

**Capitalism,
Government,
Money,
and the
Future of
the World**

*Finding
and Keeping
the Right Balance
in
Market-Capitalist
Democracies*

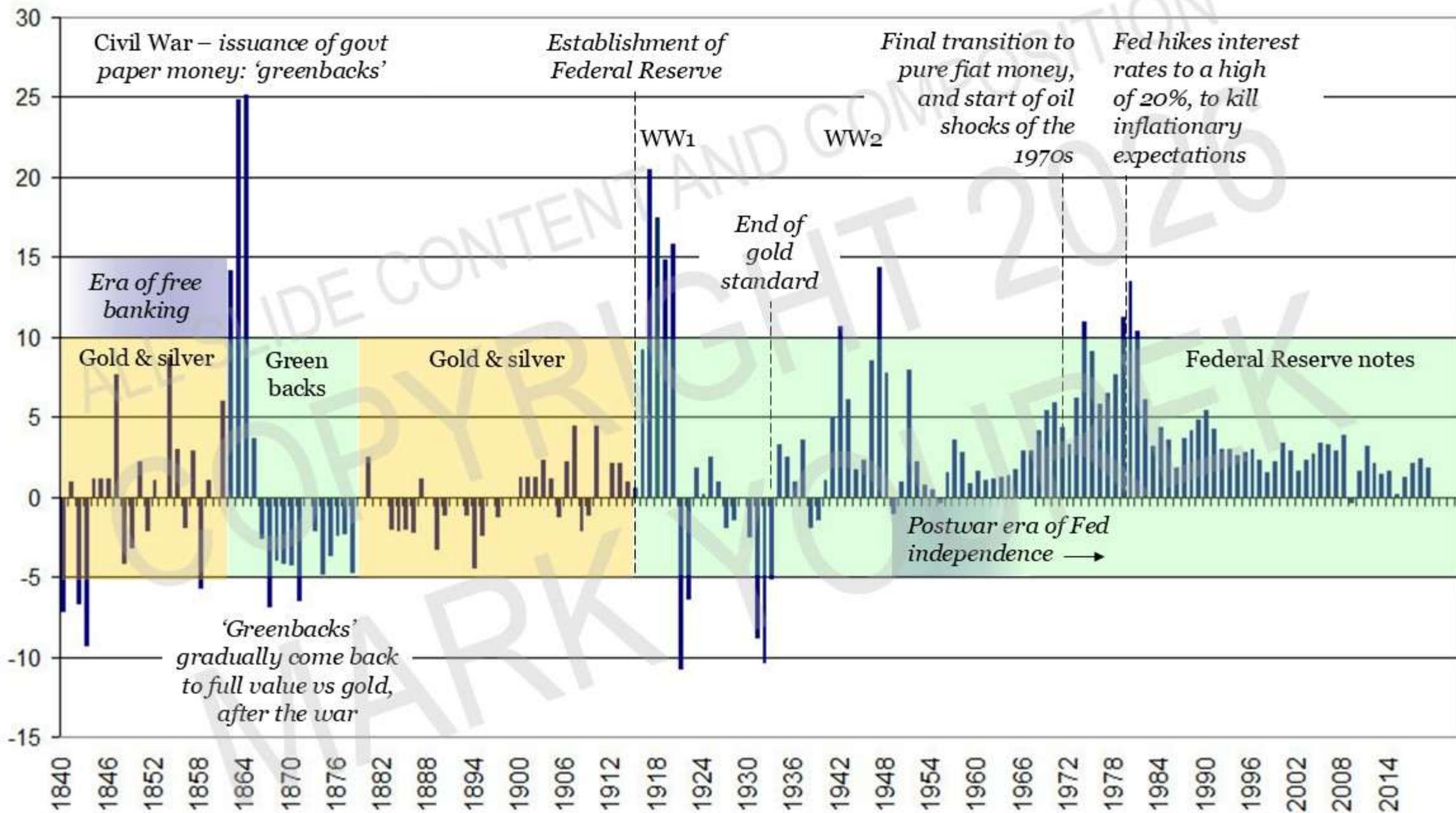
Chapter 4



A Brief Look at the Economic History of the United States

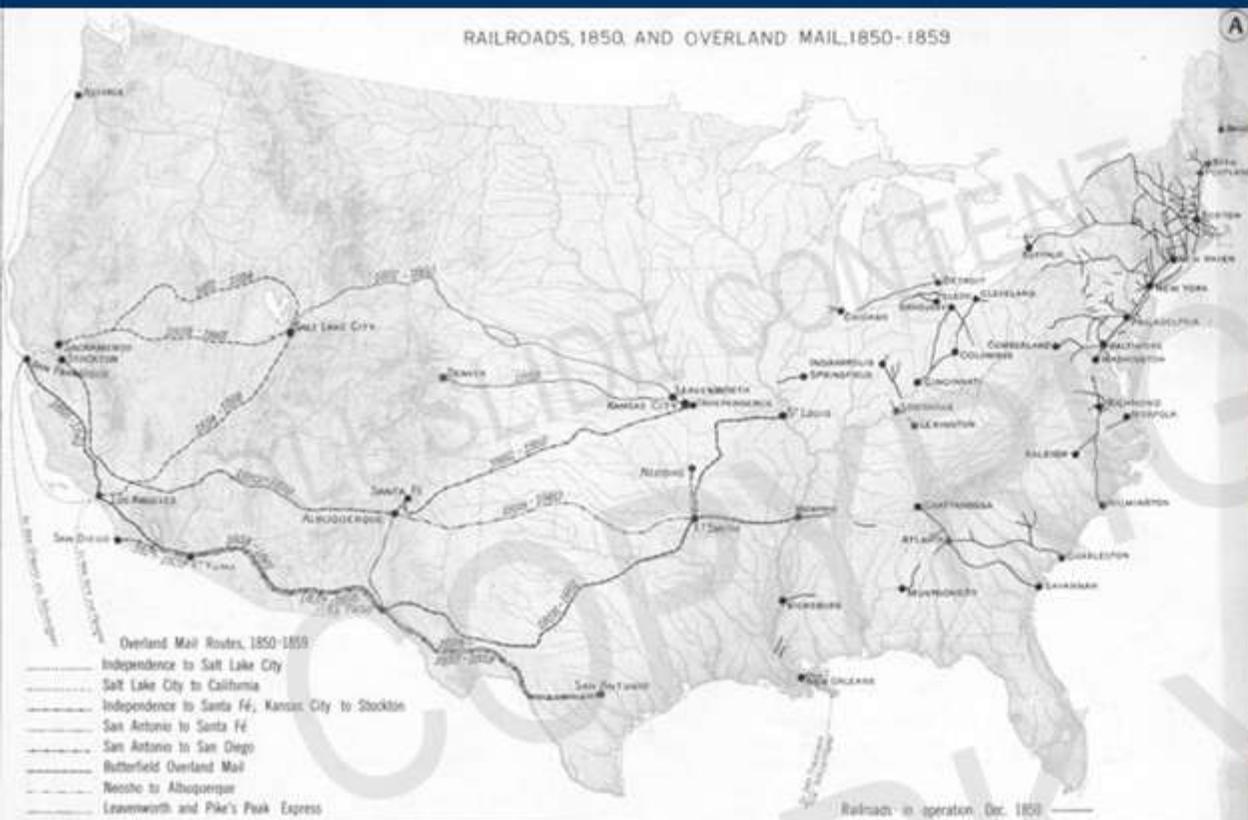
The 20th Century

US Annual Inflation Rate 1840-2019



The growing interconnectedness of the US economy during the 19th Century

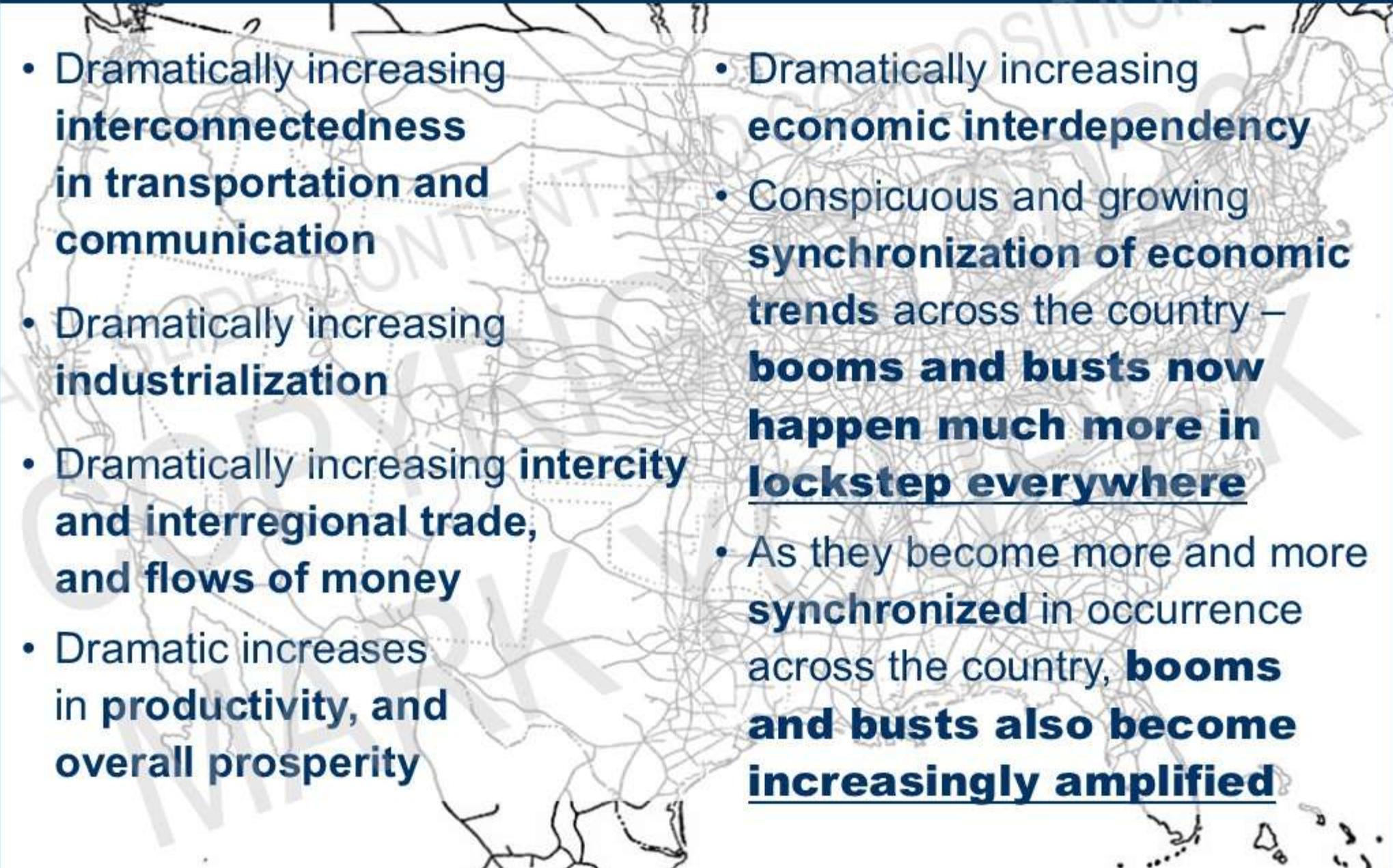
Railroads in operation as of 1850



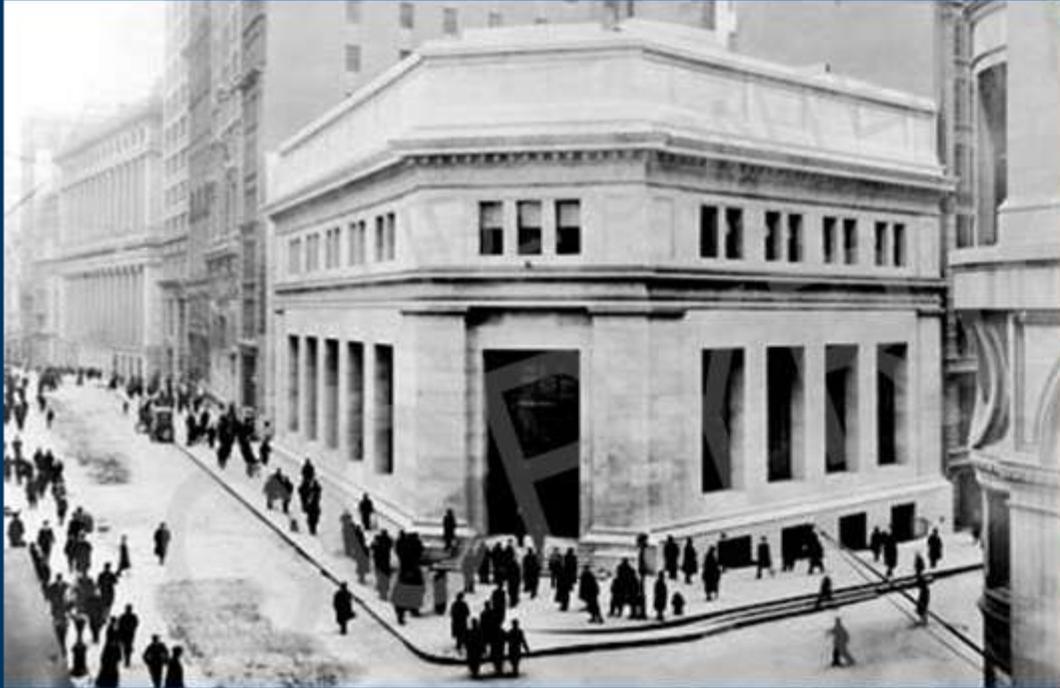
Railroads in operation as of 1900



The growing interconnectedness of the US economy during the 19th Century

- 
- Dramatically increasing **interconnectedness in transportation and communication**
 - Dramatically increasing **industrialization**
 - Dramatically increasing **intercity and interregional trade, and flows of money**
 - Dramatic increases in **productivity, and overall prosperity**
 - Dramatically increasing **economic interdependency**
 - Conspicuous and growing **synchronization of economic trends** across the country – **booms and busts now happen much more in lockstep everywhere**
 - As they become more and more **synchronized** in occurrence across the country, **booms and busts also become increasingly amplified**

The intensification of panics in the late 19th and early 20th Century Galbraith

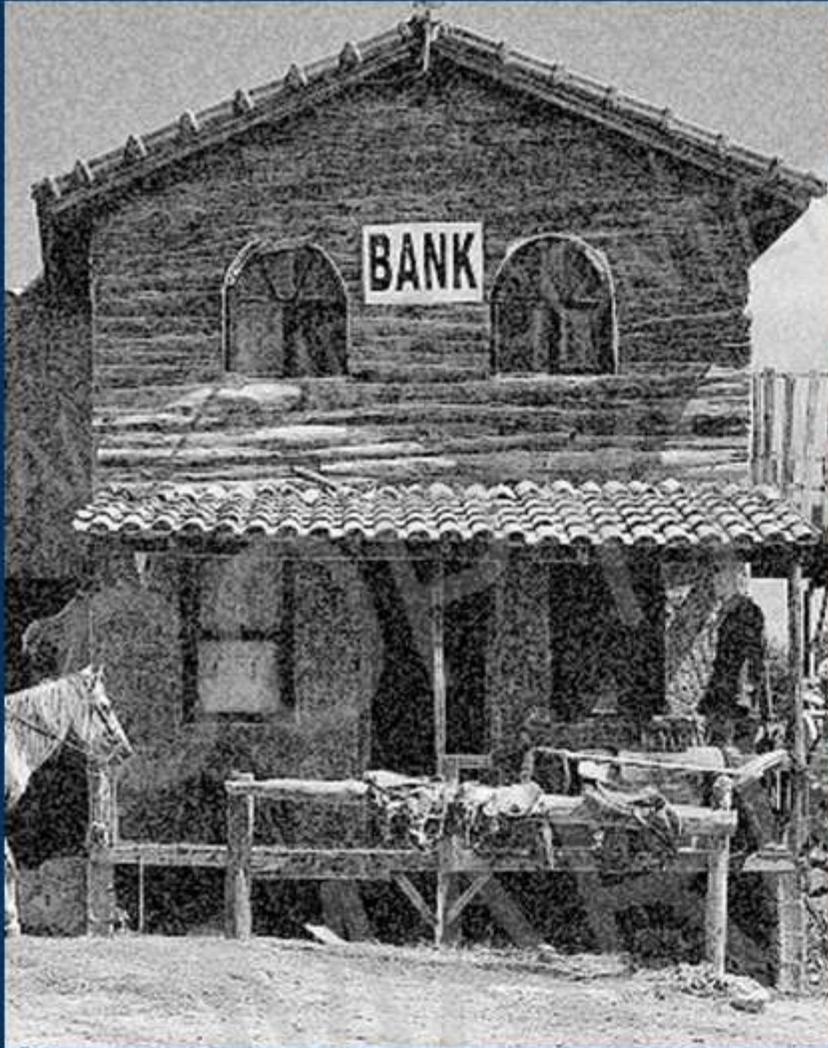


One constant of all the panics of this era was that banks failed.

In the early 1800s, when panics happened, it was mostly the small state banks that went under.

This was in keeping with the great compromise: those in the East who wanted hard money had hard money, and they had large and reliable banks.

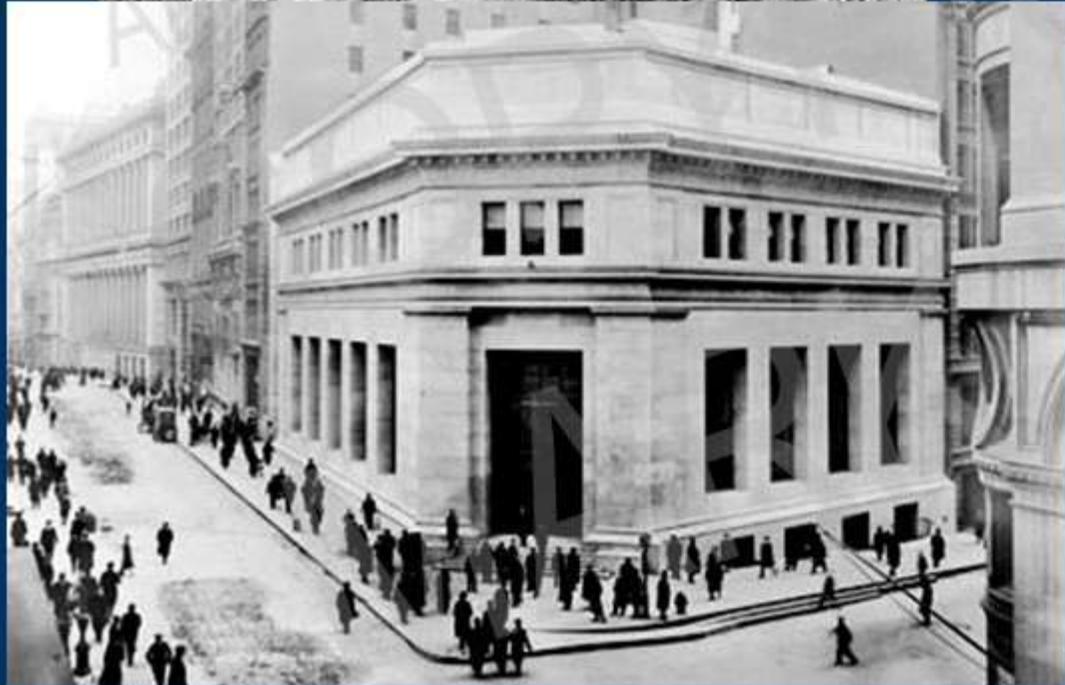
The intensification of panics in the late 19th and early 20th Century Galbraith



The new parts of the country and the frontier had the far more relaxed enterprises that served their needs by issuing much more dubious loans and accepting much more doubtful collateral.

The bank failures inherent in this system were for a long time not the direct concern of the Eastern sound-money establishment.

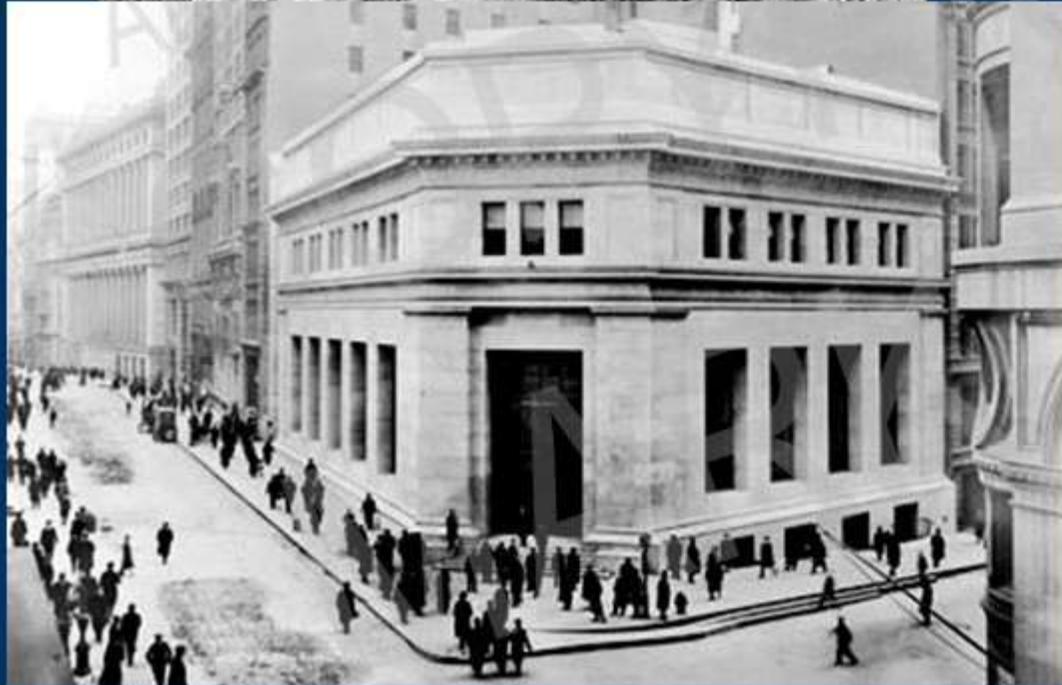
The intensification of panics in the late 19th and early 20th Century Galbraith



But by the late 1800s, the separation of Eastern financial interests from that of the country banks was gradually disappearing.

Better communications, and the growing density of commercial intercourse between different parts of the country, were factors that intertwined the cities and the countryside in new and unprecedented ways.

The intensification of panics in the late 19th and early 20th Century Galbraith



One important consequence of this was that the country banks increasingly were placing their own deposits in the Eastern banks, so when depositors ran on the small banks for their money, the small banks went to the large banks to make withdrawals.

The large banks thus started to feel serious strain, caused by country-bank panics.

The intensification of panics in the late 19th and early 20th Century Galbraith



Panics became a more and more intense and widespread national phenomena.

In the panic of 1873, 98 banks failed;
in the panic of 1893, 579 failed;
in 1907, 246 failed.

After 1920, the real slaughter began,
and after 1929, it approached euthanasia.

In the four years beginning in 1930,
more than 9000 banks bit the dust.

The intensification of panics in the late 19th and early 20th Century Galbraith



And panics started happening in the Eastern establishment, rather than just out in the country.

The Panic of 1907 was a turning point: it was entirely a New York product, and for that reason, far more serious.

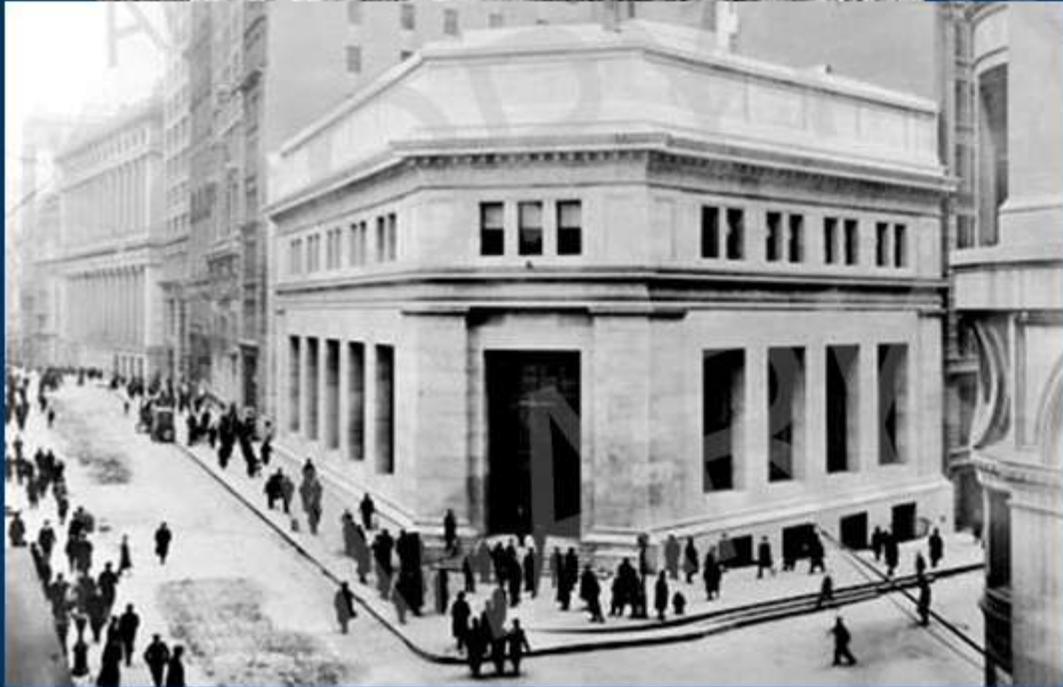
This was not so much that its impact on the country was greater than that of the previous panic; it was rather that its impact was on much more important people.

The intensification of panics in the late 19th and early 20th Century

Galbraith



From the sense of urgency thus induced, came the pressure for the next great step in monetary change and reform, the Federal Reserve System.





As capitalism develops and the economy becomes more and more interconnected and people and companies become more and more interdependent all kinds of *growth* and *development* and *progress* and *increasing affluence* become possible



**As capitalism develops and the economy
becomes more and more interconnected
and people and companies become
more and more interdependent**

But also ...

The background of the image is a map of the United States, including Alaska and Hawaii. Overlaid on this map is a dense, intricate network of thin, grey lines that crisscross the entire country, representing a highly interconnected system, such as a transportation network or a digital infrastructure. The text is centered over this network.

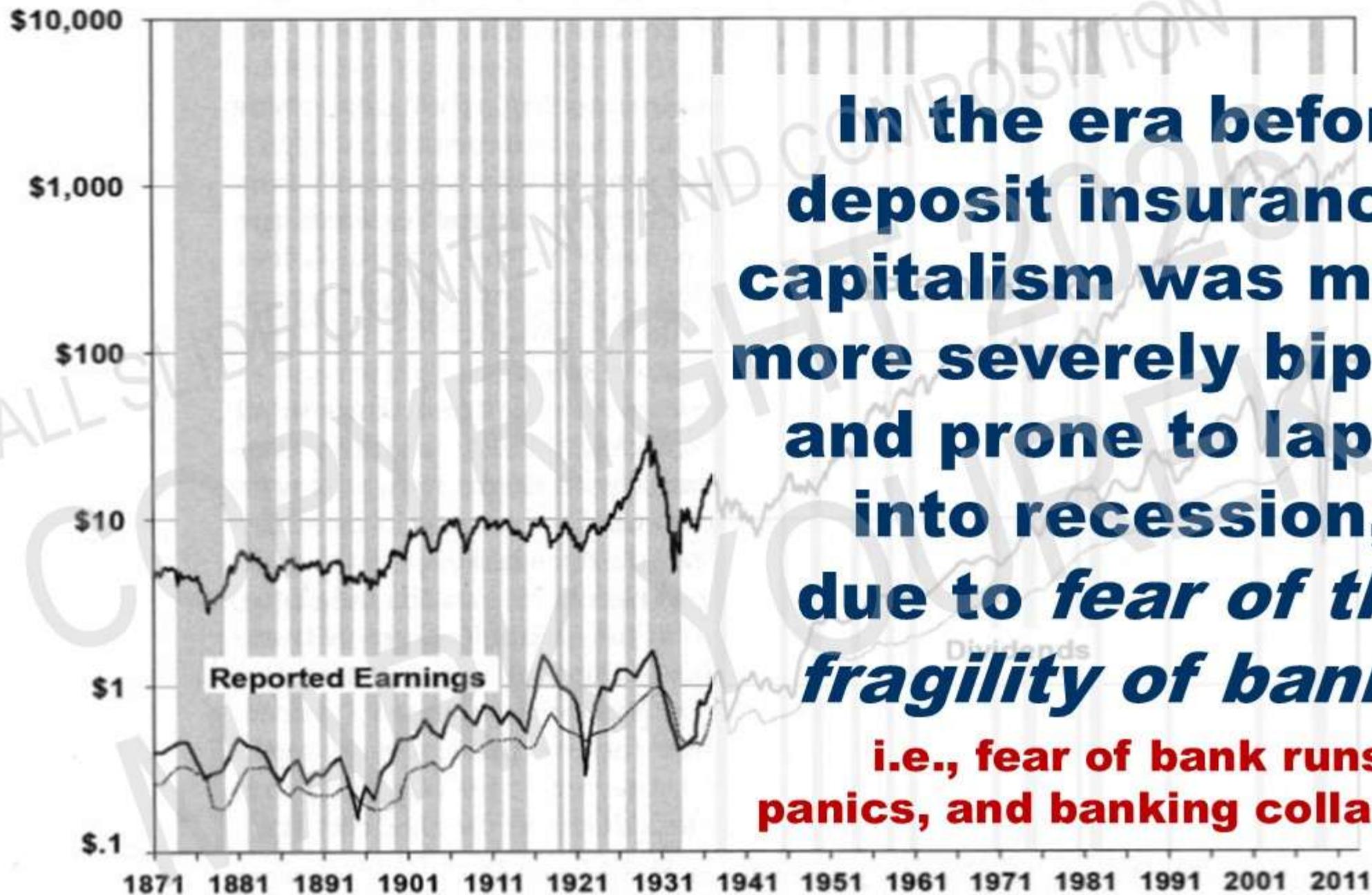
**As capitalism develops and the economy
becomes more and more interconnected
and people and companies become
more and more interdependent
capitalism inevitably produces
panics and collapses of more and more
*widespread impact and severity***



As capitalism develops and the economy becomes more and more interconnected and people and companies become more and more interdependent

all kinds of *growth* and *development* and *progress* and *increasing affluence* become possible

capitalism inevitably produces *panics* and *collapses of more* and *more widespread impact and severity*



**In the era before
deposit insurance,
capitalism was much
more severely bipolar
and prone to lapse
into recession,
due to *fear of the
fragility of banks***

**i.e., fear of bank runs,
panics, and banking collapses**

Capitalism's Accumulating Instability

The total amount of debt and borrowing that is present in an economy – i.e., *aggregate leverage* – increases the fragility of the economy, with less and less of a trigger needed to set off a panic and collapse

Once a panic and the resulting collapse are triggered, the aggregate amount of debt and borrowing magnifies/ multiplies the scale of economic destruction

AGGREGATE ECONOMIC SPECIALIZATION, TRADE and INTER-DEPENDENCY

GRADUALLY INCREASING INTERCONNECTEDNESS

FREQUENT BANK PANICS AND COLLAPSES

BORROWED MONEY USED TO FUND SECURITY PURCHASES

Bubble Act (Britain)

advent of limited liability corporations

rise of stock markets

POTENTIAL MAGNITUDE OF PANICS, COLLAPSES AND RECESSIONS

beginnings of industrialization

'big business' railroads

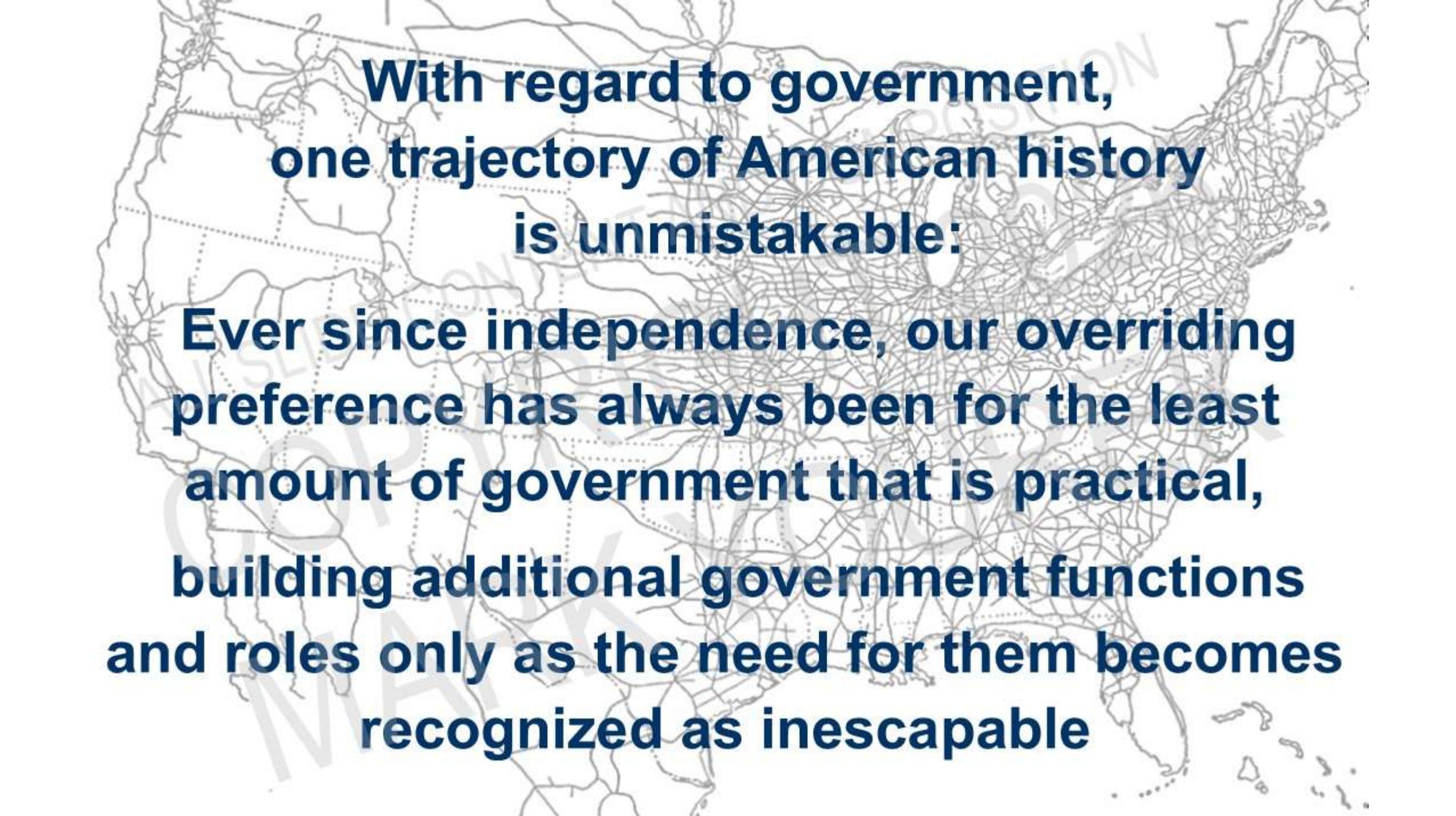
1600

1700

1800

1900





**With regard to government,
one trajectory of American history
is unmistakable:**

**Ever since independence, our overriding
preference has always been for the least
amount of government that is practical,
building additional government functions
and roles only as the need for them becomes
recognized as inescapable**

The maturation of monetary functions in the United States

<p>ESTABLISHMENT OF GOVERNMENT-ISSUED CURRENCY</p> <p>1860s</p>	<p>ESTABLISHMENT OF INSTITUTION TO MANAGE THE CURRENCY AND SUPERVISE BANKS</p> <p>1913</p>					
<p>Civil War</p> <p>need to raise huge amounts of money to prosecute war</p>	<p>Panic of 1907</p> <p>need to be able to react strongly to stabilize during bank panics</p>					
<p>Elimination of private bank notes</p> <p>Currency issued on gold standard</p>	<p>Federal Reserve established as a new entity distinct from Treasury, with technocratic governance.</p> <p>But a significant part of the political establishment disagrees with the need for such an institution, and with the idea that government should ever intervene in the economy</p>					

1914-1930s – Advent of the American central bank, and then the worst economic crisis yet seen

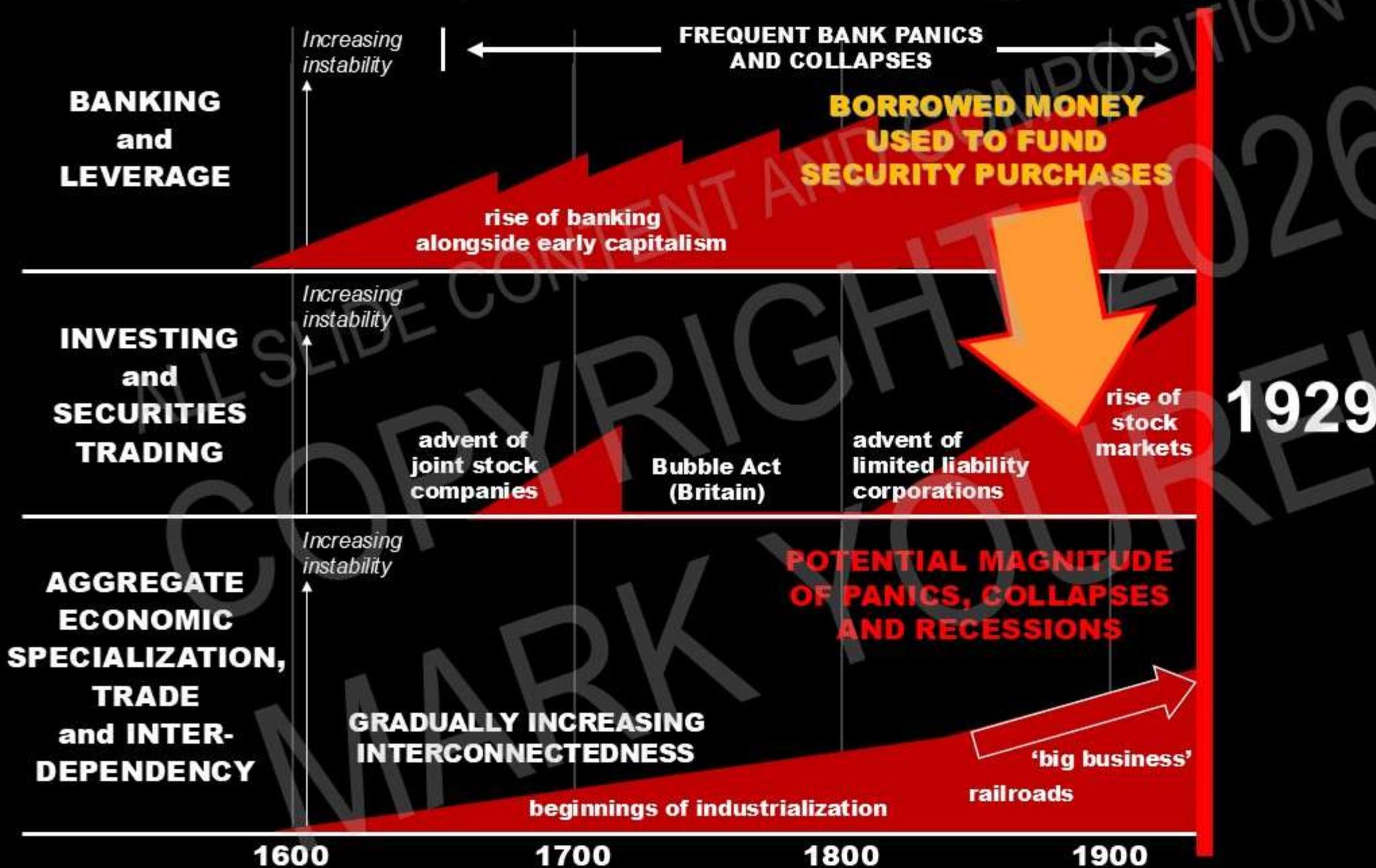
- **1914 – Establishment of the Federal Reserve System**, in recognition of a need to have levers to deal with financial crises in the future

–Goals defined as being to control the money supply, monitor and supervise banks, and provide liquidity in crises (i.e., serve as lender-of-last-resort to banks, when necessary)

- Continuation of the gold standard
- Decided lack of political consensus on the role and use of the Fed
- Although nominally independent, the Fed is still effectively subordinate to the Treasury (i.e., the administration)



Capitalism's Accumulating Instability



What set the stage for the Great Depression?

- **Bank deposits are still uninsured by government**, and even with the Federal Reserve in position to act as lender of last resort, banks are still vulnerable to bank runs and generalized panics
- Capitalism and industrialization, by now, have **tied the country and the world together in a more interconnected way** than ever before...
 - The **economy's potential to produce a calamitous panic** and a **vast system-wide collapse** stands at an **all-time high**
- The **stock market** is bigger and more liquid than ever, facilitating a much greater aggregate amount of speculation (**expectation exercises**) – and it is **almost entirely unregulated**
- A huge **asset price bubble** has been growing for several years during the 1920s, driven by **speculation around technological and financial innovations**

The 1920s stock bubble

- Rising stock markets, driven by hopes around many new technologies and innovations
- Heavy **speculation**, fueled by large amounts of **leverage**, as investors look to maximize their profits from the rising stock market
- **Unreliable corporate financial reporting, and unregulated stock markets:** no standardized or consistently-enforced accounting rules; insider trading, stock manipulation schemes etc are legal
The assumption is that you can leave it to the markets to discipline all this

More efficient and productive
MANUFACTURING METHODS

wide adoption of **AUTOMOBILES**

wide adoption of the **TELEPHONE**

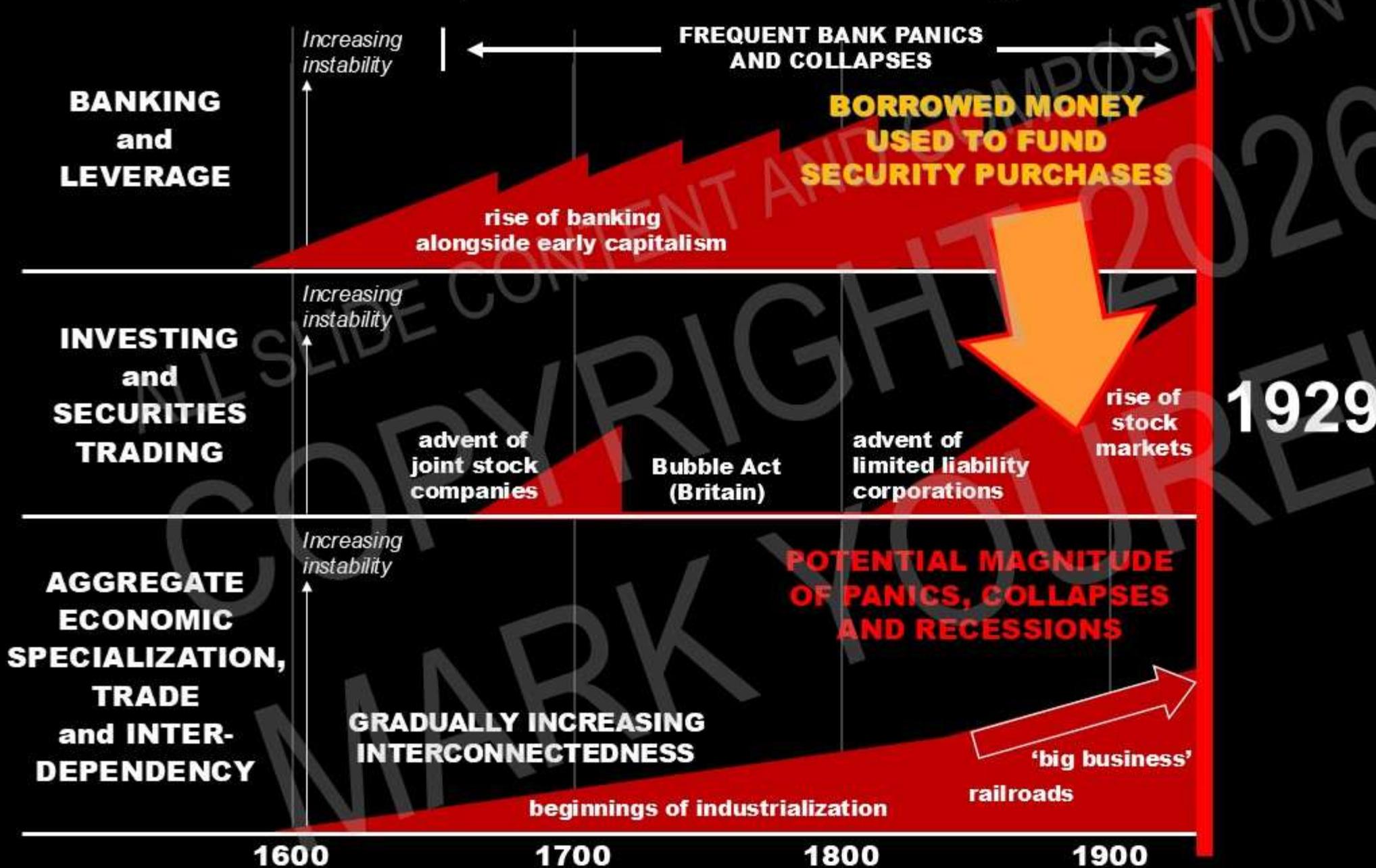
RADIO BROADCASTING

MOTION PICTURES

The broad expansion of the **STOCK MARKET**, with more companies going public than ever before

ACCESS TO INSTALLMENT CREDIT for the purchase of homes, automobiles, major appliances – and stock

Capitalism's Accumulating Instability



The worst panic, and capitalism's worst bipolar episode yet

- 1929-33 – By far the most all-consuming panic yet seen, with the stock market crash, waves of bank collapses, massive economic dislocation and additional complicating factors, followed by an economic contraction of unprecedented depth, duration and severity
- The incumbent administration makes passive, ineffective use of available government tools, to the extent that it uses them at all, out of its philosophy that government should not intervene, should let events take their course



The worst panic, and capitalism's worst bipolar episode yet

Treasury Secretary Andrew Mellon,
in 1930:

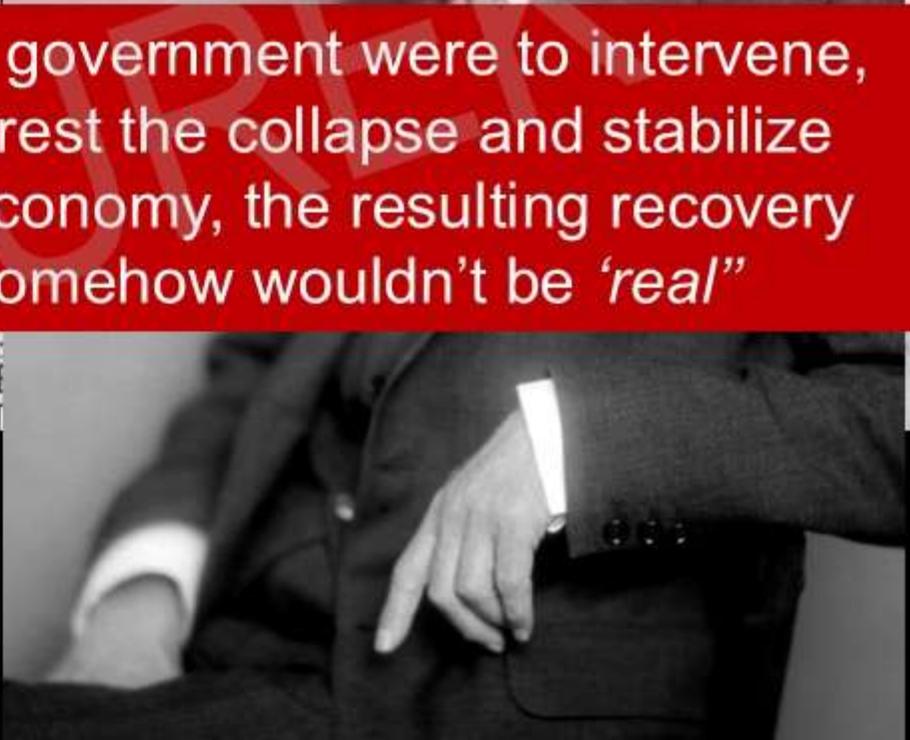
*"Liquidate labor, liquidate
stocks, liquidate farmers,
liquidate real estate.*

*Purge the rottenness out of the
system. High costs of living,
and high living, will come down.*

*Enterprising people
will pick up the wrecks
from less competent people."*



'If the government were to intervene, to arrest the collapse and stabilize the economy, the resulting recovery somehow wouldn't be 'real''

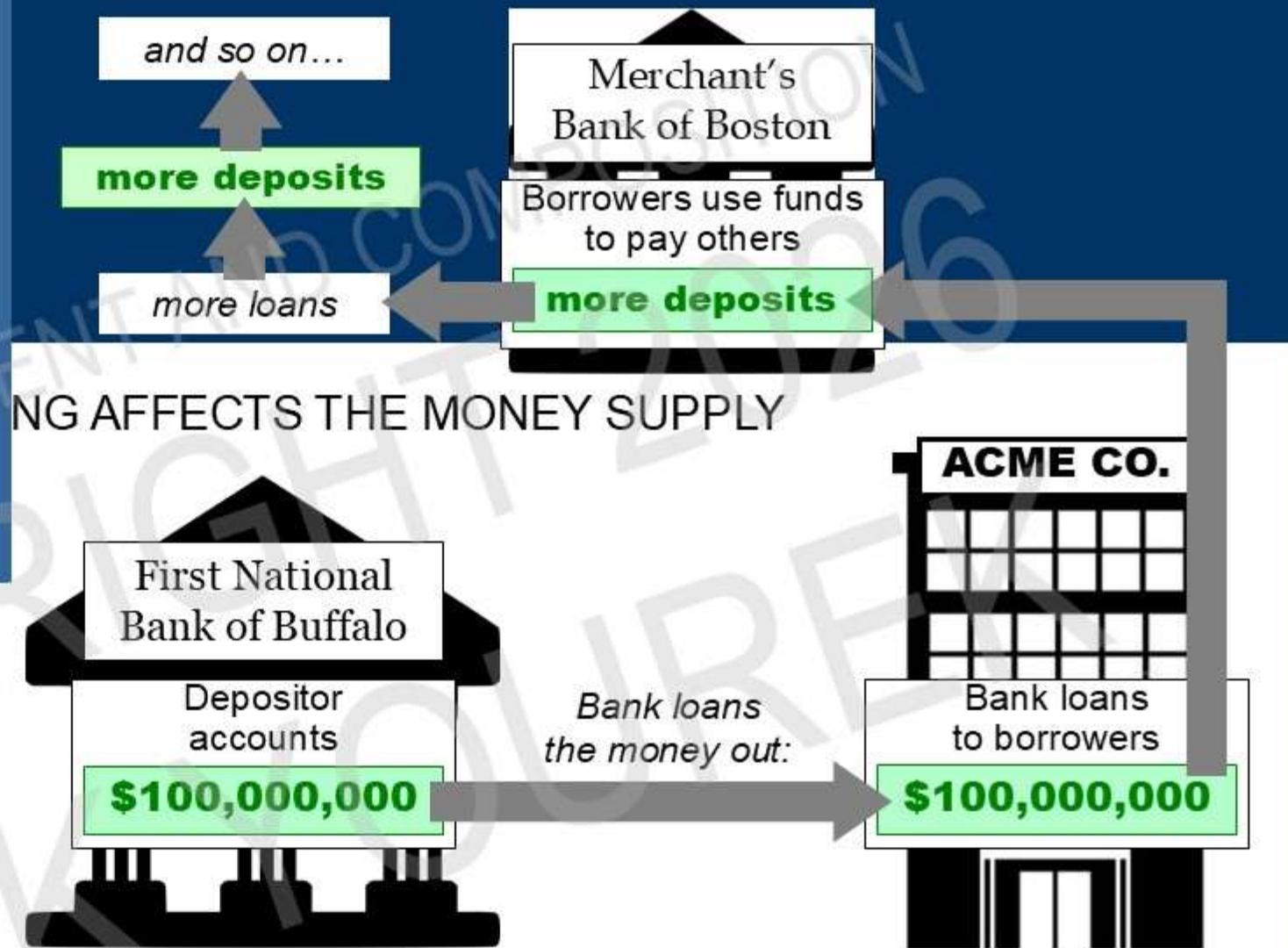


What happened in the Great Depression?

- In late 1929, the huge stock bubble pops, with the market crashing spectacularly, then continuing to decline for the next three years, as the rest of the economy spirals downwards
- Banks start to fail, with large amounts of deposits lost / made inaccessible for extended periods
 - Bank failures continue and accelerate, with mass bank runs and panics, all the way up until the spring of 1933
 - As growing numbers of loans default, banks fail and deposits are lost, **the money supply contracts dramatically**, setting off a **severe deflation** **that demolishes the economy**

Banks effectively **CREATE MONEY** through *loaning it out*, which lets it be in *multiple places at the same time*

The operations of commercial lending, within the private-sector economy, have an immense ongoing impact on the total money supply, both *increasing it*, as well as *shrinking it at times*, depending on the actions banks are taking



and so on...

more deposits

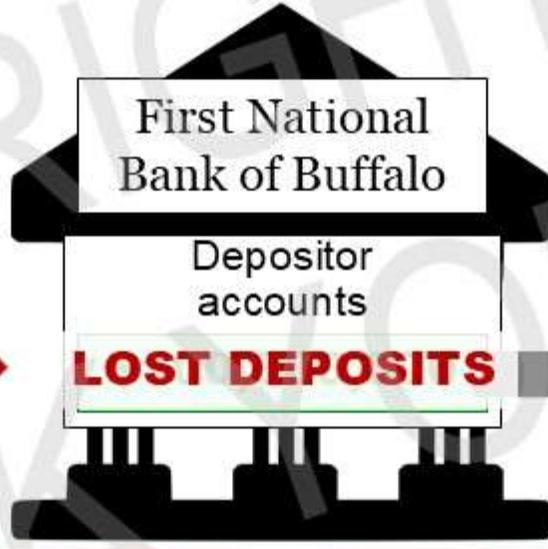
more loans



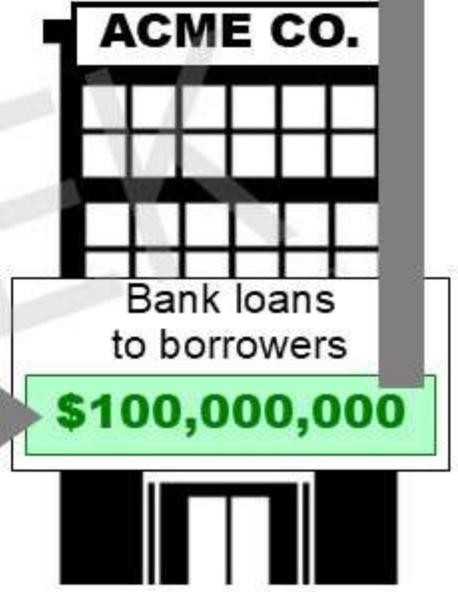
HOW BANKING AFFECTS THE MONEY SUPPLY



Depositors



Bank loans the money out:



In an economic crisis, as deposits are withdrawn, banks fail...

And as borrowers default on loans, more banks fail – and more depositors run to pull their money from remaining banks

and so on...

LOST DEPOSITS

DEFAULTED LOANS

Merchant's
Bank of Boston

Borrowers use funds
to pay others

LOST DEPOSITS

HOW BANKING AFFECTS THE MONEY SUPPLY



Depositors

BANK RUNS

First National
Bank of Buffalo

Depositor
accounts

LOST DEPOSITS

*Bank loans
the money out:*

ACME CO.

Bank loans
to borrowers

DEFAULTED LOANS

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LOST DEPOSITS

Merchant's
Bank of Boston

Borrowers use funds
to pay others

DEFAULTED LOANS

LOST DEPOSITS

The banks therefore get crushed from both directions, and as *loans default* and *deposits disappear* all over the map, *the money supply in the economy contracts dramatically*

The suddenly-collapsing money supply causes prices to starting dropping everywhere: the economy falls into a deflationary spiral

LOST DEPOSITS

DEFAULTED LOANS

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Sidebar: what's the problem with deflation?

Inflation is BAD

- Erodes the value of everyone's savings
- Messes with the value of debts, transferring value from lenders to borrowers: fixed-interest-rate debts become easier to pay, because future payments will be made in dollars that are worth less
- Makes it harder to plan for the future, and to make long-term contracts
- Tends to feed on itself and worsen, if it gets going, as people start to expect more inflation, and act on that

Deflation is MUCH WORSE

- Virtually shuts down whole sectors of the economy, forcing a severe recession or even a depression
- Messes with the value of debts, transferring value from borrowers to lenders: fixed-interest-rate debts become more painful to pay, because future payments must be made in dollars that are worth more
- Makes it harder to plan for the future, and to make long-term contracts
- Causes layoffs, due to the problem of 'sticky wages'
- Tends to feed on itself and worsen, if it gets going, as people start to expect more deflation, and act on that

Hyperinflation is a CATASTROPHE

- Wipes out the value of everyone's savings
- Makes it nearly impossible for the economy to function: at some point, people ditch the hyperinflated currency and switch to some other form of money

What happened in the Great Depression?

- Although the Federal Reserve has the tools to counter the mass contraction of the money supply, **it does not act**
 - The mechanism, by which the money supply can suddenly shrink due to mass bank failures, was not yet fully appreciated, at the time; and the actions required to counter it would be huge
 - The Federal Reserve was still subordinate to the Treasury Department – not yet established as an independent actor
 - Politically, there wasn't yet a consensus that the Fed should act as guarantor of the banking industry / lender of last resort; and conservatives, who had been opposed to establishing the Fed in the first place, happened to be in charge at the time
 - Their philosophy was that government should not intervene in the economy: ***'The economy must heal itself'***





\$100. WILL
BUY THIS CAR.
MUST HAVE CASH
LOST ALL ON THE
STOCK MARKET

What happened in the Great Depression?

Treasury Secretary Andrew Mellon, 1930:

*“Liquidate labor, liquidate stocks,
liquidate farmers,
liquidate real estate.*

*Purge the rottenness
out of the system.*

*High costs of living
and high living will come down.*

*Enterprising people will pick up the wrecks
from less competent people.”*



All through 1930, 1931 and 1932,
the Hoover Administration
stuck to its laissez-faire,
no-government-intervention
policy

For 3+ years, the progressive
economic collapse continued,
in an ever-deepening spiral



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At the time, Mellon and the Hoover Administration believed they were imposing necessary **‘discipline’** on the economy

Economists have since come to understand that, instead of imposing discipline, these policies had the effect of **catastrophically amplifying** the economic crisis

The Des Moines Register
STOCKS SHRINK 10 BILLIONS
BIG MONEY MEN UNABLE TO STOP MARKET
FINANCERS UNABLE TO CHECK FRANTIC SELLING STAMPEDE



GREAT FALLS TRIBUNE
STOCK MARKET IN SEVERE COLLAPSE
Wilder Questions Walter Wheeler on Power Plans
SENATE LIBRARY FINANCERS UNABLE TO CHECK FRANTIC SELLING STAMPEDE



DELAY FRONT STREET PAVING UNTIL 1930
HARRISBURG TELEGRAPH
Governor Says Counties Should Decide Machine Vote
MARKET LOSSES REACH NEW LEVEL
MARGINAL ACCOUNTS ARE WIPED OUT IN WILD ORGY OF WALL STREET SELLING



EL PASO HERALD
STOCK PRICES RALLY SHARPLY
Market Leaders Surge Ahead; Renewed Confidence By All
Snowstorm Halts Search For Plane
STEAMER SINKS WITH FROM 10 TO 15 ABOARD



Daily News Standard
Market Bottom Reached
Revolutionary Improvement in Radiation May Be Made in Local National Factory



San Mateo Times
TRANS-AMERICA PRICE CRASHES
NEW YORK MARKET IN HISTORY'S WORST DAY
The Des Moines Register
STOCKS OFF 10 BILLIONS MORE
Bankers Believe Securities Have Turned the Corner



"HOOVER URGES CALM"

Wilkes-Barre Record
PRICES AGAIN COLLAPSE ON STOCK MARKET
FRANTIC STAMPEDE ON MARKET CHECKED



BROOKLYN DAILY EAGLE
STOCKS SINK DESPITE BANKS; RALLY
THE MUNCIE MORNING STAR
STOCK PRICES COLLAPSE AGAIN
Western Air Liner With Passengers Lost



THE ST. LOUIS STAR
STOCKS CRASH AGAIN IN 16,410,030-SHARE DA



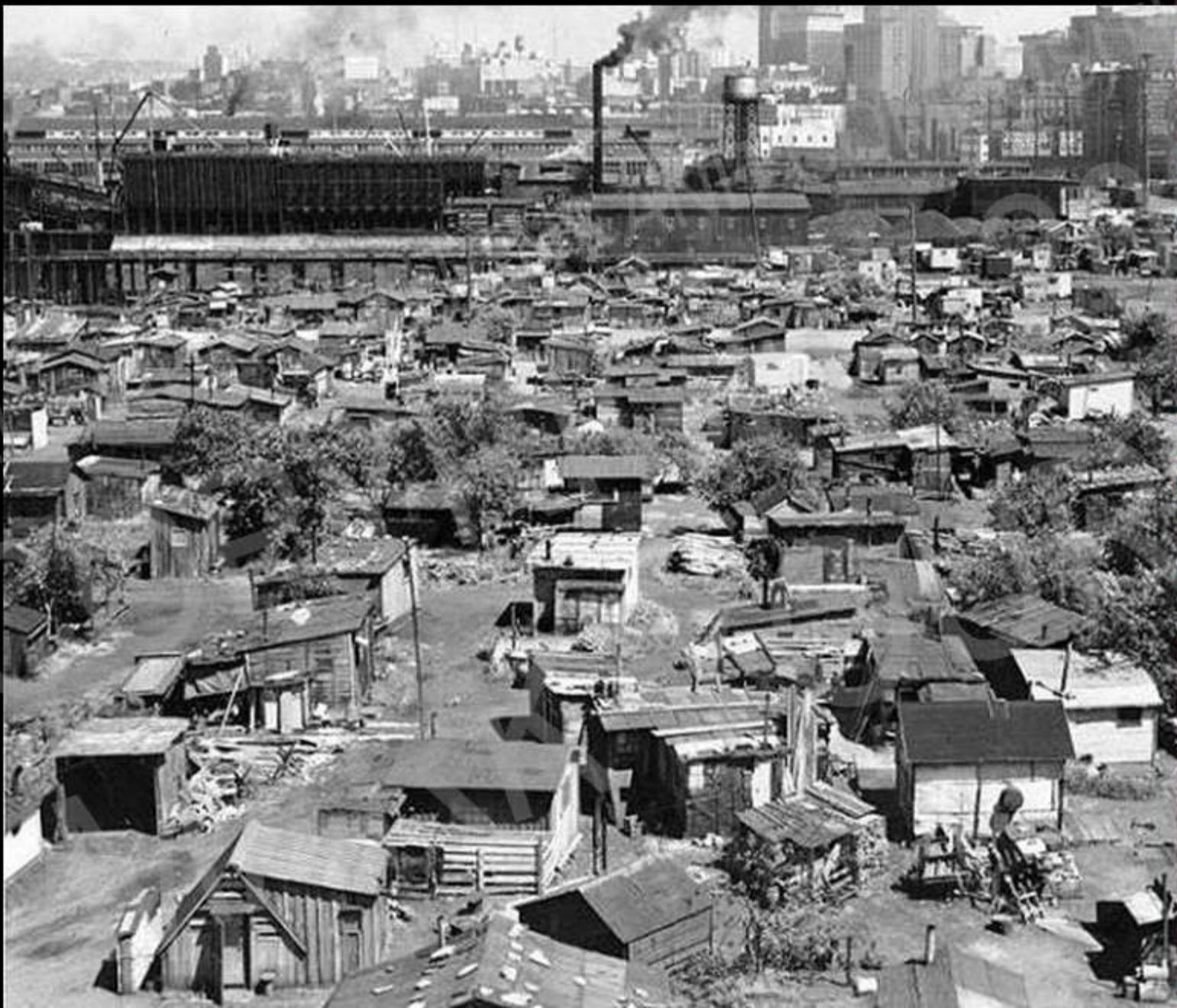


- The Smoot-Hawley Tariff Act, passed in 1930, raises taxes on imported goods to a near-all-time high, on 20,000 types of items: WE SHOULD ALL BUY AMERICAN



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imports to the US drop by 67% exports from the US drop by 61%
further strangling the economy

The view from 1933



**HALF OF ALL
NON-FARM
HOME MORTGAGES
ARE IN DEFAULT**

**ONE-THIRD OF ALL
AMERICAN BANKS
HAVE GONE
BANKRUPT**

**UNEMPLOYMENT
IS NOW AT 25%**

**EACH \$1.00
INVESTED IN THE
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International political eruption against capitalism

We can't go on like this

This isn't sustainable

*We've now had
over a hundred years
of capitalism, and the panics
and crashes just keep getting
worse and worse*

*If it's this bad this time,
what will next time be like?*

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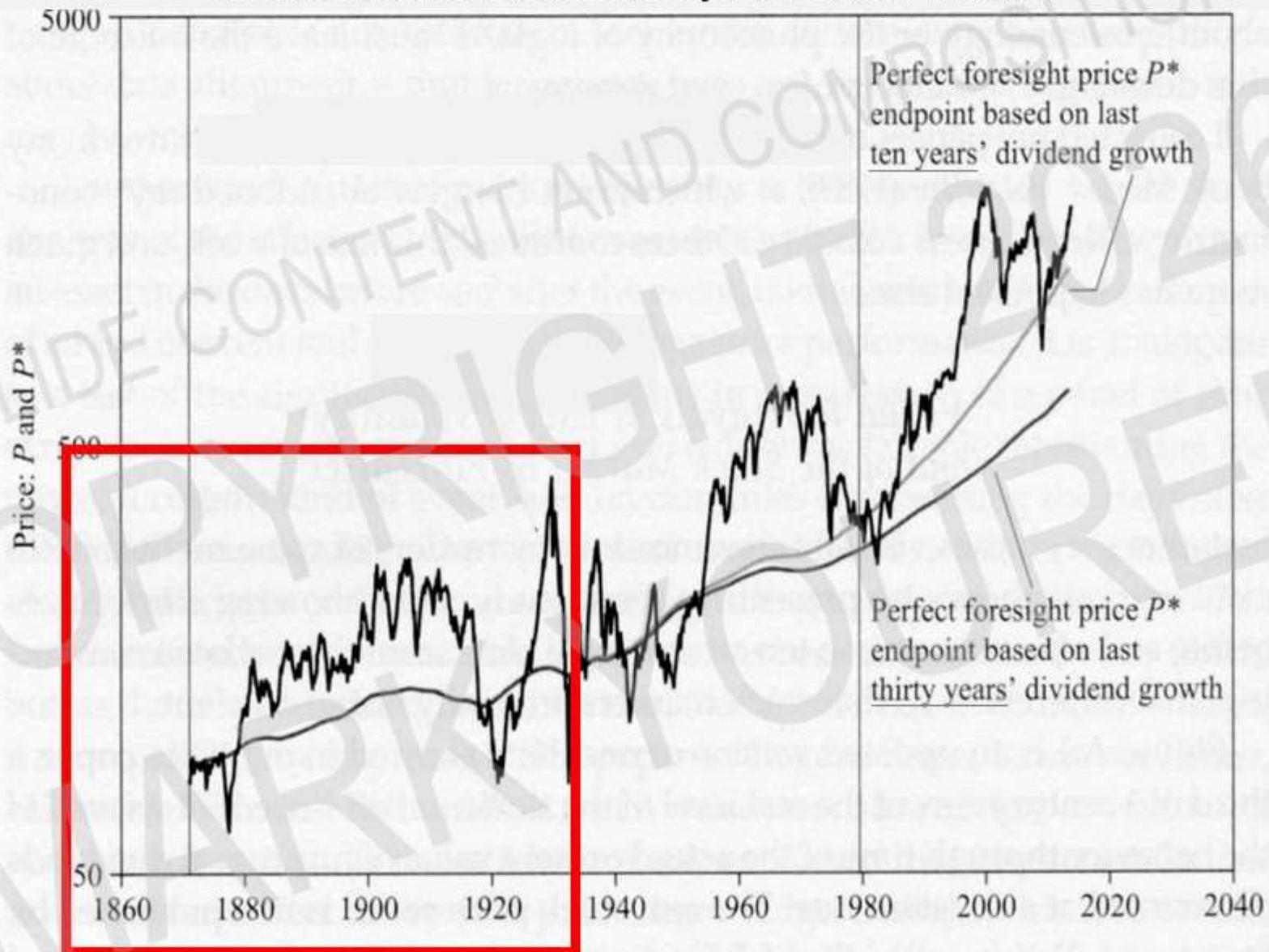
Massive movements
around the world
for fundamental change
to address capitalism's
horrific instability and brutality

Rise of socialism

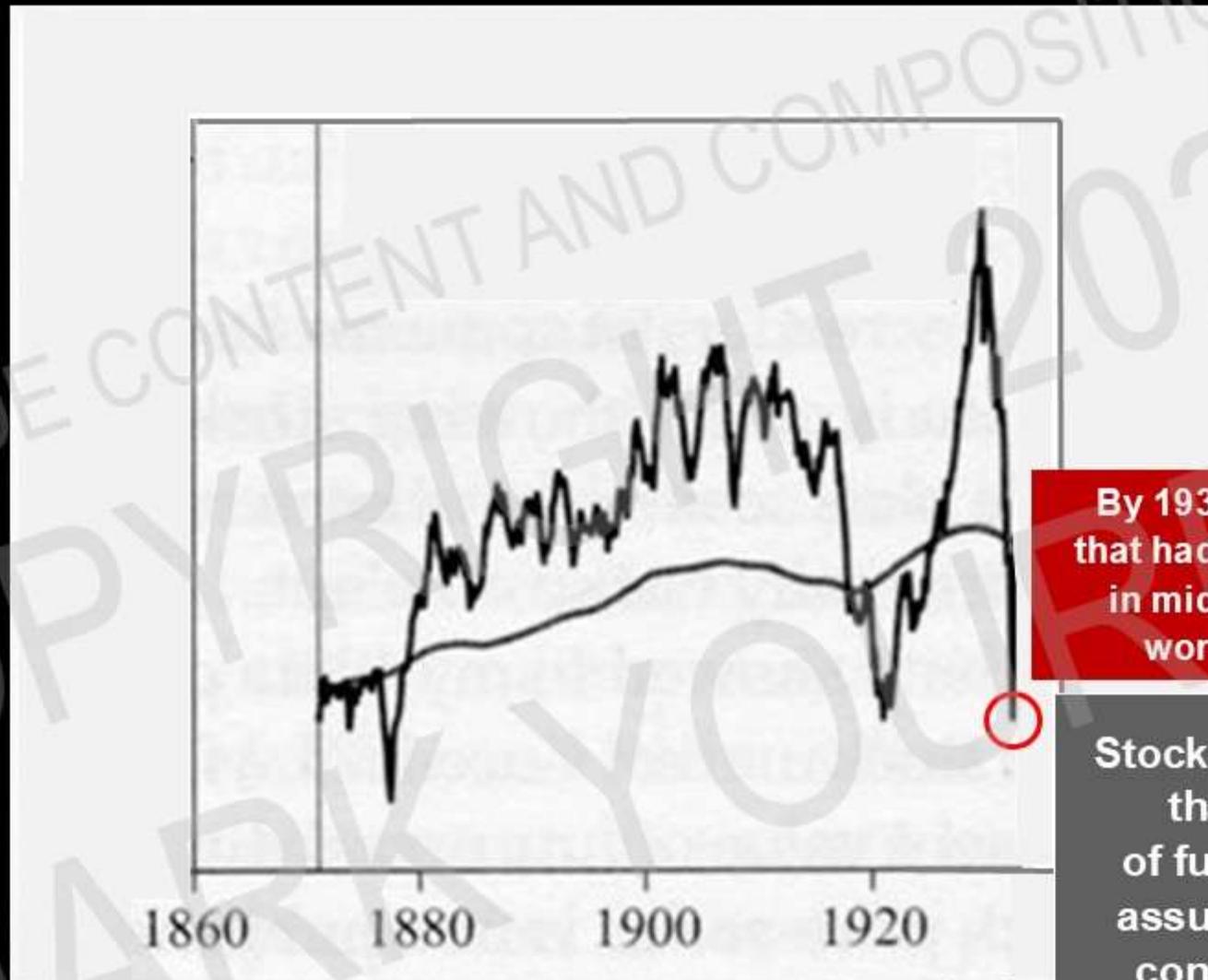
Rise of fascism

Rise of communism

Robert Shiller's 'Dividend Projector' Stock Valuator



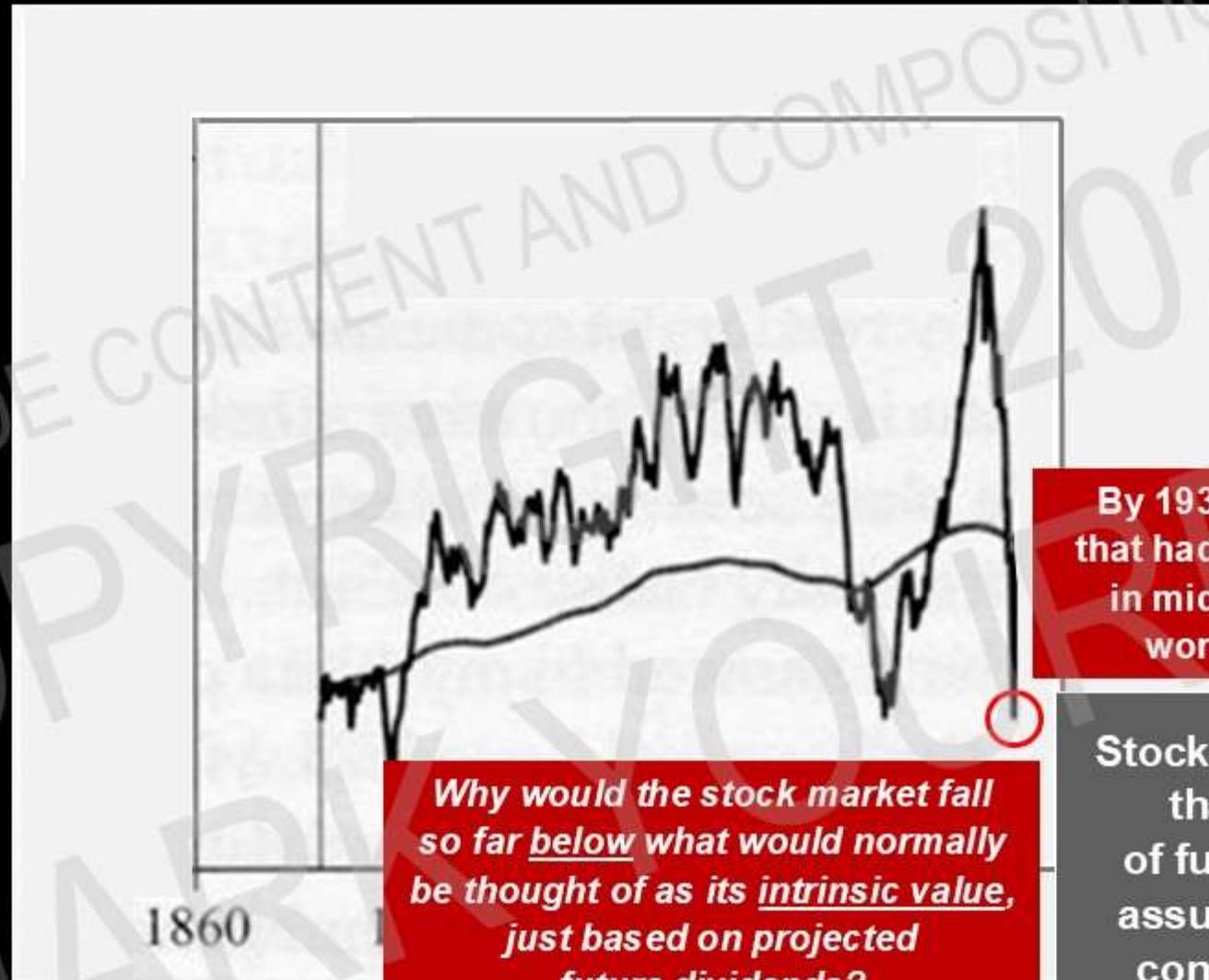
The view from 1933



By 1933, each dollar that had been invested in mid-1929 is now worth 13 cents

Stocks are now worth *far less* than the present value of future dividend streams, assuming dividends simply continue according to the long-term historical trend

The view from 1933



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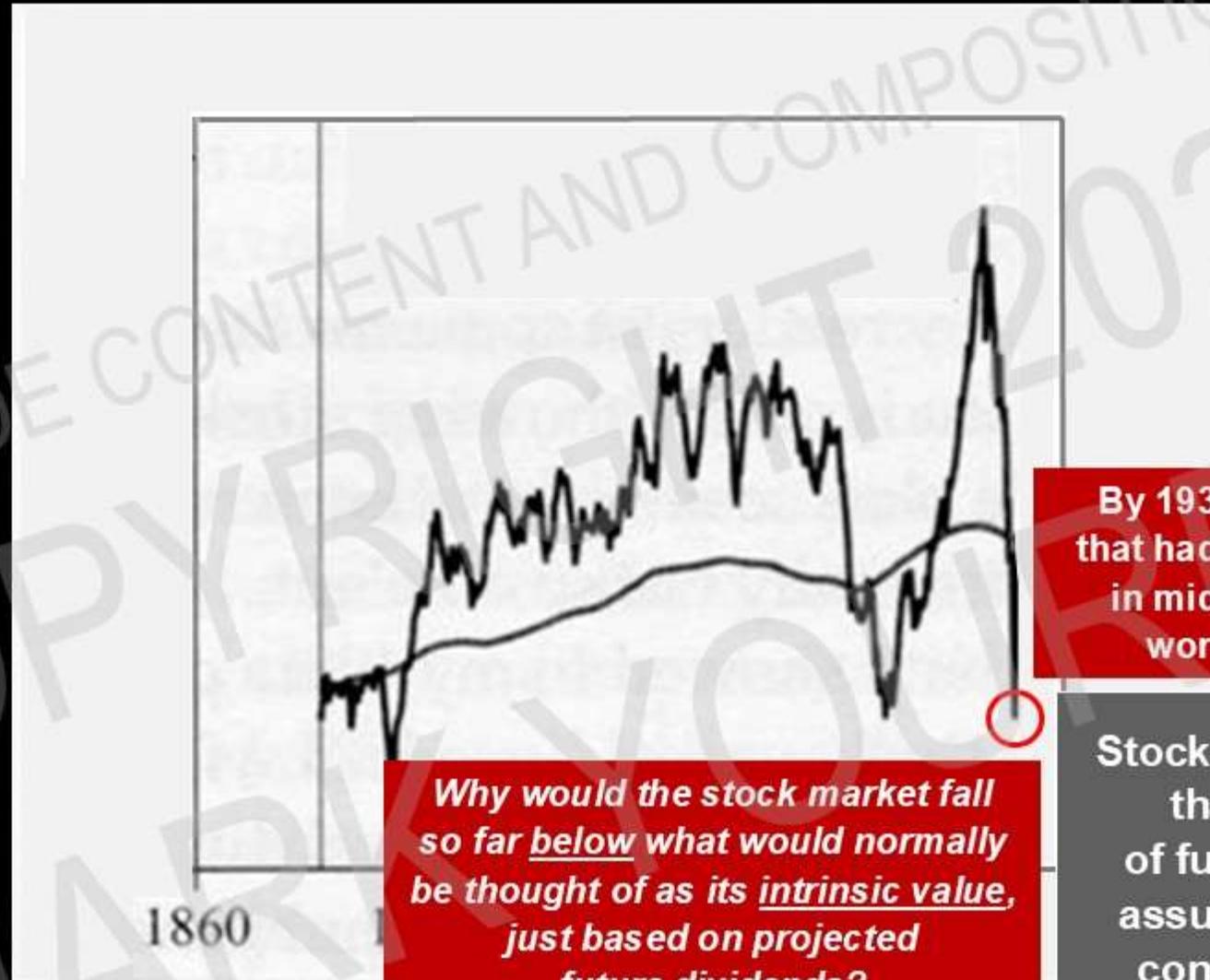
Why would the stock market fall so far below what would normally be thought of as its intrinsic value, just based on projected future dividends?

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The view from 1933

“The market never just assumes that the future will resemble the past.

It is always thinking about how the future may be different, including the possibility of ‘black swan’ events”



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The view from 1933

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By 1933, there is substantial doubt about the future of capitalism itself

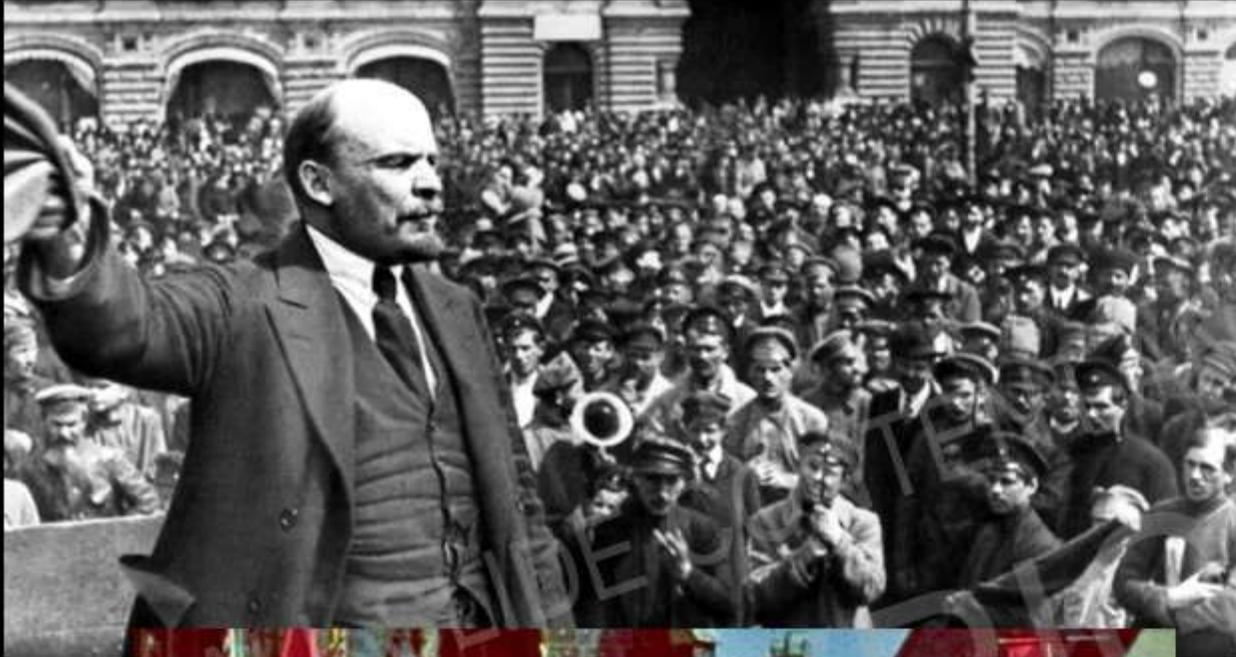
By 1933, there is substantial doubt about whether dividends based on stock ownership will continue into the indefinite future

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Stocks are now worth *far less* than the present value of future dividend streams, assuming dividends simply continue according to the long-term historical trend

So the price that you normally be thought of as its intrinsic value, just based on projected future dividends?

1860



**International political eruption
against capitalism**

RISE OF SOCIALISM

RISE OF FASCISM

RISE OF COMMUNISM

Capitalism is inherently bipolar, and unstable

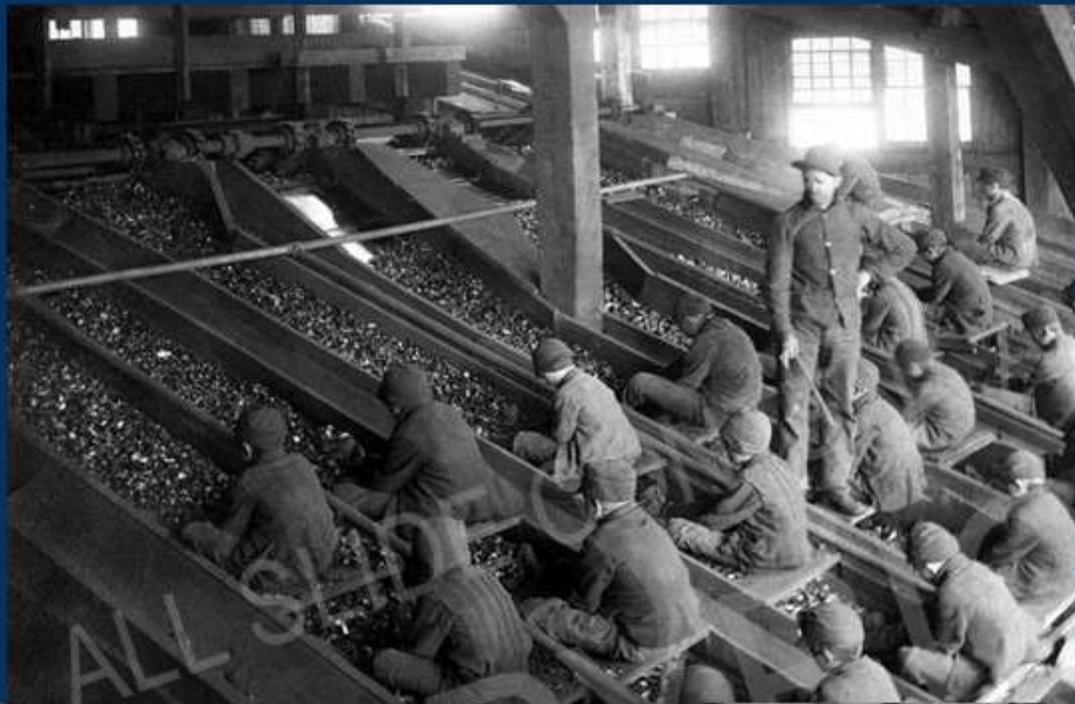
As economies become more and more interconnected and interdependent, capitalism becomes prone to more and more severe crisis

At a minimum, to let capitalism slip into a serious bout of instability can be terribly destructive to people's lives

But it is *extremely dangerous* to allow capitalism to veer into cataclysm, as it was allowed to, in the 1930s

When people become frustrated beyond endurance, and outraged at the injustice of economic outcomes, they become willing to consider drastic change





In the United States, by 1933 there is an overwhelming political consensus for change, to address capitalism's persistent instability and alleviate its deep perceived injustices

Banking and Securities Acts of 1933 ('Glass-Steagall'):

- Established government-backed deposit insurance, to prevent bank runs and bank panics
- Strengthened role of Federal Reserve as lender-of-last-resort to banks
- Tightened bank regulation and supervision, and separated commercial and investment banking
- Established the SEC to regulate securities issuance and trading

National Labor Relations Act of 1935:

- Ensured the right of workers to form unions, perform collective bargaining, and conduct strikes

Fair Labor Standards Act of 1938:

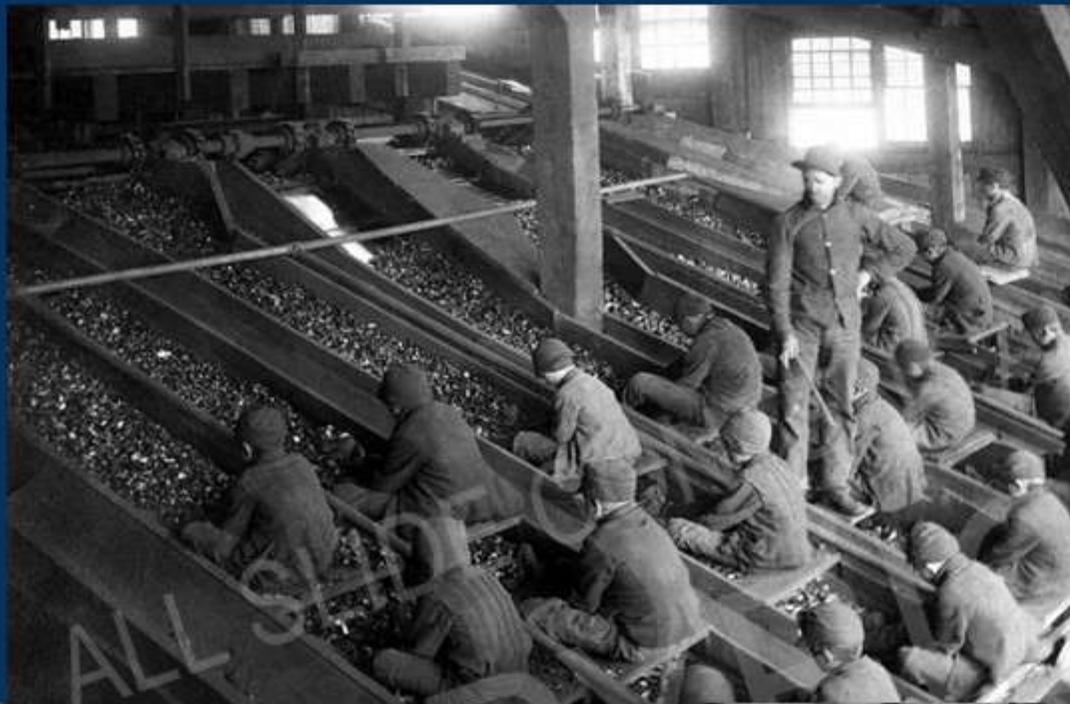
- Banned child labor, established the 8-hour workday with time-and-a-half overtime, and a minimum wage

Social Security Acts of 1935 and 1939:

- Established a baseline old-age pension for most workers, as well as support for dependent children, funded by a dedicated payroll tax

These permanent steps were supplemented by a variety of temporary programs to try to alleviate unemployment and revive the economy





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Goal: make capitalism more stable, and more decently livable, but keep it





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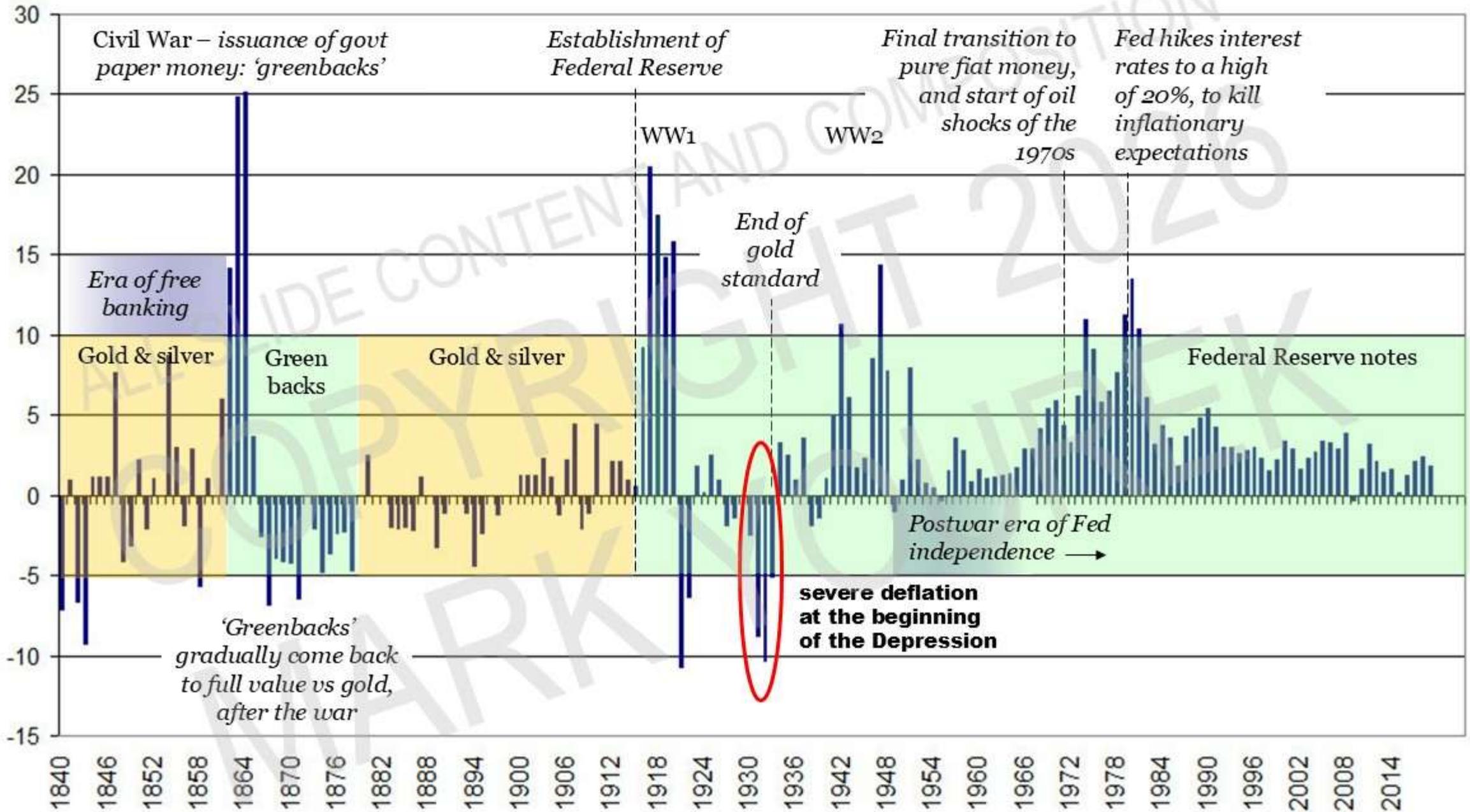


*Instead of getting rid of capitalism entirely, let's try to **stabilize it**, and let's try to **take the roughest edges off of it**, so it has a chance of providing people with the opportunity for a decent life*

The financial reforms of the 1930s were highly successful in stabilizing the American banking and financial sector for the next 50 years

- Financial panics, bank runs, and the loss of customer deposits in bank failures ended immediately
- Bank supervision by the Federal Reserve and by the FDIC was highly successful in preventing losses to the US taxpayer from bank failures, from the 1930s until the 1980s
- All this came late, to the crisis of the 1930s: the Fed did not intervene to arrest the collapsing money supply until after 1933, and the Fed and Treasury took certain other actions during the Hoover years that had the inadvertent effect of reducing the money supply *even further*
- As a result, the economy was ravaged by the **worst sustained deflation** in US history, from 1930-1933
- Deflation in the United States was finally stopped by the ending of the gold standard in 1934-35

US Annual Inflation Rate 1840-2019



The maturation of monetary functions in the United States

ESTABLISHMENT OF GOVERNMENT-ISSUED CURRENCY 1860s	ESTABLISHMENT OF INSTITUTION TO MONITOR ECONOMY AND COUNTER INSTABILITY 1913	PREVENTION OF BANK PANICS: DEPOSIT INSURANCE and FED AS LENDER OF LAST RESORT 1934	FULL CENTRAL BANK OPERATIONS BEGIN 1934-35			
Civil War need to raise huge amounts of money to prosecute war	Panic of 1907 need to be able to react strongly to stabilize during bank panics	Great Depression need to end bank runs and enforce banking stability	Great Depression need to end severe deflation			
Elimination of private bank notes Currency issued on gold standard	Federal Reserve established as a new entity distinct from Treasury, with technocratic governance. But a significant part of the political establishment disagrees with the need for such an institution, and with the idea that govt should ever intervene in the economy	Deposit insurance established after banking industry is devastated by runs and panics. The Fed begins to act more assertively as lender of last resort to banks, with much closer bank supervision and regulation	Convertibility to gold is ended, effectively ending the gold standard. The US dollar is devalued from \$20.67 to \$35, to stop deflation. Everyone required to sell their monetary gold to the government, to prevent hoarding, and to get money to start circulating more freely			



In terms of government fiscal and spending policies, the economic recovery programs of the 1930s were conceived and managed from a pre-Keynesian perspective during both the Hoover and Roosevelt administrations, and were not nearly sizeable enough to spur a robust turnaround

The economy struggled with a weak recovery from 1934-37, then sank back into recession in 1937-38 before resuming slow growth in 1939-40

By 1941, the US economy was back to the size that it was in the summer of 1929

201-08

Ben Bernanke Says "Hitler Was the Guy Who Got Economics Right in the 1930s"

Historians/History

tags: Hitler, economics, Ben Bernanke



IG Farben factory in Monowitz (near Auschwitz) 1941 - Bundesarchiv, Bild 146-2007-0057 / CC-BY-SA 3.0, CC-BY-SA 3.0 de, Adolf Hitler By Bundesarchiv, Bild 146-1990-048-29A / CC-BY-SA 3.0, CC-BY-SA 3.0 de

Ben Bernanke has had his finger on the pulse of macroeconomic convulsions, and many have called him the man who "doctored" the financial crisis of 2008, and brought the American economy back into good graces.

He is considered the pre-eminent living scholar of the Great Depression, and one can say he conducts himself as such. The first paragraph in the preface to Bernanke's 2004 book, *Essays on the Great Depression*, reads as follows:

In terms of government fiscal and spending policies, the economic recovery programs of the 1930s were conceived and managed from a pre-Keynesian perspective during both the Hoover and Roosevelt administrations, and were not nearly sizeable enough to spur a robust turnaround

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- To compare to the US path: Germany went off the gold standard 4 years earlier than the US, and the spending and investment programs implemented by the Nazi government were *several times larger* than the New Deal was in the United States. These programs did succeed in quickly turning the German economy to robust growth, beginning in 1933



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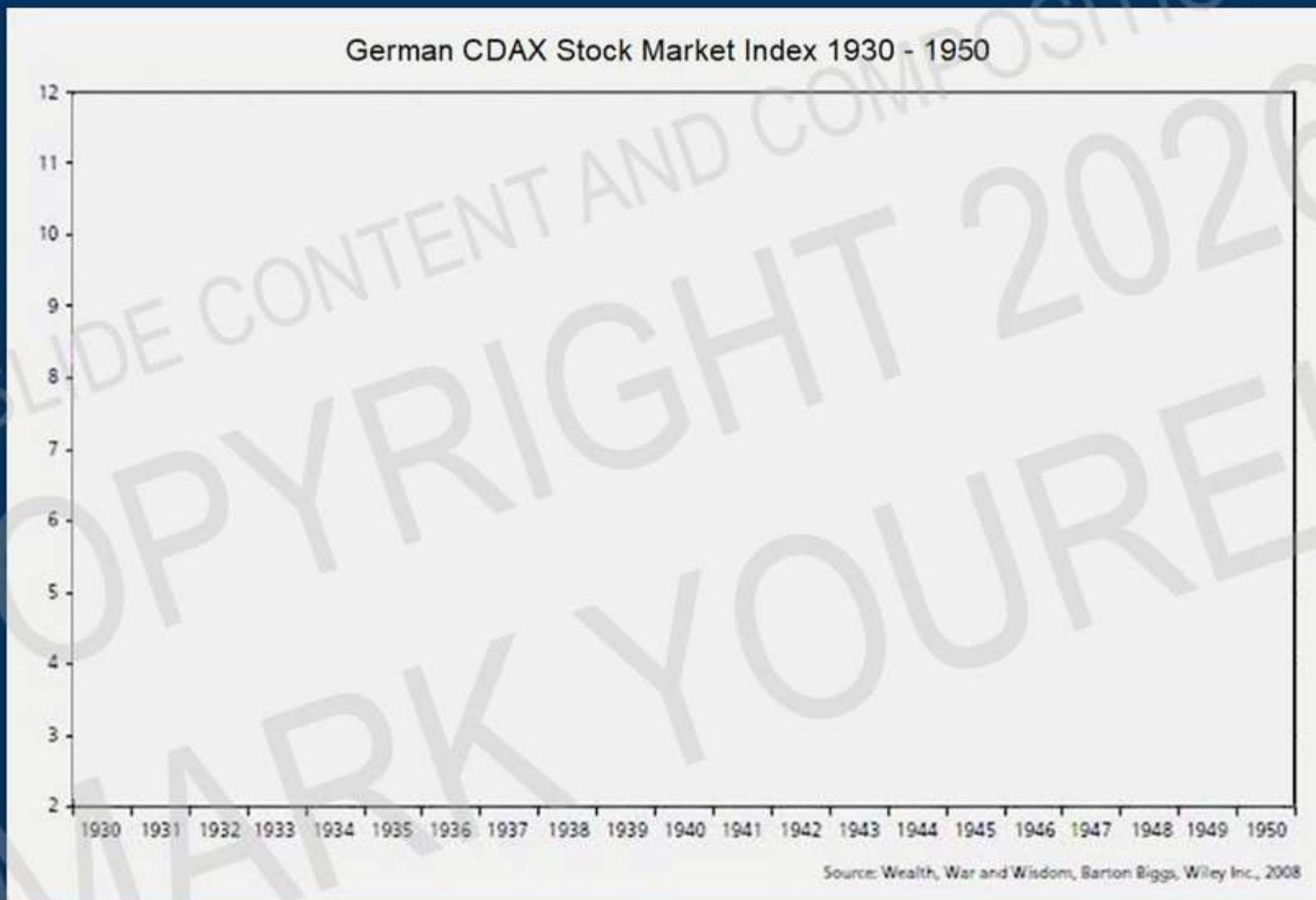
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For the United States, the effort to fight World War II from 1941-45 constituted a vastly larger 'government stimulus' – the largest by far in American history – and was itself hugely successful in lifting the US to a higher economic plane

Case-study:
How would capitalism react
to the coming of dictatorship,
war and catastrophe?

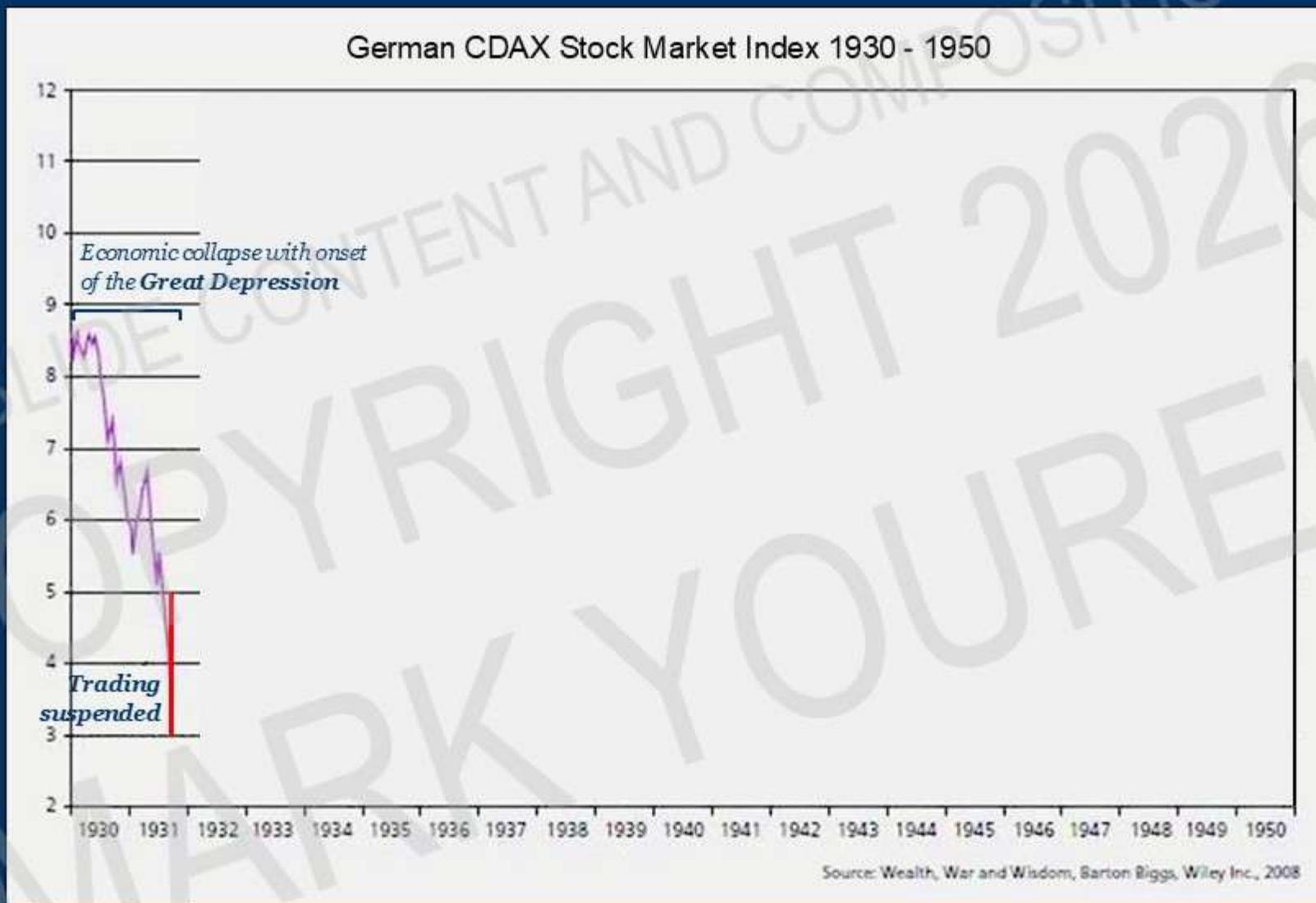
Case-study: Capitalism deals with the coming of dictatorship, war and catastrophe



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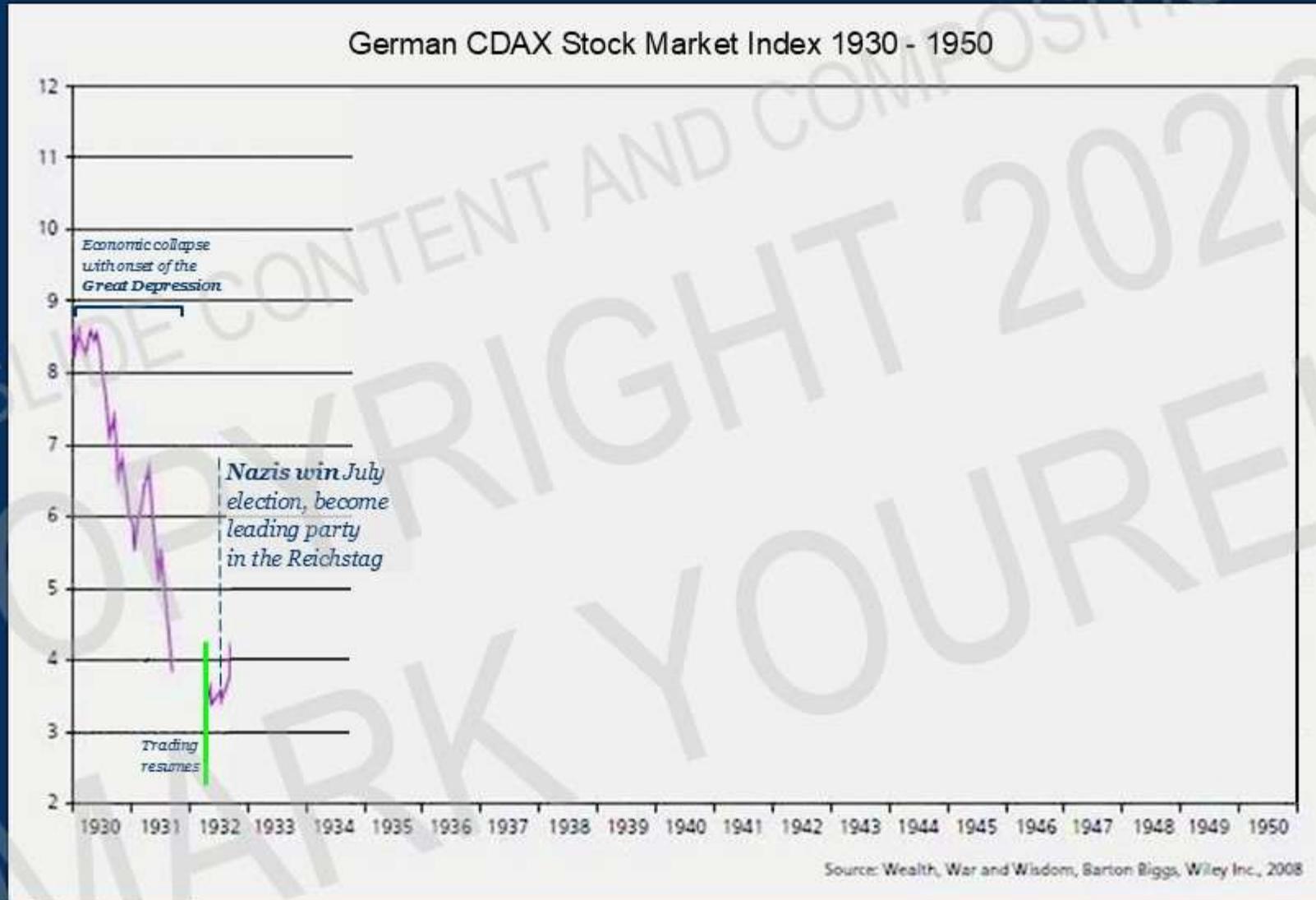
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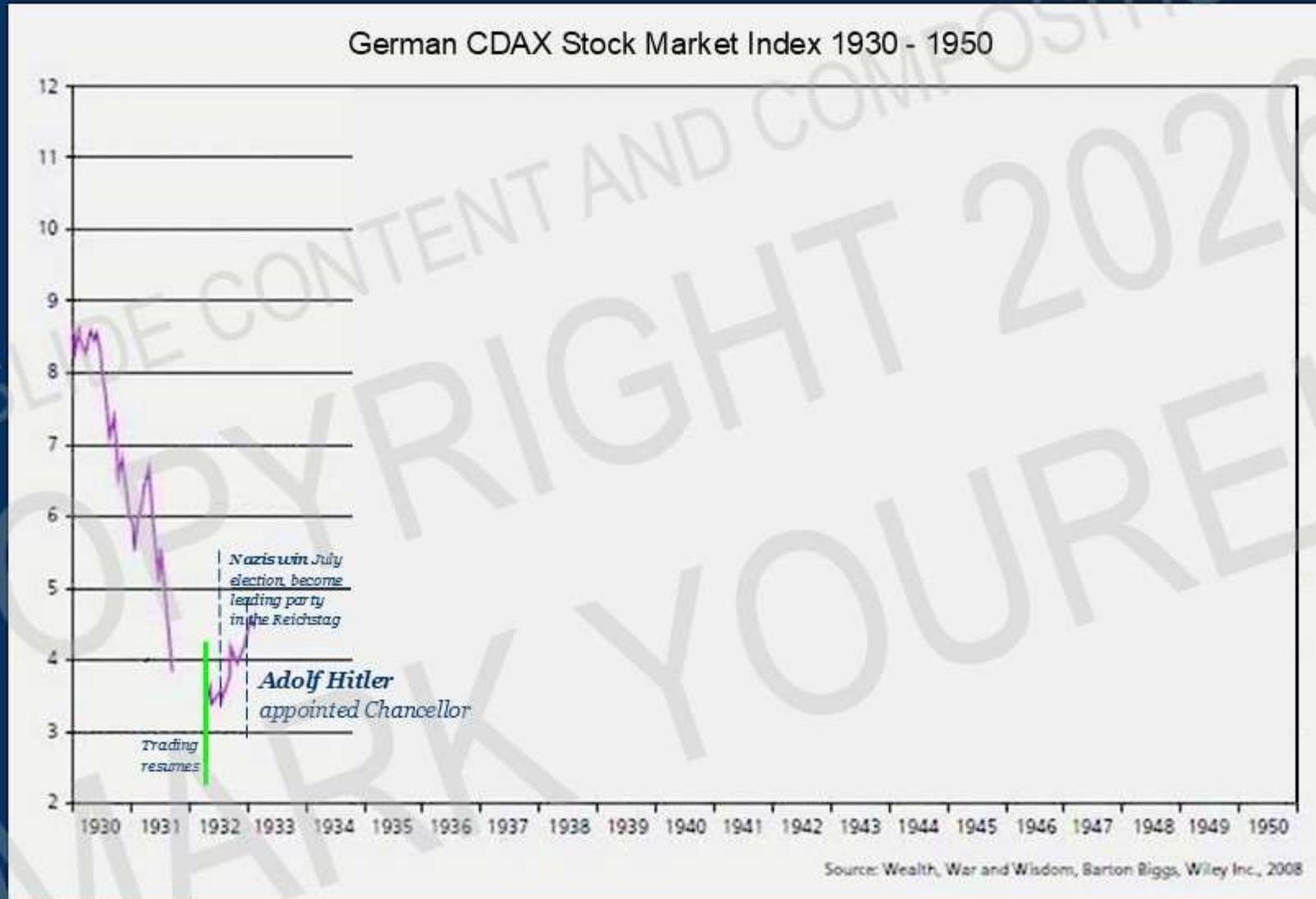
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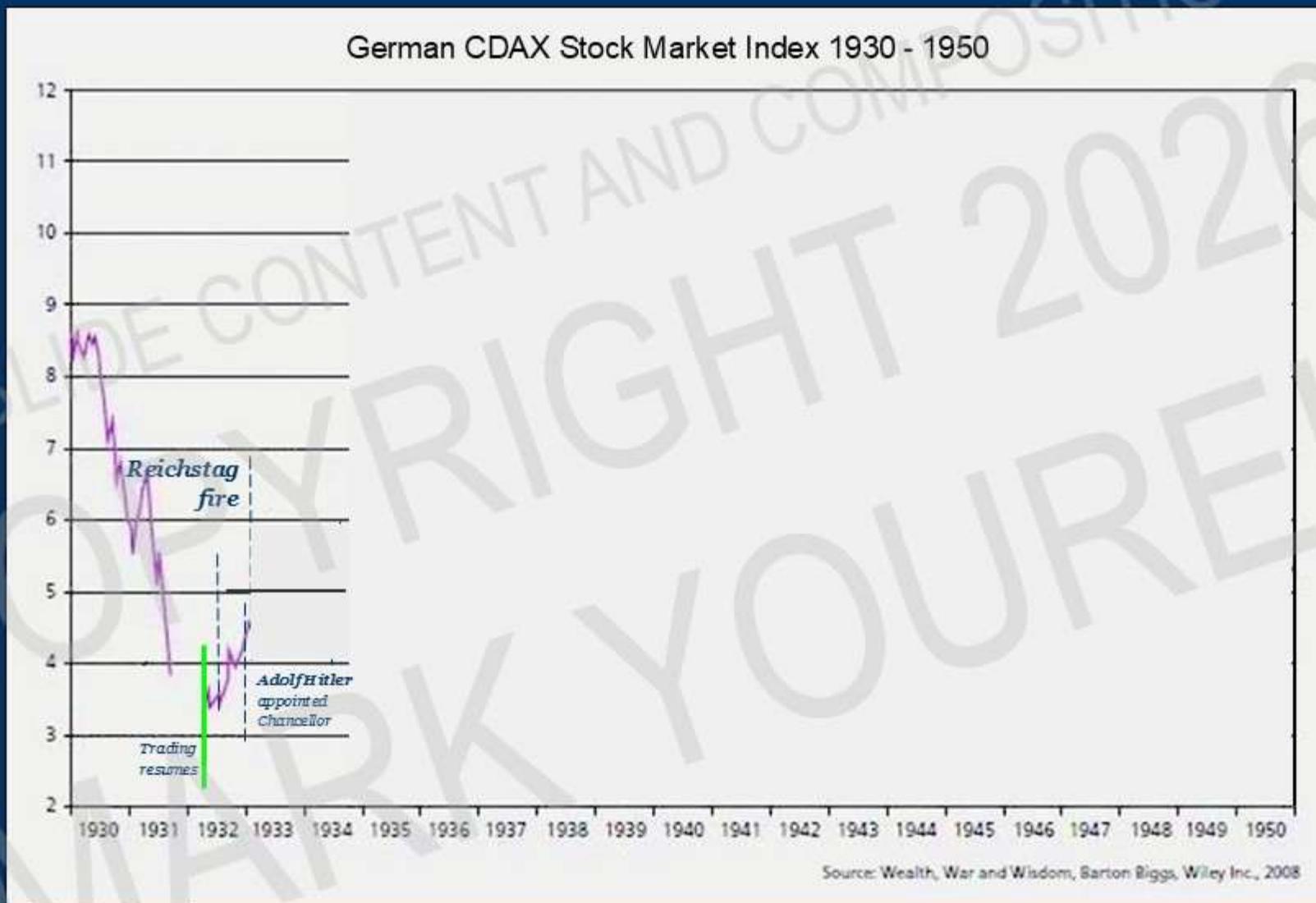
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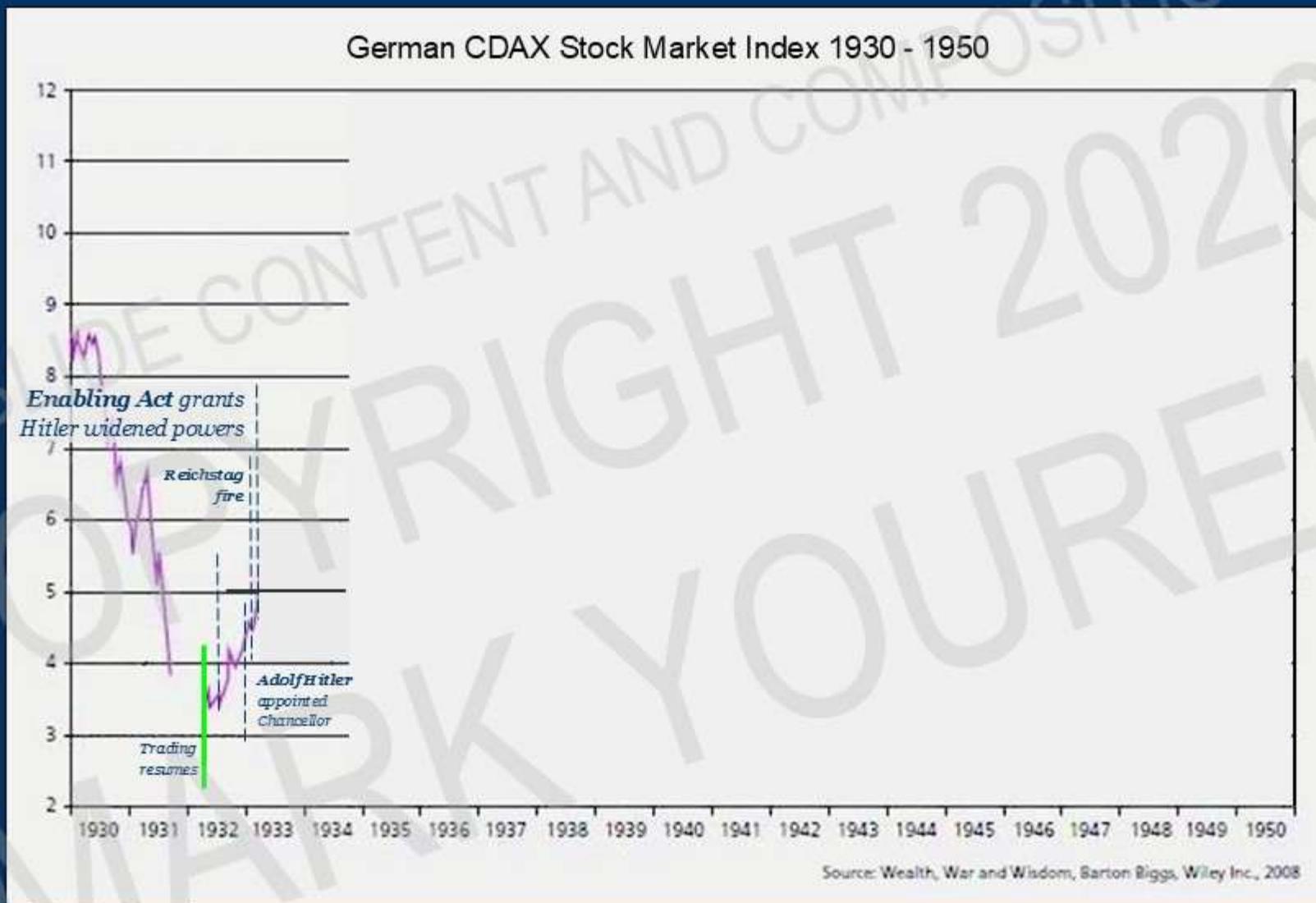
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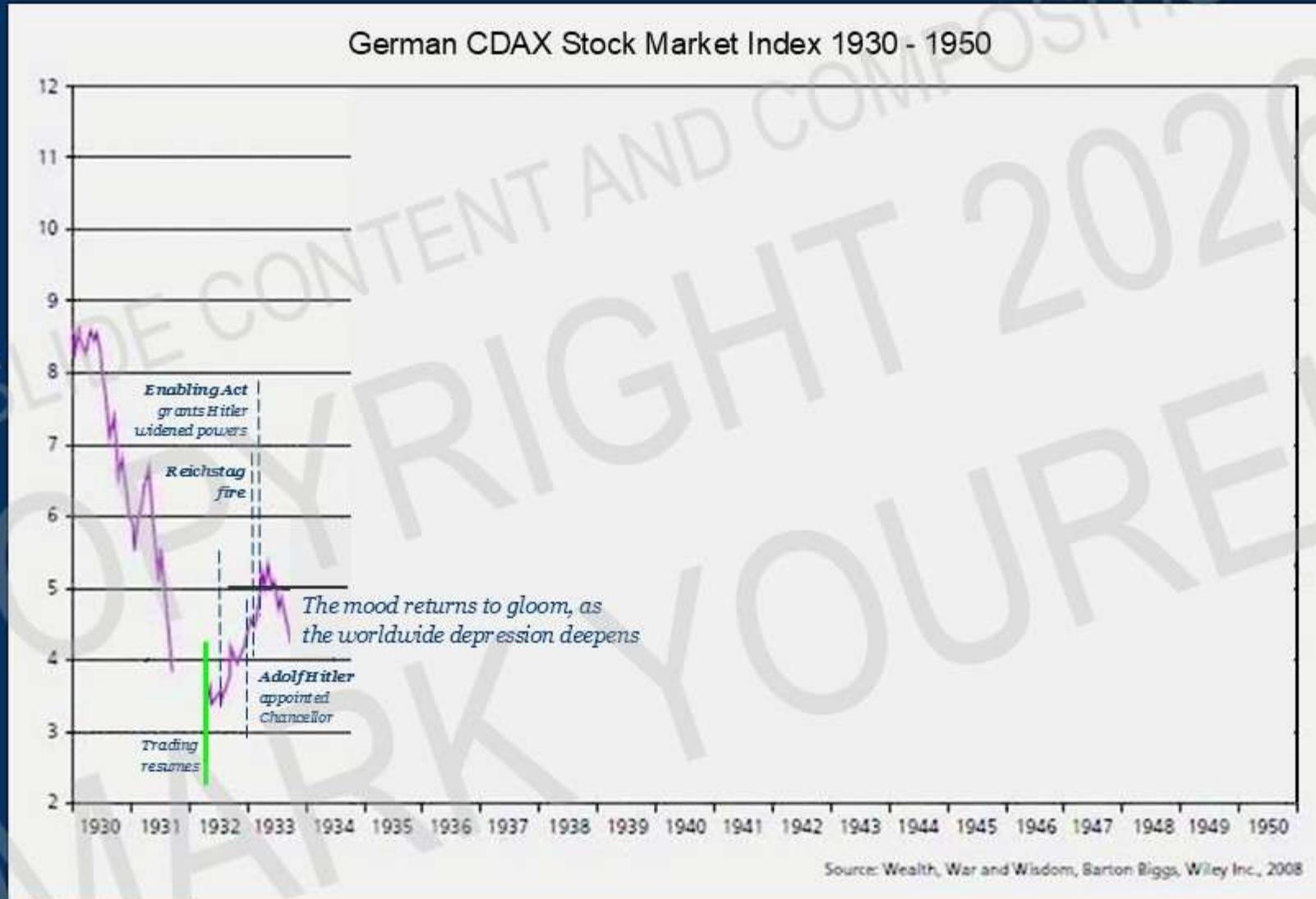
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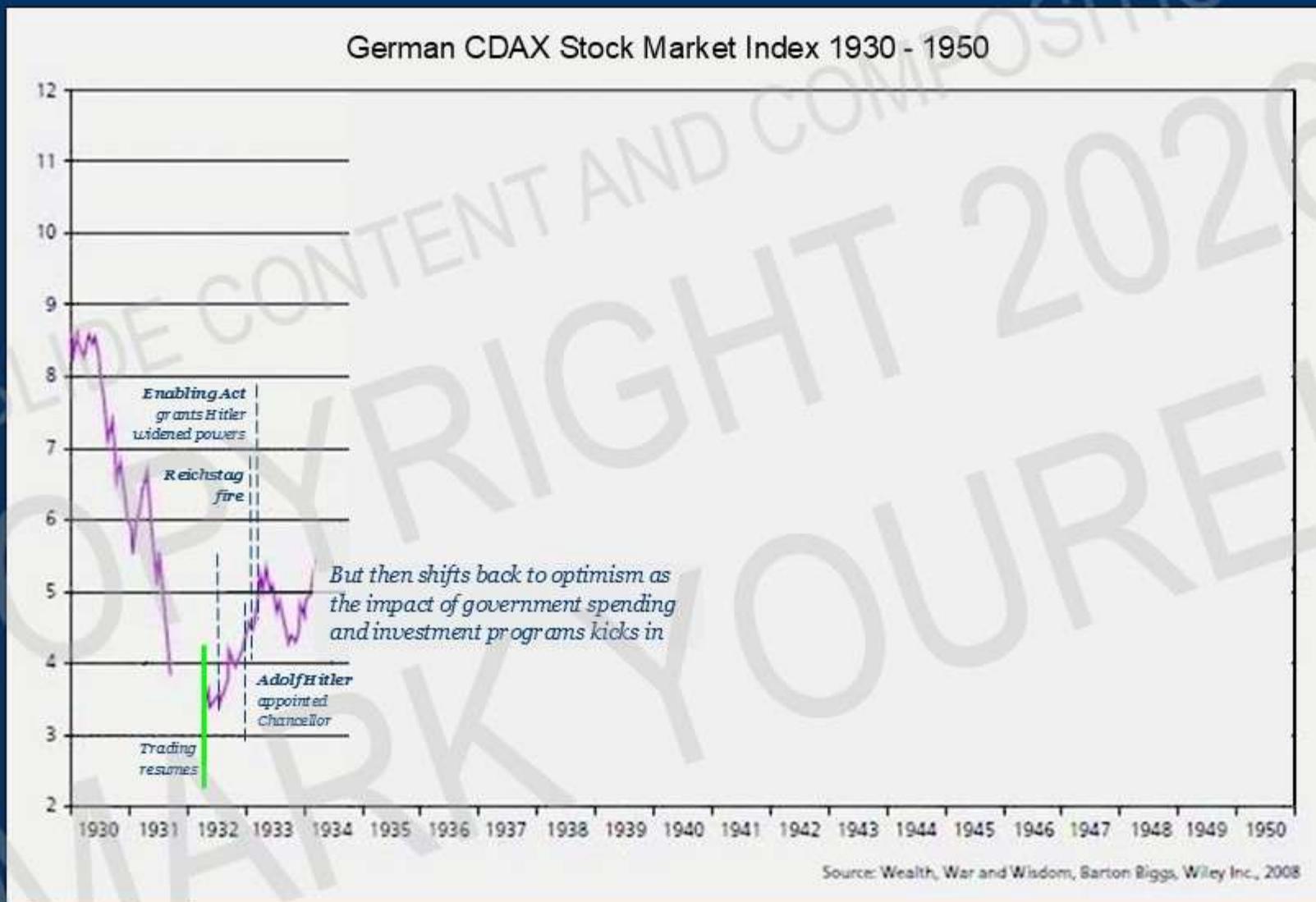
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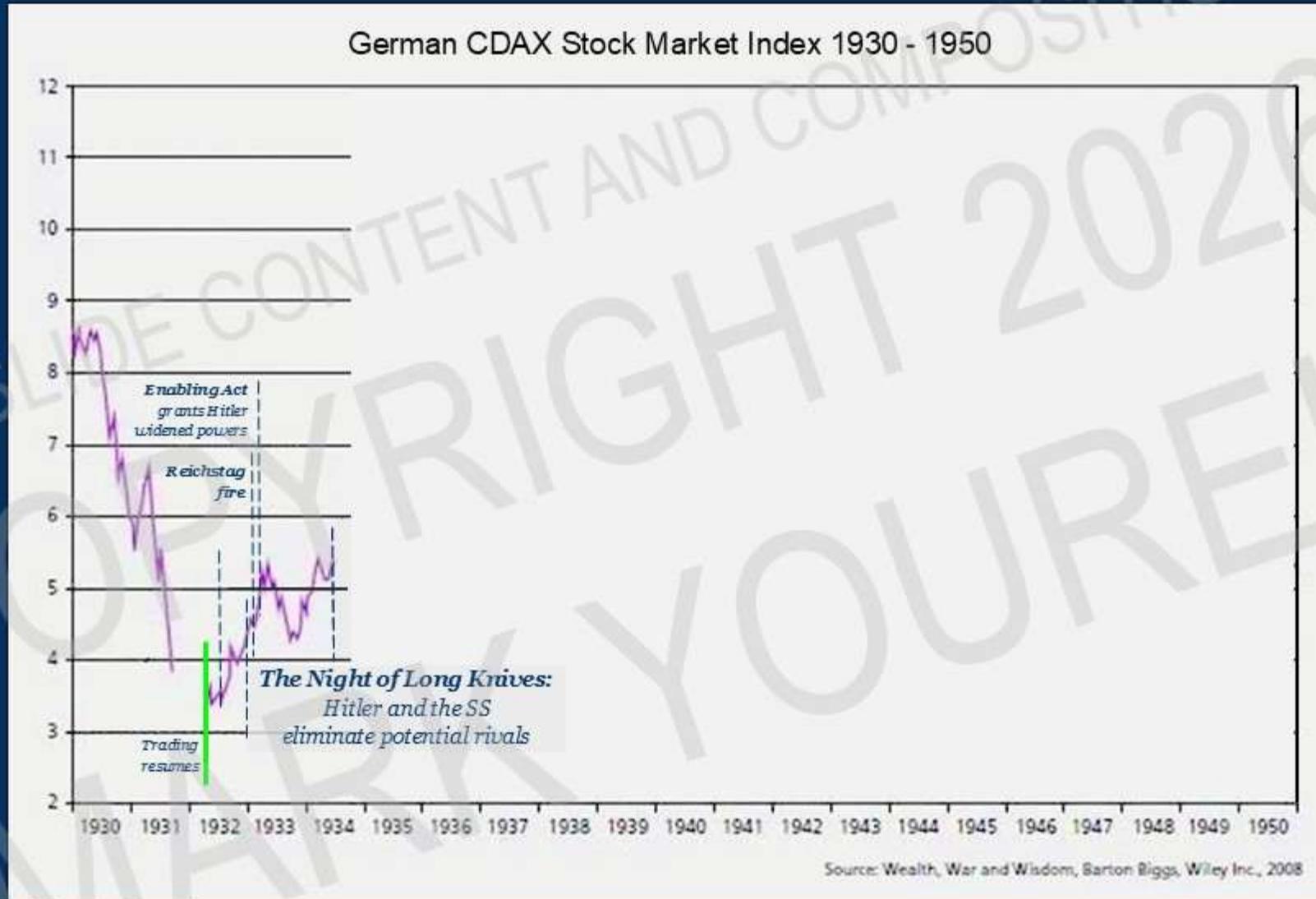
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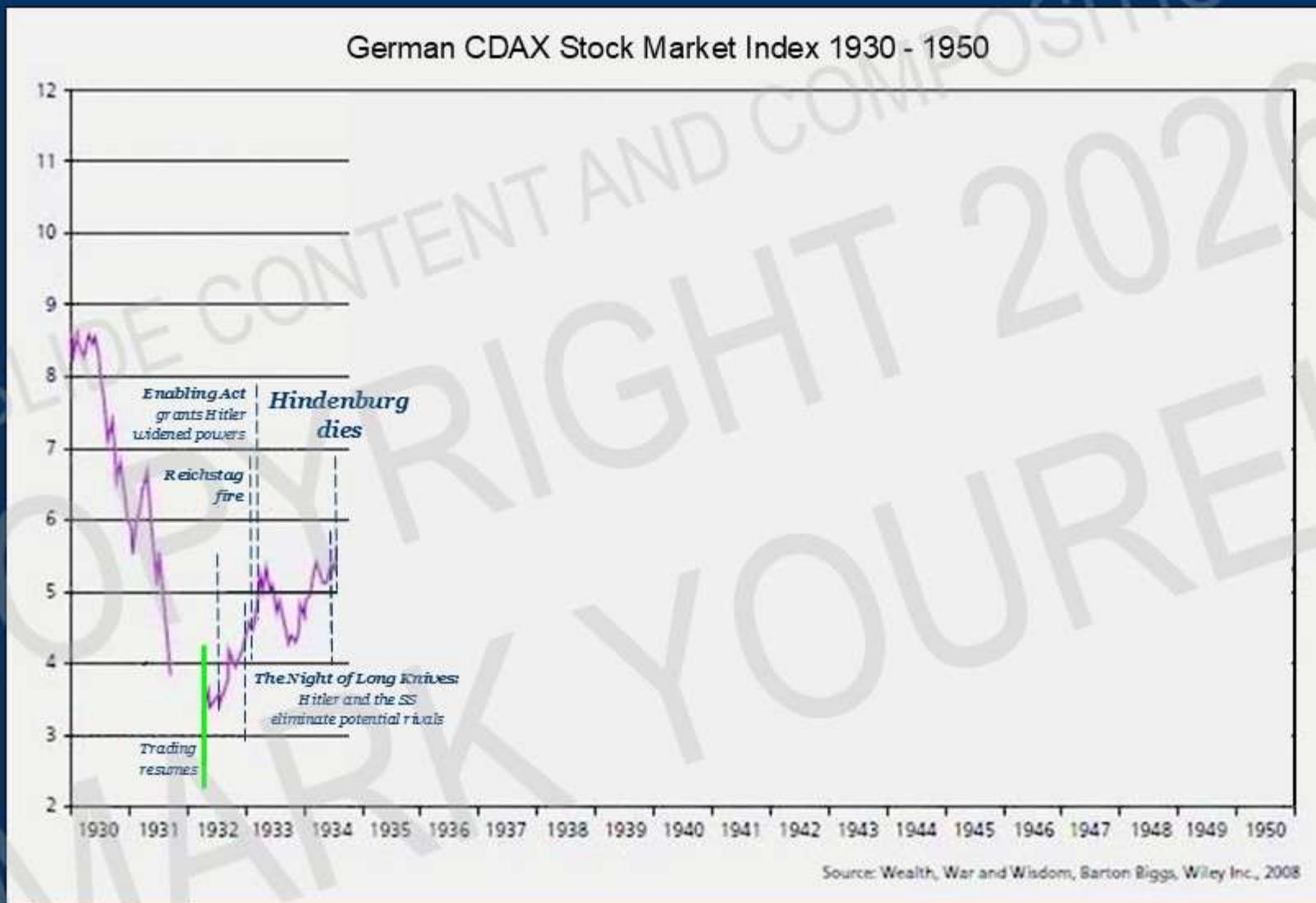
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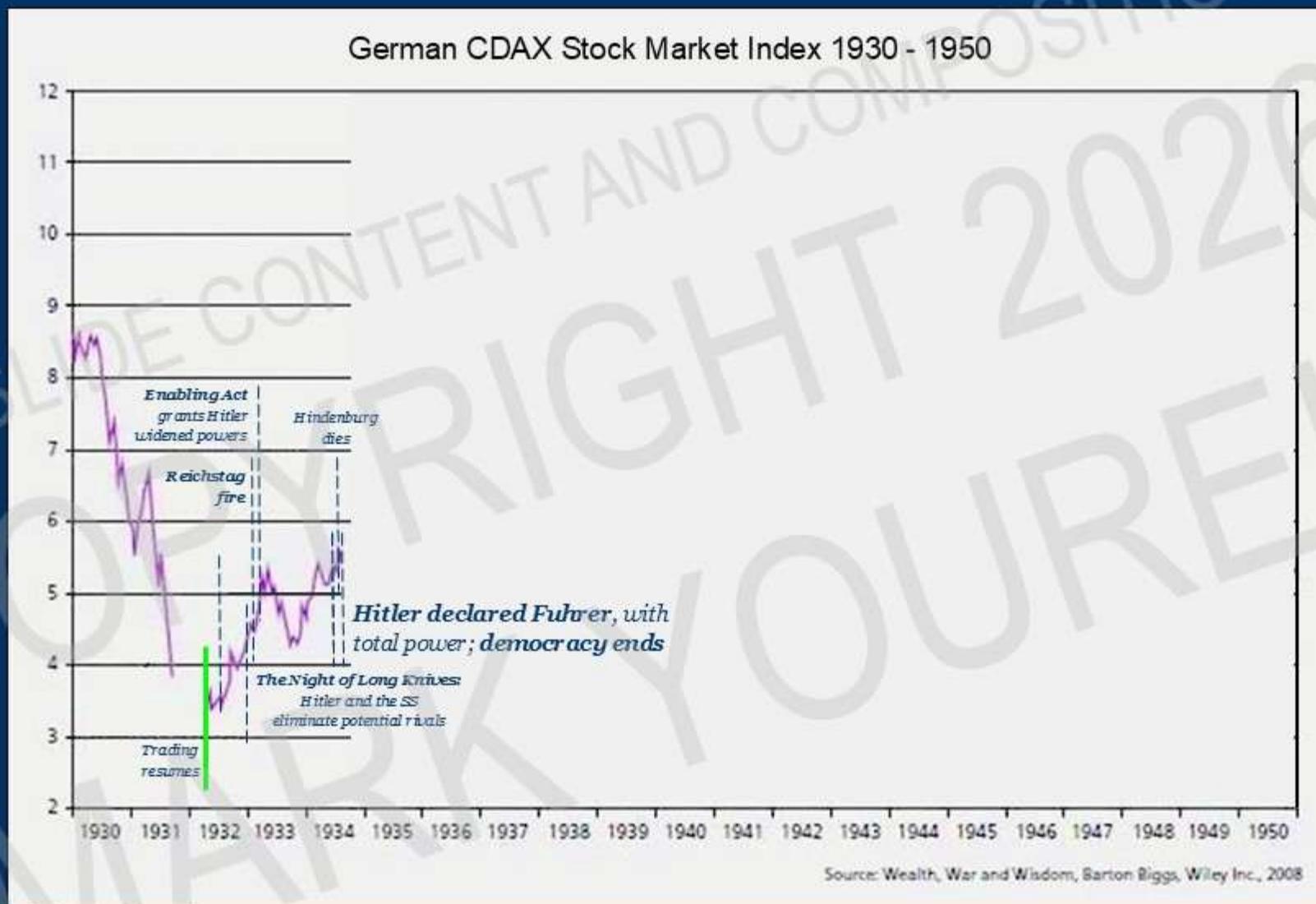
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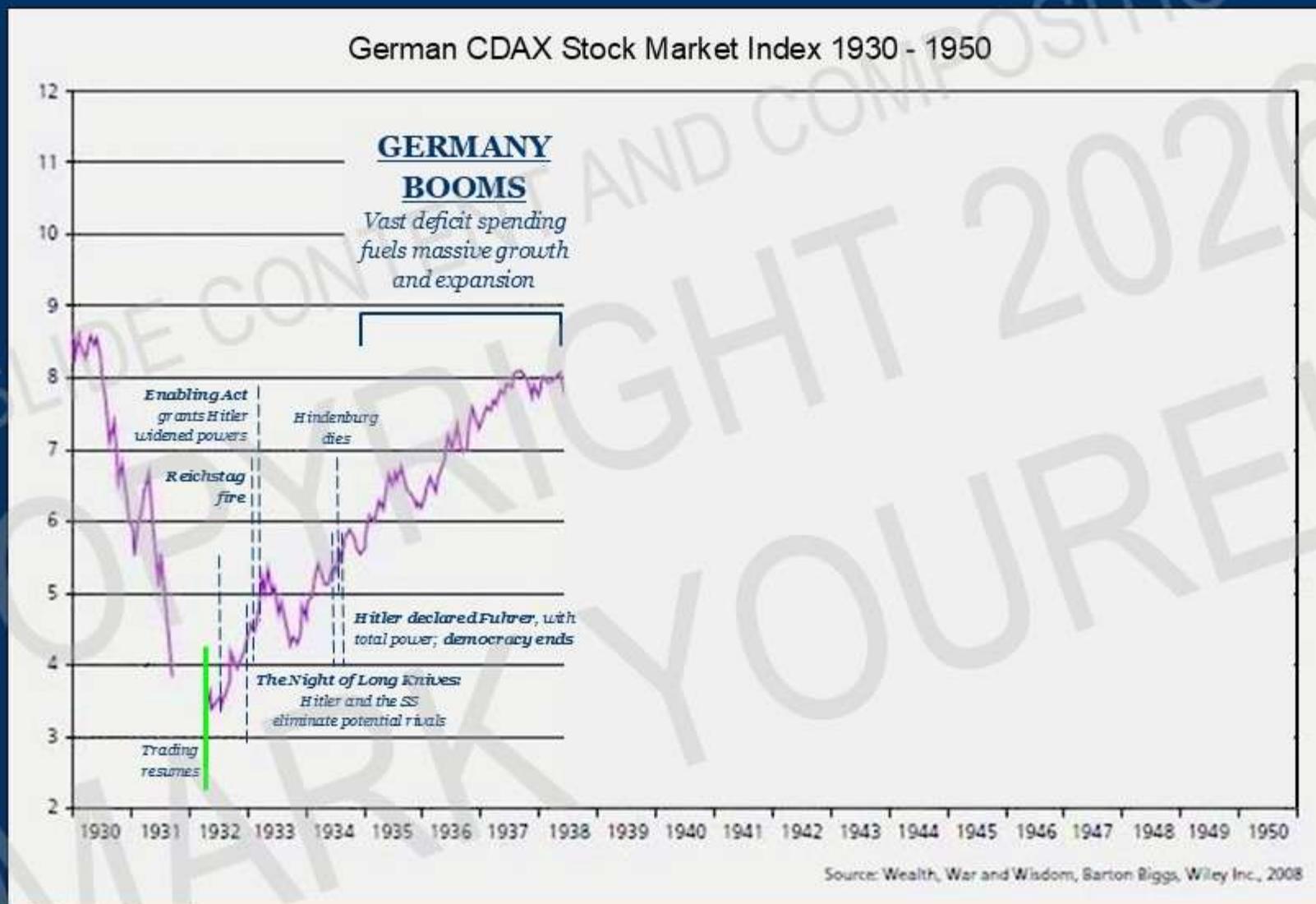
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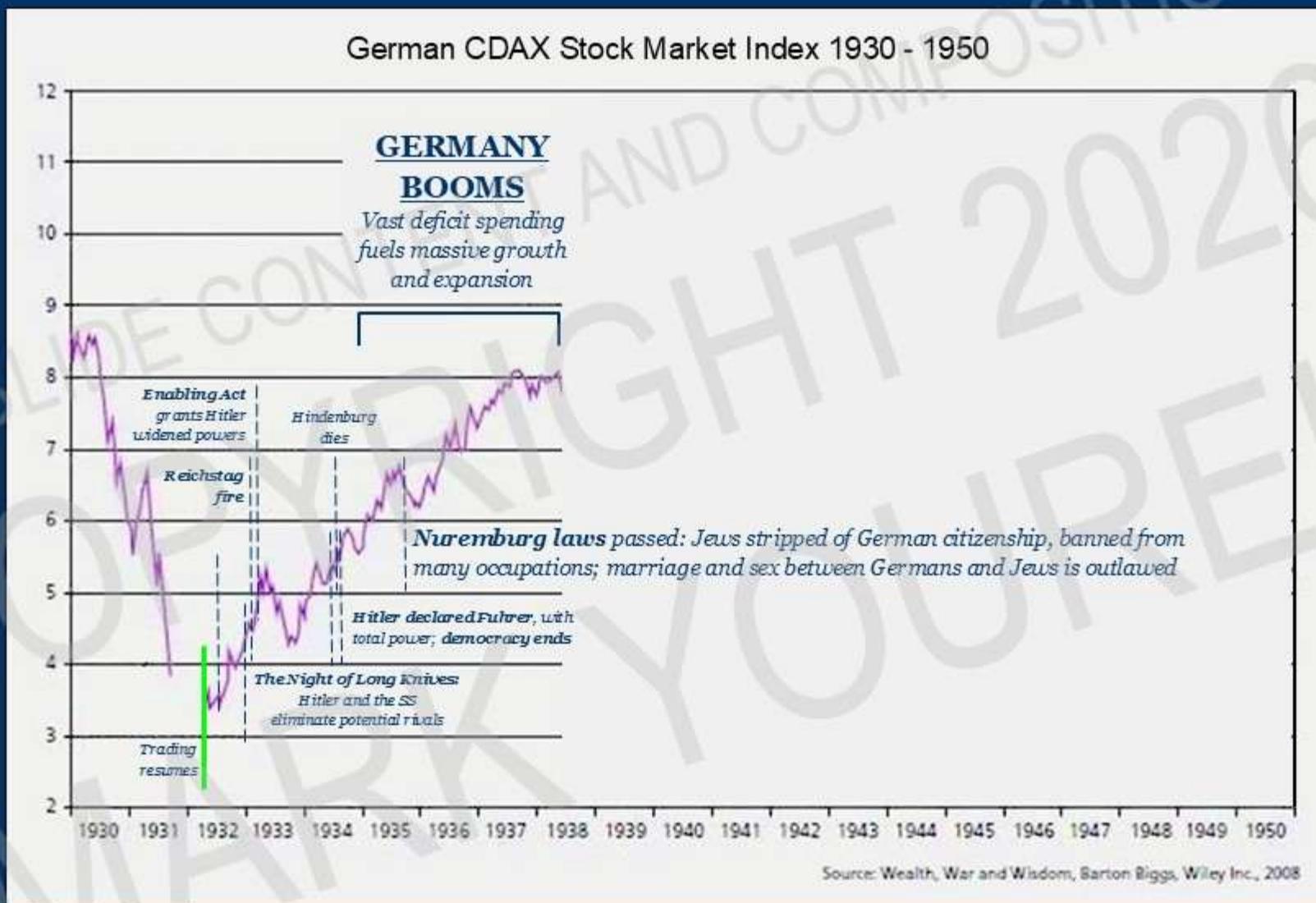
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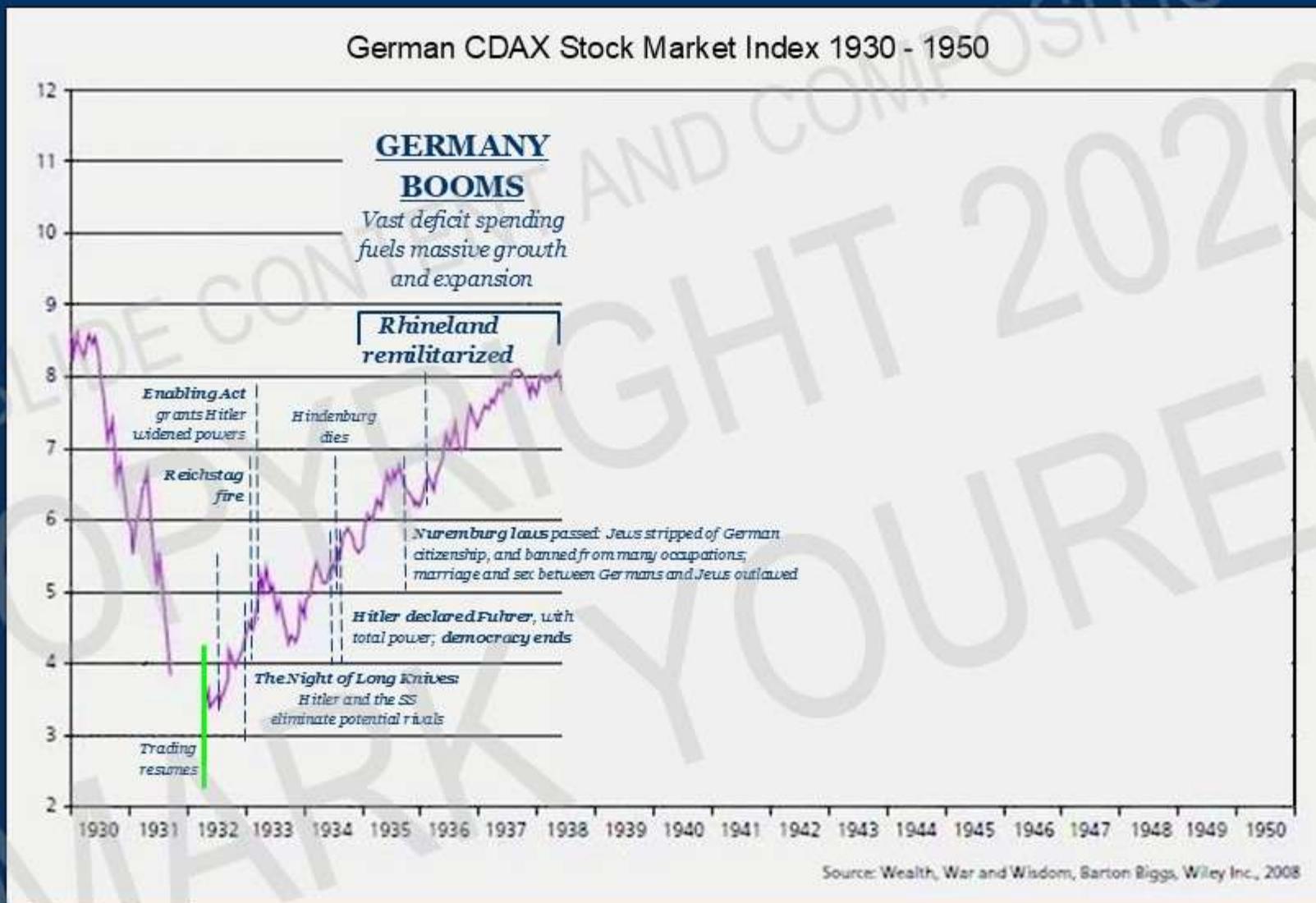
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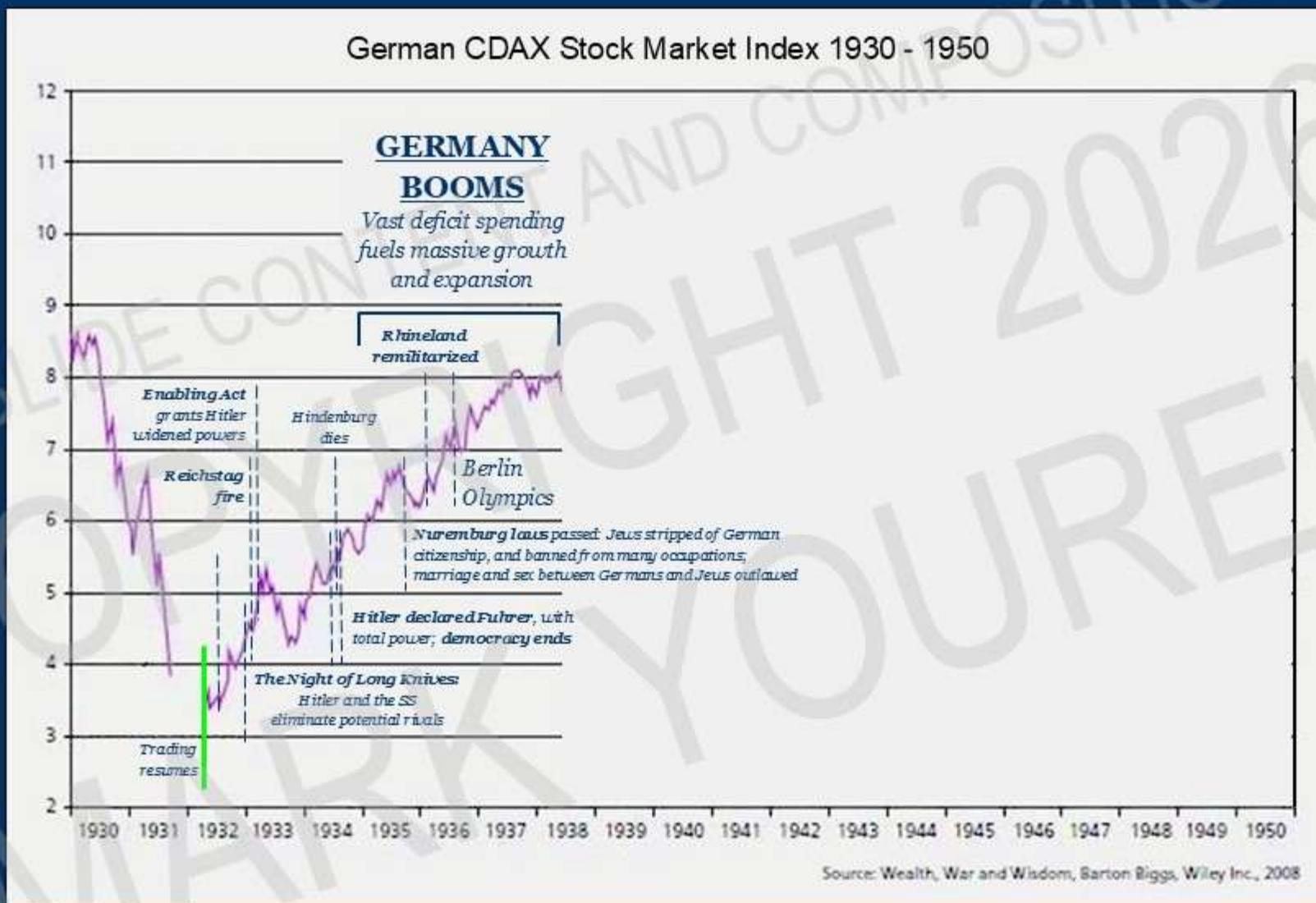
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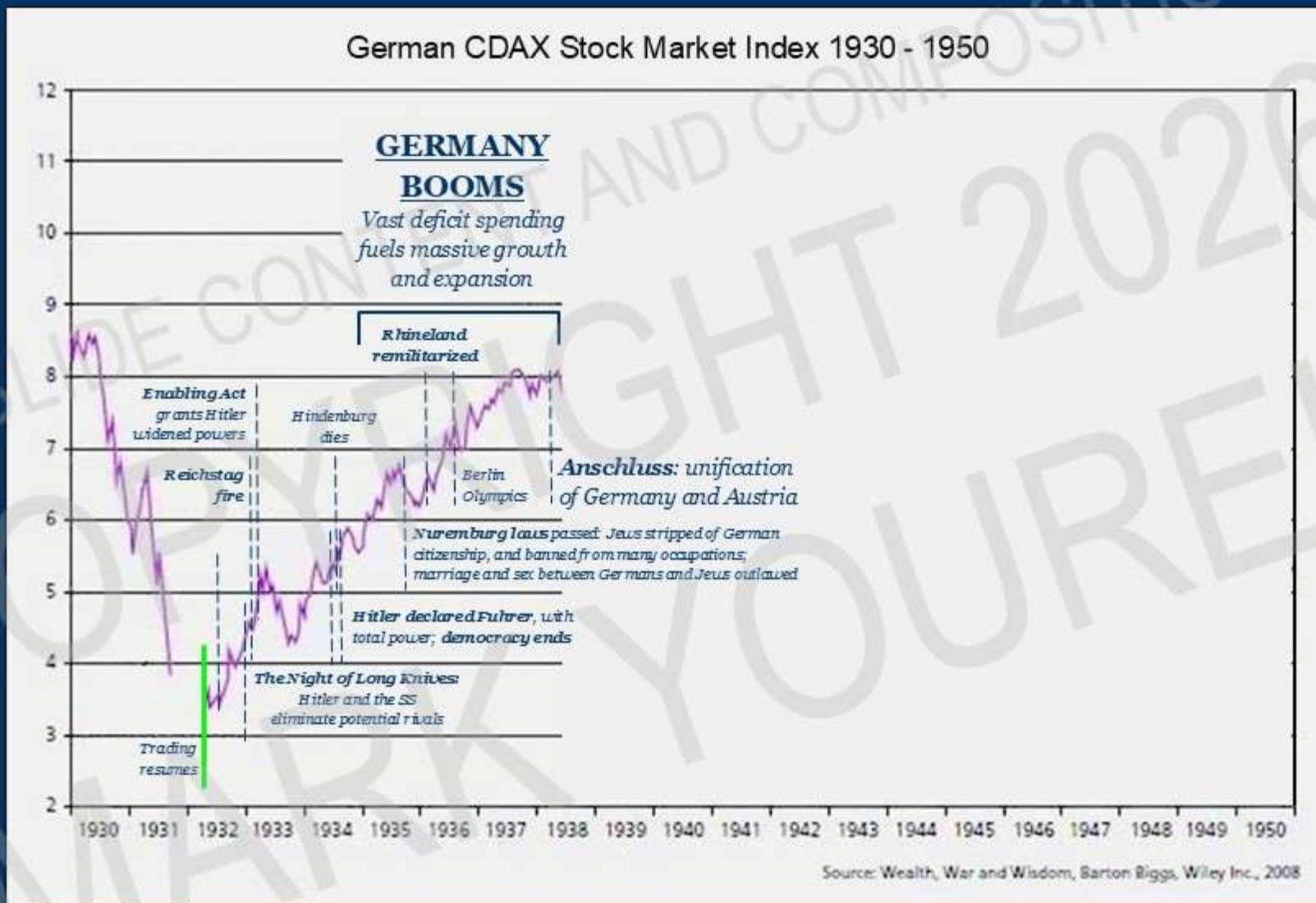
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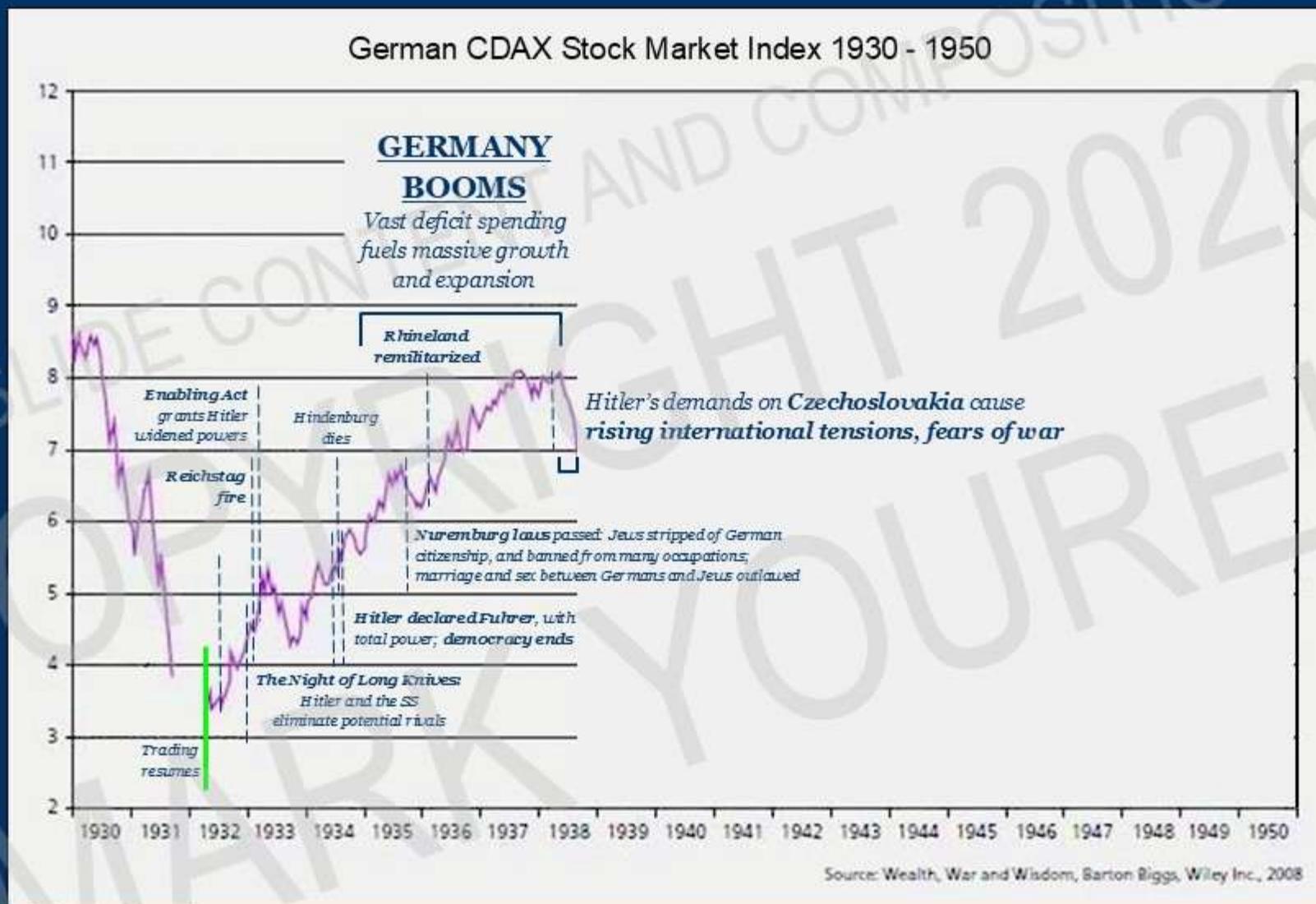
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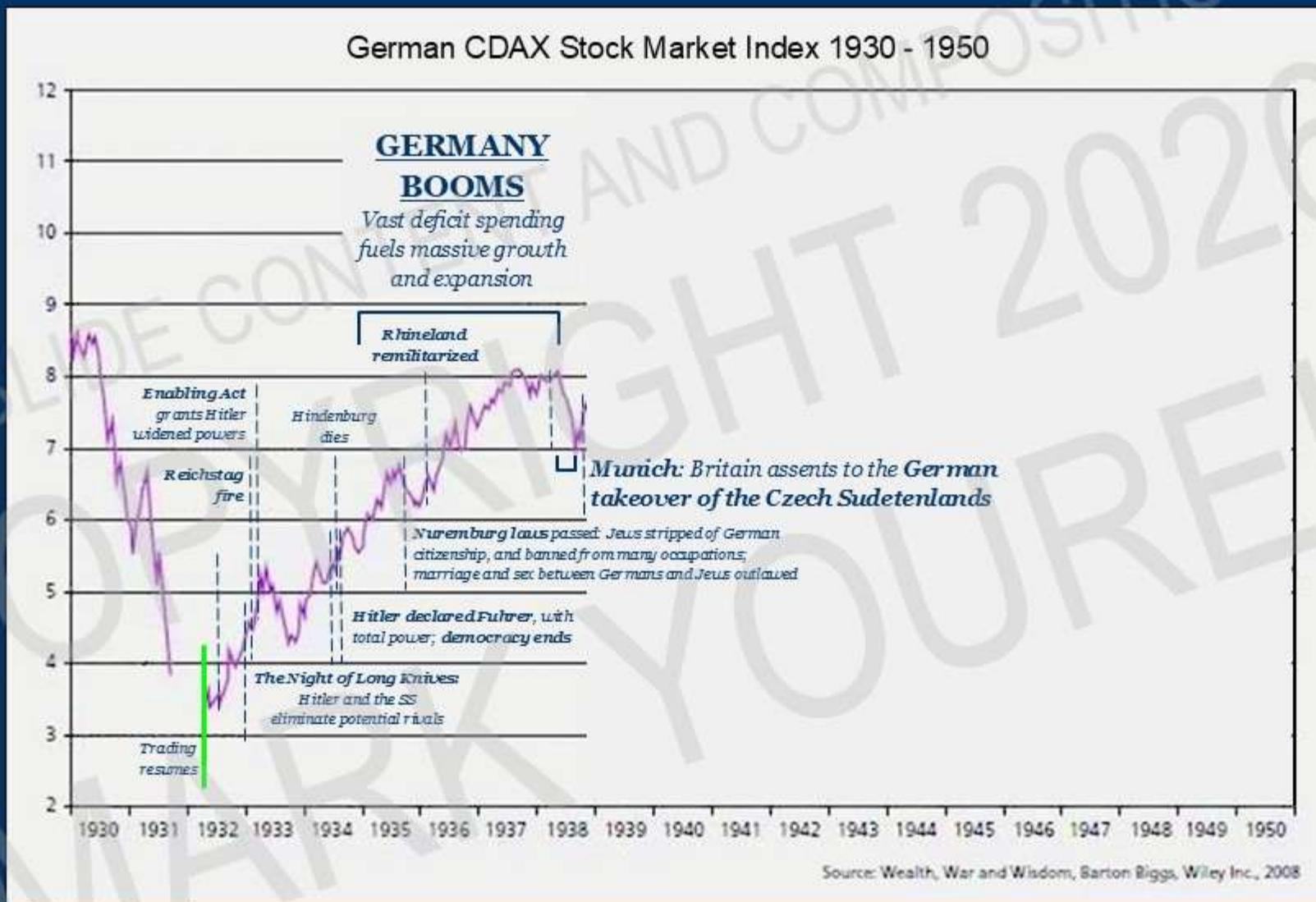
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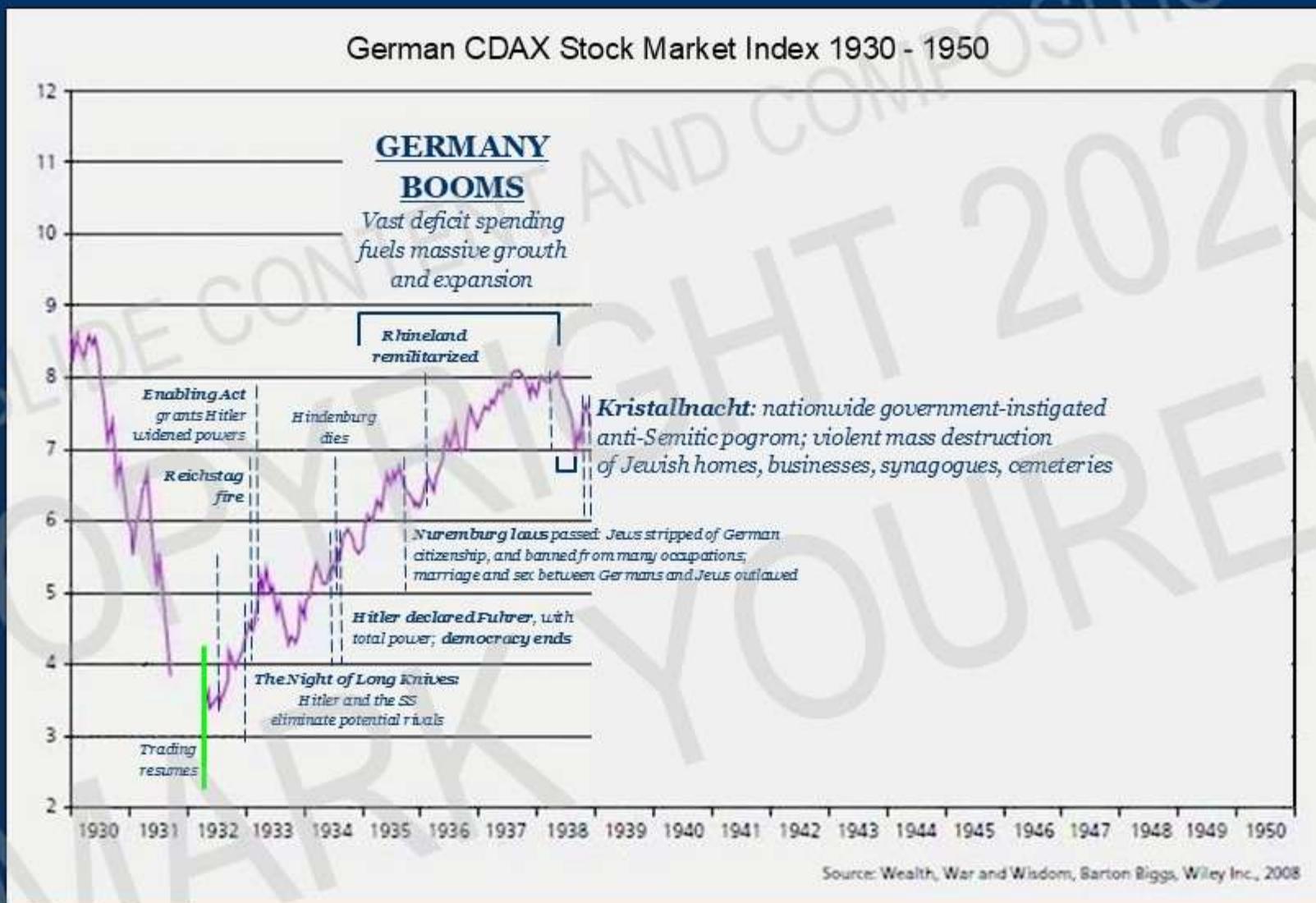
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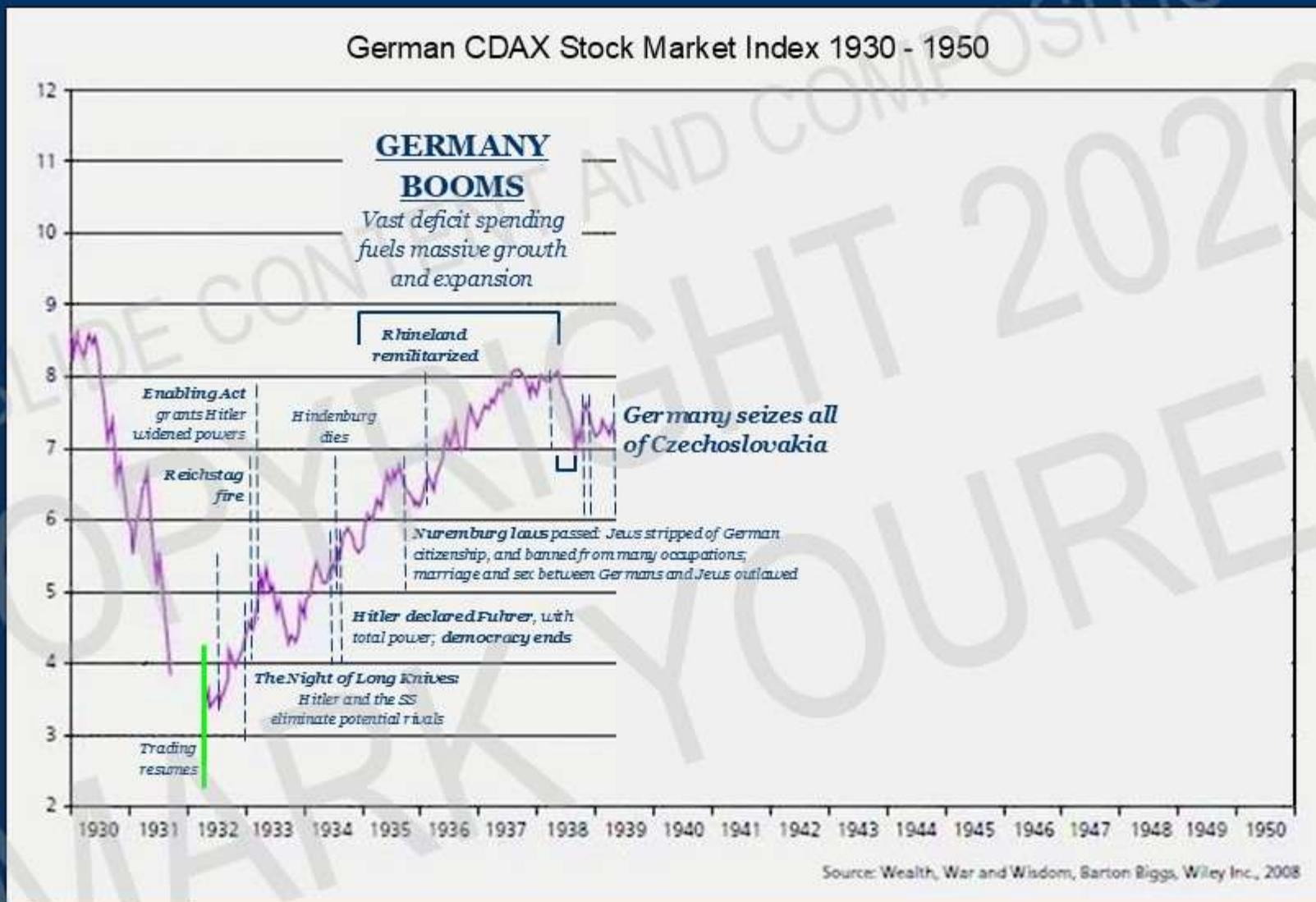
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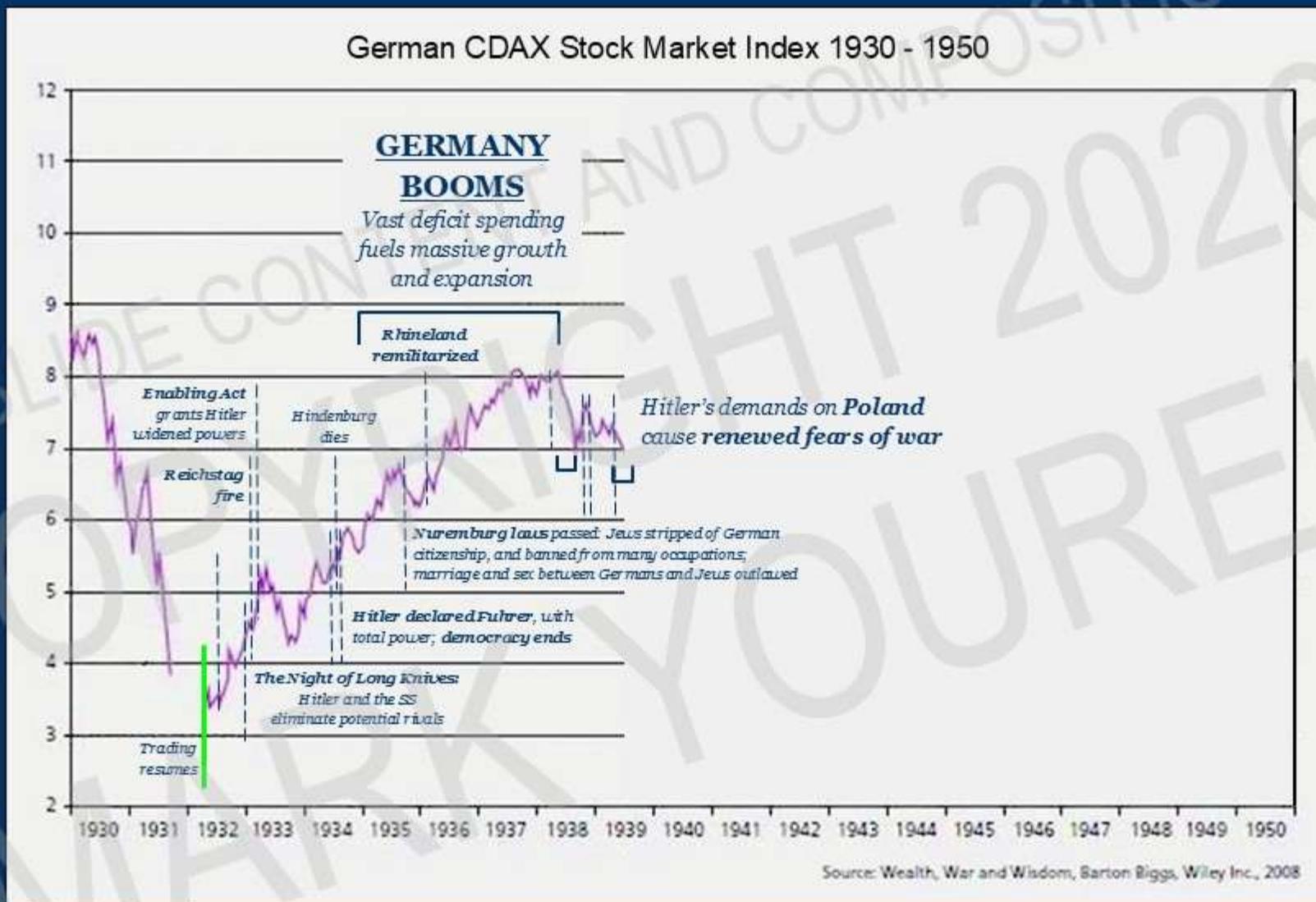
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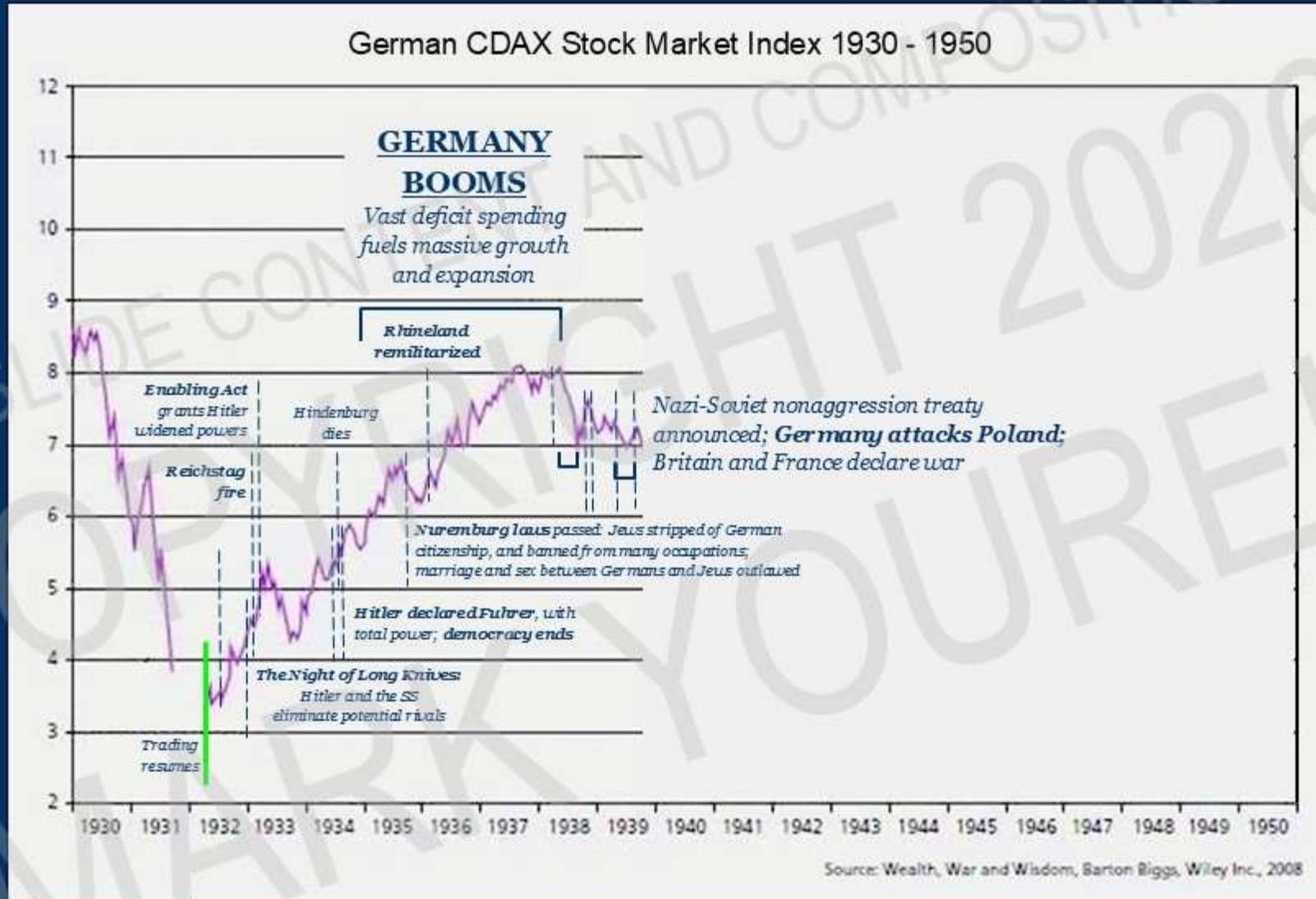
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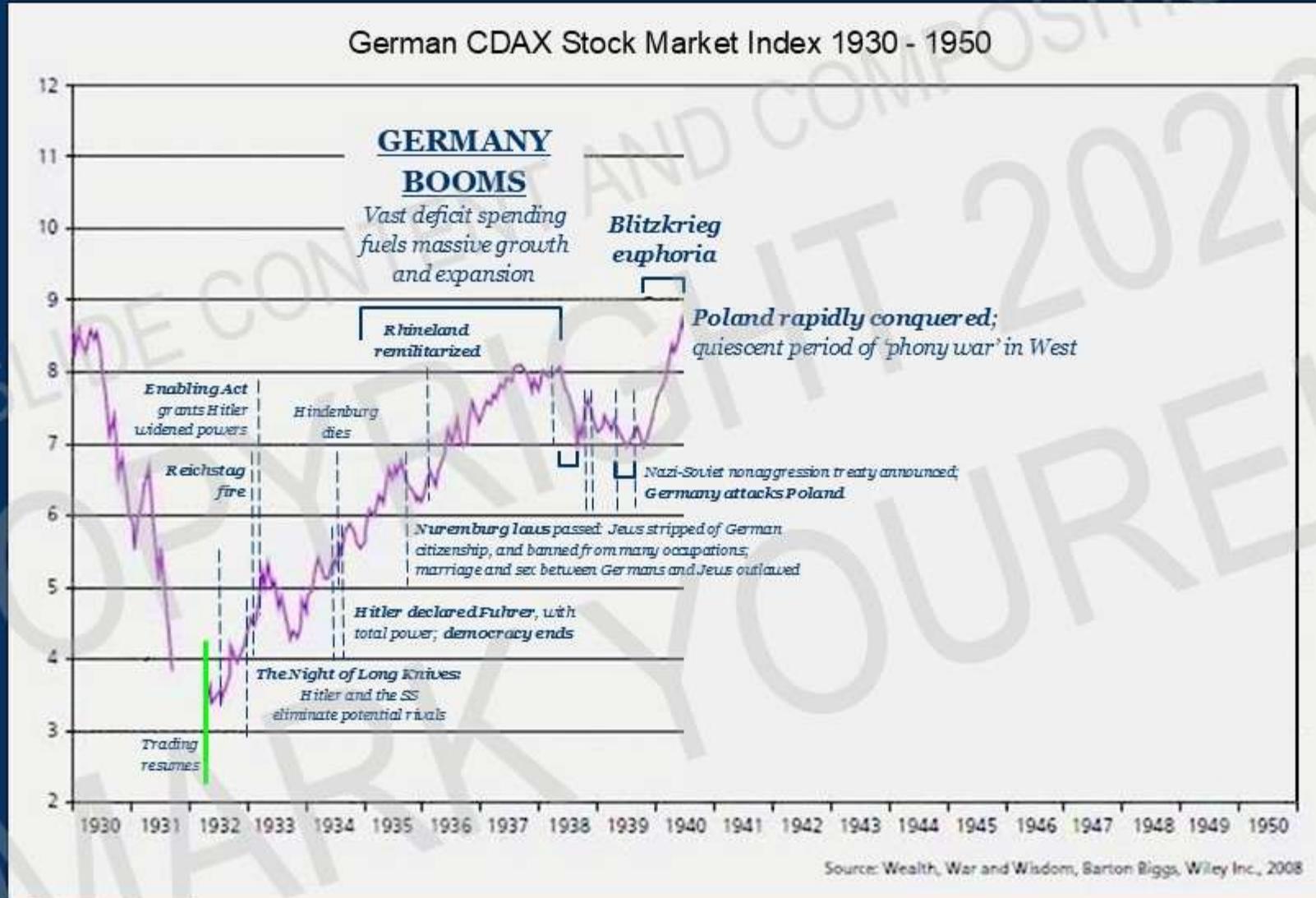
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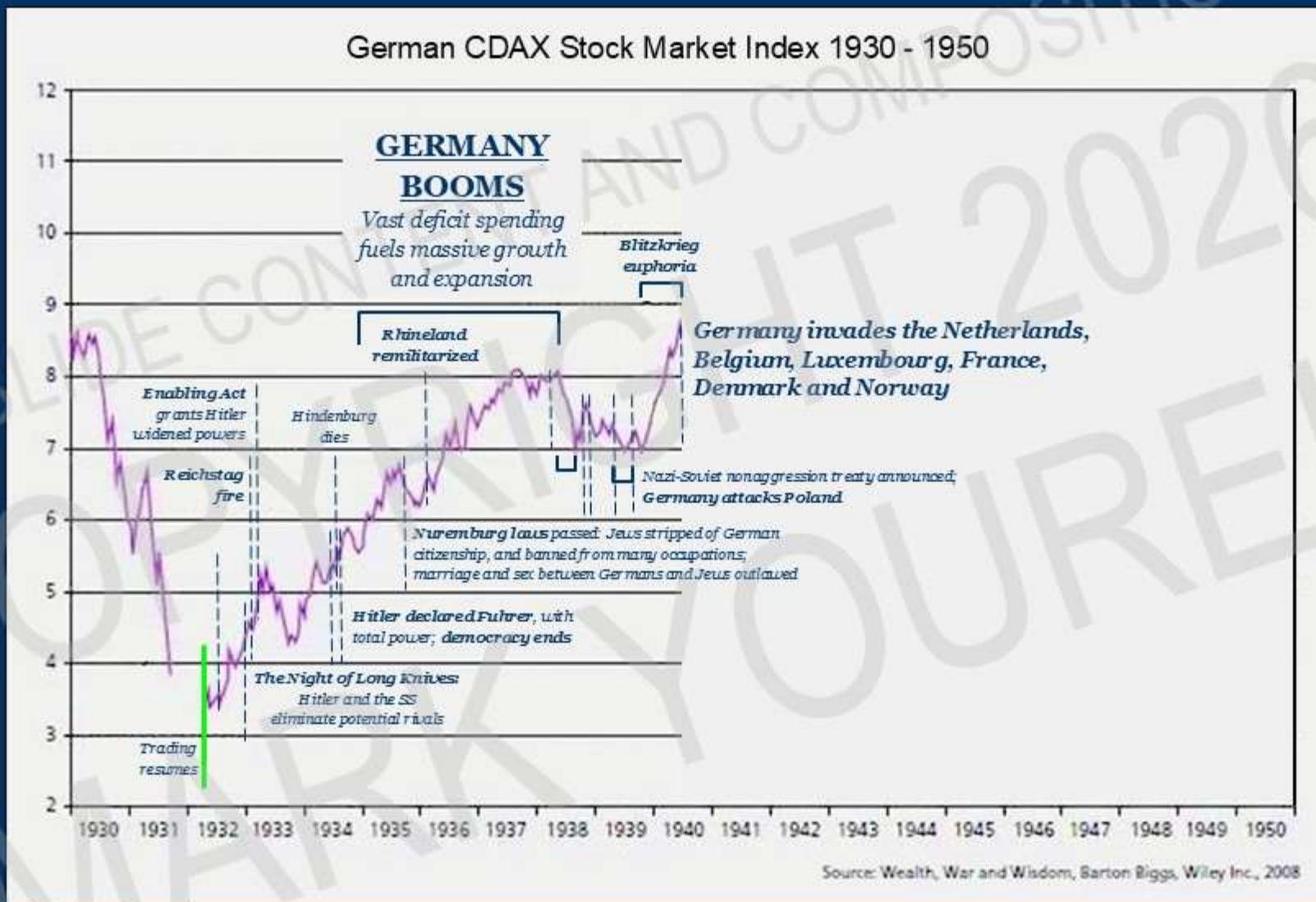
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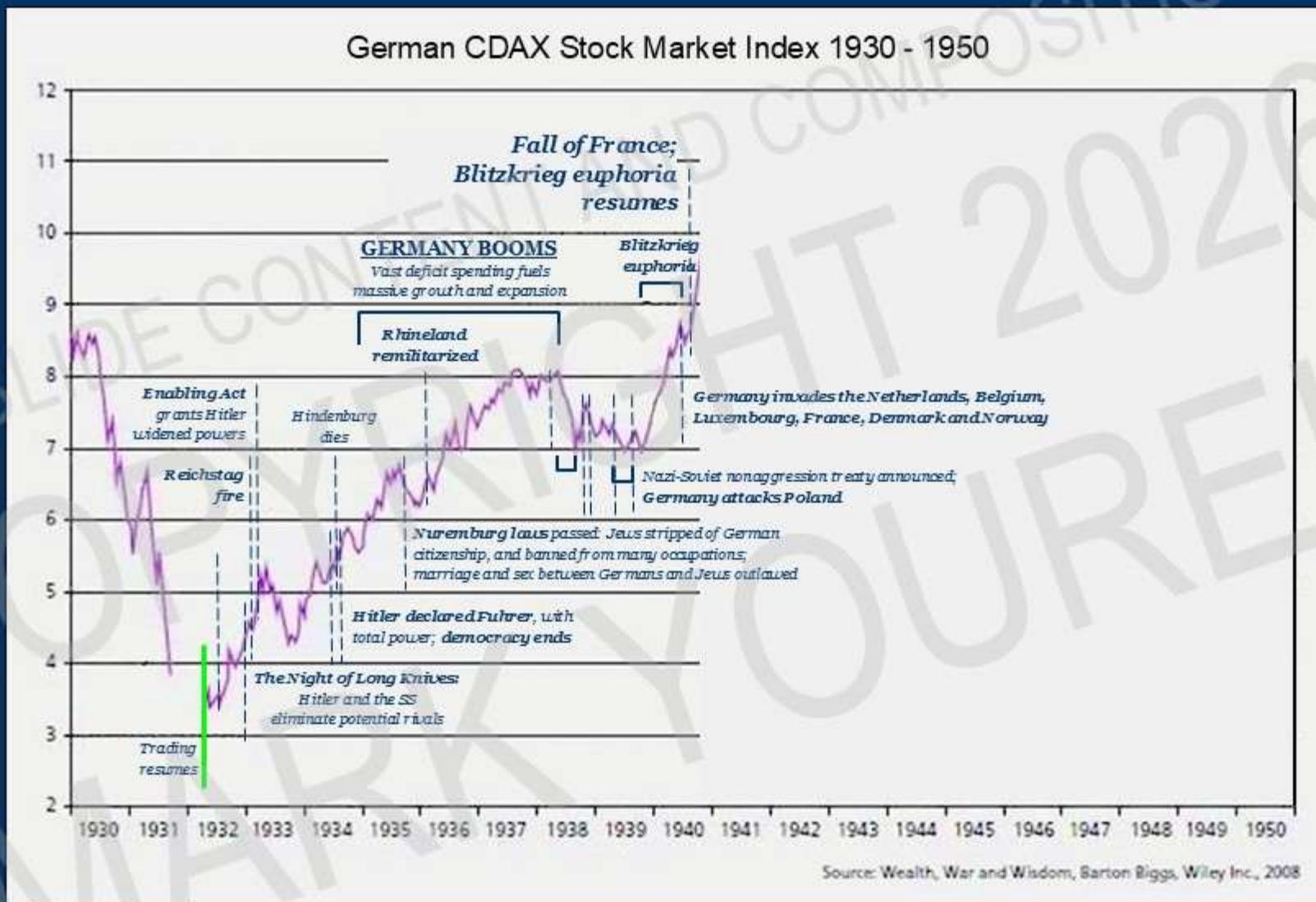
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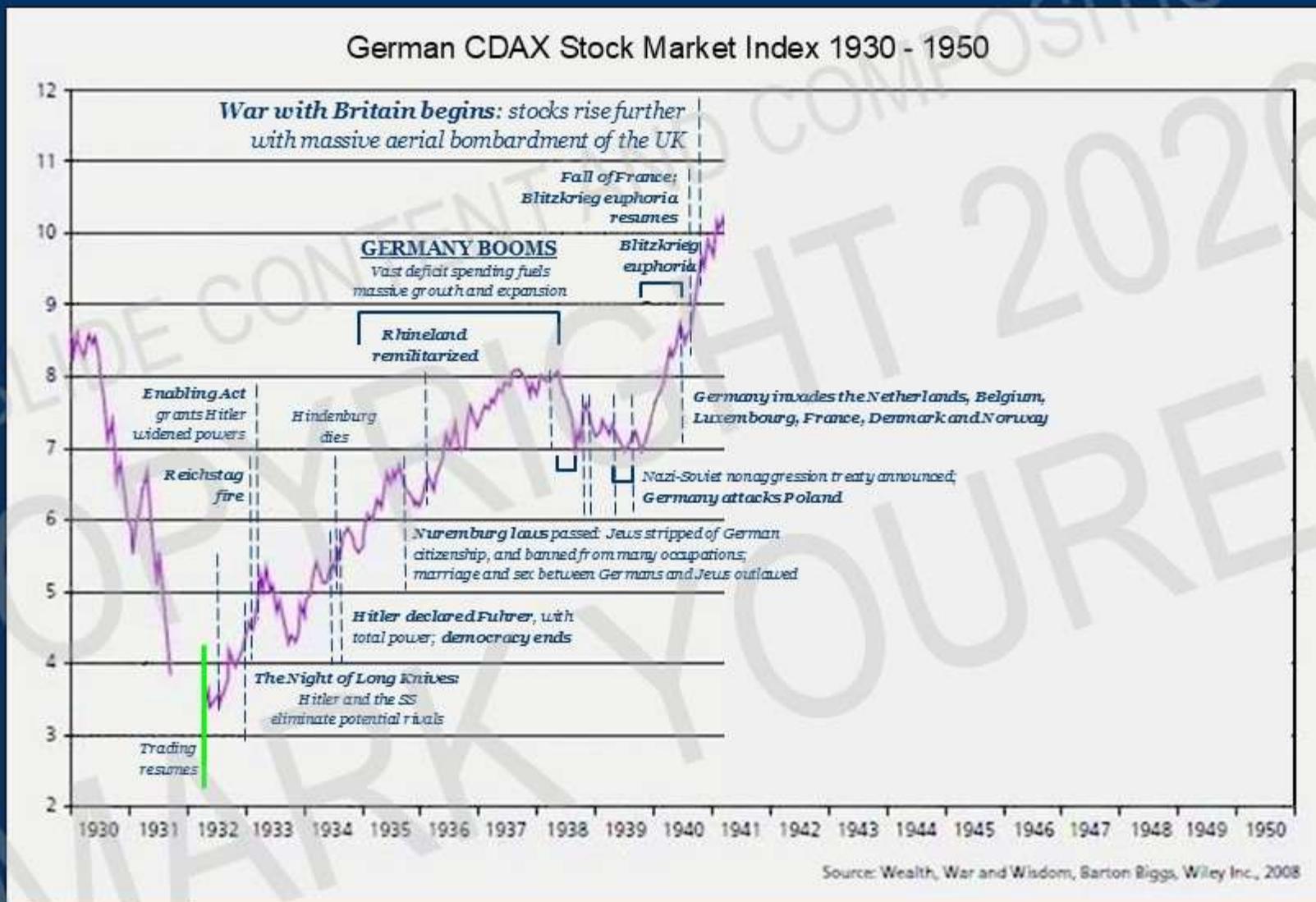
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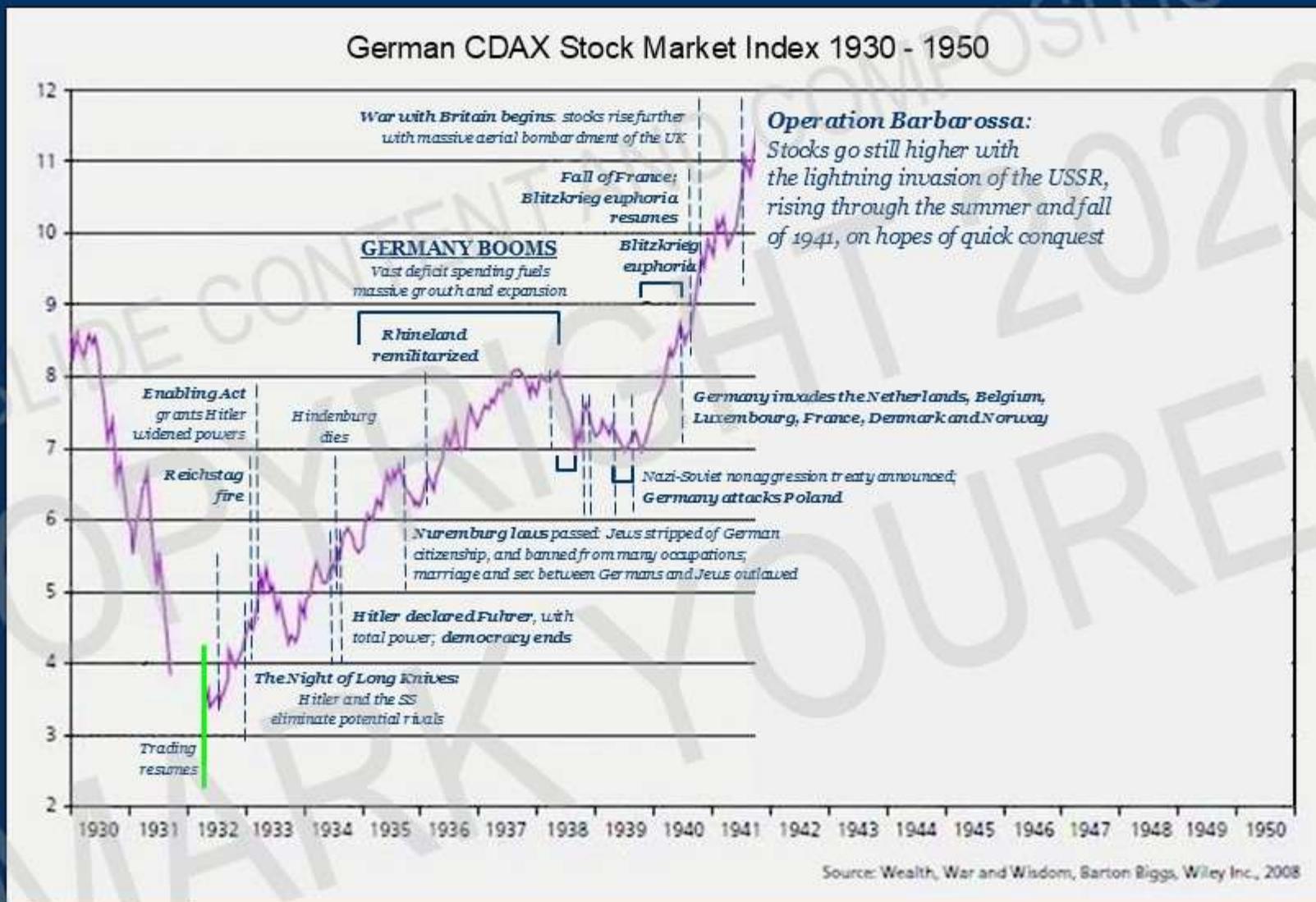
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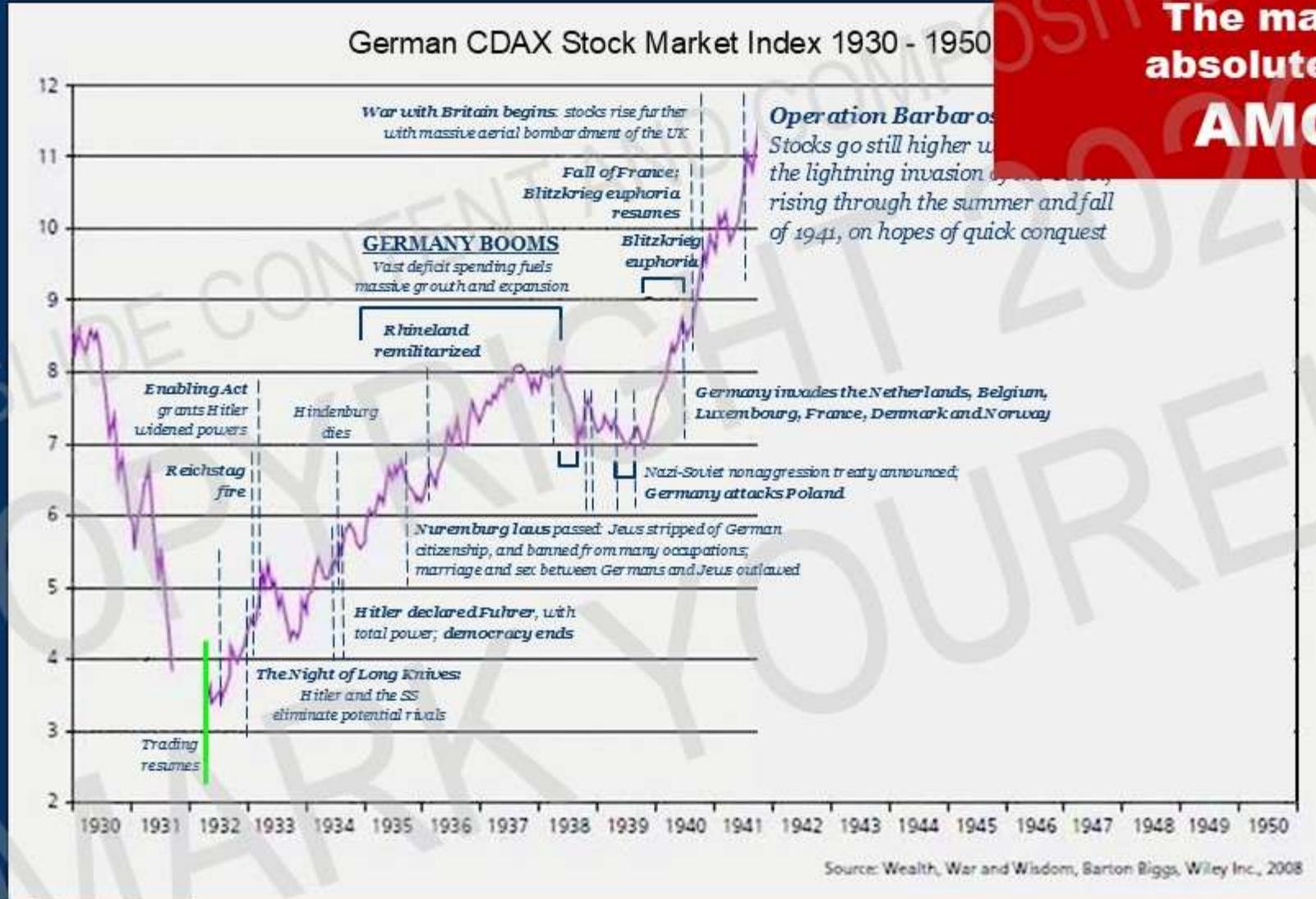
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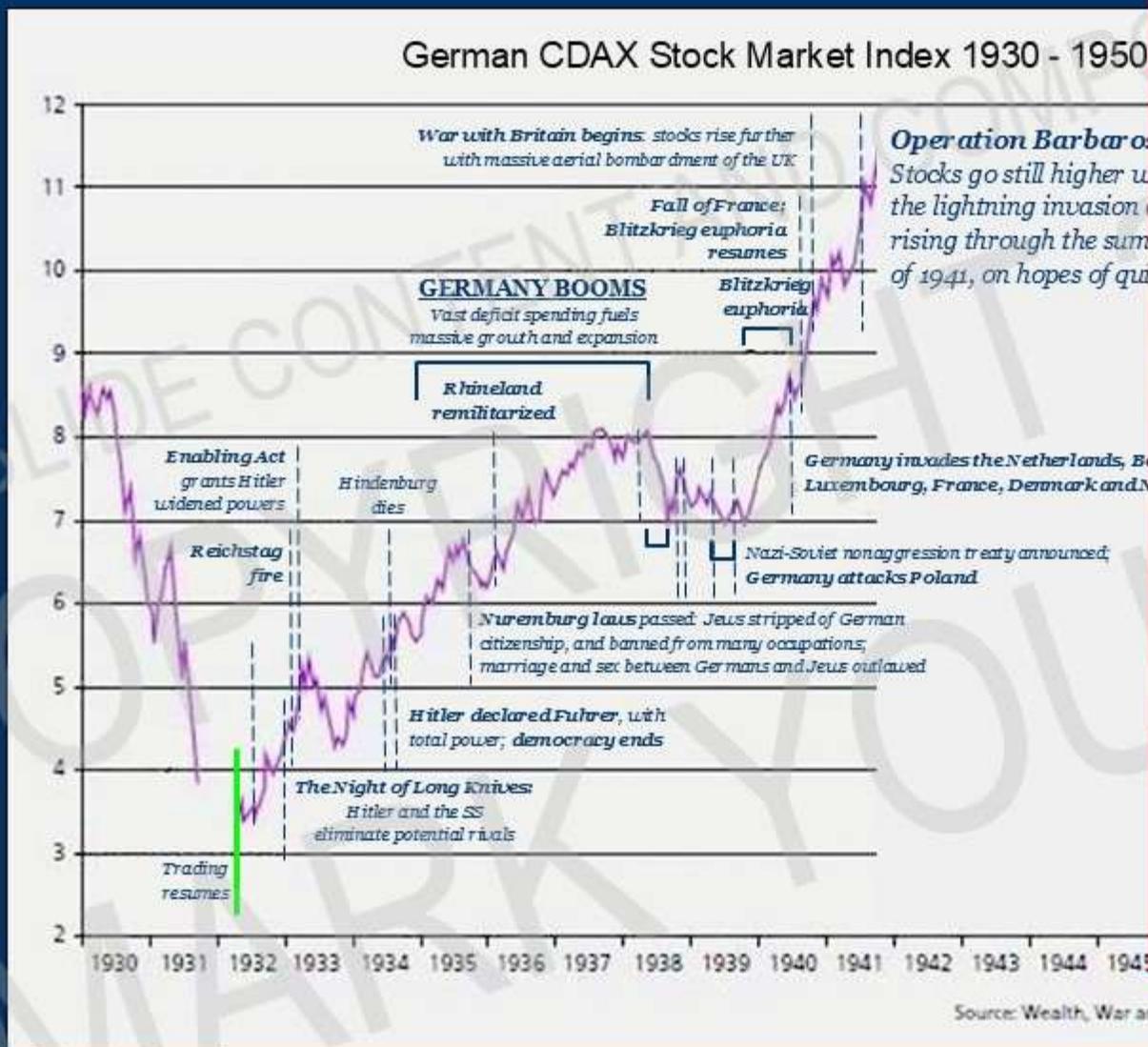


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The markets are
absolutely, utterly
AMORAL

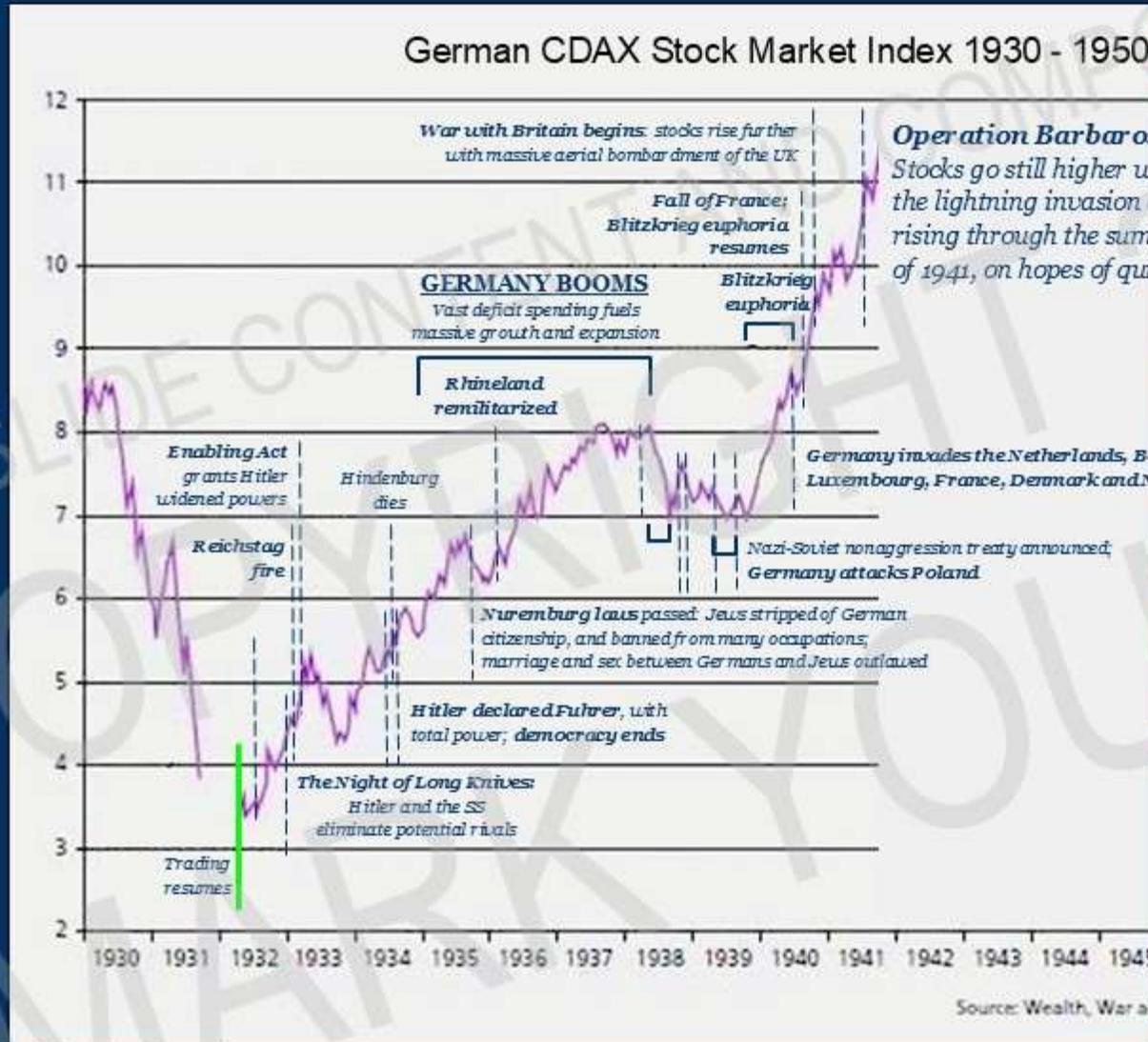
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If your country has
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using your government
and your military
to bully, invade and conquer
all your neighbors,
with the stated purpose
of emptying their lands
to open the way
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by either kicking out
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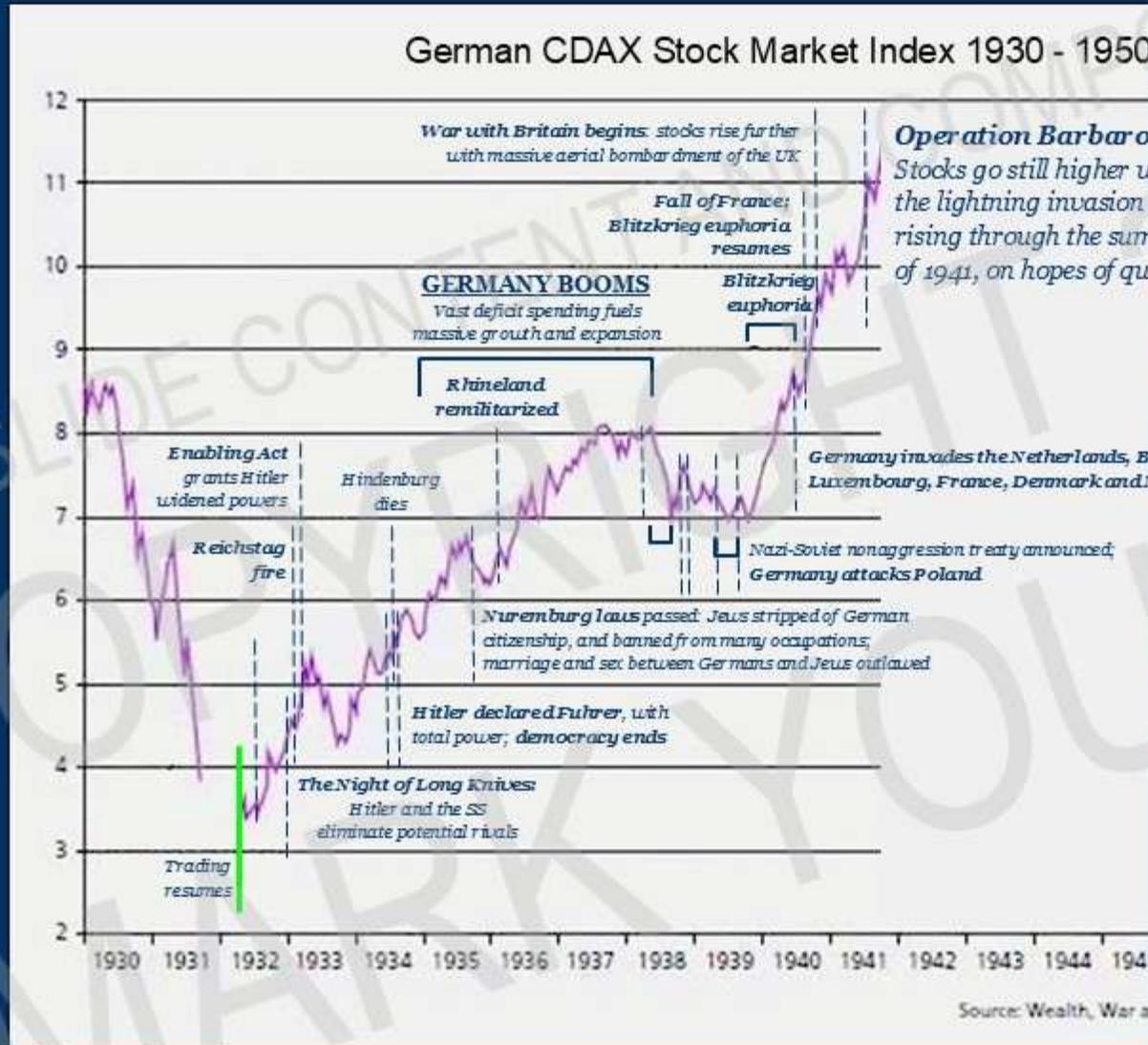


The markets are absolutely, utterly **AMORAL**

If your country has embarked on a giant project, using your government and your military to bully, invade and conquer all your neighbors, with the stated purpose of emptying their lands to open the way for your own expansion, by either kicking out or slaughtering the people who lived there until now

– and this project is going *really well* –

Case-study: Capitalism deals with the coming of dictatorship, war and catastrophe



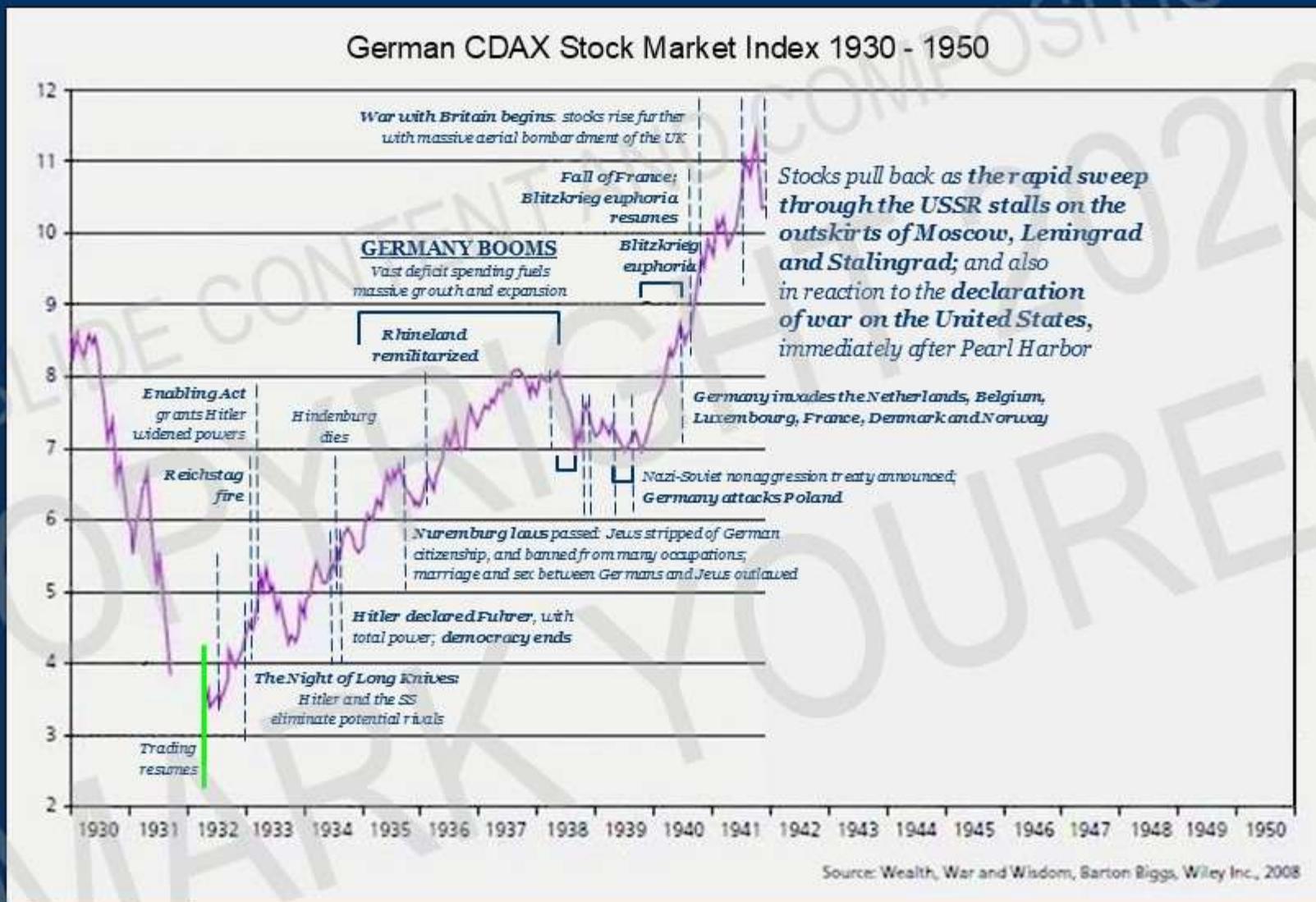
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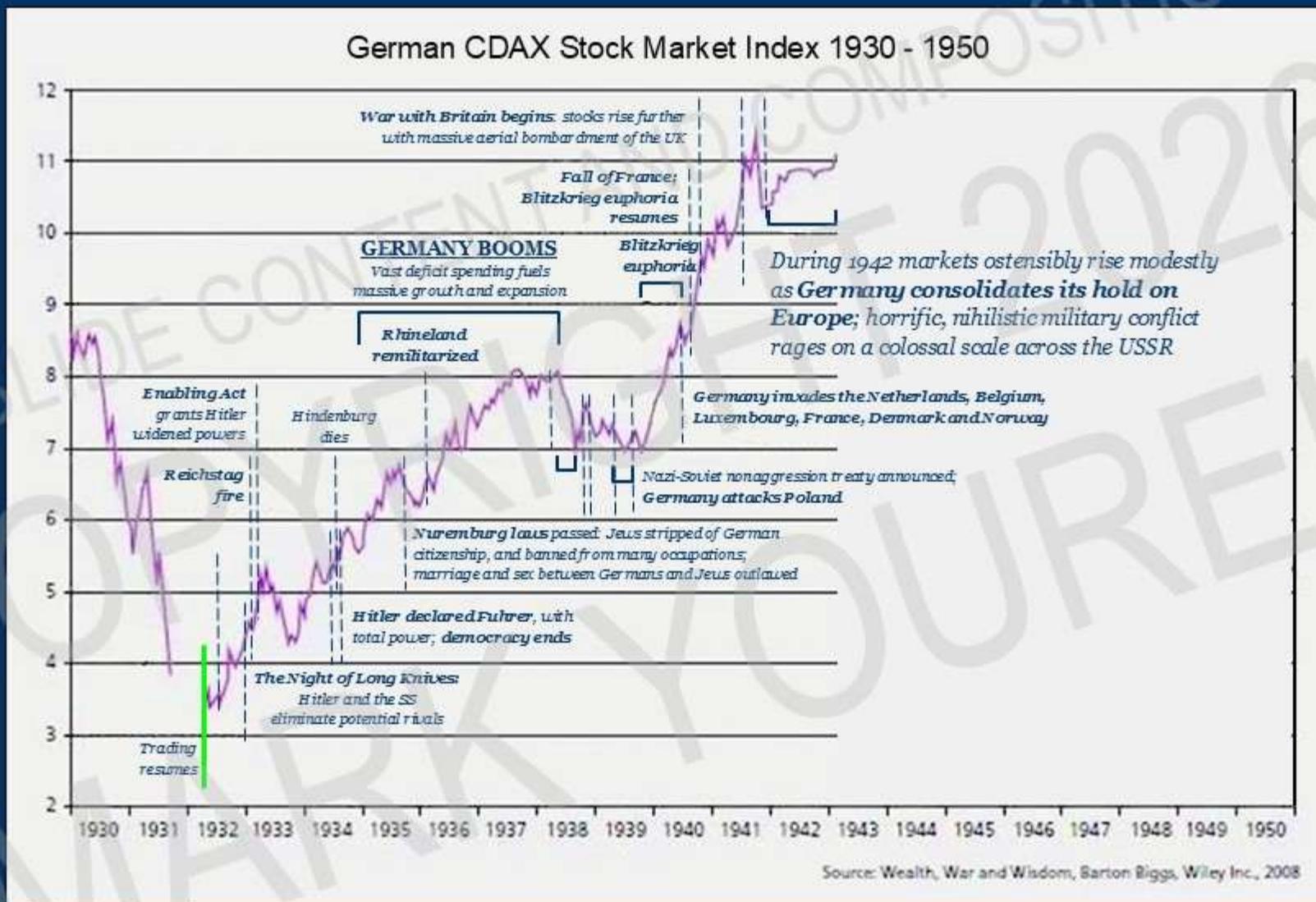
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THIS COULD BE GOOD FOR BUSINESS

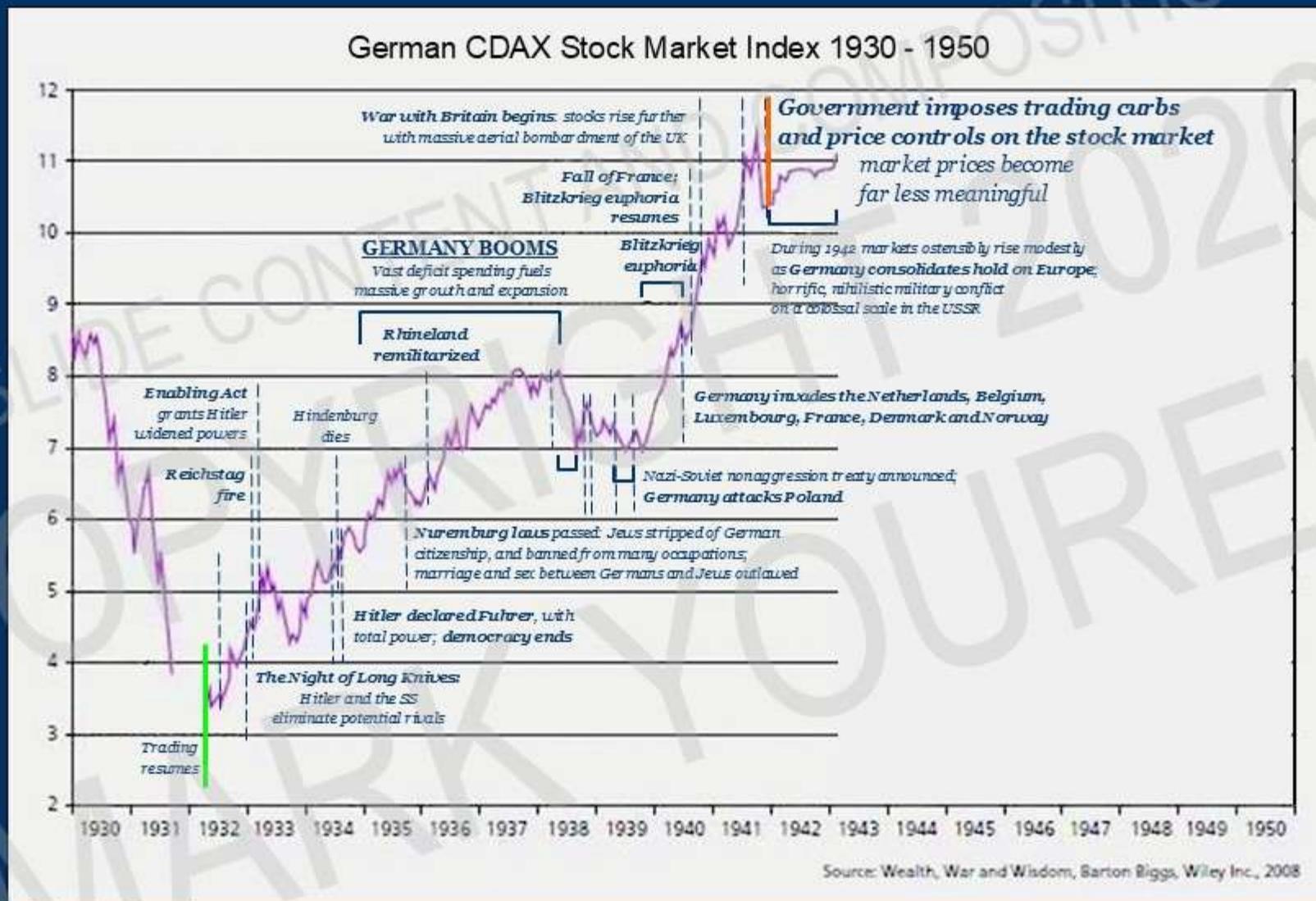
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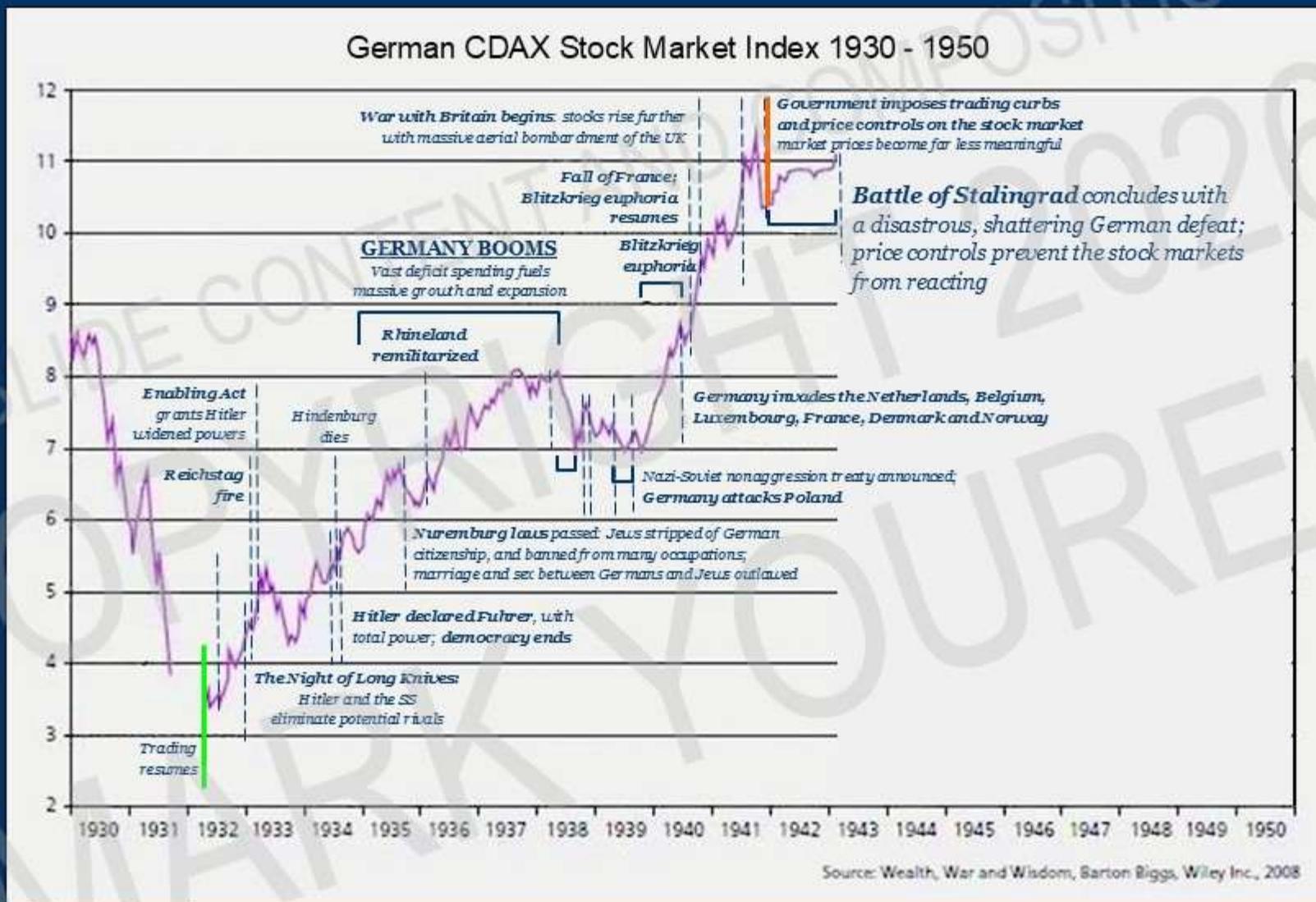
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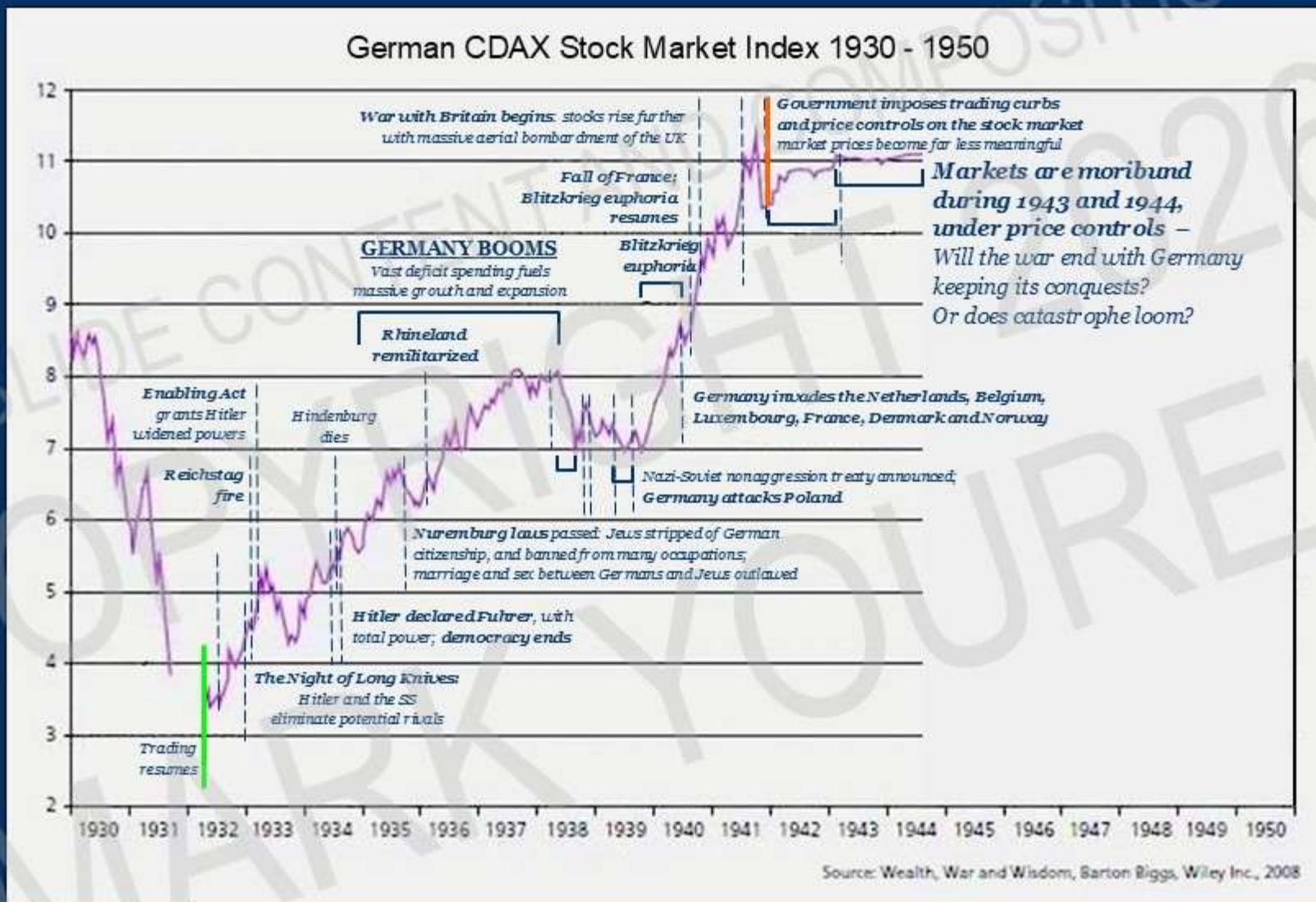
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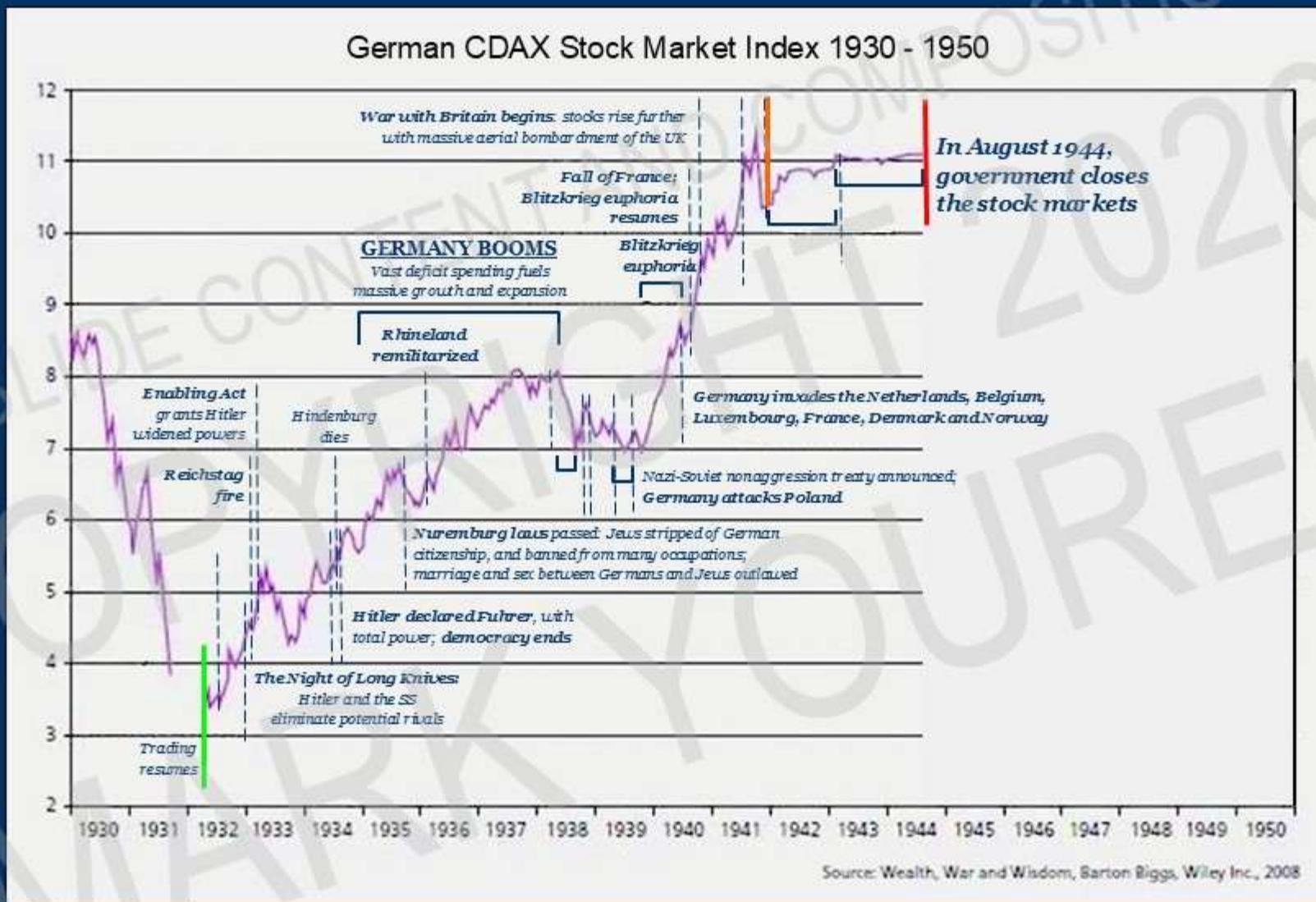
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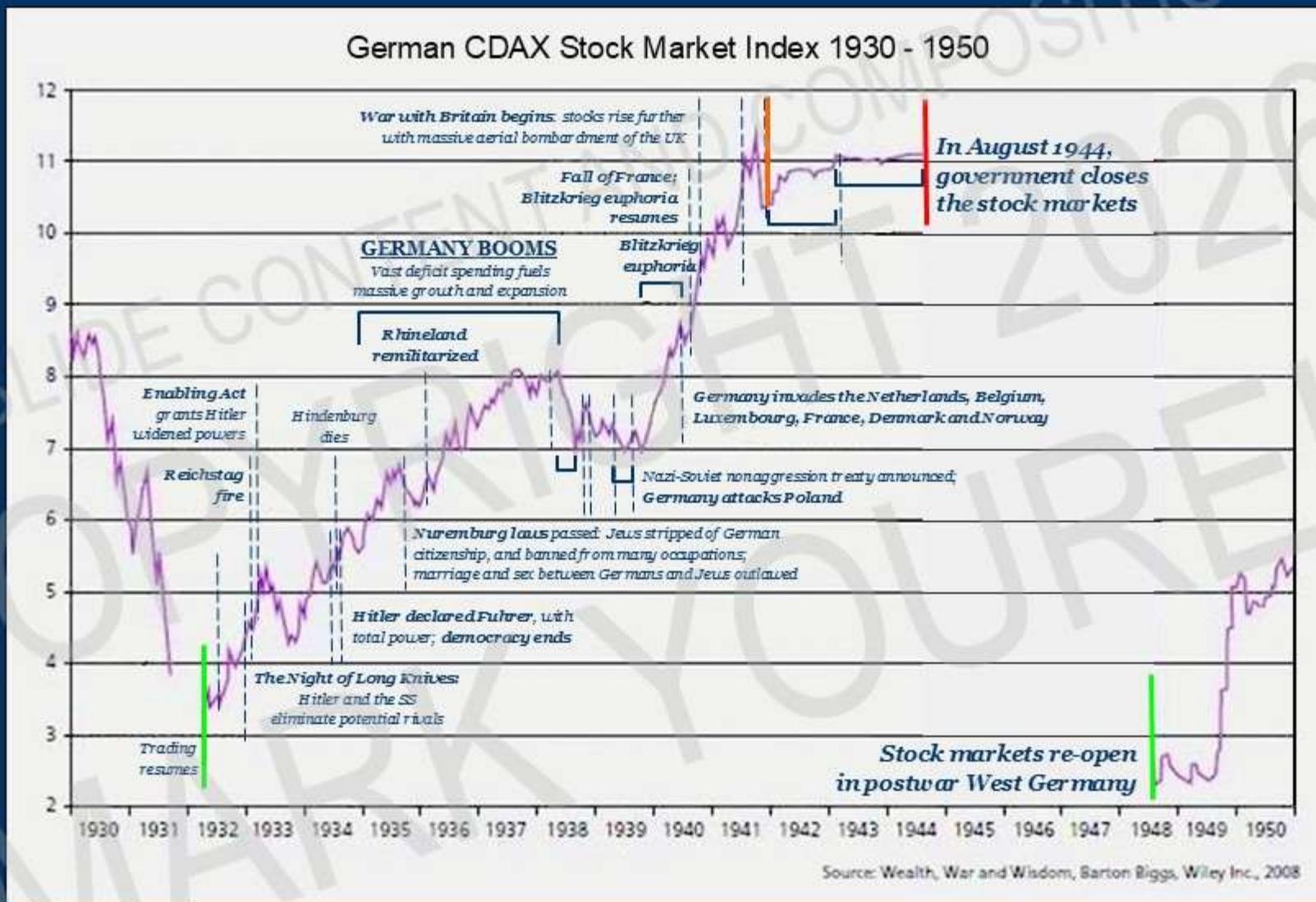
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**Capitalism,
Government,
Money,
and the
Future of
the World**

*Finding
and Keeping
the Right Balance
in
Market-Capitalist
Democracies*