

'Pay Your Bills Week' Meaningless

THIS WEEK, February 4-10, has been chosen by those who make designations as "National Pay Your Bills Week."

People don't pay much attention to it, because for most every week is "Try to Pay Your Bills Week." The occasion is observed by the American (Bill) Collector's Association and members of Debtors Anonymous societies that have sprung up here and there.

Every month in Washington, the Federal Reserve Board announces that consumers have gone into debt an additional \$3 billion or so. The purpose of this may be to provide solace for the federal government, which has made ends meet only twice in the last 20 years.

Down the street, the Labor Department claims that inflation has boosted prices again, justifying another round of wage increases.

In a third mammoth marble monument to bureaucracy, the Commerce Department reports that personal income increases have outpaced inflation and will provide a cushion against the predicted recession.

Interest rates go up again, but

that doesn't convince consumers that now is a much better time to save money than it is to borrow money. They keep on spending faster than they're lending.

Of course, consumer spending receives a great deal of encouragement from businesses, industries, and lending institutions. Some retailers are said to make more net from interest on revolving charge accounts than they do on the merchandise they sell.

Other merchants avoid carrying accounts by making deals with credit card banks or firms. They don't mind adding 2 or 3 percent on to their gross profit to pay their part of the carrying charge, but few of them will take it off for those who pay cash.

Perhaps Americans save a smaller proportion of their incomes than workers in other countries because of fear that their purchases might cost even more next year. They guess that inflation will go up more than interest rates, and they could be right.

Some economists argue that consumers may be going too far into debt, using a "debt-burden barom-

eter," which calculates consumer debt repayments as a percentage of after-tax income.

Consumers tend to figure debts the other way around. If they can make the down payment and work the installments into their weekly or monthly incomes, they may ignore prices and interest costs.

The fact that mobile Americans move around, leaving behind at least \$1 billion a year in unpaid debts doesn't seem to worry either merchants or consumers. Bankruptcy is no longer a dirty word.

Just as President Carter told the nation in his State of the Union message: "We cannot afford to live beyond our means, to create programs that we can neither manage nor finance."

The budget submitted to Congress calls for doing it again!

Some 200 years ago, Benjamin Franklin wrote in "The Way to Wealth:" "But ah! Think what you do when you run into debt; you give to another power over your liberty." Now there's a man who would have approved of "National Pay Your Bills Week."