

By ROBERT CLANCY

In the olden days, when religion was taken seriously, there was a word that was not mentioned in polite society—the word for the bad place where bad people wound up. Nowadays, when economics holds the stage, there is a new word, utterance of which has all the impact of profanity. It is the name—or number—of the year when the you-know-what started.

Recently, on a radio forum, the new federal tax program was discussed in relation to prosperity. Among the participants were two prominent economists and a representative of the American Federation of Labor. The P.E.'s were pointing out that taxing away capital for investment prevents industry from expanding and—from providing jobs. (If only the P.E.'s knew when to stop!) The A. F. L. man demonstrated that he was not grounded in the new etiquette. His voice was somewhat uncultured, adding to the uncouthness of his remarks. (I am quoting, ladies, you will excuse me.) "In 1929, as much as 15 per cent of the national income was used for capital investment and still we had the depression. How do you account for that?" There was a delicate silence. Then P. E. No. 1 saved the situation: "Well, by 1932 capital investment was down to  $11\frac{1}{2}$  per cent, which was no doubt a factor in prolonging the depression." The unmannerly A. F. L. man persisted: "If we cut taxes to again permit 15 per cent of the income for investment, can I promise the men in the A. F. L. that there won't be another 1929—or that it will be postponed?" With a good-natured patience that did him credit, P. E. No. 2 replied, "I can promise you that it will be postponed."

Gentlemen, now that the ladies have left the room—

The shadow of 1929 dominates our thinking today—yet discussion of it is discreetly avoided. What happened *before* and what happened *after* may be discussed—but not that fateful year. One school of P. E.'s proposes a return to 1925-1928, the other school proposes a continuance of 1933. Neither school will face the period in between. After all, economists are only human—and 1929 is the hell of which modern man is most afraid.

A word in defense of the theologians—they could tell us how not to go to hell. Economists, not having learned *Progress and Poverty*, can't tell us how not to go to 1929.