1!88 to the NEWS

by PHYLLIS SCHLAFLY

Box 618, Alton, 111inois 62002
Phone: 618-462-5415

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WHO PAYS FOR INFLATION?

President Carter has been cutting down on the White House fleet of jet planes, limousine service, newspaper subscriptions, television sets, and thennostat settings. Unfortunately, none of those items will make a dent in the Federal deficit.

President Carter's budget for fiscal 1978 calls for a continuation of the current annual deficit of $66 billion. Such huge Federal deficits are the principal cause of the inflation which is a secret, heavy tax on the American people.

This Government-caused inflation is particularly cruel to our middle-aged and elderly who rely on Social Security, pensions, or Government bonds to provide for their senior years.

Inflation also hits hard at prospective homeowners. Projections are that a typical American house will cost about $78,000 in a few years. In the last five years, the number of U.S. families who could afford to buy a medium-priced house has dropped in half. If this rate keeps up, only the very rich will be able to own a new home.

Milton Friedman, the 1976 Nobel prize-winning economist, has analyzed what the Carter Administration calls its "stimulative package."

Professor Friedman says "there is nothing in the package which will stimulate anything." He asks, "How can the Government stimulate the economy by taking money out of one pocket of the public and putting it into another pocket?"

The Federal Government will collect about $400 billion in taxes in fiscal 1978 but will spend at least $460 billion. Dr. Friedman asks the relevant question: "Who do you suppose pays the other $60 billion? The tooth fairy? Or the Arab sheiks? The American people pay it. It's paid in the form of the hidden tax of inflation."

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It is interesting to note that the people who make the decisions to incur these whopping deficits come from those small classes of persons who are not hurt by the inflation that these deficits cause.

Six members of the Carter Cabinet are members of the Trilateral Commission, an exclusive group of very important and influential men gathered together by Chase Manhattan Bank Board Chairman David Rockefeller. Seven other Trilateralists have top positions in the Carter Administration, and another six are policy advisers.

Inflation is not the severe problem for a banker that it is for the rest of us because the dollars a banker pays out do not have to have the same value as the dollars that were deposited. Other very wealthy citizens can offset inflation by prudent investments in natural resources.

Likewise the Congressmen who vote whopping Federal expenditures have their own build-in hedge against inflation. By a masterpiece of parliamentary legerdemain, Congressmen managed to give themselves a $12,900-a-year pay raise without even risking the political consequences of voting for it.

This automatic pay raise also lifted the lid on Civil Service pay scales and boosted the salaries of more than 20,000 upper-crust bureaucrats by at least $7,900 a year.

This means that all the Federal officials in the executive and legislative branches of Government who dictate the policies that cause inflation have used ou, tax money to protect themselves from the consequences of their own folly by pay raises of 25 to 29 percent.

It is unfortunate that President Carter and the Congressmen did not spell out their big inflationary program during last fall's campaign, when it could have been discussed by the citizens who have to pay the costs.

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