

Macro Roundup Article

Headline: [How to Manage the Dollar \(Part I\)](#)

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Tweet: .@GeneralTheorist and @jnordvig note that the US dollar policy has been non-interventionist for the past 30 years, but a second Trump term may support a weaker dollar to boost US manufacturing competitiveness.

Summary: US Dollar policy has been non-interventionist since the mid-1990s, or for about 30 years. Trump's stance on the dollar is highly unusual, and a departure from the past US dollar policy noted above, although it is not a policy that is spelled out very explicitly. Take Trump's comments to Bloomberg Businessweek, "We have a big currency problem because the depth of the currency now in terms of strong dollar/weak yen, weak yuan, is massive." But it is not only Trump. JD Vance has made similar noises about the need for a weaker dollar as a mechanism to boost manufacturing and exports, "'Devaluing' of course is a scary word, but what it really means is American exports become cheaper, and that's important. Suppose you want to employ a lot of people in manufacturing. In that case, you need to make it easier for us to export and not just import what we need." For Trump-Vance a weak dollar is necessary to reverse the loss of manufacturing production to the rest of the world and reinvigorate the blue-collar American.

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Primary Topic: Financial Markets

Topics: Financial Markets, GDP, Op-Ed/Blog Post, Savings Glut/Trade Deficit, Trade (not deficits)

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