

Portland
Opinion
Observer

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Blame the Government for the Great Depression

By LAWRENCE W. REED

The bottom dropped out of the stock market on October 24, 1929, thereby earning that date the historical moniker "Black Thursday." Thus began the longest and deepest economic decline in U.S. history.

Oregonians endured the hardships of the economic malaise, though the state was not hit to the same degree as others whose dominant employers were auto, textile, and steel companies. Even so, Governor Meier summed it up in 1934, "Oregon is dead broke."

As we approach the anniversary of Black Thursday, the question

looms: could we experience another economic calamity of such magnitude? The answer: only if we allow government to pursue the same ruinous policies it imposed during the 1920s and 1930s.

Throughout the 1800s and prior to the Great Depression, Americans experienced at least six major economic downturns. Most were over in two years, none lasted more than four. The common thread linking them: disastrous manipulation of the money and credit supply by government.

Most economists now understand that the stock market did not

cause the 1929 crash. The crash was a symptom of wildly erratic shifts in the nation's money supply. The Federal Reserve System was the primary culprit, having stimulated a boom with dirt-cheap interest rates and easy money in the early '20s. By 1929, the central bank had jacked up rates so high that it choked off the boom and forced a reduction in the money supply by one-third between 1929 and 1933.

Like the serious economic downturns before it, disastrous manipulation of the money supply sparked the Great Depression. However, the Great Depression lasted 12 years — three

times longer than any of its predecessors — because the government compounded its monetary errors with a series of harmful interventions.

In 1930, Congress took a recession and turned it into the Great Depression. The Smoot-Hawley Tariff Act, the most protectionist legislation in U.S. history, raised tariffs so high that America's borders were virtually closed to foreign goods. A vicious international trade war commenced, setting the stage for World War II.

President Hoover signed the Revenue Act of 1932, which doubled the income tax for most Americans.

To make matters worse, exemptions were lowered; the earned income tax credit was abolished; corporate and estate taxes were raised; and new gift, gasoline and auto taxes were imposed.

Democrat Franklin D. Roosevelt campaigned against the Republican Hoover on a platform of less government. Unfortunately, when the victorious Roosevelt took office he gave America much more. His New Deal enacted new taxes, raised old ones (he once proposed a 99.5 percent tax rate on incomes over \$100,000), punished investment, and smothered business with red tape and regulations.

The Portland Observer

USPS 959-680

Established 1970

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POSTMASTER:

Send address changes to

Portland Observer

PO Box 3137

Portland, OR 97208

Periodical Postage
paid in Portland, OR

Subscriptions are
\$60.00 per year

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Close The Book On Hate

By MARIAN WRIGHT EDELMAN

Barnes & Noble, Inc. and the Anti-Defamation League have begun "Close the Book on Hate," an innovative joint campaign meant to help break the cycle of hate through reading.

The campaign's goal is to gain respect for all types of differences, and especially to fight racism, anti-Semitism, and homophobia. "Close the Book on Hate" is using books and related programs held at Barnes & Noble store to give children, parents, teachers, caregivers, and civic leaders new resources to combat prejudice and discrimination in America, and in doing this, the campaign is finding new ways of teaching one of the crucial lessons all of our children need to learn.

Black parents and parents of children from other minority groups have always understood first-hand just how pervasive hatred and prejudice still are in our culture.

What Black adult cannot regurgitate the feelings of rage and resentment we often felt from having to "stay in our place," watch our words, cover our backs, and hide our fear in segregated America? What parent is not utterly devastated by being forced to watch his or her child undergo similar experiences? Any adult who has comforted a child who was teased or hurt because something about her is "different" understands how early prejudice and hate can leave emotional and physical scars. And anyone who has seen these hurtful behaviors coming from children knows how early children can absorb the prejudice and hate from the adults around them.

Fortunately, the opposite is also true: just as children learn negative lessons about difference in their homes and communities, they can learn acceptance, tolerance, and celebration of diversity the same way. Teaching tolerance and respect early and repeated is so important. The "Close the Book on Hate" campaign is showing children how they can learn to appreciate and respect the differences between themselves and others.

A Key feature of the campaign is the league's innovative new book "Hate Hurts: How Children Learn and Unlearn Prejudice." co-authored by Caryl Stern La-Rosa and Ellen Hotheimer Bettmann and published by Scholastic, Inc., the book is a guide for adults and children. It contains practical tips, role-playing suggestions, and other advice for teaching children of all age levels on how to respond to differences in positive, constructive ways; how to identify and address unacceptable behavior; and how to respond to other people's prejudice in ways that preserve their own well-being and self-esteem.

"Hate Hurts" is available in bookstores. Barnes & Noble stores around the county will have special displays featuring "Hate Hurts" alongside other works of fiction, non-fiction, photography, and poetry for children and adults emphasizing the importance of valuing diversity. Barnes & Noble stores will also be distributing the campaign's free brochure Close the Book on Hate: 101 Ways to Combat Prejudice which gives tip on how to fight prejudice at home, in schools, at the workplace, in religious congregations, and in the larger community. It also includes response strategies that can be used when acts of bigotry happen and suggestions for how communities can plan ahead to see that these incidents are recognized and are never tolerated. Finally, it features a reading list of books for children and adults—the same kinds of excellent books, which will be featured on the store displays.

The Children's Defense Fund is just one of many national allies supporting this important campaign, and we applaud Barnes & Noble and the Anti-Defamation League for their partnership and vital work. Teaching our children to treat others as they wish to be treated is one of the most fundamental values we adults can pass on. We would have a different country and world if this lesson was learned and followed. This campaign is a wonderful step in teaching this lesson and closing the book on hate for good.

Implications of the Middle East Crisis

By THE REV. JESSE L. JACKSON

Innocent lives have already been lost in the Middle East. The escalating spiral of violence and hatred has begun again. Even as we urge the leaders of the region and the world to act now to end the violence before it is too late, we must not ignore the implications of this crisis.

The human tragedy that would occur if this crisis escalates is beyond estimation. In the modern world, this is not simply a regional crisis, but a global one. Oil prices are already spiking across the world. If the violence escalates, it will take a toll not only on those directly involved, but also on people across the world. As economies are hit with the increased price of fuel, the poorer countries and the poorer people in all coun-

tries will suffer the most.

Our country needs to make a fundamental commitment to development of alternative energy sources, greater energy efficiency and conservation. For too long, the Congress has blocked sensible progress in this area. And surely, the nation needs investment in alternative energy and conservation, far more than the wealthy few need another tax break.

Second, if yesterday, one-sixth of our Social Security savings were in the market, the losses would have been staggering. With the same investments, someone lucky enough to have retired at the market's high would have a far more secure retirement than someone unlucky enough to retire at the market's bottom which is not yet in sight.

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