

By **PIERRE A. RINFRET**

A few years ago I was asked to address the executives of a major American corporation. The announced subject was the long-range outlook for the American economy. The president of the corporation introduced my presentation in this way:

"Gentlemen, our speaker this morning has been asked to discuss the outlook for the American economy. That is the written agenda. But there is another agenda, and it covers what all this will mean to your corporate and personal lives and ambitions. That hidden agenda may be more important than the written agenda."

On Aug. 15, 1971, Richard Nixon introduced a daring, dynamic and delightful economic program. He took on our major economic problems head on. With one broadside blast he attacked the international problem of the dollar, the domestic problem of inadequate capital investment, the problem of jobs in the industrial cities, the inflation problem, the technological problem, the problem of lagging consumer demand, and last but not least, the confidence problem. No one could ask for more.

I praise the program. I support the program. I applaud the program. I breathe a sigh of relief. I have a sense of joy and elation. I am proud of a President who had the courage, stamina and strength to move forward vigorously.

The thing that intrigues me most is not what the President said but rather what is indicated by what he said. I discuss the agenda hidden in the Aug. 15 plan. Here is what I consider to be that hidden agenda.

1. This is the end of Marshall Plan liberalism and the beginning of Nixon-Connelly pragmatism. For the past 25 years the United States has pursued a policy of excessive liberalism in international trade and international negotiations. Whatever we offered, they took and took. They took so much and we offered so much that there was a hemorrhage in our balance of payments. That is over. We have finally recognized and acted in the belief that the United States is the most powerful economic entity in the world and that we have economic muscle. The night of the President's speech, one of the most powerful men in this country said to me, "We're smart and we're competitive and we're the biggest. We're in the driver's seat and, dammit, that's where we ought

to be." The Treasury negotiates international monetary and trade agreements.

2. The real target of our international trade and monetary moves was Japan—not the Europeans. U.S. patience has worn thin with the one-sided, lopsided, inequitable, unfair economic and monetary treatment we have received from the Japanese. The day of bowing and scraping to them is over. From now on the Japanese will have to give more than they get or suffer more counterattacks.

3. Political economics has prevailed over economics per se. The day when Government policy is based solely on some obscure economic theory espoused by some obscure economist out of some obscure Midwestern university has come to an end. The academicians are through. The President has opted for the pragmatists, for the practitioners, for the doers, for the realists. He has opted for experimentation and innovation.

4. There is more to come. The President alluded to this in his talk. He mentioned that he will make some new proposals for tax-credit treatment for research and development in January of 1972. I would not be surprised to see an investment tax credit for research and development.

Nor would I be surprised to see the President reshuffle and restructure the official bodies which serve up economic intelligence.

These four points cover the basics on the hidden agenda. Right now, people are concentrating on "What happens after the ninety-day freeze is over?" That is the wrong question. The right question to ask is how we have changed our economy in a way never before experienced.

The President has created and advocated an economic revolution. He has changed, possibly forever, the function of gold in monetary affairs. He has adopted patently stimulative techniques. He has reversed himself with equanimity. And one thing we all are learning is that Richard Nixon is his own man. He has discarded and innovated in international politics, in international monetary and domestic economic affairs. It just may be that the hidden economic agenda of Richard Nixon is far more important than the visible propaganda.

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