

## *Time To Rethink Economics*

As of Thursday, some twenty-six and a half million people were said to be unemployed in the United States. Can this be true? How about no one is unemployed? No one.

if that sounds an odd thing to say, here is something even weirder. The United States is threatening to ban the import of Saudi oil because it is too cheap. That's right. The rationale behind this is that cheap foreign oil is bad for the American energy industry. Can that really be so? Let's apply *reductio ad absurdum* to this, if you had the choice to pay \$100, \$50, or \$1 a barrel for oil, which would you prefer?



Yes, cheap foreign oil may “hurt” the American energy industry, but lower prices benefit all Americans. Heck, if a visiting spaceman gave the entire world [a free source of energy](#), we would all be better off, even if tens of millions of people were thrown out of work and all the major oil companies went bust.

Now let's return to the so-called unemployment situation. There are not twenty-six and a half million Americans unemployed, rather that is the number who are claiming unemployment benefits. It isn't the employment they need, it's the income their regular employment would usually bring.

Now let's take a deeper look. Some Americans have been hit especially hard by the current global shut down, more than most people in the UK, it would appear. This is probably because America is a far bigger country and many more people live outside the urban areas. A city dweller can walk to the shops; someone who has a twenty or thirty mile drive to the nearest supermarket is in a very different position.

Although some people like medical staff are working harder than ever, far more are not working at all, and look, the world is still turning. True, there have been some food shortages due principally to panic buying, but it isn't food as such that has been in short supply, only some types of food. If the supermarket has no bread left, most people can still buy cake, or ice cream if your name is [Nancy Pelosi](#). Some of the high street businesses that have been most affected are amusement arcades, barbershops, beauty salons, bookmakers, hairdressers, jewellers, nail bars, public houses and restaurants.

Now ask yourself, how many of these couldn't you live without for a year or even the rest of your life? Iranians and Pakistanis don't have much use for public houses, and have done just fine without them. Dining out in a restaurant before or after a visit to the theatre may be a pleasant experience, but again these are things most of us can do without, and although the theatre visit provides a service while the restaurant supplies goods as well, neither of them actually creates wealth in the grand scheme of things. The theatre trip is simply an expensive enjoyment, while a takeaway or eating at home will satisfy your hunger without putting a dent in your wallet.

All a visit to the theatre does is transfer wealth, money from your pocket to actors, theatre staff, restaurant staff...Indeed, the majority of jobs are nothing more than that. We need farmers and other food producers. We need distribution networks for food. We need computers; a world with a population of seven billion plus and rising could not exist without them, and we need emergency services, etc, but probably seventy or eighty per cent of the gainfully employed could pack up work for good without appreciably reducing the wealth of the nation, provided they were still paid.

We haven't mentioned sports yet. Think about this, how would the world be materially poorer if athletics, boxing, cricket, horse racing, soccer, tennis and most other sports events were cancelled permanently? We could also mention the numerous charities and think tanks that pay academics to write about or activists to lobby for or against some imaginary social evil like the gender pay gap or Satanic ritual abuse. Many of these organisations, like Rape Crisis, are [heavily subsidised by the public purse](#) making them fake charities.

The wealth of nations is measured in various ways, but some measures are extremely deceptive. The gross domestic product of a country is one such indicator of wealth, or is it? Does a country have a high standard of living if

it spends half its GDP on the military while the shops are empty? This is the situation in war-time. As discussed in [a previous article](#), when wars break out, the laws of economics are mysteriously suspended. The First World War ended in 1918 and was followed a decade later by a stock market crash which brought on the Great Depression. And what was the “cure” for the Great Depression? World War Two! Regular economists don’t seem to understand how insane that scenario was, and is to this day.

Men sit around idle, there is a shortage of money, people face homelessness and hunger, then suddenly there is full employment, military equipment is manufactured, and destroyed. This goes on until either one of the parties is defeated or they have both had enough. Running out of money is never an option.

Let’s look at another aspect of economics: trade. The theory of trade is that by specialising in what they do best, nations can create more wealth, even allowing for transport costs. Bananas can be grown in Britain, but the cost of doing so commercially would be so great that it is far cheaper to import them from the Caribbean and concentrate on growing plants that do not require the same intensive cultivation.

The conventional wisdom is that we live by our exports, but the more we export, the harder we have to work. Donald Trump and mainstream politicians never tire of preaching the virtues of work, including hard work, but if work is good and hard work is better, then surely forced labour is better still, and slavery best of all. Does no one who matters realise how ludicrous is such reasoning?

Libertarians have long argued that national industries should not be protected by tariffs. This is a sound principal, generally, because no one in America or Europe needs “protecting” from a Japanese businessman who will sell them a better product for half the price. But there are limitations to this shibboleth, as Donald Trump has long argued. The United States should not become totally dependent on China for medical supplies, and by the same token, China should not be totally dependent on any other nation for strategic goods. Ditto every other nation on Earth.



**Job-creation is and always has been a massive priority of governments worldwide. In 2012, the World Bank claimed 600 million new jobs needed to be created over the next fifteen years. In this connection, here is [a classic quote from 1933](#): “A war would be a great idea...Another war would give our three million unemployed ample employment.”**

**Clearly a nuclear war would be out of the question, but how about a few regional conflicts to stoke production? Think of all the work that would create for munitions factories, medical professionals, undertakers...**

**On the other hand, what if we had a war economy for peace? That is in effect what we have now. Governments, especially the American Government, are conjuring up money out of thin air, and although thankfully Donald Trump has not taken over the economy, he is pushing especially big corporations in the right direction. Some people have warned all this new money will lead to hyperinflation a year or two down the road. It need not and will not provided our leaders realise this is not money that was borrowed and has to be paid back, but new money created out of thin air, a portion of which can be retired by taxation - cancelled out of existence - if necessary. This is money created by the state for the benefit of all the people, not by the banks for their own enrichment.**

**Alexandria Ocasio-Cortez (pictured) has been making her usual moronic pronouncements, this time about people going back to work, but for once she might be right. Spain is said to be [introducing universal basic income](#) to cope with the current crisis. How about we use this to thin out the workforce? The best way to do so would be to reduce the hours of those in employment by job-sharing, so instead of the staff of your local kebab shop working from 12 noon until after midnight seven days a week, two people do the same job? Depending on the quantum of the UBI in a particular country, this may require some juggling, but most people would gladly take a pay cut if they received in total more or less the same money in combination for working far fewer hours.**

Anyone who thinks this is a bad idea should again apply the *reductio ad absurdum* argument. What happens to society when robots do most of the work, do we keep creating work for the sake of it, or allow people to pursue their own leisure activities, which will in any case create a certain amount of meaningful employment?

Of course, there are some people who will need to put in a full work week, often with extra hours, as Alexandria Ocasio-Cortez [realised to her cost](#), but by the same token there are many people who [will never be employable](#) under the current régime of wage-slavery.

One final point, today we take for granted the Internet. You do, or you wouldn't be reading this. In addition to saving us time and money, the Internet delivers an enormous amount of real wealth, yet this wealth-creation isn't recognised for what it is. Let us take one example.

Prior to the Internet, a musician - say a folk artist like Ralph McTell - would go into the studio with an acoustic guitar and record an album. This would then be pressed onto vinyl and distributed via the established network. The total cost of this operation would be considerable, involving transport companies, record shop staff, etc. Today, an artist can record an album in his home studio and upload it to YouTube, indeed many do. The cost of such distribution is negligible, indeed once you have paid for your ISP, most of what you read, watch or download from the Internet is free. So when new money is created debt-free by responsible national governments, why should not a portion of this go to the Internet companies [to distribute to content creators](#) further down the food chain?

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