ES. to the NEWS

by PHYLLIS SCHL.A.FLY
Box 618, Alton, Illinois 62002
Phone: 618-462-5415

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DEVALUATION

Inflation will probably be the biggest issue in the 1978 elections, just as deflation, or tight money, was the issue in 1932 that elected Franklin D. Roosevelt for what ultimately became four terms.

Inflation hits hardest at those on fixed incomes who are usually our senior citizens. Because of the big drop in our birth rates, senior citizens are fast becoming our largest class of voters.

Candidates for pub1ic office in 1978 will be expected to have a plan to stop inflation. The socialist plan in Great Britain calls for government ownership as the solution to all economic problems.

British Socialist George Bernard Shaw used to point to the postal system as an example cf successful socialism. There are few today who would cite our government-owned postal system or Amtrak Railroad as models for the way other businesses shou d be managed.

Everyone is tiptoeing around the shocking decline in the value of our dollar. The silence -From the WhJte House, from the Secretary of the Treasury, and from the Federal Reserve System is ominous. The dollar is at an a11-time low when measured against the Swiss franc and the German mark. It has been steadily dropping for about four months. Meanwhile, gold has been just as steadily advanc ng.

Unlike the Swiss franc, our dollar is not backed by gold or by anything else. Inflatfog the dollar has been very easy- si:nce President Franklin Roosevelt took us off the gold standard.

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It is beginning to look as though we will have to have another devaluation, with its cruel losses to those on fixed dollar incomes, such as from Social Security, retirement pensions, government bonds, annuities, or life insurance.

The present decline of the dollar and its coming devaluation are a particularly bitter loss to the millions of people who believed our government officials when they advised them to buy U.S. Government savings bonds.

It is strange that the men running our country show so little concern for the value of the dollar. They have voted enormous deficits that can be paid only by printing more dollars or more government bonds, and thereby continuing tc lower the value of our money.

Congress has just passed another large annual foreign aid bill of more than $6 billion. Once again we are giving our money, which we really haven't got and therefore must prfnt, to more than one hundred foreign nations.

Most people don't realize what is going on and how their life savings are being eat2n out from under them. They wrongfully blame the farmers, or business, or labor unions for the higher and higher prices. It is not really that prices ;:i.re going up; it is that the dollar is going down. Increased wages don't buy any more than the previous wages did; and on top of that loss is the extra tax bite we suffer by moving into a higher income tax bracket.

In the last ten years the purchasing power of the American dollar has fallen 45 percent compar d with the Swiss franc, 43 percent compared with the West German mark, 27 percent compared with the Japanese yen, and about the same compared with the Republic of China (Taiwan) dollar.

Devaluation, like inflation, falls most heavily on our large middle class. Yet our government officials fn Washington appear to be doing nothing to stop the rapid decline in the value of our dollar, and its impending devaluation. When devaluation comes, it is to be hoped that our citizens do not blame the wrong people.

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