You cannot help initially what you feel, but you can help how you behave. You then have the opportunity to assess what you feel and may even change how you feel, but it will at least give you the opportunity of understanding why you feel what you do.

– Homer Giles, Chairman of the American Economic Foundation

continued from page 1

. . . inflation, . . . has changed the value of the 1970 dollar to a present one of twenty-eight cents.

However, the United States has exercised a creeping repudiation your years. In the 1930's, in accordance with a decision of the Supreme Court that words did not necessarily mean what they said, it stated that our bonds which promised their redemption in gold of a specified fineness, need no longer be paid in gold but could be paid in "dollars". Perhaps more telling than this is the inflation, which by recent reckoning has changed the value of the 1970 dollar to a present one of twenty-eight cents.

Though inflation may seem attractive as a means of ridding oneself of debt, it has limitations. It may be illustrated by comparing it to a bottle of whiskey. If we replace two ounces of the whiskey with water, only a knowing drinker might notice the change. If we diluted it with five ounces, the purchaser would probably complain but might accept it. If the concoction goes much beyond this point, it ceases to be whiskey and becomes whiskey flavored water and is unacceptable by anyone. This analogy has been repeated a number of times, notably with the German mark in 1923. It occurred with the Roman Empire, with France in 1700 with her assignats, and with a number of other countries.

Currency can be increased by decree or printing press, money cannot.

Perhaps our greatest current illusion is that money can be "created". Money is merely a token whereby a shoemaker, for example, can trade a pair of shoes for an hour of a lawyer's advice. It is a token of goods produced or services rendered. To increase money, these must be increased. Currency can be increased by decree or printing press, money cannot.

This illusion has resulted in our attempt to solve our financial difficulties by budget legerdomaine rather than by the only means that can be successful, cutting spending and producing more. We have yet to face up to the fact that for fifty years we have been living off of money which we haven't got. The fact that an otherwise intelligent citizenry could continue this and not expect punishment is mind boggling. We have been on a sort of fiscal drunk and now comes the inevitable hangover. Lord Keynes' philosophy, now somewhat discredited, to oversimplify, was that deficits would be acceptable in recession years but should be paid off in prosperous ones. We adopted the first recommendation but have rejected the second one by continuing deficits in good times and bad.

We have been on a sort of fiscal drunk and now comes the inevitable hangover.

Regaining our financial respectability involves cuts in spending in just about all sectors, real cuts, that is — not cosmetic ones. There can be no "do it to him, but not to me". At the risk of tar and feathering, I would like to suggest the following items for the budgetary axe: in addition to such pork projects as the $500,000 to restore Lawrence Welk's home and $4.5 million to renovate the Keith-Albee theatre in Huntington, West Virginia, should be a long list of desirable but non-emergency projects such as $850,000 for a bicycle path in Macomb County, Michigan, plus a cutback in all cultural subsidies to museums, art and theaters. Added to these should be the serious implementation of the recommendations of the Grace commission on the elimination of government waste. The drastic reduction of congressional staffs and the demolishment of obsolete agencies such as the Rural Electrification Administration should be contemplated.

Of course, if all the above were to be carried out it would be of great help but would not accomplish the goal of budget balancing or debt reduction. To effect these the far more politically difficult task must be undertaken to recast the entitlement programs. This can be done without harm to the truly needy. How scrupuously are the Social Security, the Medicaid and the food stamp rolls administered? Under school lunch programs, the children of affluent parents now partake of free lunches on the same terms as those of impoverished ones.

Implementing such spending cuts as are recommended above will be impossible unless all citizens accept the unwelcome provisions which may fall on them. Have we the national fortitude to thus extract ourselves from our dangerous financial mire?

Knowledge is the treasure, but judgment is the treasurer of a wise man.

– William Penn.

continued from page 1

mous second empowerment of the people, with its sovereignty in the individual American. To my way of thinking, this second democracy is one of the country's best-kept secrets, even after the collapse of communism in Eastern Europe. For it is this second democracy — when you think it through — which explains why Eurocommunism broke down, why nothing in political science or application comes close to its degree of democrary, consent, efficiency, and self-government.

. . . in this second democracy, everyday is Election Day.

Too, this second democracy comes without taxation and even without a second bureaucracy spinning out red tape or telling the individual what to do. Moreover, in the light that government necessarily involves compulsion (try not paying your taxes and you'll see what I mean), this second democracy is, to the nth degree, voluntary — and moral.

Now, just what is this Shangri-La right under our noses? Why, it's none other than our common ordinary marketplace.

Let's examine it. For in this second democracy, every day is Election Day, every producer-candidate runs scared and is held strictly accountable, every market "shortage" or "surplus" soon gets wiped out, and every consumer becomes King or Queen Customer ruling with an iron hand.

Here, too, is freedom to choose in action. Here is true democracy in which power resides in all the people and is directly exercised by them. Here is freedom reflected in its strict counterpart, free enterprise, and in its broader voluntary area, the private sector. Here is consent galore, continual agreement among parties, widespread social cooperation, our far-flung global market system at work from sea to shining sea, from one continent to another, strangers cooperating with strangers, helping each other, caring for each other, oftentimes unknowingly.

Here, for example, is the farmer feeding the city dweller, the doctor prescribing to the sick, the clergyman ministering to his parish, the banker extending credit to finance a crop or build a home, the city dweller working in factory, store, office, bakery or mill, everyone working not only for one's self but in effect working for — again, when you think it through — everyone else, for mutual advancement and well being all around. Again, all this is on a voluntary, amiable, peaceful basis, if with imperfections, with limited government still needed to provide law and order and supress predators who disturb the peace.

For here in this second democracy are manifold peaceful relations in society, extensive social harmony, vast ongoing two-way exchanges of goods and services, constructive division of labor at home and abroad, friendly person-to-person and people-to-people contacts around the globe, as captured in IBM's slogan, "World Peace Through World Trade."

Drink tea, for instance, and you give a friendly pat on the back to the people of India or Sri Lanka. Eat a banana and you stroke the people of Ecuador or Costa Rica. Bite on a bar of chocolate and you help add dignity to the people of Ghana or the Ivory Coast. Fly Lufthansa, Alitalia or Japan Air Lines and you advance our relations with our former adversaries, the once-Axis powers of Germany, Italy and Japan. Motor down the highway and you just may be something of a goodwill ambassador to Saudi Arabia, Venezuela or Indonesia.

Even local frictions and antagonisms tend to be smoothed over and calmed down through marketplace voting. Catholics and protestants trade with each other —i.e., vote for each other! — in Belfast, as do Maylays and Chinese in Kuala Lampur, Hindus and Moslems in Bombay, Arabs and Jews in Jerusalem, blacks and whites in Johannesburg. For to a very great extent, the marketplace is color-blind and bias-free in a one-on-one to a global meeting of minds.

To be sure, you may argue that the marketplace modus operandi is a lot more love of money than love of neighbor. And that the Roman rule of caveat emptor has not been repealed. True enough. But the upshot of marketplace democracy is still service to the trading partner, enhancement of social amity, realization that the other fellow, whoever and wherever he is, is vital to your health, happiness, and prosperity, and emergence of a binding-together and economic uplifting of different regions, countries, and continents — of Planet Earth itself.

. . . the ubiquitous credit card– plastic money – is a practically universal ballot, good anywhere, no questions asked.

Election Day every day? And how! Consider. In the marketplace you vote not but once every few years but many times a day, sometimes casting votes by the dozen as you buy in a supermarket, shopping mall or department store. Too, not even the weather, which can somewhat upset the political strategists, poses much of a problem. For voting in the marketplace can be as convenient as your telephone, with your fingers

continued on page 8