

Dollar and All Other Such Money May Be on Road to Obsolescence

A billion dollars is not as much money as we may think it is. Neither is a trillion, or even a million. In fact, the dollar itself is not so much any more.

"In only four decades the buying power of the dollar has decreased nearly 75 per cent," says E. C. Harwood in a bulletin of the American Institute for Economic Research. "From the savings, life insurance assets and pension funds of Americans more than \$1.1 trillion has been subtly embezzled by the inflation process."

Back in 1913, an eccentric rich man named Jonathan Holdeen calculated that one cent invested at 4 per cent interest for 1,000 years would grow to the sum of \$1,000 trillion. He created 186 trusts to run for 500 to 1,000 years on that basis, but recently the IRS tax court knocked them apart, apparently because it wasn't getting its share of the increase.

Just how much is a billion dollars? The Farm Bureau News sums it up this way.

One billion seconds ago the Japanese bombed Pearl Harbor. One billion minutes ago was a world 40 years after the death of Christ. One billion hours ago man had not set foot on the face of the earth. One billion dollars ago was yesterday.

That last sentence refers to the budget proposed by President Ford for FY 1976. It calls for spending \$349.4 billion in the 12 months beginning July 1, 1975. That is nearly \$1 billion a day, seven days a week.

Just what can you buy with a billion dollars? In a way, you could buy a lot and by other standards, not very much. A billion dollars wouldn't make a dent in our national debt, but it would pay off what most of us owe and leave a healthy fortune, even after taxes.

Right now, the richest nations are the 13 members of the Organization of Petroleum Exporting Countries (OPEC), whose oil revenues are estimated to total \$125 billion a year. If they pooled their cash and brought it to the United States, it has been calculated that they could take their choice of these items:

Buy the entire U.S. farm crop;

Buy all the stock in the 30 biggest industrial corporations

Buy all the steel produced in the U.S. for 4½ years;

Buy all the cars and trucks produced for 3½ years;

Pay for all plant and equipment outlays for one year; or

Buy 3,200,000 private houses.

We might not need to worry much longer about piling up a billion dollars or a million dollars in one stack. John M. King, international trade authority, told a Colorado chamber of commerce that the world will be forced to switch from currency to worldwide commodities bargaining markets.

"Paper, gold and the whole works is going out the window," King said. Gold, which he noted "you can't eat, you can't burn, and you can't make anything out of," will be replaced as the basis of wealth by actual, real assets.

If we replace our monetary system with another basis of exchange, some of us must modify our prejudices and update our thinking. For example, a nationally circulated news letter just a few days ago offered this comment: "All U.S. bonds are safe investments."