

FISCAL POLICY  
AND  
BUSINESS CYCLES

---

FISCAL POLICY  
*and*  
BUSINESS CYCLES

---

*By Alvin H. Hansen*  
HARVARD UNIVERSITY



*Publishers*  
W · W · NORTON & COMPANY · INC ·  
*New York*

Copyright, 1941, by  
W. W. NORTON & COMPANY, INC.  
New York, N. Y.

PRINTED IN THE UNITED STATES OF AMERICA  
FOR THE PUBLISHERS BY THE VAIL-BALLOU PRESS

---

## CONTENTS

---

INTRODUCTION

vii

### PART ONE. TOWARD AN UNDERSTANDING OF THE THIRTIES

|   |    |
|---|----|
| I. THE THIRTIES VIEWED AGAINST THE BACKGROUND OF EARLIER CYCLES | 13 |
| II. INVESTMENT AND CONSUMPTION, 1920-1939                       | 48 |
| III. MONETARY POLICY IN THE DEPRESSION                          | 66 |
| IV. FISCAL POLICY IN THE RECOVERY                               | 83 |
| V. RECOVERY IN GREAT BRITAIN                                    | 96 |

### PART TWO. THE CHANGING ROLE OF A FISCAL POLICY

|  |      |
|--|------|
| ✓ VI. FISCAL POLICY, NEW AND OLD                           | 109- |
| ✓ VII. THE CHANGING CHARACTER OF GOVERNMENTAL EXPENDITURES | 118  |
| VIII. THE TAX STRUCTURE                                    | 125  |
| ✓ IX. THE GROWTH AND ROLE OF PUBLIC DEBT                   | 135- |
| ✓ X. BUDGETARY THEORY AND PRACTICE                         | 186  |

## ✓ PART THREE. FISCAL POLICY AND FULL USE OF RESOURCES

|       |  |     |
|-------|--|-----|
| XI.   | THE CYCLICAL CONSUMPTION-INCOME PATTERN                      | 225 |
|       | APPENDIX: A STATISTICAL ANALYSIS OF THE CONSUMPTION FUNCTION | 250 |
| XII.  | PUMP-PRIMING AND COMPENSATORY FISCAL POLICY                  | 261 |
| XIII. | COMPENSATORY TAX POLICY                                      | 289 |
| XIV.  | THE DYNAMIC VERSUS THE CIRCULAR FLOW ECONOMY                 | 301 |
| XV.   | PRICE FLEXIBILITY AND FULL EMPLOYMENT OF RESOURCES           | 313 |

## PART FOUR. INVESTMENT INCENTIVES PAST AND PRESENT

|        |   |     |
|--------|---|-----|
| XVI.   | THE ROLE OF INVESTMENT IN THE MODERN ECONOMY  | 341 |
| XVII.  | EXTENSIVE AND INTENSIVE EXPANSION             | 349 |
| XVIII. | EARLY FINANCING METHODS                       | 366 |
| XIX.   | THE EFFECT OF THE TAX STRUCTURE ON INVESTMENT | 383 |
| XX.    | THE DUAL ECONOMY.                             | 400 |

## PART FIVE. DEFENSE AND ITS AFTERMATH

|        |   |     |
|--------|---|-----|
| XXI.   | MONETARY AND FISCAL CONTROLS IN WAR-TIME  | 413 |
| XXII.  | DEFENSE FINANCING                         | 424 |
| XXIII. | THE POSTDEFENSE SLUMP                     | 439 |
| XXIV.  | FISCAL POLICY AND INTERNATIONAL STABILITY | 449 |
| INDEX  |   | 457 |

## INDEX

- Acceleration, Principle of, 40, 261-265, 271, 274-288, 296, 298, 328, 359, 362, 364
- Ackerman, C. W., 366
- Adams, H. C., 203
- Agricultural Adjustment program, 85, 123, 124, 214, 216, 217
- Agriculture, in the twenties, 31; investment in, 57; historical role of, 146-152; prices in, 314, 316, 319, 320, 322; stamp plans, 442, 443
- Allen, R. G. D., 250
- Andrews, P. W. S., 332
- Appel, J. H., 366
- Aquinas, Thomas, 109
- "Aufschwungsspanne"; *see* Long waves
- Automobile industry, as investment outlet, 34, 35, 38, 39, 41, 45, 62, 326, 356, 362; in England, 100; and highway construction, 120; financing of, 368-370
- Benton, Thomas, 165
- Berle, A. A., 176
- Bidwell, P. W., 453
- Bodin, Jean, 109
- Bottlenecks, 418-420
- Bowley, A. L., 104, 250
- Bowman, Isaiah, 43, 360
- Buck, A. E., 207
- Budget, federal, 88, 117; in Great Britain, 96-99, 101-105; private vs. public, 186-189; in Sweden, 195, 196, 198; in Denmark, 196-199; in Canada, 199; in France, 199; postdefense, 443; *see also* Capital budget, Debt, Documents, fiscal, Expenditures, Fiscal policy, Taxes
- Buehler, A. G., 203
- Building cycles, 19-27, 29, 57, 58; *see also* Housing
- Business cycles, history of, 13-47; major and minor, 16-19, 29; length of, 18-19; movement of factors in, 49-65; monetary control of, 66-83; and the double budget, 193-195; and the consumption function, 223-230, 234-238, 249, 250; and savings, 242-243; pump-priming in, 261-288; compensatory tax policy in, 289-300; and price flexibility, 315-326; and investment, 316-322; postdefense slump, 439-448; *see also* Building cycles, Corn-hog cycle, Gold production cycle
- Butters, J. Keith, 395
- Capital budget, 189-207; *see also* Budget
- Capital goods; *see* Investment
- Carnegie, Andrew, 366, 372, 379
- Cassel, Gustav, 32, 35, 303, 352, 355
- Central bank policy; *see* Federal Reserve System, Monetary policy
- Chalmers, George, 177
- Chemical industry, as investment outlet, 34; in Great Britain, 100
- Circular flow economy, 284-285, 301-312
- Ciriacy Wantrup, S. von, 27, 30, 32, 34
- Civilian Conservation Corps, 89, 133, 206, 207, 212, 216, 217
- Clark, Colin, 97, 102, 104, 105, 442, 250
- Clark, G. T., 366
- Clark, J. M., 251, 268, 270, 282
- Clark, Maurice B., 372
- Colm, Gerhard, 134, 206, 207, 393
- Colwyn Committee, 102, 104, 136, 153, 154, 155, 157, 172, 395
- Commerce, Department of, 235, 241
- Commercial credit theory, 75
- Committee on National Debt and Taxation; *see* Colwyn Committee
- Committee on National Expenditure; *see* May Committee
- Commodity Credit Corporation, 200, 213, 214, 215, 216, 218
- Commons, John R., 29
- Compensatory spending; *see* Expenditures

- Construction; *see* Housing, Producers' plant, Public construction
- Consumption, definition of, 15; and investment, 48-83, 302, 304-312; deficiency in, 87; and government expenditures, 90, 91, 92, 93; in Great Britain, 101-103; statistical studies of, 230-234; methods of increasing, 298-300, 308; income elasticity of demand for consumption goods, 327-338; *see also* Durable consumers' goods, Consumption
- Consumption function, 102-103, 223-238, 279, 284-286, 289-292, 298-300; stability of, 238-242; and unsatisfied consumer wants, 247-249; statistical analysis of, 250-260; *see also* Consumption
- Corn-hog cycle, 21
- Cost-price structure, 316-323; *see also* Prices
- Crane, Richard T., 377
- Crawford, J. W., 250
- Crocker, Charles, 366, 373, 374
- Crum, W. L., 396
- Dalton, Hugh, 143
- Debt, falling prices and, 29; growth of, 70, 117, 135-185; in England, 98, 105, 112, 135-137, 143, 153, 155-157; early attitude toward, 109-110, 135; in France, 136-137, 145; public vs. private, 139-144; dead-weight, 144-145, 153-154; passive, 144-146; active, 144-146; in Germany, 145; in Sweden, 145; in the United States, 145, 161-168, 363, 446; economic effects of, 152-161; as an outlet for savings, 157, 161; limits to, 168-175; and the distribution of income, 179-185; *see also* Fiscal policy
- Deepening of capital, 354-365
- Deere, John, 376
- Defense financing, 84, 307, 424-438; *see also* Wars
- Deficit, governmental; *see* Budget, Debt, Fiscal policy
- Derksen, J. B. D., 22
- Documents, fiscal, 208-222
- Double budget; *see* Budget
- Douglas, Paul H., 355, 356
- Dual economy, 160, 400-410
- Dunbar, C. F., 164
- Du Pont, 366
- Durable consumers' goods, 15, 50, 51, 62, 64, 320; *see also* Consumption
- Dynamic economy, 301-312
- Eastman, George, 366, 376
- Ebersole, J. F., 332
- Eddy, George, 385, 386, 391
- Education, expenditures for, 119-122, 124, 161, 442
- Edwards, G. W., 112
- Eldridge, M. O., 121
- Electrical industry, as investment outlet, 27, 34, 35, 38, 40, 41, 45; in England, 100
- Employment, fluctuations of, 14; effect of loan expenditures on, 182
- Engel, C. L. E., 250
- Equity capital, 388-394; rate of return on, 396
- Expansion, extensive and intensive, 42-46, 306, 308, 349-365, 380, 381
- Expenditures, governmental, 34, 35, 38, 161-162, 169-171, 307, 312; changing character of, 118-124; productivity of, 146-152; methods of financing, 174-185; cyclical, 362; postdefense, 439-445; *see also* Budget, Defense financing, Fiscal policy, Net income-creating expenditures
- Fabricant, Solomon, 241, 385
- Fairchild, F. R., 204, 206
- Farm Credit Administration, 87; *see also* Federal Farm Mortgage Corporation
- Federal Farm Mortgage Corporation, 81, 215, 216, 240
- Federal Housing Administration, 82, 240
- Federal Land Banks, 81, 211, 212, 214, 215, 216, 240
- Federal Loan Agency, 81; *see also* Federal Farm Mortgage Corporation, Federal Housing Administration, Federal Land Banks, Home Owners' Loan Corporation, Reconstruction Finance Corporation
- Federal Reserve Bank of New York, building cycle study, 20
- Federal Reserve System, 68, 69, 74-79, 176, 420, 424, 425, 437
- Financing, history of, 366-382
- Fiscal policy, 38, 322, 326, 336, 365, 401; in the recovery, 83-95; in Eng-

- land, 96-101; historical development of, 109-117; compensatory, 261-288; in wartime, 413-423; in the postwar period, 445-448; and international stability, 449-456; *see also* Debt, Expenditures, Public policy, Taxes
- Fisher, Irving, 69  
 Fisk, H. E., 137  
 Flynn, J. T., 366  
 Franklin, Benjamin, 177  
 Frick, Henry Clay, 366, 375, 379
- Gallatin, Albert, 167, 168  
 Gardner, Gilson, 366  
 Gilboy, E. W., 250  
 Glass-Steagall Act, 78  
 Gold production cycle, 36, 37  
 Gold standard, 38, 78, 94, 99  
 Gold supply, and long waves, 32, 35-37; and the United States, 69  
 Goldenweiser, E. A., 80  
 Great Depression, 13, 18, 19, 24, 25, 32, 43, 70, 71, 73, 77, 113, 114, 116, 122, 124, 194, 324, 389, 395, 450, 452; recovery in the United States, 84-95; recovery in Great Britain, 96-105  
 Guggenheim, Meyer, 366, 375
- Haig, R. M., 199  
 Hamilton, Alexander, 162-168  
 Hansen, Alvin H., 30, 70, 83, 337, 453  
 Hardy, C. O., 74  
 Harriman, E. H., 366, 374, 379  
 Harris, S. E., 74  
 Harvey, George, 366  
 Hayek, F. von, 70, 75  
 Hendrick, B. J., 366  
 Hersey, Arthur, 74  
 Hicks, J. R., 322, 331  
 Hicks, U. K., 105, 144  
 Higgins, B. H., 168  
 High-consumption economy, 308, 310-311; cyclical behavior of, 289-292  
 High-savings economy, cyclical behavior of, 289-291  
 Highways, 39, 41, 120, 121, 124, 161, 308  
 Hill, James J., 366, 372, 374  
 Hobbes, Thomas, 109  
 Hobson, J. A., 303  
 Home Owners' Loan Corporation, 81, 84, 215, 216, 240, 401  
 Hopkins, Mark, 366, 374  
 Hormel, George A., 377
- Housing, 15, 17, 26, 27, 57, 80, 87, 92, 308, 319, 342, 343, 344, 345, 357, 358, 409; in England, 108; *see also* Building cycles  
 Hume, David, 110  
 Huntington, C. P., 366, 373, 374
- Income, fluctuations of, 14, 28, 33, 37, 46, 72, 73, 309, 317, 321, 342, 343, 344, 346, 359, 360; definition of, 48; distribution of, 175, 179-181, 244-247, 308-309, 332; percentage saved, 327-328; of corporations, 396-397; *see also* Consumption function, National income  
 Industrial Revolution, 349, 354; and long waves, 34, 35  
 Inflation, 38, 70-72, 111, 156, 171-175, 178, 180, 295, 419, 434, 435, 448  
 Innovations; *see* Technological innovations  
 Interest rate, fluctuations of, 28, 79-82, 184, 329, 330, 331, 332, 336; *see also* Monetary policy  
 International trade; *see* Trade, international  
 Inventories, 15, 17, 54-55, 60, 64, 76, 322, 343, 394, 416, 419  
 Investment, real vs. financial, 14; real vs. consumption, 15; fluctuations in, 16, 17, 18, 23, 26, 33, 37, 40, 93, 296, 317-322, 326, 328-333; and consumption, 48-82; deficiency in, 87; in England, 99-100, 102, 355, 360-361; public vs. private, 150-152; and savings, 328-329; and wages, 335-336; role of in modern economy, 341-348; in the United States, 355, 356, 358, 360; in Australia, 356; in western Europe, 358, 359; in France, 360; sources of funds for, 384-388; *see also* Acceleration, Principle of, Multiplier Principle, Producers' equipment, Producers' plant  
 Investment budget; *see* Capital budget  
 Investment outlets; *see* Automobile industry, Electrical industry, New resources, Population growth, Railroad, Street railways, Telephone, Territorial expansion, etc.
- Jászi, George, 97, 99, 102  
 Jefferson, Thomas, 164, 165, 167  
 Jensen, Jens P., 203



- Kahn, R. F., 251  
 Kalecki, M., 250  
 Kemmerer, E. W., 69  
 Kennan, George, 366  
 Keynes, J. M., 228, 249, 250, 251, 268, 273, 293, 355, 435, 436  
 King, Willford I., 180  
 Kondratieff, N. D., 27, 30, 32  
 Krost, Martin, 89  
 Kuczynski, R. R., 42  
 Kuznets, S., 48, 49, 50, 51, 55, 65, 233, 235, 251, 252, 255, 275, 282
- Lange, Oscar, 304  
 Lehmann, Fritz, 393  
 LePlay, P. G. F., 250  
 Lester, Richard A., 177  
 Leven, Maurice, 250  
 Leverage coefficient, 264-265  
 Lewis, Oscar, 366  
 Lindahl, Erik, 192, 193, 195, 196  
 Lindow, Wesley, 392  
 Loans, governmental; *see* Budget, Fiscal policy  
 Long, C. D., Jr., 20, 22  
 Long waves, 18, 27-41, 116  
 Lutz, H. L., 203, 204, 392
- McCormick, Cyrus, 376  
 Mack, Ruth P., 241  
 Madison, James M., 167  
 Malthus, T. R., 154, 303, 304, 350, 351, 359  
 Marschak, J., 251  
 Mature economy, 310-311, 380  
 Maxwell, J. A., 199  
 May Committee, 142  
 Meade, J. E., 332  
 Means, Gardiner C., 315  
 Mellon, Andrew, 366, 375, 390  
 Mendershausen, H., 250  
 Mill, John Stuart, 310, 311  
 Mining and manufacturing, investment in, 55  
 Mises, L. von, 70  
 Mitchell, W. C., 16, 27; 30, 67  
 Monetary policy, and the business cycle, 66-82, 116, 261, 322, 330, 336, 337, 365; in wartime, 413-423, 437-438; postwar, 447, 448  
 Money, influence on business cycle, 37-38, 175-178, 184; *see also* Monetary policy  
 Müller, K., 196
- Multiplier Principle, 250, 261, 262, 264-288  
 Musgrave, R. A., 168  
 Myrdal, Gunnar, 143, 196, 364
- National income, and housing, 22, 58; and producers' plant, 59; and total construction, 61; maintenance of, 85, 87, 93, 94, 150-151; in England, 96-99, 102; static, 173; and the defense program, 425, 428-434; *see also* Consumption function, Multiplier Principle  
 National Industrial Conference Board, 276  
 National Resources Committee; *see* National Resources Planning Board  
 National Resources Planning Board, 231, 232, 234, 235, 250, 251, 314, 351  
 National Youth Administration, 133  
 Net income-creating expenditures of government, 89-92, 190, 286, 287, 383  
 Neutral money theory, 75  
 New resources and investment opportunities, 32, 302, 305, 328, 345, 347, 348, 352, 358, 367, 380  
 Newman, W. H., 20
- Oakes, E. E., 392  
 O'Connor, Harvey, 366  
 Old Age Assistance program; *see* Social Security
- Pareto, V., 180  
 Pearson, F. A., 20, 32, 36  
 Pedersen, Jørgen, 140, 141, 142  
 Perloff, Harvey S., 186  
 Persons, W. M., 16  
 Physiocrats, the, 146, 147, 148  
 Pigou, A. C., 102, 104  
 Pitt, William, 164  
 Population growth and investment opportunities, 22, 42-45, 68, 93, 114, 153, 302, 306, 328, 344, 345, 347, 349, 350, 351, 352, 356, 357, 358, 359, 360, 361, 363, 364, 365, 367, 380, 409  
 Prices, fluctuations of, 29, 36; and long waves, 32, 35; and gold production, 35-37; control of, 38; stabilization of, 69-70; flexibility of, 313-338; and wage rates, 333-336  
 Principle of Acceleration; *see* Acceleration, Principle of

- Producers' equipment, 15, 17, 26, 51, 54, 55, 56, 60, 62, 87, 92, 319, 342, 343, 346, 389, 428
- Producers' plant, 17, 26, 54, 55, 56, 57, 62, 87, 92, 319, 342, 343, 346, 389, 428
- Propensity to consume; *see* Consumption function
- Public construction, 15, 17, 26, 57, 60, 61, 84-95, 112-113, 123-124, 149-151, 187-188, 216; in England, 105; *see also* Highways
- Public debt; *see* Debt
- Public policy, 18, 38, 66, 73, 74, 93-94, 141, 184, 189, 363; in England, 96; *see also* Fiscal policy
- Public roads; *see* Highways
- Public works; *see* Public construction
- Public Works Administration, 133, 208, 209, 210, 214, 216
- Pump-priming, 261-288
- Pyle, J. G., 366
- Railroad and investment opportunities, 27, 33, 35, 38, 40, 45, 55-56, 347, 362
- Rawson, Robert H., 186
- Recessions, 16, 17, 18
- Reconstruction Finance Corporation, 81, 84, 205, 210, 211, 212, 213, 215, 216, 401
- Relief expenditures, 85, 86, 90-92, 95, 114, 116, 120-124, 145; in England, 194; *see also* Works Progress Administration
- Residential building; *see* Housing
- Ricardo, David, 301, 351, 352
- Riggleman, J. R., 20
- Robertson, D. H., 68, 69, 303, 352, 362
- Rockefeller, John D., 366, 372
- Roos, C. F., 22
- Roosevelt, Franklin D., 206, 213, 215
- Royal Commission on Dominion-Provincial Fiscal Relations, 446
- Runemark, P. S., 196
- Rural Electrification Administration, 82
- Samuelson, Paul A., 250-260, 279
- Saving, 308, 327, 328, 329, 331, 332, 336, 342, 343, 344, 346, 385, 430-432, 434; quasi-compulsory, 239-242; individual vs. aggregate, 242-247; corporate, 385-386, 389; institutional, 387-389
- Schram, Emil, 81
- Schumpeter, Elizabeth B., 137
- Schumpeter, Joseph A., 27, 30, 32, 33, 34, 285, 303, 352
- Scripps, E. W., 366
- Seligman, E. R. A., 109
- Seltzer, L. H., 366
- Sherman, Arthur G., 378
- Simmons, Z., 377
- Sismondi, J. C. L., 303
- Smith, Adam, 109, 110, 146, 147, 148, 149, 351
- Smith, A. D. H., 366
- Snyder, Carl, 356
- Social Security, financing, 94, 130, 132, 133, 179, 190, 216, 239; in the modern economy, 347, 409, 441-443
- Social service, in England, 102-105, 143; growth of, 113-114, 120-124, 307, 308, 409, 446; in Sweden, 143; and real income, 151; postdefense, 440, 441, 442, 443; *see also* Relief expenditures, Social Security
- Spießhoff, A., 27, 30, 32, 68, 69, 303, 352, 353, 363
- Staeble, Hans, 251
- Stamp, Sir Josiah, 180
- Stanford, Leland, 366, 373, 374
- Stationary state, 301-302, 309-310; *see also* Mature economy
- Stauffacher, Charles, 166
- "Stockungsspanne"; *see* Long waves
- Stone, R. and W. M., 250
- Street railways, as investment outlet, 40, 41
- Structural changes in American economy, 42-47
- Studebaker, Henry and Clement, 370, 376
- Sundelson, J. Wilner, 202, 203, 204
- Tarasov, Helen, 134
- Tariff, 315, 449; in England, 98, 100; in the United States, 127, 452
- Taxable capacity, 169-171
- Tax-exempt securities, 392-394
- Taxes, federal, 89; on consumption (*see also* on sales), 94-95, 125, 127, 128, 129, 130, 131, 132, 133, 134, 195, 295-300, 308, 398-399, 439; in England, 97, 102, 103, 104, 105, 157; on incomes, 125-133, 296-300, 389; on payrolls, 128-129, 131-132, 293-298; on property, 129, 130, 131; and the

- Taxes (*continued*)  
 distribution of wealth, 179-185;  
 compensatory, 289-300; on sales, 295,  
 298; on undistributed profits, 383,  
 389; on capital gains, 383, 389, 391;  
 and corporate profits and losses,  
 394-398; and the defense program,  
 429-430, 432-433, 448; on value added,  
 436; *see also* Fiscal policy, Tariff
- Tax structure, effect on investment,  
 380-382, 383-399; and the defense  
 program, 429, 438
- Technological innovations and invest-  
 ment opportunities, 31, 32, 33, 35,  
 37, 38, 39, 46, 68, 75, 93, 114, 153,  
 302, 305, 306, 310, 311, 312, 319, 325,  
 326, 328, 333, 344, 345, 348, 352, 358,  
 359, 361-365, 367, 380, 381, 387
- Telephone industry as investment  
 outlet, 41
- Temporary National Economic Com-  
 mittee, 86, 122, 134, 161, 176, 241,  
 385, 387
- Terborgh, George, 55, 64, 65, 241, 425
- Territorial expansion and investment  
 opportunities, 32, 43, 45, 68, 69, 153,  
 302, 306, 328, 347, 348, 352, 358, 360,  
 361, 363, 367
- Thomas, Brinley, 196
- Thomas, Woodlief, 80
- Thompson, Spencer, 186
- Thorp, W. L., 27
- Tinbergen, J., 22, 282, 332
- Tougan-Baranousky, 68, 354
- Trade, International, 99, 100, 449, 452-  
 455
- Trull, Edna, 146
- Twentieth Century Fund, 363
- Unemployment, and the public debt,  
 138, 145; and the inflexibility of  
 prices, 315-316; and technology, 361-  
 362; in Great Britain and in the  
 United States, 414-415, 421
- Uppgren, A. R., 453
- Vanderbilt, Cornelius, 366, 371
- Veblen, Thorstein, 67
- Wage rates and price policy, 324-325,  
 332-336
- Wanamaker, John, 366, 371, 372
- Warren, G. F., 20, 32, 36
- Wars, as cause of long waves, 32, 34,  
 35; and the rise of credit institu-  
 tions, 110-114; and the public debt,  
 135-138; and extraordinary budg-  
 ets, 203; and monetary and fiscal  
 controls, 413-423; *see also* Defense  
 financing, World War I and World  
 War II
- Weyerhauser, F., 377
- Wickman, C. E., 378
- Wicksell, Knut, 32, 34, 352, 354
- Widening of capital, 354-365
- Williams, Faith M., 250
- Williams, John H., 431
- Willoughby, W. F., 203, 205
- Wilson, John D., 40
- Winkler, J. K., 366
- Works Progress Administration, 89,  
 123, 133, 250, 421, 422, 440
- World War I, impact on recovery, 25,  
 251; and governmental policies, 32,  
 175; and long waves, 35; and popu-  
 lation growth, 42, 43; and the rise  
 of public debt, 113, 161; economic  
 conditions contrasted with World  
 War II, 415-418, 434, 437-438; and  
 the labor supply, 424
- Woytinsky, W., 27, 32
- Wright, Carroll D., 39
- Wright, David M., 168
- Zimmerman, C. C., 250



## *Books That Live*

The Norton imprint on a book means that in the publisher's estimation it is a book not for a single season but for the years.

---

W · W · NORTON & CO · INC.