

OPINION | COMMENTARY

My Brush With Personal Destruction

What did my divorce and my humor writing have to do with my ability to make monetary policy?

By Stephen Moore

May 2, 2019 6:54 p.m. ET



The Federal Reserve Board Building in Washington. PHOTO: ISTOCK/GETTY IMAGES

When President Trump asked me to serve as a member of the Federal Reserve Board, I was honored. I never imagined the storm that would follow. The left and the media instantly launched a relentless campaign against me. Last week a reporter who has covered the Fed for 30 years told me he'd never seen anything like it. On Thursday I reluctantly threw in the towel and asked the president

not to nominate me.

I knew that many of my ideas on monetary policy were controversial and outside the box. That's why the president picked me. My central argument is that economic growth does not cause inflation—an assault on the core belief of the Keynesian economists at the Fed, whose fear of supply-side growth has often misdirected monetary policy, most recently late last year. As someone who worked with Mr. Trump as a senior economic adviser to his campaign, I am thrilled that 3% to 4% growth with stable prices has been achieved, and I believe it can be sustained. I also believe the Fed should stop targeting interest rates and instead focus on a stable dollar by following commodity prices along with other inflation measures as a leading

indicator of whether prices are rising or falling.

RELATED STORY

- Review & Outlook: Diversity of Mind at the Fed

I was naive. I believed that to be confirmed I would simply need to defend these ideas and my free-market economic philosophy in general. I relished that debate, especially because so many of my harshest critics were completely wrong about the Trump economy.

A majority in the Senate viewed my economic-policy expertise favorably, and my confirmation seemed likely. It helped my case that I had been one of the most outspoken critics of the Fed in December, when it raised interest rates. After a 4,000-point collapse in the Dow Jones Industrial Average, Chairman Jerome Powell early this year backed away from future rate increases and disavowed his December statement that the Fed’s asset sales were on “autopilot.” The market and the economy sprang back to life.

What did me in was not my economic ideas but gutter campaign tactics and personal assaults. I’ve been called an adulterer, a misogynist, a tax cheat, a deadbeat dad, antigay and mentally unfit. A Washington Post editorial warned that I was a “dangerous” pick for the Fed, and a columnist said I could cause a “global financial calamity.” They must imagine I have superheroic powers of persuasion. If appointed, I would have been one of seven Fed governors.

Investigative reporters searched far and wide, digging through my 2,000 articles, 500 speeches and several thousand TV and radio appearances, some dating back more than 25 years, for dirt they could use. They found it. I have said and written things that were politically incorrect, sometimes foolish and hurtful. That was especially true about a 2002 article about women in sports. I meant it to be humorous but it was insulting, and I have apologized for it.

One irony is that one of my most vicious attackers has been CNN. In 2017 the network signed me to a two-year contract as a senior economic analyst. I appeared on the air more than 100 times, and CNN renewed my contract. As soon as Mr. Trump said he would nominate me to the Fed, the network began trashing me day after day for things I’d written decades before it hired me.

The low point of the sleaze campaign was when the media successfully persuaded the Fairfax County, Va., courts to unseal my divorce records from nine years ago—over not only my objections but my ex-wife’s. The Post, New York Times and others unfolded our dirty laundry on their pages—never bothering to report that she and I are on amicable terms and often jointly

attend our kids' events. Anyway, what do the details of my divorce almost a decade ago have to do with my suitability to help set monetary policy?

The sleuths in the media also tracked down spoof Christmas letters I wrote to friends and family in the late 1990s and early 2000s. These were outrageous and irreverent and poked fun at everyone and everything, including myself. In 2002 I wrote that I had bought a red sports car—my “midlife crisis” car—in which I cruised around town with my kids strapped into baby seats, trying to pick up women. Obviously I never did any such things, but reporters ignored the obvious humor and described it as evidence of sexism.

In their effort to portray me as sexist, they also contacted dozens of women I've known or worked with, and even girls I knew in high school. They failed to find one who impeached my character or behavior.

I realize now that I should have known better. Someone as outspoken as I am, and with a paper trail two miles long, is bound to be a target in today's political environment. I should have warned the president about skeletons in my closet.

Still, some good has come of all this. Because of all this attention, unwelcome as it was, my mantra that growth doesn't cause inflation seems to be taking hold. The Journal reported that more economists at the Fed are considering whether the economy can grow at a faster pace without spiking prices.

Tax cuts, deregulation, sound money and pro-business policies shift the supply of goods and services outward and *increase* the global demand for dollars. This in turn *lowers* prices. That was the lesson of the Reagan years, and we're now rediscovering it under Mr. Trump.

Chairman Powell, hold that thought and you'll be a great success.

Mr. Moore is a senior fellow at the Heritage Foundation and an economic consultant with FreedomWorks. He was a senior economic adviser to the Trump campaign in 2016.

Appeared in the May 3, 2019, print edition.