

## NUTSHELL

What follows is a general overview of the current economic disaster and the solution now offered by FourHourDay. Nothing about this is easy. A relentless examination of the nature of money and economies challenges every cell of brain and heart. And even though there are solid historical precedents for the strategy we propose, the logic and morality employed run counter to accepted practice. Hold on to your hats.

The essential economic history lesson is that of U.S. participation in the Second World War. To put the phenomenon into perspective, the Great Depression triggered by the stock market collapse of 1929 took another downturn in 1937. After years of a feeble New Deal, 1938 featured an understated 19% unemployment rate and an economy producing a scant \$85 billion of goods and services. We then purchased a war that cost over \$300 billion or three-and-half times the 1938 GDP. This is comparable to our now deciding to spend \$49 trillion over the next seven years. How is such a miracle even vaguely conceivable?

Yet the funding of such a colossal undertaking is the least impressive aspect. The larger issue is that the war economy revolutionized the American workplace and society. Housewives built airplanes, sharecroppers became skilled machinists, and veterans went to college. We emerged from the war as the last man standing, ready to cash in our war bonds for houses, cars, and televised comedies. The prosperity would last for decades with only the occasional recession and panic intruding.

And all of this came as a result of exporting commodities serving no useful purpose other than adding corpses to the pile of seventy million.

Given this proven success, FourHourDay now proposes that we do it again to the full extent of \$49 trillion. But this time, bullets and bombers will give way to irrigation pipe, food, and energy technologies. In serving the needs of the world's poor and making deserts bloom, we'll leave no stone unturned. A stunning marvel of the war economy was that the hardware went overseas, but most of the cash turned up in the manila pay envelopes of American workers. So too with the \$49 trillion of exported aid. Most of the new money will remain in this country to fuel domestic development. As with the WWII song, "We did it before, and we can do it again."

Now, with the war example, the moral commitment to defeat fascism came first, and the economic machinery fell neatly into place. This order must again be strictly observed, so we first decide that poverty anywhere is intolerable, and we then get down to nuts and bolts. Unfortunately, the morality issue is problematic. The United States now follows hard on the heels of ancient Rome as an empire subsisting on foreign militarism and domestic entertainment and blood sports. More on this in later essays.

The other significant obstacle is that our intellectual horizons are now dominated by several priesthoods, and one of these is the sacred order of trained economists. We'll discuss the full catastrophe in later essays, but, for present purposes, suffice it to say that the war phenomenon receives no professional attention. Search the economic literature yourself, and

you'll find only the passing reference that might say the war costs were paid 47% by taxes, 27% by borrowing, and 26% by money creation. Period, end of sentence. The simple fact of the matter is that as late as 1941 no entity existed that could possibly pay \$140 billion in taxes or lend us \$81 billion. And what, pray tell, is "money creation"? The clergy don't seem to care.

Even the most perfunctory research reveals that the secret of war finance was threefold. First of all, we became a command economy. We didn't wait for the business cycle to swing in our favor. We the people, through our elected officials, simply ordered the production of millions of tons of materiel. We said, "Let it be!", and it was. We the people also owned a true national bank in the form of the Reconstruction Finance Corporation through which we the people invested in everything from rural electrification to synthetic rubber. And the crowning glory was the ability of any sovereign government to print money that is then augmented by the capitalist voodoo of money creation by banks. Wonder of wonders, we created money in such a way that we avoided all common mistakes in that department, and the inevitable wartime inflation remained tamed. Put all three aspects together, and we have economic genius that would make bullet-riddled Alexander Hamilton smile in his Wall Street grave.

So why aren't modern economists falling all over themselves in proclaiming the wisdom of this seventy-year-old salvation of capitalism? Why are they so very unanimous in advising austerity and contraction? Why the prescription to collect old debt by beggaring the debtor?

Part of the reason for disregarding the wartime brilliance is that no one in Franklin Roosevelt's administration seems to have been a visionary or a particularly self-conscious theoretician. None of the participants ever drafted a declaration of independence from classical economics or the tepid John Maynard Keynes. From the Treasury Secretary to the Federal Reserve chairman to the head of the Reconstruction Finance Corporation, they all grabbed whatever administrative tool was closest at hand while voicing complete confidence in conservative principles. That defies belief, but until someone uncovers some buried theoretical document, we have to think that the architects acted from pure necessity and practicality.

So, while the authors of the wartime scheme never called attention to themselves or their revolution, that can't truly explain the current indifference. The more pertinent fact is that the World War II economy was a particular form of socialism. We'll have much more to say about the 1,001 forms of socialist thought in other essays, but, for the time being, suffice it to say that capitalism is a belief system like any other, and, as such, it colors and distorts all perceptions and insights. A priest sees but the god or gods of choice and lets the devil take the hindmost. The orthodox worldview then permeates the laity such that we all come to believe certain myths. "The federal budget is just like my household budget." "Printing money is always inflationary because it means too much money chasing too few goods." "Since money is a real and scarce commodity, the limits to growth are absolute." Lies, all lies.

Of course, faith-based economics wonderfully serve the interests of the wealthy, so that could explain a thing or two. But the larger issue is that we Americans seem to take comfort in viciously competitive practices and ideologies. The socialist nature of a command economy with a national bank and federally issued paper money is easily recognized, but that's a bitter pill

for any American economist or citizen to swallow. The fact simply fails to penetrate the thickened skull, and the mere suggestion of extra-capitalist policies induces rage and indignation.

It's at this point that we return to the morality question. The concept of a \$49 trillion foreign aid program could be viewed as an eminently practical idea, but FourHourDay offers this option as an extension of the dreamy philosophy of Jesus, Gandhi, Tolstoy, and Martin Luther King. It's unvarnished non-violent socialism, and humanity's prosperity and even survival now depend upon our continued evolution and the maturity of our naturally cooperative instincts. The economic articulation of non-violence may now extend past the lilies of the field and the hand spinning wheel to include a brave new world of sophisticated technologies. But it all begins with that first baby step towards the view that all humans are necessarily friends and allies, not the bullies who current steal our lunch. Our ability to take that step remains in serious doubt these days, and we'll address this subject in later work.

The beauty of the \$49 trillion colossus is that the project requires no religious conversion whatsoever. Capitalism now has but two practical options to regain its feet. It can either wait years to rebuild after the complete deflation of all outstanding bad debt, or it can accept FourHourDay's offer. We could begin with a timid printing of \$50 million, paying American workers to build solar desalinization facilities given to Tunisia. Once we saw that the sky didn't fall, we could then up the ante and be on our merry way. This might not happen until the current collapse has run its course for a few more years, but it's a possibility and truly the only conceivable rescue strategy.

Now, although the \$49 trillion package has socialist authorship and characteristics, it's not true socialism. Like the Second World War, it's the resuscitation of capitalism, and FourHourDay is none too happy about letting criminals off the hook. But, unlike the war, as we play white knights for fools parted with their loot, we'll scream loud and long the motivation and method of our madness. If we can establish any kind of authentically national bank, then the fraudulence of private banking becomes patently obvious. If we can print the least amount of money using the proper techniques, then the current debt burden stands as naked as certain emperors. We dispel the myths, and forgotten doors open.

So much for generalities. The honest truth is that FourHourDay is currently not much more than me, Gabe Sinclair, and it's an understatement to say that I could use your help. If you're lucky enough to still have a one-dollar bill in this economy, pay close attention to the mystic symbols and Latin inscriptions. Find out what they mean, and you'll see that the origins of this country and its money owe a great deal to the elite confederation of Freemasons. While it's highly doubtful that that organization will now prove useful, it's still true that the prerequisite for any human progress remains the intelligent effort of the smallest minority. We now require a massive amount of research into such characters as Alexander Hamilton, Henry C. Carey, Jesse Jones, and Hjalmar Schacht. Someone needs to draft a development strategy for Haiti. How will we return American agriculture to some form of sanity? How will we return Christianity to anything close to sanity? What will we do with all the financial analysts, bankers, currency

traders, and commodity brokers we lay off? The list goes on and on, so what are you going to do about it? Are you woman enough?

Call, write, or stop by for lunch.

-----Gabe Sinclair