have to look overseas. The first place to look is an ornate building on Washington, D.C.'s Constitution Avenue.

Government policy to blame

In that building you'll find the offices of a man named Paul Volcker, the chairman of the Federal Reserve Board.

Volcker was recommended to President Carter for the powerful Federal Reserve chairmanship by his fellow bankers because he was known as a hard-money man, a man who wouldn't hesitate for a moment to throw millions of workers out of their jobs if it would help the banks protect the value of their money.

On October 6, 1979, Volcker lived up to his reputation by putting into effect the most drastic credit-tightening mea-

sures in U.S. history. Interest rates on loans soared to the highest level ever and the stock market crashed as these measures took effect. By the end of the first week, $50 billion had been lost on Wall Street.

Volcker, the Federal Reserve and the Carter administration took these actions because they believe in a theory that inflation can be brought down by increasing unemployment. According to the bankers' logic, the way to bring down inflation is not to lower prices, but to take money away from the people so they can't buy anything. Then when everyone is poverty-stricken, prices will fall by themselves.

There's no proof that inflation will be reduced by the deep recession this credit-tightening has started, but Volcker is not afraid to experiment with the livelihoods of 20-30 million working people if the end result will safeguard the largest banks' profit margins. "The standard of living of the average American has to decline," Volcker told Con-