

Economic Analysis

Will President Nixon's Economic Policy Work?

By Dr. Frank L. Grubbs

I have been asked by the Editor to express my personal opinion on Phases I and II of President Nixon's economic plans to cut inflation in half and reduce unemployment by the end of 1972. Basically, in Phase I, the President has put into effect a general wage and price control freeze until November 13, 1971. Labor reacted almost immediately to this program by declaring it unfair to the working classes, since it freezes the earnings of the lower and middle classes but ignores the earnings of the affluent. The AFL-CIO called Nixon's policy a return to the conservative Republican era of Herbert Hoover an approach which failed to stimulate business and to reduce unemployment by 1932.

One should be aware that, basically, Nixon is an economic conservative who believes that investments hold the key to economic expansion; or, to express his beliefs in the words of Calvin Coolidge, "the business of America is Business." This "trickle-down" economic aid is supposed to work in the following ways: the Federal government is to encourage Big Business to prosper because prosperity will attract investments, investments will cause expansion, and expansion will increase employment.

The entire program is designed in a conservative way to heal America's economic ills without damaging America's historic free enterprise system. Nixon has carefully re-

frained from regulating business profits, profits made on selling real estate, stocks and bonds, and other investment programs, with the exception of dividends which are supposed to be regulated voluntarily by the corporations.

All in all, Phase I is designed to control the amount of money which wage earners can obtain but ignore the earnings of the affluent classes. The theory behind this plan is based upon the idea that the wage earner contributes to inflation by spending the major portion of his earnings, but the affluent can be expected to invest a major portion of their incomes in business, thereby encouraging expansion, Nixon hopes, without inflation.

Labor, of course, does not accept the Nixon view because it means that labor cannot demand what it wants for its workers without governmental permission. Labor feels that the rich will get richer and the poor will be frozen under Phase I. Phase II promises little relief for labor. So far, we have been told that inflation will be held, if possible to 3 per cent per year. This means that business prices should be regulated at 2-3 per cent increases, but Nixon still has no plans to regulate business profits.

The President has established an over-all Control Board and two subboards, The Wage and Price Regulation Boards, to handle the machinery for this continued regulation. Also, he has promised to remove

these regulations if the economy returns to a normal inflationary growth rate.

Will Nixon's program work? My opinion is that it will reduce inflation somewhat, but not reduce unemployment as much as he hopes. For conditions have changed since Herbert Hoover's day. Today, business can use its increased profits to buy machinery to replace the worker (automation) and reorganize to create greater efficiency without additional hiring. This approach is already being advocated by a leading business circular nationally distributed from Washington, D. C. If unemployment is not reduced by the Nixon programs, labor will demand that profits be regulated.

I have told my classes this year that, historically, I believe the Nixon years to be the last attempt to save the American free enterprise system. Thereafter the federal government will be forced to lean increasingly upon an unrelenting series of regulations in order to control production, wages, and inflation.

The future appears to hold little promise for the American free enterprise system which must operate within a free market and a free supply and demand environment. The eras of Hoover and Coolidge are over. In the future, government will be forced to rely on regulations because the economies of the world are wound more tightly together around a shrinking globe on which all men demand to live better.

Two Counselors Work Here Twice Weekly

Meredith College has two N. C. State University graduate students working as counselors on campus this year. Mrs. Glenda Johnson and Mr. R. W. Dittmar are participating in a program coordinated by the Dean of Students office. The program is designed to help students cope with their individual problems.

Mrs. Johnson and Mr. Dittmar both visit the campus twice each week for sessions with students. Mrs. Johnson is available to students on Tuesday mornings from 9:00 to 12:00, and Wednesday mornings from 10:00 to 12:00. She will be using the office on the first floor of Poteat, adjacent to the parlor. Mr. Dittmar will be on campus each Tuesday and Thursday night from 7:30 to 9:30. He will hold his sessions in the Student Activities office on the first floor of Johnson Hall.

Students are strongly urged to take advantage of the presence of these counselors as they will continue their visits only as long as they are needed. Any student interested in meeting with Mrs. Johnson or Mr. Dittmar should see Mrs. Teague to set up an appointment.

The Dean of Students office is in charge of the counseling services for Meredith. There are no counselors on the faculty, but students may be counseled by several people on campus including Dr. Marie Mason, Dean of Students; Mr. Gene Phillips, College Minister; Dr. Edward Pruden, Campus Minister; Mrs. Johnson or Mr. Dittmar.

If a student prefers to seek professional help off campus, the Dean of Students office will assist the girl in that capacity also. The confidences and privacy of each student will be respected and everything possible will be done to help the student with her problem. Any student who faces a problem too large for her to solve is encouraged by Dean Mason to seek help from someone, and to seek it as early as possible.

Recycle Your Views of Ecology! Come and Join Raleigh Ecos!

By Linda Ehrlich

Has anybody ever told you your room looks like a garbage dump? Have you ever run around with a trashy crowd of people? If your answer to both of these questions is "no," here's your big chance! Join Raleigh ECOS!

ECOS is part of Ecos Inc., a chartered N. C. environmental group. It meets at State once a month, and mostly State people attend, but they don't really want it that way. It's open to the community, but they especially like to have a lot of Meredith garbage collectors!

What does garbage have to do with it? That's the main thing. Our big project this year is recycling our garbage pollution — newspapers, your old beer cans, Coke bottles, English papers, and more! We'll get the mess together and take it to the industries that can reuse it. All you really need to contribute is your trash!

But, Ecos is doing a lot more than that. In fact, if you've got a talent in almost anything, Ecos could use your help. You could work in their office if you're a secretary. You might be good at publicity, membership, information, or ideas. If you're good at everything you can work on miscellaneous projects.

Frustrated film directors could help with educational slide shows, while the writers work on the Ecotips pamphlet. There is even a

Speakers Bureau that finds experts to talk about Ecology. Or maybe you never were on T.V. in a campus protest rally and you're wishing for another one. Well, your wish is coming true.

This weekend Raleigh Ecos is going on a camping trip to Joyce Kilmer National Forest where they'll join an organized protest of a proposed road through the scenic area. They're planning a lot of environmental action.

If helping nature in any of these ways sounds good to you, tell Linda Ehrlich on 1st Brewer or call 834-4534. Don't just sit on your can, recycle it with Raleigh Ecos!

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