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RELEASE: MAY 28, 1982

REAGAN STOPS INFLATION

"Reagan Administration breaks the back of inflation." "Reagan credited with reducing the Consumer Price Index for the first time in 17 years." "Reagan Administration achieves 100% performance on campaign promise to stop inflation." "Reagan solves the nation's number-one economic problem."

Did you read any of those headlines? Did you hear any of that good news heralded on the nightly TV newscasts? Probably not. What you more likely heard was the announcement of the drop in inflation as though this were more depressing economic news. The TV reporters solemnly told us -- as though it were bad news -- that wage-earners with cost-of-living clauses in their contracts won't be getting cost-of-living increases because (unfortunately) prices haven't gone up.

Poor Ronald Reagan. When he campaigned for election in 1980, inflation was recognized as our number-one economic problem. His economic policies addressed that problem, and he stopped it. So the anti-Reaganites simply shifted their attack and spend their time and ink blaming him for not solving other economic problems (which he inherited from the previous Administration).

If Ronald Reagan has to take the blame because unemployment has risen since he took office, then he should be able to take the credit for solving the inflation that everybody was complaining most about in November 1980.

In 1977 when the Carter Administration took office, inflation was 4.8 percent. It rose steadily. During the last two years of the Carter Administration, 1979 and 1980, we suffered back-to-back double-digit inflation. When Carter left the White House, we had 12.4 percent inflation, 21-1/2 percent interest rates, and 8 million unemployed.

During the first year of the Reagan Administration, inflation dropped to 10.4 percent. For the past six months, inflation has been running at only 3.2 percent, and in March this year prices actually went down. Interest rates have come down about one-fifth from their peak at Reagan's inauguration.

This big drop in inflation means that your consumer dollars are going a lot further than they would have gone under the double-digit inflation that marked the last years of the Carter Administration.

Inflation has been called "the cruelest tax of all" because it most hurts those on fixed incomes such as widows and senior citizens. Inflation is really worse than that; it is the most insidious and deceitful tax because it is an "unlegislated tax." Congress forces it on us without any roll-call vote or accountability to the voters in any way whatsoever.

Inflation is also an immoral tax because it punishes the thrifty and rewards the spendthrift and the indolent. America was built by people who believed in the work ethic, who saved for a "rainy day," who believed that the virtue of thrift came right after godliness, honesty, keeping the Ten Commandments.

Years of high or double-digit inflation have done as much to alter the American character in regard to work and money as the Playboy mentality has changed American sex mores. Enjoy yourself today and don't worry about what it costs! The virtue of thrift has been replaced by a spend-now-pay-later-in-cheaper-dollars attitude.

Galloping inflation means diminishing purchasing power for nearly everyone. It means that private and business funds are diverted into spending rather than savings and investment. It means pushing income levels into higher tax rates (bracket creep), which further penalize the productive and reduce incentives to create and produce.

In the years of the Carter double-digit inflation, consumers, businessmen, farmers, and government all borrowed more and more, intending to repay with cheaper dollars or with inflation-swollen tax receipts or capital gains.

Murray L. Weidenbaum, chairman of Reagan's Council of Economic Advisers believes that the Reagan Administration's policies have already induced "a new sense of realism in economic decision-making both in the public and private sectors." He thinks that this has had a healthy effect on the decision-making of management, workers, and consumers.