

"THE NEW PROSPERITY"

By SYDNEY MAYERS

Mr. Nixon's dramatic broadcast of August 15, outlining a "comprehensive new economic policy," caused many a raised eye-brow. The President dropped a series of fiscal bombshells, reforms he believes will lead to "new prosperity." Some are plausible, others dubious; others, in the light of experience, are doomed at the start.

But whatever the merits of his proposals, and whatever their chances of success, clearly strong domestic and international pressures prompted them. Despite earlier optimism, he astutely felt compelled to face the realities of a declining economy within the country and increasing monetary attacks from abroad.

Freezing wages cannot be effective, chiefly because it involves not real wages, but merely amounts of currency. Freezing prices just will not work. It never has, even under severe totalitarian controls. Only in a free market can a true balance be attained. Further inhibiting world trade, considering the retaliation that will ensue, ultimately must harm us all. Hopefully, the cutting of taxes and the freeing of the dollar should bring salutary if obviously limited results.

The important aspect of the Administration package is the evident realization that growing inflation, burdensome taxation, excessive government spending, and dollar-shaking hanky-panky add up to economic disaster. To face the facts is a great step forward.

Perhaps when all else has failed, we will (in desperation?) try the real remedy, the principles of Henry George.