood on December 3, 2018.

Amid all these headlines, the Swedish Central Bank made a donation to the Nobel Foundation to establish a sixth prize, the Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel. For the last 50 years these annual awards have been dominated by scholars at American Universities (with the University of Chicago seemingly having a corner on that market).

Mike Nichols' path-breaking *The Graduate*, technically a 1967 film because of its late December '67 release, entertained millions in 1968. And its most memorable one-word line—"plastics", Mr. McGuire's career advice to Dustin Hoffman's character—has been ironically a catch-phrase today as we declare environmental war on plastic bags and straws.

Boeing rolled out its new 747 Jumbo Jet in 1968 and mothballed it in 2018.

A gallon of gas cost 34 cents in 1968, a movie ticket \$1.50, a new car \$2,800. But corrected for inflation—the typical good that cost \$1 at the end of 1968 would fetch over \$7 today—the real prices haven't changed much. The Federal minimum hourly wage back then was \$1.60, or \$11.40 in today's dollars. Per capita in-

come doubled between 1968 and today in inflation-adjusted dollars; our nation's population grew from 200 million to 325 million (though Chicago's shrank); and life expectancy in the U.S. grew by close to 10 years.

Other 1968 economic indicators—the official poverty rate, the unemployment rate, and the rate of economic growth—were similar to what we observe outside now.

But changes were brewing. Inflation had emerged as a growing concern in the 1960s, and in August 1971 President Nixon established the first round of wage and price controls. Ineffective and distorting, our price level doubled during the '70s, the worst peacetime bout with inflation we have ever experienced. (Lyndon Johnson's 1964 *War on Poverty* initiatives were followed by Gerald Ford's 1974 *Whip Inflation Now*—WIN—slogan.)

After a strong economic performance in the '60s, we experienced a serious recession (1973-75) that settled into a period of slower growth. Thus the term "stagflation"—the portmanteau of high inflation coupled with high unemployment and stagnant growth—was coined.

In 1969 the Federal government ran a modest surplus, the last time it would do so until 1998; but after a four-year period (1998-2001) in the black, budget deficits became standard issue and acceptable to both political parties. Red ink will be with us for decades to come.

After the tumultuous 1968, we looked for some relief in 1969. We witnessed the July 20 moon landing and Neil Armstrong's "one small step", though we watched it on our small black-and-white television sets; nothing was streamed in color on 60-inch flat-screen receivers or on tablets and cell phones. Some took solace (and substances) at Woodstock in August. New Yorkers thrilled to the Cubs' collapse in September and the Mets' World Series trophy in October. (Cut to October 2018!)

In the late 1960s and early 70's we began to see the economic mal-distribution which is garnering so much attention and concern these days. For the past 50 years inequalities of income and wealth have continued to grow in the United States and other developed nations, with gains to those at the top of the economic food chain vastly exceeding the modest gains of the average worker. And the imbalance presents a major social, political and economic challenge for us going forward. □

