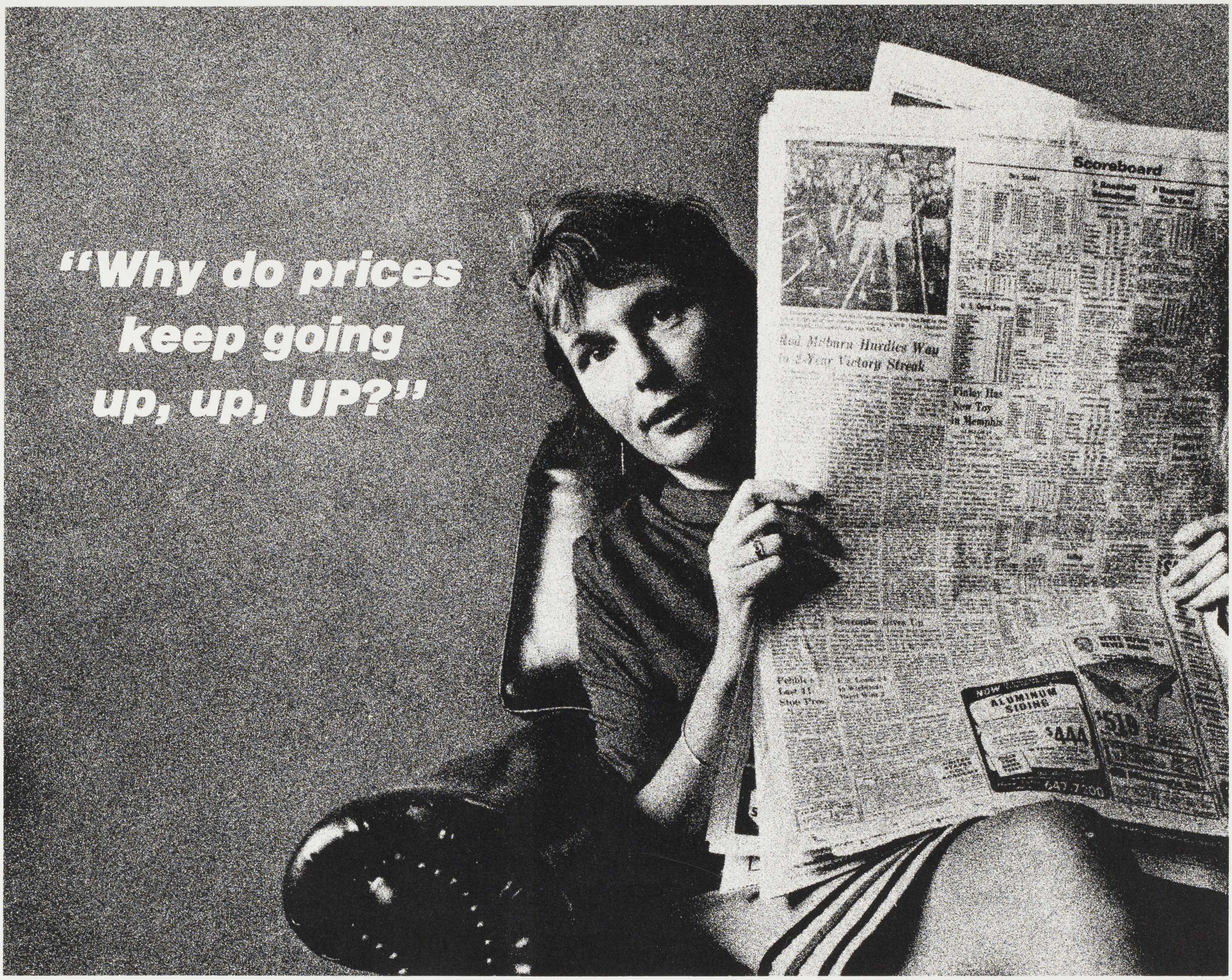
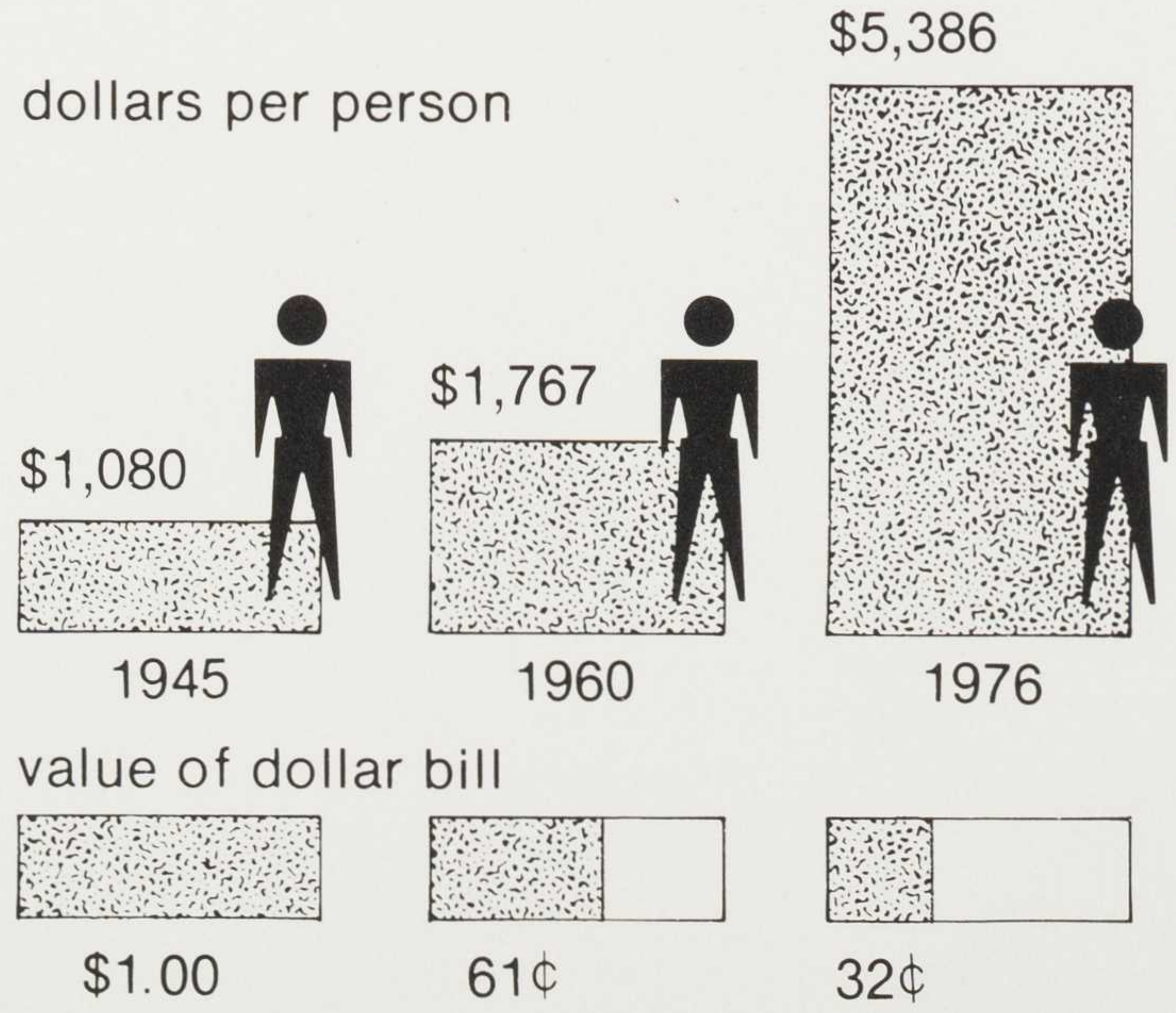


FACT:

as the "money supply" grows, your dollar's purchasing power shrinks.



Source: Federal Reserve Bulletin, U.S. Dept. of Labor

To discover what's making prices rise, you have to know one thing about our "money supply" — the total number of dollars that people and companies have in their pocketbooks, bank accounts and cash registers.

This number of dollars has little to do with our real wealth. But it has a lot to do with how much each dollar will buy. If the volume of goods remains constant and government increases the number of dollars, each dollar will buy less.

Between 1945 and 1976, the U. S. money supply grew from $1,080 to $5,386 per person. But production didn't increase nearly as fast. That's the chief reason why a 1976 dollar will buy only as much as 32 cents would in 1945!

The average person now has almost 5 times as many dollars to buy things with as he had in 1945. With all those dollars bidding for a limited amount of merchandise, prices just have to go up. How can we keep prices from rising? Our government has to stop increasing the money supply and we have to start producing more goods.

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