

PRESIDENT: The Chair has recognition lights on for Senators DeCamp, Hefner and Vickers. Senator DeCamp.

SENATOR DECAMP: Mr. President, we're all going through a painful time and sometime we seize at simple explanations as to what is causing it. Sometimes if we understand a little bit better how it all came about it makes it, not any less painful, but a little easier to accept. And I'd like to maybe just deal for a few minutes with how it all really kind of came about and why it can't simply be wiped away with this bill or an explanation that the foreign banks did this or anything else and to do that I'd ask your indulgence for just a second. Just imagine these three cups I have here, these three white cups represent all the goods and services and products and tractors and land and all the property in the United States. And over here we have \$3.00 representing all the money printed at a particular point in time in the United States. So each cup represents \$1.00 and over the next year's period of time imagine that all the goods and services and new products and everything else produced in the United States is one additional cup. Now we're up to four cups, but during that same year when we got up to four cups we printed, instead of one more dollar, we printed, the Federal Reserve printed and put into the economy through loans and everything else, we printed \$2.00 so now we've got \$5.00 and only four cups. We have more money chasing fewer goods and so each cup instead of being worth a dollar is now worth \$1.25 or whatever it comes out to. That's called inflation and for about ten or fifteen years that is exactly the policy of the United States. We printed more money than we increased the goods and, therefore, the money available for the same quantity of goods resulted in inflation. With deregulation we simply allowed, through the Federal Reserve, the amount of money to be printed only to balance the amount of goods produced. Now what happened when we did that? When we did that, since we were limiting now the amount of money available instead of printing it in unlimited amounts, when we did that you had now more people competing for money and consequently to get that money, two people wanting the same dollar, they had to pay more interest. And so you just kept letting it run up and so it got up to 22, 23 percent before you achieved that balance. That's all that occurred. However, when that occurred, you all know the net effect. The net effect is incredibly high interest which translates to inability to