

PLAIN TALK *by Jerome Joachim*

United States Senator George W. Malone (R., Nev.) said recently that, with the world situation as it is, Congress is facing the grave and immediate responsibility of preventing the actual collapse of the American economic system.

"We are nearer the brink of destruction than most people realize," the Nevada Senator said, "as a result of socialistic legislation, gigantic give-away programs, deficit spending, and an international policy designed for the benefit of others, all master-minded by friends of communism within the government."

Senator Malone continued: "Is it not possible that the cost of more than our economy can stand—the cost of carrying on our domestic governmental functions, including the several highly expensive socialistic programs, plus the war in Asia, plus mobilizing and arming the Western nations, plus further financial gifts to so-called Marshall plan countries? There is the danger that we may be spending ourselves into destruction (which is an avowed objective of Soviet Russia).

"In international dealings, there is the political and military sphere and there is the economic sphere. After World War II we threw away all political and military advantages; we hurriedly moved out and left vacuums, virtually inviting the Soviets to move in and take over. Any military bases subsequently established in foreign countries which have become self-sufficient are an asset only so long as the people of those countries are on our side. The people of the countries which have received our money cannot have much respect for those who must buy good will. It is a form of blackmail payoff, not conducive to a feeling of trust and security on either side. We may conceivably spend ourselves into destruction, only to find that countries we believed would be fighting with us in any shooting war had been made impotent through a capture of the people of those countries in the realm of ideas long before the shooting begins.

"Strengthening our defenses could easily weaken and, if carried too far, actually destroy the economic strength of the nation. The Congress should use as a yardstick on every piece



of prosed legislation this question: Will it serve to reinforce our economic strength?

"We cannot strengthen our national economy if we permit the continuation of administration attacks on American industry. These attacks have come through government regulations and taxes so designed as to eliminate initiative and venture capital and a foreign 'free trade' policy so designed as to curtail domestic production. Some of the administration officials are now talking about impending shortages. Such shortages can be charged to the attacks on American industry.

"We cannot strengthen our national economy by spending beyond our means. There is talk now of a 50-billion-dollar military budget, and some place the probable total budget as high as 96 billions of dollars annually. Taxes alone could not provide such a huge sum. (Pay-as-you-go talk by those not suggesting deep cuts is nonsense.) Furthermore, such a program cannot be financed through deficit financing operations without causing a deadly form of currency inflation which on such a scale would destroy our money and with it our economy. Controls are not the answer; they merely delay the day of reckoning.

"There are two types of inflation—one which merely hurts until adjustment is made, the other which kills. Deficit financing on such gigantic scale as suggested would bring on the deadly type. History shows that invariably, after suffering a long period of this deadly type of economic illness, the economic system of a nation lingers and dies. This signals the end of an epoch. And after long confusion and suffering, accompanied by civil strife and sometimes bloody revolution, a different economic system emerges. (This is what the Communists are counting on.)

"The United States is today faced with the danger of this deadly type of economic illness. Only the ability on the part of Congress to say no can save it from such a fate. We must cultivate the ability to say no to the designing enemies of the American way of life, and a loud no to the thoughtless administration officials who are continually asking for millions and billions for all manner of things."