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RELEASE: FEBRUARY 8, 1983

THE AMERICA LASTERS DEVISE ANOTHER SELLOUT

"America Last" is an expression I coined two decades ago to describe those influential persons whose list of priorities (political, legislative, economic, and financial) ranks the United States last of all. The America Lasters are those who promote the spending of U.S. tax funds for foreign aid to a hundred other countries around the globe, for low-interest and unsecured loans to foreign governments, for giveaways of U.S. rights and property to international organizations such as the World Bank, and for shipments of precious U.S. technology to Soviet bloc countries.

The America Lasters are always trying to submerge U.S. rights in some international outfit. Thirty-five years ago, blind devotion to the United Nations was their pseudo-religion; in the wake of disillusionment with the UN, the America Lasters now want to make the United States subservient to a world authority created by the Law of the Sea Treaty.

The America Lasters dramatically demonstrated their political power when they forced President Carter and the 1978 U.S. Senate to give away our Panama Canal over the objections of the big majority of Americans. The America Lasters bared their knuckles again when they forced President Reagan to reverse himself and allow U.S. technology to build the Siberian gas pipeline.

Reagan tried to stand up for American interests, but the financial/media power of the America Lasters made him reverse himself in a way that humiliated him personally and got nothing for our country in return. It is hard to imagine any deal more antithetical to American interests than giving Russia superior U.S. turbines to use in a gas pipeline running thousands of miles inside the U.S.S.R.

Usually, the powerful America Lasters are clever enough to cover their anti-American proposals with a polished veneer. Thus, foreign aid was sold to the American people as a method "to stop Communism." The Siberian gas pipeline was sold as a method of getting energy supplies for our European friends.

Now, however, the America Lasters have pulled a maneuver that exposes better than anything else just why they deserve that name. In the same week when banks were

foreclosing on farms and auctioning them off at less than their value to the same banks that held the mortgages, the Federal Reserve Board was quietly pressuring U.S. banks to expand their unsecured, uncollectible loans to insolvent "Third World" nations.

Does the Federal Reserve have enough clout to "pressure" banks into making bad loans? You bet it does; the federal bank examiners hold the power of economic life or death over the banks. In polite language, that's called having "broad power to review the quality of loans in bank portfolios."

Jerry L. Jordan, a former member of Reagan's Council of Economic Advisers, let the cat out of the bag in a speech on January 14. He said that the Federal Reserve has passed the word that its examiners would give a hard time (his words were "closer scrutiny") to banks which have made bad loans to foreign countries unless those same banks increase their bad loans to foreign countries.

This mailed-fist-in-the-velvet-glove message to the banks is clear. The Federal Reserve policy requires banks to be hard-nosed and to foreclose immediately on any American farmers or businessmen who can't repay their loans; but when foreign countries can't make their payments, banks are ordered to forget about the principal completely and to extend new loans to enable countries in default to make their interest payments.

Professor Alan Meltzer of Carnegie-Mellon University, who addressed the same January 14 forum, said that Fed Chairman, Paul A. Volcker, wrote to the presidents of the regional Federal Reserve banks instructing them to transmit this message to bankers in their districts. When reporters asked for Volcker's comment on Meltzer's statement, Volcker was conveniently unavailable for comment; but Fed spokesmen confirmed Volcker's policy that new loans to foreign countries in financial trouble "should not be subject to supervisory criticism" and that the recent unsecured $5 billion loan the Fed gave to Mexico was "intended to set a precedent for other loans to countries having debt repayment problems."

When American farmers and businessmen go bankrupt, the America Lasters say, "tough, that's just the risk you take in the private enterprise system." But when the bankers take their depositors' money and send it overseas never to return, the America Lasters say, "just keep the pyramid going; we'll cover up your mistakes and unload the losses onto the backs of the American people."