

All-stars, from page 10

won the league scoring championship this season.

Of Migneault's selection, Drake said, "I guess when you play for a last-place team, get a lot of shots against you, come up with a few big saves, it makes you look pretty good."

Of Henwood - "Actually, it's a lot tougher playing for a really good club - you have to keep yourself sharp, and concentrate when you may not be that busy for a while, and you play under a lot more pressure... in a lot more pressure games."

Gymnasts, from page 10

Drake also thought Bears hardworking center Bruce Crawford deserved consideration, at least on the second team, instead of Jackson.

Jackson is widely known as a one-way player, and his lack of defensive effort and ability are a joke, even in his home rink.

Ironically, Saskatchewan, who finished at 4-20 had two players chosen, while Alberta, with exactly the opposite record, had only one more.

Bears face very stiff competition from the host University of Manitoba Bisons.

In women's competition the Canada West team will be up against a very strong Ontario University Athletic Association squad which includes three national team members from York University.

"There's no such thing as a free lunch."

It's a dull term, but something called the "public debt" has been piling up for years because our tax dollars haven't come close to paying for all of the services and programs we've been demanding. In fact, just the annual interest charge on this debt recently hit a cool \$29 billion. Nevertheless, many politicians say, "Relax, Uncle Sam can simply print the money to cover the cost." Not so, as this story from The March Reader's Digest makes clear. For with skyrocketing prices people stopped buying. And now we've got recession. How to get out of the mess? Read on...

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us. Government may print money, but this is only the symbol of wealth. Real wealth is the value of the goods and services produced by working men and women. It is their pay for making cars, houses, clothes, books, furniture and all the other myriad things we are accustomed to. Government depends upon this wealth that we create, and takes from each of us a portion of it through taxes and other revenues.

Last year we paid out \$255.4 billion in federal taxes. Unfortunately, the government not only spent all this money; it kept right on spending, doling out \$3.5 billion more than we gave it. And it has generally done the same for years—spending \$66.8 billion more than income in the five years 1970 through 1974 alone.

That is where the trouble starts—when we, as electors, allow government, often for individually persuasive reasons, to spend dollars it doesn't have. It goes into debt.

But government and the average citizen go into debt under different rules. Government is the dominant borrower in the market, both from individuals (mainly through selling savings bonds) and by depositing IOUs with banks, then writing checks against them. Result: We taxpayers have to pay various banks and other lenders some \$29 billion in yearly interest on the public debt.

And that's why we are in trouble. We pay all the government's bills, and we bear the burden of those bills

government incurs after our tax money has run out. We pay by shelling out that secret tax that adds ten cents to a pound of bacon, \$5 to a pair of shoes, \$20 to an electric stove.

Now this is the part of inflation that most of us don't fully understand: How the government's indebtedness pushes up the prices of the things we buy.

It works this way: We can't print money to cover our own debts. The federal government, however, can; through a complex procedure called "monetary policy," the Federal Reserve creates dollars and transfers them to banks. The banks make loans from these new "assets." Thus, money is "pumped into the economy"—money that was originally nothing more than the figures on a Federal Reserve check; soon more currency has to be printed to cover the new dollars. Many of these dollars originate through bank loans of various kinds. They find their way into the economy through various commercial transactions. But who has established the need for these new dollars in the first place? We have—through the many things we ask government to "do" for us; through loans and grants to businesses, schools, research groups; through "aid" programs of all kinds. Remember, most of these deficit dollars have not been earned by producing anything. They merely compete with our paycheck dollars for whatever goods and services we and others have produced. Result: The



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Government spending that keeps on even after it has used all your tax money is a major force driving up the price of everything from hamburger to houses. Only you can make it stop

THE "SECRET TAX" AMERICA CAN'T AFFORD

EVER wonder why you feel poorer even though you're probably making more money than your father ever dreamed of? You finally bought that house. You drive a nice car. Maybe you're making payments on that boat you always wanted. But why did that new tile in the kitchen cost so much more than you expected? Why did the bill for that washing-

machine service call take your breath away? Why do expenses now seem to exceed income?

There is an easy one-word answer to all these questions—inflation. But do we really understand what inflation is, and why this "secret tax" keeps chipping away at our paychecks?

Many factors have exacerbated this dollar-dissolving inflation—the energy crisis, crop prices, excessive and ill-advised government regulation, wages outrunning productivity. But the basic cause of inflation is one that most Americans seem largely unaware of: *spending money that hasn't been earned yet.*

In short, inflation is the creature of debt, and the most inflationary kind of debt is the one we—under our democratic system—are the most responsible for: the public debt. The officials we elect run up this debt to provide the loans, goods, services and programs that we have come to believe should be "paid for by government."

We forget, of course, that "paid for by government" means paid for by

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oldest of economic laws takes effect. With more money around than available goods, prices rise—and inflation is upon us.

Okay. Everybody talks about it. Almost everybody feels it. But what can we do about it?

Certainly, increased productivity—each of us producing more for the dollars we earn—is one of the most effective counters to inflation. Many businesses and dedicated workers have performed amazing feats of productivity, enabling them to increase their wages and profits while cutting the price of their products to remain competitive.*

But productivity increases cannot indefinitely make up for the steady cheapening of the dollar brought on by the government indulging legislative whims with more "thin air" money. It's time for some tough decisions in Washington. Decisions that will not be made unless citizens—businessmen, farmers, workers, housewives, pensioners—demand them and are willing to accept the sacrifices that must be made.

Particularly in times such as these, no one would deny the use of federal resources to take care of the truly needy. And to alleviate the rigors of recession, job programs and other relief may well be essential. But with additional costs, it is even more imperative that the rest of the budget

be kept under control so we do not wind up compounding the inflation which brought about the recession in the first place.

If we expect government to cut spending, however, *we must all cut our expectations of government.* Businessmen seeking special treatment to pull them out of a hole dug by their own inefficiency must make do with their own resourcefulness. Special-interest groups must stop and consider the overall effects of their requests upon government, and thus upon inflation. Citizens must realize that government installations may close in *their* area. Because the money is not available, certain non-essential programs may have to be delayed or even discarded.

We, all of us, are trying to hold the line on spending at home, and we should expect government to do the same. We only fool ourselves if we think real progress can be made without getting the government's fiscal engine back in tune.

And remember, *we* are the government. That's why we can do something about inflation—if we have the sense to discipline ourselves and the ingenuity to get more out of the considerable human and material resources we already have.

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*See "Whatever Happened to the Nickel Candy Bar?" The Reader's Digest, February 1975, page 42.

This message is prepared by the editors of The Reader's Digest and presented by The Business Roundtable.