ES. to **the NEWS**

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RELEASE: SEPTEMBER 5

THE MONEY MESS

When is the Carter Administration going to stop acting as though the money mess is just one of 20 items on the week's agenda and start treating it like the crisis that it is?

In the last year, the dollar has lost 33 percent of its value against the Swiss franc, 30,percent against the Japanese yen, and 15 percent against the German mark. In the last month, the dollar dropped 8.5 percent against the Japanese yen and 4 percent against the German mark. On a single day in mid-August, it lost 5 percent of its value against the Swiss franc.

Incredible but true, the value of the money issued by the nations we crushed in World War II and of tiny SwitzerlJnd is steadily increasing while our dollar plu11111ets. Meanwhile, prices of domestic goods, especially foodstuffs, continue to soar. Instead of blaming producers for rising costs, our economists should devise a solution for declining dollars.

One Congressional monetary expert sunmed up the situation by saying, "I don't know any other way to put it than [the dollar] has gone berserk." Such wringing of the hands is small comfort to Americans who see their savings accounts, life insur ance assets, pension funds, and Social Security payments fast shrinking in value.

Some smart money is shifting into the one-ounce solid gold Krueger coin issued by South Africa. Unlike gold bullion, it does not have to be weighed and assayed every time it is sold. It is one of the few available coins of accepted gold content.

In normal times, land and improved real estate are good hedges against inflation. Unfortunately, however, the birth rate in our country is now well below the replace ment figure of 2.2 per couple. Grade schools are closing for lack of pupils, and some cities such as Washington, D.C., even have more abortions than live births. Except for the still-growing sunbelt area from Florida to San Diego, the demand for

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new homes and subdivisions can only diminish in the future.

David Rockefeller's bank, Chase Manhattan, announced last month, "The fun and games are over. Unless drastic measures are taken, we think we will have a continued high rate of inflation and depreciation of the dollar." The bank urged Congress and the Carter Administration "to institute massive spending cuts before enacting any broad tax reduction."

It's too bad that Chase Manhattan didn't call "time" on fun and games before it lobbied President Carter and the Senate to give away the $7 billion U.S. asset called the Panama Canal. The planned large increase in Canal tolls could have then been channelled into the U.S. Treasury instead of into the coffers of Torrijos.

No one in the President's Cabinet places any blame for the decline in the dollar on the White House policy of requesting huge deficit appropriations from Congress, issuing Treasury bills or bonds to pay for these deficits, and then calling on the Federal Reserve System to print the money to pay for these bills and bonds.

The Federal Reserve and White House solution is to increase the discount rate to 7.75 percent, which is the interest rate banks pay to borrow from the Federal Reserve. Individual and business borrowers must now pay even higher interest rates.

The policies that increase our federal deficits by draining American assets overseas include our annual foreign aid giveaways to more than 115 countries (plus the Panama Canal giveaway and diversion of tolls), paying for the military defense of West Germany and Japan instead of letting them defend themselves, and continuing our dependence on Arab oil by impeding U.S. oil development through taxes and federal controls.

For such folly, the American people are now paying twice -- in direct taxes and in the drastic decline of the dollars we are allowed to keep. Yes, it's time for fun and games to stop.

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