FROM: Phyllis Schlafly

68 FAIRMOUNT, ALTON, ILLINOIS 62002 (618) 462-5415

RELEASE: FEBRUARY 26, 1982

SABOTAGING REAGAN'S ECONOMIC PROGRAM

Cutting up President Reagan and his economic program has become the current indoor sport of the national news media. Orchestrated throughout the electronic and the print media, these attacks are blatant anti-Reagan political propaganda masquerading as news.

Night after night on the national television news programs, the American public is shown heartrending stories about people allegedly hurt by the Reagan program. We are shown pictures of senior citizens who will not be able to make ends meet, school children who will be hungry because the school lunch program is reduced, and blacks who will be out in the cold because urban programs are cut.

Network television features tear-jerking pictures of lovable little children who will be left without supervision because Reagan cut federal funds for child day-care. In order to maximize the emotional impact of the segment, television solemnly tells us that many homes burn to the ground because unattended children play with matches. The implication is that this is all Ronald Reagan's fault; nobody ever asks the question of where the fathers are and why they are not looking after or supporting their children.

As one example of print media attacks, look at a recent Newsweek article presented as news under the headline "And the Poor Get Poorer." No proof was offered in the text that any "poor" have gotten any "poorer," but, no matter, the headline conveyed the propaganda message plus its subliminal corollary that "the rich get richer," a favorite refrain of Speaker Tip O'Neill.

Even more misleading than the headline was the colored graph that accompanied it. The graph was designed to convey the pictorial impression that the poor are getting poorer because the purchasing power of the minimum wage has declined dramatically.

The graph plotted the minimum wage as a function of time, from 1975 extrapolated to 1983. It actually shows two curves: one measures the minumum wage in 1975 dollars and the other in nominal dollars (face-value). The curves both start at $2.10 in 1975 and rapidly diverge due to the effect of inflation. The difference by 1983 is $1.78, which

Newsweek ostentatiously points out with bright red arrows.

The implication is that the Reagan Administration has cheated poor people out of $1.78 per hour. Actually, the $1.78 is completely meaningless. It makes no sense to subtract inflation-adjusted dollars from face-value dollars.

The subtraction in Newsweek's graph is analogous to the following example: Suppose that you want to drive ten miles. If you drive a foreign car that measures distance in kilometers, you will have to drive 16 kilometers. It makes no sense to complain that you have to drive six extra kilometers in the foreign car.

In order to plot the minimum wage in constant 1975 dollars, Newsweek must use some method to discount the effect of inflation. Does Newsweek use the Consumer Price Index (CPI) or one of the other indices? No explanation is given, so we don't know. (The CPI, incidentally, is known to exaggerate the effect of inflation.)

Newsweek's use of a truncated graph makes it appear that the purchasing power of the minimum wage is only a few cents. The misleading effect of a truncated graph was pointed out years ago in the classic work "How To Lie With Statistics" by Darrell Huff. The figures may be true, but they give a false impression because there is no zero line at the bottom, and the proportion between the ordinate and the abscissa is distorted to produce maximum dramatic effect.

The headline "And the Poor Get Poorer" is misleading in other respects. The article says that half of the minimum wage earners are between ages 16 and 24. The minimum wage earners in 1975 are obviously not the same as those in 1983; so who got poorer? The article says that experts predict that 200,000 new jobs will be created by freezing the minimum wage. The people who get those new jobs are certainly not getting any poorer.

After network television gives the average American a daily diet of emotional pictures of babies, women, senior citizens and blacks allegedly victimized by the allegedly heartless Reagan economic program, and after literate Americans are given statistical propaganda by the national news magazines, it's no wonder that the media can gleefully report that 81 percent of Americans think that the Reagan economic program helps only the rich and hurts the poor. To any extent that this misleading poll is considered accurate, it is because that's what the news media told the American people.