

must be made good by taxes and practically every tax is added to the cost of living. Other forces pushing the inflationary spiral constantly upward are the increases in minimum wages, larger unemployment-compensation checks, and longer periods to enjoy them. More money but no more goods.

Stockpiling, however necessary, creates shortages of goods as they are locked up in Government warehouses. But the dollars paid for the goods continue to circulate.

Our aid programs to foreign countries may be necessary for many reasons, but they are definitely inflationary. We do not send billions of dollars abroad. That is a short cut of language. Foreigners can't eat money! We send billions of dollars' worth of goods abroad. The wheat, cotton, steel, eggs, etc., vanish overseas. But the money paid to American producers for these goods stays home and continues to circulate. More money at home and less goods. Prices rise.

THE CRUELEST TAX OF ALL.

All of these practices of the Government, and many more, adulterate all dollar savings. Inflation is a species of taxation and the cruelest of all. No one is exempted from it. The people pay thrice, in prices today, in taxes tomorrow, and in the loss of their savings the day after.

The national grab bag, once opened, is hard to close. Only an awakening of millions of voters whose savings are melting away under the impact of high taxes and inflation as it gathers momentum can turn the tide.

The Government has become the prisoner of its own debt. In order to finance its debt as cheaply as possible, it forces interest rates down. This policy, of course, forces all interest rates down. The thrifty American who once got four percent on his savings-bank account now gets around two percent. This is a loss of income from savings of 62 percent.

STILL THE BEST MONEY IN THE WORLD

With the possible exception of the Swiss franc, the American dollar is still the best money in the world. We must keep it so. But new pressures are arising to depreciate it still further. Of especial importance at this time is the escalator clause in labor-union contracts, now recognized and implemented by Government officials. This clause raises wages as the cost of living goes up, regardless of whether the wage earner produces more goods. But as wages go up, prices must go up. And so on and on, in an ever-ascending wage-price spiral. The demand for an escalator clause in union contracts is apt to become universal. However helpful it may

be to the individual employee and his wife for a few short months, it is self-defeating for the nation. How about escalators for the landlords, for stockholders, for Government bond holders, for professional men, for merchants, for life-insurance policy-holders, for everybody?

No, the escalator clause is no cure for inflation. We must go to the roots of inflation and stop the governmental practices that cheapen money and force the cost of living constantly higher.

There is no necessity for inflation, and it can be stopped if the problem is understood. America's tremendous capacity to produce is on the side of sound money. With our constantly better tools, our harnessing of energy, our science, invention and technology ready to work their miracles, we can produce such a flood of goods as to keep goods and money in balance. But no technology can produce goods as fast as a government can produce money.

The millions of thrifty Americans must demand that Government spending at all levels be limited to necessities and cut to the bone; insist on rigid economy and efficiency, including purchases for the armed services; demand balanced budgets from now on—pay-as-you-go taxes; stop politicians from creating artificial shortages of goods (not connected with stockpiling for national defense); make payments on the national debt whenever it can be done; and especially get Government bonds out of the commercial banks and into the hands of the people, where they are not inflationary.

HERE'S WHAT YOU CAN DO.

You yourself can do very practical things to combat inflation. Here are some of them:

1. Write your Congressman. Yes, this is what you've been told so often! It is old advice. But to curb inflation it is still the best advice and far too few act on it. Remind your Congressman that you expect him to fight for economy; rebuke him when he yields to the pressure of some special group that wants exemption from controls or a special subsidy. Send him a word of appreciation when he stands up to be counted on the right side.

2. Whatever your walk in life, you can do your bit to keep prices down. You can give a good day's work for a day's pay; if everybody does that, we shall produce more goods at less cost. If you manufacture or sell goods, you can give good value and refrain from taking advantage of the fact that you *could* profiteer.

3. You can stop unnecessary spending. You can do without that TV set for a while. Later on things are going to be more abundant and cheaper than they are now.

4. Economy begins at home. Watch your local
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