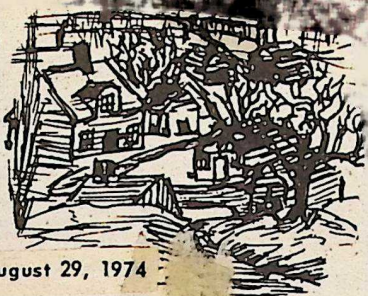


Village View by Andrea Leonard



VILLAGE ADVERTISER August 29, 1974

Everyone's worried about living costs today, and wondering how much higher prices will climb and what they'll be paying for food, housing and clothing next year at this time.

And well we may worry. Those who remember the Depression years of the '30s have a haunting fear those dreaded days may once again waste the land.

Younger people, who've never known doing without, wonder what troubles us. "What was the Depression?" they ask. "What made it so bad?"

How can you explain to a young adult, who wasn't even born until the late '40s, what Depression Days were like?

What, they want to know, was a bank failure? What caused it? How were fortunes lost on Wall Street? Why were there no jobs? Can it happen again?

We don't know. Will it happen again? We don't know.

Today we have inflation. Forty years ago we had deflation. Pay checks got smaller and smaller. A man earning \$150 a week watched his weekly pay dwindle to \$90, \$80, \$60.

Less and less money circulated, week by week.

When banks were closing everywhere, no one dared cash a check for someone else. It might not be good by that afternoon.

Instead of cash wages, people were forced to accept "script", a promise to pay, someday, in dollars. The script wasn't acceptable in exchange for goods and services, so people tried to live on credit until they could redeem the script.

January and February, 1931, saw 82 bread lines, handing out 85,000 meals of hot soup and crackers, each day, in New York City alone.

Family dinner tables fared little better. Treats were gone. People filled their stomachs with turnips, corn bread, potatoes, salt cod, salt pork, cheap plain food that sustained life but didn't satisfy appetites.

Gardening became important to survival. What you raised, you didn't have to pay for.

Cityfolk, dreaming of raising food for their families, headed for the country and started gardens. Farmers, penniless and hungry, streamed by the thousands to cities, deserting the land, having no money for seed or fertilizer.

Ten dollars purchased a child's back-to-school wardrobe -- if you could find the ten dollars. Many family-incomes for a week were little more than that. Schools purchased milk direct from dairymen to save middleman costs; it was free to children who got none at home.

Housewives performed "make-do" magic with needle and thread, patching and repatching worn clothing, darning and redarning socks, turning collars and frayed cuffs, recycling hand-me-downs.

Economizing was everyone's way of life. Smokers who were hooked rolled their own. Razor blades were resharpened. Smaller dimmer bulbs replaced large bright ones. No light burned unnecessarily. Bread, milk, sugar, butter -- all were rationed out among family members.

Jobs were hard to get and harder to hold. If a job were available, finding proper clothing

Today, some say, the banks can t fail, for the government can just print more money and back up the insured deposits.

True. But printing more money is super-inflationary. In other countries, when governments have printed money to meet banking emergencies, it's not long before it takes a wheelbarrow of money to buy a loaf of bread.

Which is worse?

We are fortunate at this time for bank interest rates are controlling inflation to some extent. It's true the unemployment rate is climbing. If the price of controlling inflation is a high unemployment rate, however, we'd be wise to pay the price, now.

The country is not impoverished. There are provisions for meeting the minimum needs of the unemployed -- but only if prices can be kept at a reasonable level.

Our first concern must be to get our economy back on an even keel; the alternative is runaway inflation.

Price controls is not a solution; producers of goods will export to other countries at higher prices than are obtainable at home if prices here are controlled. That will lead to serious shortages, create a tremendous demand for necessities, and result, ultimately, in a black-market in price-controlled goods.

Shaking down our economy to the point we're on a pay-as-we-go basis is the only way to stabilize our money. If it means cutting federal spending for social programs, for military and defense programs, for government payrolls -- and if it means even longer lines at the unemployment offices -- we must endure that until we balance our budgets and get industry back on it's feet, rolling again.

One person can't do it. All of us need to hitch up our britches, tighten our belts and start practicing ECONOMY. Tell YOUR Congressman how you feel about it!