Se to the NEWS

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CONFIDENCE IN OUR ECONOMY

"You never had it go good" was the slogan used when the advocates of large scale federal control began their redistribution of American wealth through massive domestic spending programs. Despite inflation and taxes,_ they argued, the average worker was still doing better than before.

That slogan has a hollow ring today. Most Americans know that we are getting poorer, not richer, because of federal spending and controls. The reason is the "leaky bucket." When buckets of money are transferred from taxpayers to non-taxpayers, a goodly amount leaks out to support the bureaucrats carrying the buckets. One out of every six working persons is now employed by federal, state or local governments.

Today there are more than a thousand federal programs to transfer wealth from productive citizens to non-productive ones. Every federal spending program has increased except defense. In 1969 defense took
43.5 percent of the federal budget. By 1976 it had dropped to only 24.8 percent.

This shift from defense to domestic spending was initiated in the late 1960s under a deliberate policy called "reordering priorities." Spending on welfare-related programs has almost quadrupled from $77 billion in 1965 to $286 billion in 1975.

T bite of the Gross National Product taken by government has increased from 12 percent in 1930 to more than 36 percent today.

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Our federal, state and local government tax bill has increased more than
65 percent in the last ten years. Federal spending has increased almost 400 percent in the last 20 years.

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Before 1933 the federal budget was balanced four years out of five. We have balanced the federal budget only one year out of the last 18. Our national debt has increased to more than $600 billion. This figure does not even include the $99 billion owed by independent agencies such as the Export-Import Bank. Nor does it include Social Security obligations, estimated by some accountants at $4 trillion.

Although many of our plants are old and obsolete, private investment in industry averages less than 18 percent. Government taxes and government bonds are grabbing 80 percent of the money that would otherwise be available for private investment. Compare our 18 percent figure with the 26 percent in Germany and 35 percent in Japan.

Building a successful business or economy requires an essential ingredient called Confidence (just like the baking of a cake in a recent television commercial). Unfortunately, many businessmen display an abysmal loss of confidence in the durability of the private enterprise system. The National Industrial Conference Board recently reported that business executives' confidence in the nation's economic future has eroded to a 2½ year low and almost every industry is pessimistic.

Private conversations with many businessmen convince me that many believe that the private enterprise system is merely waging a holding action against the inevitable growth of a near-total socialist control of our economy from Washington, D.C. William Simon, former Secretary

of the Treasury and author of the new book, "A Time For Truth, 11 is an. oJ-s-\- !, - example of a successful businessman who has faith and optimism in the future of a free economy.

Those businessmen who have a negative outlook of our economic future should ponder one shining exception to the present gloomy U.S.

economic picture. Our farms are the most efficient in the world. Last

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year's farm exports set a record of $24 billion. This year's farm exports will break the record again with $26.6 billion.

Our current farm export shipments of 105.2 million metric tons is also a new record. Last year's farm export shipments totalled 90.6 million metric tons.

The amazing fact is that fewer people each year are needed to produce these record-breaking farm crops. Two hundred years ago, 80 percent of our population was engaged in agriculture. Today the figure is less than five percent. No wonder Nikita Krushchev bellowed, "Where have you hidden all the workers?" when he visited a large
Iowa farm in 1959, manned by only a father and two sons.

If American farmers can lead the world in productivity and efficiency, American industry can, too.

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