

Inflation Impact Ironic Overseas

A READER from Duncan calls attention to the ironic effect of inflation on American soldiers living in foreign countries.

Their salaries are high compared to military pay in previous decades, but the declining purchasing power of the dollar has plunged lower-ranking personnel back below the poverty level.

The Stars and Stripes publication, in a series of articles describing the plight of servicemen, says the dollar is worth only 60 percent of what it was worth in Germany in 1970.

Prices have been going up there, too, and economists say that is what inflation is. When coupled with reduced exchange value of currency, effects are magnified.

Military personnel who have their families with them usually must exchange substantial portions of their pay for marks to pay for food, rent, utilities and other expenses. Tourists have been running into the same kind of problem.

Stars and Stripes cited a case where a soldier and his family were

paying 450 marks (\$208) for a one-room apartment. He wanted to send his wife and two daughters back to the United States, but they didn't have any place to return to.

The family car is another problem in Germany. Liability insurance for low-ranked military personnel is reported to cost \$550 a year, higher than officers and civilians must pay.

A private first class said he was spending \$25 a month for gasoline for his 18-year-old Volkswagen and \$45 a month for insurance. He said he bought the car because of his family but that he couldn't afford to keep both of them. "I can't keep my family here and have the car; one of them has to go," he said.

A lot of residents of the United States might have similar feelings although the problem might be two or three cars.

Effects of inflation on our standard of living and our way of life are extensive. Economists have pointed out repeatedly that it is not just how

many dollars you might have, but what they will buy that matters.

People tend to forget that money is merely a means of exchange, a measure of values by which productivity of one person may be bartered for productivity of another person.

"We could support our falling dollar and help the farmer by backing some of our money with wheat," writes a Norman subscriber. "Let the Treasury issue a bill for a peck of wheat for each dollar turned in for redemption. That, literally, would give us eating money and it would set a price of \$4 for a bushel of wheat."

Restoration of the barter system would not be that simple, but the idea of re-establishing the value of money on the basis of real services, real commodities and real products has merit.

Unfortunately, many people either are low producers or are non-productive in the sense of real values. They would lose in any solid evaluation of their services to society.