

sion" came to pass in these United States. Other depressions have had their moments before, and since, that of 1837. Because this nation has survived all previous depressions there has come to our people the naive conviction that such financial catastrophies are merely "those things" which are inevitable, except insofar as the Whigs were held to be the guilty cause—except insofar as the Republicans are now held to be totally responsible.

Unfortunately, our statesmen (?) do not study economic history. "Muddling through" has been our only corrective process—a procedure which has come to us by inheritance from our ex-Mother Country. We bull-headedly adhere to our expert muddling, and to sustain our reputation for rationalism we have built up a system of economic education which persuades our innocent school children that depressions are merely unavoidable "things."

The story is old. The circle is monotonously the same at all times, and we dislike even to increase the diameter of the circle so that we may experience a broader field of reason. In some respects we have performed remarkable acts. We have even invented a one-ton machine which can solve nine simultaneous equations, involving nine unknown factors, in one simple operation; yet we still adhere to the fetish of money-wealth as doggedly as does the native of Yap to his coin made from stone, circular in form, as much as twelve feet in diameter, weighing about two tons and holed in the middle like a Life Saver mint.

From 1820 to 1837 this nation increased enormously in population and in wealth. By 1835 every cent of the national debt (\$90,000,000) had been paid and there was a surplus in the public treasury. There began the era of road-building. The construction of the Erie Canal resulted in reducing the cost of freight transportation from \$21.50 to \$6.50 per ton. Railroad trackage increased from 23 miles to 1,273 miles in only six years. Steamboat tonnage increased nearly 600 per cent. The cotton crop doubled as well as its price. Our people envisioned a new El Dorado in the west and the land-boom began. Speculators bought these western acres at \$1.25 each, until the land sales of Government areas jumped from one and a third millions to nearly five millions of dollars in the next ten years; in five more years they had skysocketed to twenty-five millions of dollars; and *all* on fictitious values. Prices became so inflated that money was scarce. The mobs in the streets of New York began to shout for cheap food, seeking to attain their demands by destroying a great flour warehouse as the mob-method for making flour cheaper.

The cold grey dawn of the morning after had come.

Banks became forced to suspend payment. Business houses, great and small, became insolvent; widows and heirs had trunks full of worthless stocks; hard money disappeared; barter became necessary for many—shoes were bought by soup-tickets or whiskey-chips.

Such is the brief story of the depression of 1837.

We are still at it.

Muddling through.

Experts.

TAXATION CLARIFIED

In a certain spot on the Atlantic seaboard nestles an ancient community—the birthplace of rugged hewers-of-wood and sturdy drawers-of-water, of old-time brewers of rum-and-molasses, of sun-tanned and weather-worn stalwarts who went down to the sea in ships, of solemn-visaged scholars who builded the foundations of "larnin" now grown to an "Educational Octopus," of the democratic town-meeting and the institution of voluntary contributions to the cost of government. Here was created the much-prized Block-Island-feather beds, low-posters and high-posters, appropriate to shin-length, ballooning, nightgowns woven on rude hand-loom for the powerful frames of he-men.

Once having drawn the breath of life, this people grew in numbers and taxes with the fortitude of a no'theast blizzard, and equally indiscriminate.

The multiplication of people and taxes, in utter abandon, has its fruits, a fact which this people came quickly to realize—after three hundred years. In consequence, the duly elected senators and representatives resolved, in 1936, to cope, once and for all time, with the tax-blizzard. In 1937 their committee-on-taxation, reinforced by governmental executives and industrial experts, tendered their reports.

Of the fourteen members, which graced the committee, eight signed the majority report, *but* two of the eight also submitted minority reports, *and* four of the eight also submitted "individual supplementary reports." The fortitude of the no'east blizzard still survived.

One of the minority reports is a "stinging indictment of the other members" and recommends that the work be done over. It tosses out such intimate niceties, about the majority-member activities, as "insignificant" . . . "has not been done" . . . "no attention whatever" . . . "perfunctory dabbling in the muddy waters of opinion as presented by ill-informed or selfishly interested persons" . . . "failed to fill the aims" . . . "unworthy of mention" . . . "no reasonable effort made" . . . "nullify its own procedure."

In majestic unconcern over minority protests and supplementary reports, the majority members terminate the year's deliberations by recommending the licensing and taxing of illegal betting-pools—increased taxation upon horse and dog race-tracks—decreasing real estate taxes to 2½ per cent maximum—increased taxation on water-craft consumption of gasoline—the taxing of savings bank accounts which exceed \$4,000 each—increased taxation on "intangibles"—increased taxation on motor trucks from foreign states—*but*, disapproves the sales-