



Which is the more serious problem facing the people of our country today: inflation or unemployment? Before you leap to your feet, shouting, let's examine how each affects the other.

To simplify it as much as possible, let's take it at a personal level. If I get laid off and don't find another job and join the line at the unemployment office to collect my compensation, my income taxes due next year will be considerably less than when I was employed.

To pay continued unemployment compensation to me, the government must borrow, unless the money is already in reserve.

Now multiply me by the millions of unemployed collecting compensation, paying no taxes on that income, and you'll see if it's not going to take long to exhaust reserves. Then the government borrows.

What's wrong with that? The basis in inflation is the monumental debt we already carry at the federal level. Inflation is devaluation of the dollar. A dollar doesn't buy what it did yesterday, last year or ten years ago because it's been devalued.

When the dollar was worth a dollar, there was one ounce of gold firmly backing up every \$32 of paper bills. Inflation began in this country in the '30s when more paper money was printed and circulated than there was gold to support it. The difference was debt.

As more dollar bills circulated, people had more money to spend. The trouble was, it took more bills to buy the same thing. Prices went up. People felt better about their economic situation, however, because they could count fifteen dollars in their pockets instead of ten and spent the extra five more freely.

The economy responded since everyone started to spend more dollars, and dollars started to move faster from pocket to pocket, and that's what the Gross National Product figure is: the number of dollars that change hands for goods sold or services rendered.

Everyone "made" more, spent more, and also paid higher taxes on their earned incomes, and the country started to recover from the economic depression of the '30s.

This seemed such a successful method of solving the problem the government continued the practice, encouraged an inflation rate of between 2% and 3% each year, and each year borrowing and pumping into the economy more dollars each one worth a few pennies less than the year before.

Business boomed; people became more affluent, paid higher taxes; and although the national debt crept up, things looked rosy.

No one worried about the debt. (Well, some people did, but not very many.) It could be paid off in cheaper dollars, as inflation continued -- just as your ten-year-old mortgage is now costing you less in purchasing power than it did when you assumed it.

With the expenses of conducting World War II, the debt climbed rapidly, but the important goal was winning the war, of course. After the war, during the Eisenhower administration, the federal budget was in balance -- that is, the debt was not increased -- but during almost every other year since the 1930's, the federal deficit has climbed.

At one time Congress voted to put a \$200 billion ceiling on the national debt. This contained inflation for a time, but pressures of foreign aid, space exploration and financing the View Nam War blew

its lid off and the debt is now three times as high as that ceiling.

The government, like the rest of us when we borrow, must pay interest on its debt; even if we never spent another dime in excess of revenues, the debt would continue to increase.

The only way it can decrease is by control of federal spending and interest costs at levels below the federal government's total revenues.

The more people there are, unemployed, the less money they earn collectively, the lower income taxes they all pay, and the higher the debt grows as the government attempts to support non-productive, non-tax-paying citizens looking to unemployment compensation, welfare, and other programs for money to live.

There is no question that they need money to buy food, clothing, shelter, and whatever else their needs may be. The problem comes when the money they receive is not represented by an equal value in productivity, and when none of it goes back to keep the government solvent.

This is, of course, an extremely simplified explanation of how inflation comes about and what effect widespread unemployment is having on the economic situation -- how we got into this mess.

What started the current unemployment situation? A number of things occurred at the same time. The Viet Nam war ended. Servicemen released from active duty became job hunters. To control the skyrocketing national debt, Congress voted to phase out space exploration programs. More people began looking for work.

Then the energy crisis came to the surface, driving up prices of everything from cars to electricity. Apparently foreign-oil-producing countries timed their price-hikes with malice aforethought. Domestic oil producers aren't without some blame either.

These three happenings, along with some minor influences, slowed sales, production, more people were laid off, and the recession blossomed.

Each year hundreds of thousands of high school and college graduates join the labor pool. As money gets tight, women start looking for work outside their homes to help out the breadwinner.

What can turn things around again?

The immediate need is putting people to work for only working people pay taxes to provide money to run the government and help those unable to find work. For every percentage point the unemployment rate goes up, the federal treasury loses \$16 billion. Two billion of this goes to pay unemployment compensation, food stamps and welfare. Fourteen billion is lost through reduced tax revenues.

This rapidly becomes a serious situation!

While joblessness may appear our greatest enemy, perhaps more dangerous one is inflation. To cure joblessness it may be necessary to bear an even greater inflation, however, since only working people produce federal revenues by paying income taxes.

It seems apparent there must be a requirement for work in return for money. The present unemployment compensation system is turning the United States, almost overnight, into a welfare state.

In talking with dozens of people now living on unemployment compensation, I hear them state, over and over again, "Why should I work for \$100 a week when I can collect \$80 or \$90 a week compensation without doing anything more than picking up my check? And I don't have to pay income taxes on that money, so I'm ahead of the game."

The message is clear: Only a sucker works when he can get something for nothing and get along just as well!

This attitude is so widespread people aren't the least apologetic about it. They aren't ashamed to take something for nothing. They think they've got it coming to them.

If this attitude doesn't change -- and in my opinion the only thing that's going to change it is the radical change in the system -- this country will flush itself down the drain in a short order.

There's no such thing as a free lunch! That goes for ecology, and that goes for economics, as well.

To Congress and to the President, it's time to say: Cut all spending to the bone; pay people to work who are able to work. If the able are unwilling they get no money. Continue to care for those who cannot work; yes. But stop supporting those who can but would rather not.

Until we're back on a sound economic footing, appropriate no money for anything except programs to force productivity in needed areas; building houses for the homeless, for example, and put the unemployed to work doing the building.

Put engineers to work finding alternate energy solutions; it's obvious we need something besides oil. Let them develop engines that will run on less gasoline, or some alternative fuels. Build these engines.

Pay people to clean up polluted waterways, rivers and bays. Pay them to do anything that needs doing and require they do it to collect.

Pay them, and collect taxes from them, just like everyone else. Eliminate tax loopholes and collect .10 or .15, whatever it takes, on every dollar earned, no matter how it's earned or where it comes from.

Make it simple and make it stick.

We, the working people, are sick of supporting drones and paying bills for the lazy -- and for the wealthy.

They aren't pulling their oars, either!