

*Getting Rich
in a
Financial Depression*

By Abbott Fay

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Box 1268
Gunnison, Colorado 81230**

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WHAT IS A DEPRESSION?

A depression is a sudden collapse of the national economy, in which industries and individuals go broke, masses of people lose their jobs, and prices plunge because people have less to spend. It usually brings about great upsets, with sudden changes in life styles and may lead to a form of political revolution. It is sudden and severe, as opposed to a recession, in which there is a gradual decline in the production, employment and price levels.

WHAT CAUSES A DEPRESSION?

The most frequent causes of depression are related to uncontrolled inflation, or drastic rises in costs for industry, government, and individuals. The value of the dollar begins to become less on the world market, with international investors preferring gold and other commodities to dollars, which become cheaper by the day. Gradually the prices have become more than people can afford, and they cut back so much in their buying that businesses have more and more unsold merchandise, on which they were depending to pay their own bills. People are having to use up their savings in order to meet their living expenses, and corporations can no longer give salary increases to employees without going broke. Other nations are able to produce goods for us and sell them here for less than we can produce for ourselves. Banks, faced with less income as their debtors cannot pay the interest, have no more money to lend, and, if the people saving in the banks demand their money back all at once, in some sort of a panic, the banks cannot handle it, and have to declare bankruptcy. The "props" in the economy, consisting of careless spending, bureaucratic and political bungling, unjustified price supports, and massive payments to those who have not produced and are not producing any goods or services, begin to collapse, and are cut back drastically or eliminated. This throws many people into a situation of no income at all. Overspending, lack of savings, reckless international policies, and devaluation of the dollar are all parts of the causes. These have gone on until such a time that there is no chance to "cool" the economic inflation gradually. It is a drastic "moment of truth" for the entire nation, and often it is accompanied by depression in other nations which have been overindulging with no real production to back up their money.

WHAT ARE THE SIGNS THAT THERE WILL BE A DEPRESSION?

1. People cut back on their savings in order to make their normal expenses in living. During the past five years or more, the percentage of savings (bank deposits, stocks, real estate investments, and other forms) has decreased in relation to the amount being earned, both in corporations and among individuals.

2. More and more businesses find that they can no longer make a profit and either quit or declare bankruptcy. The personal bankruptcy level rises, as it has been doing for several years.

3. People who had more than one income in the household in order to have some money for savings and entertainment find that they are needing both incomes in order just to meet the monthly expenses.

4. As savings become more scarce, the interest rates rise to high levels, and people who wish to buy automobiles or new homes find that the total cost of these has become too high for them to afford. At this time, very few couples in their early careers can afford to buy a new home and make the payments out of their earning power, so they have to rent. This rental cost is only a little less expensive than buying, and gives them no investment in their home.

5. The stock market tends to reflect all of this in declining values of stocks, reeling drastically up and down for a while, and then plunging to new lows. This is the pattern which has been going on for several years in the New York Stock Exchange and the American Stock Exchange. Most shares of stock today are worth much less than they were four years ago. In addition, the earnings of the stocks are not enough to offset the higher costs of inflation. For many years, stocks were considered the best hedge against inflation, both from growth and interest, but that is no longer the case. The same is true of bank interest. Only real estate and a few other investments, such as gold, seem to be gaining in value at a greater rate than the cost of living. This is why saving during inflation is discouraging.

6. Gradually, the unemployment rate rises as companies lay off workers and cut back on production in order to meet expenses. This also means they pay less taxes, giving the governments less money to pay for unemployment and other benefits.

7. There are taxpayer revolts against careless and inefficient government spending and overtaxation. These are now happen-

ing throughout the nation, led by the famous Proposition 13 election in California. In that amendment election, voters set a limit to the amounts of money the various state agencies could spend, and the amount that could be taxed on property.

8. Retired people and others on fixed incomes have serious problems of survival. More and more stories begin to appear in newspapers and on radio and television regarding people who are dying of malnutrition, resorting to eating dog food, or living in poorly heated or unheated apartments and houses. Suicide rates begin to rise. More people have services cut off, such as telephone service, electricity and gas for heating and cooking, because they cannot pay the monthly bills.

9. As medical costs rise, people will find that they have a harder time paying for adequate medical treatment. Many will no longer be able to afford increasingly expensive medical insurance plans. There will be a great public demand for the national government to use tax money to support these services, even though inflation will be straining the other government services and the tax base decreases due to decreasing business profits.

10. Construction of new buildings declines, with much unemployment in the construction industries, due to the high cost of building relative to the number of individuals or businesses that can afford to rent or purchase these buildings.

11. Farmers have a harder time producing adequate food due to increased costs and consequently demand federal price supports. They will even go to the extent of having demonstrations and strikes to keep up with the industrial rises in prices and the labor increase in wages. Despite the fact that food is the most essential commodity, the farmer is hurt very badly in accelerating inflation, and some farmers and ranchers will simply produce less, so as to lose less. This will add even more to the costs of food which will be needed by everyone.

12. Expansion programs in both private and public projects are either cut back or eliminated entirely. Whole cities find themselves in a state of bankruptcy, as has already happened in New York and Cleveland.

There are other signs, but if you have been keeping up with the news the past several years, you will recognize that **all of these signs are evident at this time!**

However, in spite of the problems that show a depression is on the way, not everyone has to be a loser. Many people made themselves rich during the depression of the Thirties by **seeing the signs**

and preparing for the crash. While we can read so much about people who were wiped out by that depression, less has been written about the people who were wise enough to see the upset coming and profit by that very happening. At this stage, there is little anyone can do to actually keep a depression from occurring, but there is much that a person can do to keep himself from being caught in it and ruined. If he has the guts to act now, he can **profit more than he ever dreamed possible by a depression.** That's what this book is about.

WHAT HAPPENS DURING A DEPRESSION?

It has now been a long time since the last real depression in the United States. It was a depression which was accompanied by similar conditions in several European nations, and helped lead to the rise of Nazism and Fascism in some countries. Many things have changed, and it is hard to predict exactly how things will be in the upcoming depression, but we have some ability to learn from history and try to use the examples of what event in guessing our way as to conditions that will ensue as we take another plunge. Keep in mind as you read these dismal facts that **none of this has to happen to you!** If you can get the jump on the situation, using good sense and the suggestions in this book, you should be able to profit from the collapse of the system and help it recover by your own success.

In the first place, many people have to declare bankruptcy. Their debts are too high for them to pay their bills. All of their lenders are hurt, but will settle for anything they can get. This will also force the lenders into bankruptcy in many cases. More people, unable to keep up on the payments on their homes, especially at the double-digit interest rates that are being charged now, will face foreclosure. They will have to move to cheaper places, or, in some cases, have nowhere to go at all unless they move in with friends or relatives. Evictions for non-payment of rent will be common, too. Some banks have made the first foreclosures in decades during the past year. Banks will find themselves with property they cannot rent or sell unless they take heavy losses. Anyone with some savings can pick up tremendous bargains in real estate property to rent out, and, while having to settle for lower rental prices, can make a relatively good profit.

Secondly, there will be massive unemployment. In a struggle to

stay in operation, severe cutbacks or even plant closings will throw millions of people out of work. They may get some unemployment benefits for a while, but as the tax base from which this money came has disappeared, such programs will go down as governmental agencies face bankruptcy.

The stock market will crash, and people will be in a frenzy to sell out at any price they can get before corporations in which they have invested go broke. There will be some wild speculation, and some people will be able to buy cheap stock in corporations which will eventually ride out the storm, but the chances are against this. Retirement plans which have depended upon stock market and bond investment to work will also be either destroyed or seriously hurt, and many people who worked hard and paid into these plans will find that their investment dissolved and there will be no retirement money coming, or very little at best. Foundations which have much money tied up in these funds will also be hurt badly, and have little money to spend on charity or other projects.

Communications and transportation systems will suffer as their owners face collapse. There will be more use of the cheapest forms of communication and transportation. You will see more people walking and riding bicycles.

There will be many protest demonstrations by masses of unemployed and frustrated people, some of which will result in violence, arson and destructive vandalism. This will do no good, but will foster hysterical feelings and fears, and the crime rate will go up. More people will use alcohol and drugs to escape from their problems, leading to more family problems and severe illnesses, and even less chance for getting or keeping a job.

You will see more empty stores in the business areas as the number of shops declines. The first to go will be the luxury item stores; such types as expensive clothing shops, new automobile dealers, art and gift shops, appliance dealers, and others who sell desirable but unnecessary goods. What people will still have to buy will be groceries, but less fancy groceries; used goods; cheap dime-store merchandise to make do; and do-it-yourself materials.

It is quite probable that so many people will be reduced to the zero level of income that we will see food kitchens and the infamous "soup lines" of the Thirties set up by charity organizations to prevent, for some, serious malnutrition or outright starvation.

There will be more beggars on the streets, more people with sidewalk sales promotions and more people moving from town to town, seeking odd jobs, reminiscent of the hoboes of the last de-

pression.

Many people who have only known a wealthy economy of the past three decades will have no psychological method or philosophy for accepting these conditions. Families will, in some cases, break up; in others, the crisis will bring them closer together. Stresses for some will lead to illness and even to suicide. The first years of the last depression led to a suicide rate higher than ever known before in this nation.

Less money will be available for medical needs and more people will not treat their illnesses as readily, leading to massive health problems. Those who recall the Thirties can remember many children with rotted teeth, uncorrected body deformities, and very bad eyes. Sanitation, both personal and public, will decrease, raising the probability of disease on the epidemic level, especially in crowded sections of the large cities.

Governments will find that people cannot pay their taxes. They will have to let many employees go, decreasing the service to the public. Other employees will be issued registered warrants instead of pay checks. These are a sort of I.O.U. given to employees because there are no funds to pay cash. Because the workers and teachers who get these need money, they go to buyers who will pay them cash representing a small per cent of the real value which can be realized if the city or school district survives. The buyer then cashes them in for full value when things get better. It represents a drop in salary for workers of as much as fifty percent. Some of these registered warrants have been issued by cities and school districts in the last few years.

Some governments will just go broke. They will issue bonds at a tremendous rate of interest to try to survive, but very few people will have the money to buy these bonds, or believe enough in the government to buy them. Overtaxed districts are poor risks, and the closing of major industrial taxpaying sources will scare the investors off, even at huge interest offers.

Prices of everything will gradually go down. In addition to businesses selling at a loss to try to recover some money to survive on, the general lack of money will force businesses, through competition, to cut their prices or go broke. Some import items, such as gasoline, will simply not be affordable until the nations producing them are also hurt and settle for much lower prices.

Fraudulent schemes will rise up everywhere, and people will want to find magic answers for their problems. Get rich quick promotions, always with us, will be even more widespread in a depression.

Most of these will be mostly words and hopes, but there will still be those who buy on no more security than that.

Gambling will increase on the same basis. Premiums and give away promotions will thrive on the something for nothing hopes and dreams. During the Thirties, millions of families hugged their radios to listen to a weekly show that would call one place in the nation and give the family that answered a thousand dollars. Bank night at the theater and free dishware offers drew crowds to spend what little money they had on the belief that they would get something free. Tent shows sold boxes of candy in which the buyers hoped to find anything from a cheap trinket to a ten dollar bill (a mighty rare occurrence, indeed, and one that worked magic publicity). How people hate to give up their childhood dreams of a fairy godmother!

WHAT MIGHT BE DIFFERENT FROM THE LAST DEPRESSION?

Several lessons were learned during the Depression of the Thirties which could be helpful in dealing with the upcoming one, but some other conditions have changed so that other aspects could be even worse.

For one thing, in the last depression there was a run on the banks, causing many bank failures in which many people lost all their savings, or a good share of them. The government established, after that disaster, the Federal Deposit Insurance Corporation (F.D.I.C.), to insure savings up to a certain amount, so that if a bank was faced with a panic, it could close for a few hours, and then re-open, paying off cash that had been shipped in to investors demanding their money. This could keep the panic down and help banks stay open. Many people now realize what they did not understand, apparently, in the Thirties: that banks do not keep the money in the safe; they loan it out at interest to make money, and until that interest is paid, or the loan is paid, they do not have money to repay all their savers at one time. This insurance could be a good factor reducing the panic of depression, unless the government is suddenly thrown into bankruptcy and cannot deliver the cash. **This is a terrible possibility.** With cities and states on the edge of bankruptcy through wild deficit spending, and the federal government running into higher deficit budgets every year, it is possible that the United States government could either go bankrupt, or, as in some other nations, print up "funny money" of very low value to try to satisfy the people. In Germany, at the top of the inflation which led to the collapse after World War I, it took a bushel of Marks to buy a loaf of bread! Little wonder that the people saw in Hitler a strong hand to try to stabilize the nation with military power.

On the other hand, there is a new factor in the society today that did not exist to any great extent in the Thirties. This is the situation of women working in jobs. In those days, the income of a family usually depended on only one source, the earnings of the man of the family. To share the wealth, many employers would hire only men who were married, or women who were not married. Women teachers were fired for getting married, as the idea that any family should have more than one income was considered wrong. Will men be able to settle for running the house when they get fired and their wives are supporting the household? Do you think women who have been liberated to earn their own ways will quit jobs so

that men can keep working? How many families that needed both jobs to keep going, and there are now a frighteningly large number of them, will find themselves bankrupt when there is only one income, much less no income at all? When both the husband and wife are able to keep their jobs, will that be at the expense and deep resentment of another family forced to the bread line? If so, what kinds of hatreds will that create in the society against successful families?

One factor that occurs in all depressions is political upheaval. In the last depression, the interest in Communism as an answer to the undependability of Capitalism became popular with many, and there were severe acts of violence, but Franklin D. Roosevelt led the nation into a number of reforms which some considered socialistic: income tax at a very high level compared to earlier days; social security; government regulations which have since increased in number by thousands of per cent; and other schemes. Public works projects were established to create employment. Youth were able to join the Civilian Conservation Corps and live, army style, in camps to create recreation areas, new roads and public service buildings. In those days, the idea of the federal government taking responsibility for the individual welfare was shocking to many.

World War II followed, and the government took even more control of independent citizens, with rationing, price controls, wage controls and many other powers. During the period of relative prosperity which has followed since that war, the federal government has continued to regulate and control many aspects of the economy and trade, and has also enlarged welfare programs to an extent never dreamed of during the depression. Now, when the depression hits, can the government, devoid of its high tax base, go even deeper into debt and enlarge these programs when they are really needed?

Another interesting factor in regard to political upheaval is that of increasing trade with Communist nations by our leading industries, which have in many cases become less efficient in keeping up a favorable balance of trade with other free nations. Are we throwing the dependability of our system into the hands of customers who want to see that system destroyed? We have already lost control of our own self-sufficiency in oil production, and are dependent on the political situations in countries over which we have little or no control. This situation, along with deep dissatisfaction of our people with a depression situation, could lead to national disaster.

Strangely enough, college enrollments held rather steady during

the depression as youth had no other outlet except military service. Granted, in many cases, the struggle was very difficult. One college had students bring farm produce with them to college, and the faculty was given this food as part of their pay, and the system worked. Now, however, many institutions have priced themselves out of this possibility, and there are many non-teaching employees in our colleges and universities. Very little of the finance would come from the tuitions, which, though they would be low in a depression, the college could exist on. With taxes less available and foundations hurt in the stock market crash, many institutions would probably fold. In fact, many of the smaller ones already have folded.

In the depression, which probably will be called merely a "deep recession" in the phony wording of some of our politicians, there will be severe upheavals to almost everyone. There will be vast promises that all is going to recover, and many words of reassurance will be given. In the words of an old German saying, "Of big words and feathers, it takes many to make a pound."

Keep remembering, though, that you may find that there are some really great and good values which can come from all of this upheaval, and that the adventure lies in the depression itself rather than in the magic schemes to soften it. **Many Americans are of the opinion that a depression is just what is needed to end the "Great American Joy Ride."**

It will probably be triggered by the energy crisis, which already exists. As we continue to waste one fourth of our energy, and have put ourselves into the bad position of importing half our oil supply, the high rise in the costs of oil will most likely be the spark that pushes the economy off the cliff it is on. For those who have not prepared, it will be a disaster, but we will also realize some good things.

WHAT GOOD THINGS CAN HAPPEN IN A DEPRESSION?

Most old-timers who remember the last depression have nothing good to say about it, and have always accepted the idea that there would be another depression. However, there are some things they remember and which show up in the study of history that were good, and anyone planning to deal with a depression should realize these in order to remain stable and poised in the presence of what will seem to many around them to be a disaster. Indeed, there are those who lead rather strict and simple lives, hard-working, saving and honest in all ways, who either do not care whether there will be a depression or who look forward to a depression, as it will be their day. This is opposed to the national Disneyland of images and superficial life that has been the earmark of so-called "prosperity." They have enough common sense to know that **anything that goes up must come down**, whether it is the economy or the law of gravity in operation, and have never accepted the Pollyanna dreams spun by hare-brained visionaries and deceptive political leaches.

Depression is economic revolution, exciting and challenging to everyone who is ready for this so-called "monster." Now is the time to get over the trembling fears and stand up and say the word, strip down for action and tackle it with a sense of daring and strength! It brings the laws of nature, survival of the fittest, into the world of people who have tried to escape reality, and many who were afraid of economic collapse will discover a re-awakening of the imagination and dedication which built this nation in the first place.

Life styles will change. Vested interests in the continuing inflation spiral have called for all sorts of reforms "which will not change our life style." **What is wrong with a change of life style?** It would be a tonic for most of us. We would discover that we really are capable men and women, able to deal with realities that our forefathers accepted as everyday occurrences. It can be fun to live in a more austere manner, and the sooner we start it, the less we will be worried when the plunge comes. Even more than that, by switching life style now, you will be able to profit from the collapse.

The best thing that will happen as the depression spreads will be a collapse of high prices. Eventually, all prices will go to new lows, in order for competition to survive. The person with even a moderate savings will be in a position to buy things he never could afford before, and, if he is wise, he will buy only those things that will make him more money. While those who are deep in debt will not be able to take advantage of the lower prices, others will see the entire

market place as one vast bargain basement. Homes which cost many thousands of dollars to build sold in the Thirties for less than a thousand dollars. New automobiles cost as low as \$550. It's possible that prices may not go that low this time around, due to the tremendously higher prices that now exist compared to the Twenties, but the comparative difference should be about the same. People who could not afford to eat as well during the inflation will find they can dine like kings, if they have prepared for the onslaught.

Some social problems that have been dominant in inflation will decline. It takes money to buy dangerous drugs. In Calcutta, India, where there is always a depression, there is little drug usage, as so few people could afford that habit. To those people, drug abuse is a plaything of the wealthy. That was also the situation in this nation during the last depression. While some alcoholism and drug usage will increase as weaklings cannot adjust to realities, the over-all level of such usage will gradually decline. Those who are philosophically prepared for depression will not have to have escape.

There should also be less in the way of youth run-aways which have torn families apart during the period of inflation, when money and jobs for survival were easily obtained.

Interestingly enough, people join together, become more involved, and show more love when a common experience such as a massive depression occurs. Neighbors work together to share their efforts to "do-it-yourself," and people without the wealth to buy "canned" entertainment discover new and creative ways to entertain each other. The concept of love becomes more meaningful when material things are lacking. Families can become closer, pooling their efforts to weather the storm. There is less money for people to follow their whims and run away, and wives and husbands tend to have an economic reason to stay together, thus solving some of their other problems.

One of the factors cited by sociologists who have studied depressions has been a greater sense of humor. When everybody seems to have problems, it is no longer the "in" thing to whine about one's troubles, and the only thing left is to joke about them. In the Thirties, millions of people took heart as Eddie Cantor sang about how "just around the corner" there was a rainbow in the sky, and suggested that everyone have another cup of coffee and a piece of pie. Contrast that with the self-pitying songs of the "Me Generation" of prosperity, lamenting the fact that the world had not centered on each of us for the ultimate in pleasure and security.

As "security" becomes a laughable myth, more people will see

that opportunity, imagination and creativity are more exciting ways to live. One of the problems of a growing money society and prosperity is that people don't have to be, or don't want to be, creative and original, for fear they will lose out on the gravy train. However, when almost everyone has lost out, the instinctive human spirit of invention begins to come forth. **People can be bold and adventurous when they have little or nothing to lose, in a free, democratic, capitalist society.**

Sincere and thoughtful religious interest will also be increased. Think about the origin of all the great religions of the world. They started in areas like deserts or else overcrowded, poverty-ridden areas. The spiritual self emerges when there is little material to substitute for meaning in life. Christ, Moses, Mohammed and Buddha all had their powers clarified during times of fasting and deprivation. People will listen once more to Christ's message of love and compassion for one's fellow man, and, without material things to give, will learn once more to give the only thing of value, one's self. Economic-based cults will have their masks removed, while those that truly thrived on mutual love will survive, as well as the community of church goers who will, as our forefathers did, turn to God in their poverty.

The fact that you are doing better financially will put you into a position of being of more help, if you wish, than you were when inflation ruled the land and material acquisition was the only value. If you take a look at other nations with the least wealth, you will find that the most religious people are in nations with the least wealth, and vice versa. As our phony "Good Ship Lollipop" springs leaks, and as our leaders finally realize that they can no longer patch up leaks with paste, we will gather together to create a new, solid ship of the spirit.

You may think it is hard to get ready for the depression, but once you know that it has good and happy and exciting aspects as well as painful experiences, you can face the future unafraid. **The important thing is to GET READY NOW!** Take your lumps now. Get the jump on the dreamers by going into depression habits while there is still big money floating around, and save like you never dreamed of before. The first job is to get out of as much debt as possible.

CUT THE DEBT LOAD!

Austerity is a good word. It means living in a simpler manner. It can be a lot of fun, but the habits of wasting and luxury make it difficult for us to begin. It means the art of cooking a hamburger as good as a steak. It means patching up clothes, or looking for good used clothing, instead of the buy, buy, buy game promoted to keep us in debt. It means making fun of the television ads that try to lure us into buying things we don't need. It means fixing up and making do in a creative way rather than throwing things away. It means hoarding money instead of things. Saving when there is a lot of money around and spending when there isn't much is the entire secret, but to do so, you must first **get out of debt** and get no new debts, no matter how painful it might seem. Austerity can be a fun game, and it will do more to bail you out than all the fast-talking sudden miracle plans that are merely ways of getting you deeper into the hole. So now is the time for changing the life style to austerity.

A new budget, a bare-bones budget, would be the best. Spend as little as possible, buying only the things that are absolutely essential to live on, and put all the extra into paying off debts right now.

What can you sell? Can you move to a less expensive house and sell the one you are in for a good profit? You may find your equity in the present house will buy you a house with no mortgage for your austerity game to take place. However, if your mortgage payments are low, such as five or six per cent, it may be better to stay where you are.

Can you rent out a room? Fix up the garage for rental, without borrowing to do so? How much junk do you have that is not giving you any pleasure any more? Can you sell it off? Can you have a garage sale and make some extra payments, or pay off an appliance, with the income? Can you find a lower rate of interest from a bank and consolidate your debts, paying the bank until you have the debts cleared off the record? You'll be delighted with how good you will feel when you owe no one any money, except, possibly, for house payments, if they are cheaper than renting. That would be the only exception. It is vital that you owe as little as possible when the full depression hits. The sooner you can get out of debt and start saving, the better you will be prepared to get rich during the depression.

Many promoters of debt, trying to get your soul into hock, are saying that it is smarter to borrow money now and pay it off when

it is cheaper due to rising inflation. That has been true, as long as the inflation keeps on. However, it is not going to keep on, according to the best economic indicators. Perhaps in the short run, that is true, but most credit plans are long run, and the longer the better for the person loaning the money. If you think depression is on the way, don't borrow.

Burn your credit cards. Pay for everything cash on the barrel head. If you want something that you can get with a down payment, **take a long, cheap walk and use your head**, and begin to think how much you can do without it. As the great American philosopher Henry David Thoreau once said, "You are rich to the extent of the number of things you can do without." Don't let any new debts into your life unless they are things you could pay off right now and still have enough to spare.

Act as though you have no job, or other income. What would you do about your debts? How would you live? What would disappear from your life? How much would you really miss it? How many bankers, auto dealers, and appliance stores have you been supporting with your hard work, just on the interest they're getting from you? Throw the leaches out! Pay them off as soon as you can, and never support them again. They can work for their money, too. You may be the one loaning the money before the depression is over, but remember how debt feels when the shoe is on the other foot. If you must buy something, pay the real price for it, not a lot of interest money which will not feed you, wash your clothes, entertain you or anything. Interest money is simply throwing money down the toilet, or burning it up, as far as the debtor is concerned. You can sing another song when you are the creditor, but you are digging in now, preparing for the revolution, called depression.

We'll talk about simple, exciting, pay-as-you-go or even no-pay pleasures in life later, but the thing to do first is to free your mind and your wallet from the obligations that hold you down. You can seek advice from bankers, or other specialists in cutting your debts, but don't go into debt to do so. Now is the time; the sooner the better! You may have a long haul or a short haul on this project, but either way, everything you do is going to make you stronger and prouder, and sooner than you think, everything you own will be yours alone.

INVEST WHILE YOU'RE WAITING

Once you have made the first plunge, the rest will be easier, as in diving into the lake for a good swim. Much of this book will be on tips to help you hold your pattern, and money-saving tips that are rarely seen in any advertisements designed to get more money from you. However, before we go on, some thought should be given as to where and how you should save what you gain. Until the crash comes, there will be even more inflation to gobble up your savings if you aren't careful. Remember, every penny you have is to go to work for you at the highest rate of return you can get.

Regular pass book savings do not work hard enough for you. They pay some return, and, compounded frequently, will show a gain, but they have not been keeping up with the cost of living increase, so saving in that manner has been a losing proposition in some ways.

The best savings plans are those that have the highest percentage of interest, compounded daily if possible, and with no gimmicks. Remember that when a bank wants to give you free toasters, dishes and other trash, that is coming out of the savings interest money you should be getting. It is constantly amazing to see how many people will prefer these promotional junk gimmicks, as they go for premium stamps instead of lower prices at grocery stores. If a bank wants to give you something other than interest, in hard dollars and cents, let it know what its business is supposed to be and go looking for a real bank immediately.

Long term Certificates of Deposit usually pay the best interest on straight savings. You will be tying up your money for a long term in order to get that rate, but it will be worth it. According to the most valid predictions, the depression conditions should be most ripe for pulling your profits out about four years after the initial collapse, which could happen at any time now. If you tie up your money for high interest, you will not be so tempted to spend it when you get into a low mood on the austerity program. Deal only with banks that have insured savings and do not have any more savings in any one bank than it can insure for you. As your assets increase, you may find yourself dealing with several banks.

Ask your banker to let you know about special high-interest bonds and other securities that may become available. Some of these are for as short a period as six months and earn over ten per cent interest. Many bankers do not let the general public know about these, but they will usually tell you if you ask them to do so. Usually these

will take at least a \$1,000 investment to handle, so they tend to let only the well-heeled in on the information. **You are going to become among the well-heeled.** A smart banker will realize that you are worth cultivating. If he does not, find another banker, because you, with the money, are in the catbird seat, and banks need money these days to finance an expanding economy.

Gold has been, and may still be, a good investment, as may also be said of silver. However, the inflation has driven the prices of these commodities to record levels in world history, and these prices may level off or even drop a bit after your investment. Hang on to any gold or silver objects you may own; do not put them up for sale unless it will get you off some of your debts. You are a speculator when you invest in gold or silver, and you may see it go to even higher levels as the dollar continues its collapse. However, after the world economy gets settled again on the honest production of goods, prices could fluctuate quite a bit. If you do decide to invest part of your savings in gold or silver, check the market carefully and be on the alert for smooth but deceitful operators in this field. Remember that you will have to store the gold somewhere, and you will be a prime target for thieves if there is any hint that you have it stored in your home or other belongings. Most gold dealers also sell storage services in bank vaults, but these cost you on a monthly or yearly basis while the price is fluctuating. Be wary when, in addition to the purchase, there are fees for transportation, storage, transfer, certification, and other details, and add that to the price you think you're paying. Often, it is in these services that the dealer makes the most profit from you.

Even worse, as the situation of the devalued dollar becomes more ridiculous, there will be many cheating dealers selling alloys and other false gold and silver items, so deal only with reputable dealers or with banks if you make this investment. Check with your Chamber of Commerce or Better Business Bureau if you have some doubts in this matter, and the best attitude is to have doubts.

One investment field that has kept up with, and even exceeded, the rate of inflation in value, is real estate. Another problem with this, though, is that much of it is overpriced at present. However, with a lot of careful searching, you will probably find a good investment in your local area. Remember that you will have to be paying taxes on it, so income-producing property, such as a small rental house, is most desirable. However, speculation on undeveloped land at the edge of a growing community might be even more desirable, as the tax rate will be slow to catch up with the growth in

the area. This may enable you to sell the land at a huge profit within a fairly short time.

Do not let sentiment rule you in the real estate investment market. You are buying simply to make more money, not to have a second luxury home. If you buy a house, either live in it or rent it out. In a few cases, you may be able to get a house with a low down payment and take over a low interest loan. If you can get a low enough loan with the house, rent it out for as much rent as the local market can bear and you will be able to pay it off quite soon, pouring every cent it produces into the mortgage retirement, interest, minimum maintenance and taxes.

You will have to be a good dealer if you invest in real estate, and each opportunity has its own values and drawbacks. Do not be in any hurry; let the realtor understand soon that he cannot rush you into any quick signing. Generally, however, avoid investing in any property which has a total value of more than three years of your normal income, during the time of inflation. Alter that rule to less after the depression hits. Do not buy property that is so far in disrepair that it will take lots of money to make it livable or rentable in the near future. Avoid luxury homes, as there will not be many people with the money to rent such homes when the depression hits, much less buy them from you. Make sure that the land you buy has a clear title, and that all special fees, such as sewer lines and paving, have been paid up. Figure in all realtors' fees when calculating your costs, as well as fees for title transfer, title examination, and then allow about \$500 more for incidental expenses in getting the property into income-producing state. Often, the best deals are available when the house is being sold to settle an estate, as the executors want to clear up the estate as soon as possible and the feeling does not run as strongly for a big profit as it would for a living owner. If you are buying from an owner who is not dealing through a realtor, get a clarification from him as to the burden of expense for legal and transfer fees.

Avoid promoters who want to sell you oil and gas land, mining land, and farms or ranches where there is not yet an adequate water supply. Remember, in the first instances, that only with huge additional capital can proven wells and mines be brought into production, and then usually only with large associated and available property. There will be many promotions along this line when the energy crisis becomes intense. As for the matter of available water, make sure that there is a legal water right and water on the property at the time of purchase, and do not settle for comments that "there

will be, soon." Water is in severe shortage in many parts of the nation, and is becoming the most valuable mineral in the West, so if you buy land out West, be sure that it has a guaranteed water right forever.

Another subject of much promotion relates to retirement properties, especially in the South and Southwest. Promoters will usually take you out to dinner, or may even fly you out to their developments as a "free vacation." They talk fast, but remember that if you buy, you've paid many times for those goodies. Retirement communities are going to be sold mighty cheaply when the depression comes; they are a luxury of affluence and many thousands of people have already been ripped off by wild promotional schemes. All told, it is most desirable if you get your real estate where you can keep track of it all the time, and choose your own renters.

For a long time, the stock market was the quickest income growth investment to keep up with inflation, but, of recent years, it has been one of the worst, a strong indicator of economic trouble ahead. If you want to get clues as to how unsure the economy is of itself, follow the stock exchange reports carefully, as the people who do the heaviest investing in the major industry stocks are the most informed sources of world economic trends. Sharp drops, accompanied by frenzied buying, which lead to moderate rises (but not up to the previous highs), have characterized the market for the past five years. Of all the disastrous losses sustained in the Depression of the Thirties, those taken by modest investors in corporations that looked like highly profitable prospects were the most dramatic. However, balance in investments is desirable, and a number of well-established companies did weather the market very well. When the crash comes, and these stocks are at low price, the survivor may do well to put quite a bit of money on the strongest corporate prospects. Do not act quickly, though. Wait and see which corporations seem to be holding after a year or two. In the crash of October, 1929, many people thought the low had been reached, and bought too soon. The price was being beefed up in some cases by personal investments of the stockholders and directors, and concealed the fact that the business just wasn't worth very much, or was and should be bankrupt. After any dramatic drop, there will be some quick buying, raising prices a bit, but do not be misled by that occurrence. Wait and see.

When one is looking toward depression, money should be invested only modestly, and probably in blue chip stocks, those preferred for payment in a crisis. The interest, or dividends, are well below

the inflation rate, but survival during a depression, if you do not panic and pull out, could make these excellent long term gambles. Stock in large, established, energy-producing corporations (especially those involved in new forms and sources of energy) seem to look like the best bets at present. However, there are energy firms springing up all over the place, and nine out of ten of them will not last a decade, so watch out for the glamour. Those starting out of the depression have a better prospect than the combination of high costs and energy shortage that is now in fashion for new firms.

Corporations dealing with resorts, hotels, automobiles, construction and entertainment, all luxury items, are hard hit in a depression. Remember, people will want cheap, necessary commodities and will have to continue to get them in some way. They will also have to go on eating, so grocery chains that are well-run look like pretty good prospects.

Over-the-counter stocks and promotions are usually too risky unless you really know your business. There will be all sorts of get rich quick promotions in this field after the collapse comes, and almost all of these are losers for the investors. If anyone knows you have money to be invested, you will be a prime target for all of these. As a general rule, invest in large, established corporations which weathered the last depression, and then sit tight. You will never have a chance to spend this money, or see it multiply in vast amounts, until the depth of the depression has passed, and things start the slow inflation process again.

In the depth of the depression, it will probably be better to buy into surviving corporations or local well-run businesses you can keep a close eye on, and then sit tight. Many people have become wealthy this way. A few good stocks to balance your holdings now may be safe, if you know they will plunge way down before they start back up, and can afford to wait out the storm.

Bonds are another risky area. U. S. Government bonds are still the safest, and, in spite of usually low interest, they should pay off when all other paper investments are at a loss, unless the government itself goes bankrupt. In this last possibility, it is still probable that some sort of money system would be invented which would pay off the bonds to re-establish public faith, and you would still be relatively wealthy. As a general recommendation, U. S. government bonds look like one of the safest places you can save your money.

As you have probably noticed, many cities and other municipal units are in deep trouble staying solvent these days, and their bonds will bear high interest rates. The greater the risk, the higher the in-

terest. Even school district bonds are not very safe in a depression, although schools are one of the last services the public would give up in a taxpayers' revolt.

Back in the Twenties, people were buying corporate bonds from coast to coast, as corporations expanded their funding wildly at the expense of the masses. Almost every bank became a promoter, and the "little guy" became carried away with the inflationary rise that some of these bonds promised. It turned out to be a disaster. Millions of small investors were total losers when the depression hit, and, thank goodness, the government has now enacted much stricter rules controlling the sale of such securities. There are still too many pitfalls in this field, though, and it is probably best to leave such speculative bonds to the experts.

As you have observed, we are not encouraging the high-interest investments at this time, and you may well ask how we expect you to get rich without such advice. The key to the thinking is that **safety is more important than soaring profits** at first, and that anyone with any savings at all during a depression will have the power to build his fortune on that basis. High interest rates are the earmark of inflation, and many of these investments will pay off only when the depth of the depression has passed. However, having some easily converted funds to take advantage of low prices will be necessary during the depression years if you are to make your bundle.

A good rule of thumb for normal times is to have about one third of your money in real estate, one third in stocks and bonds, and one third in cash savings. This would not be the best pattern at the end of inflation and during the depression. Probably the best budget is to have more in savings of cash which can be used to pick up good real estate at bargain prices after the initial crisis has blown up the wild speculators and left their construction to be disposed of at severe losses. People will still need places to rent, and you will be the landlord. You can also establish your own business, based on your talents, a little capital, and creative imagination. That may be the best of all possible ways to profit **after the crash**, but to have a few safety investments in stocks, bonds and gold would make you much more confident. The theory is, no matter what collapses, not all of these would crash at the same time.

WHAT ABOUT RETIREMENT PLANS AND INSURANCE?

Even the Social Security system is in deep trouble now. Directors of many other retirement systems are really sweating, due to inflation and population growth. Back when these plans were started, mostly in the last depression, people did not make much money to pay into them, but a growth in the value of stocks and other securities in which the directors invested the funds helped the plans to make enough money to pay off when people conveniently died at fairly early ages. Now, the death age is later, and many plans are stuck with having to pay for many more years of retirement than they figured on. Also, more people are living to the age of retirement; plans used to make considerable money when workers died before they could collect. Also, survival minimum payments require so much more of today's cheap money that any mistakes the managers of plans may have made in their investments of the funds may lead to disaster for the whole plan. All these claims about security in your old age, even when they mention guaranteed dollars and cents, mean nothing when you don't know (and neither do they) the value of a dollar at the time you retire. In the Thirties, if a man died and left his wife \$5,000, he left her a rich woman; today, it wouldn't get her through the first year (unless she's on a great austerity program).

So, with over-promotion and exaggeration of both retirement plans and insurance, it is best not to count on them to help you out in a depression. If you're lucky, they will pay off some, and we're all glad about that. However, there is no law to keep the promisers of these programs solvent during a depression, and some people are going to find out that all they had banked on to hedge against hard times in later years has been wiped out when the time comes to pay off, if it's during the depression.

This is not to suggest that you should withdraw any investment in a retirement plan, or discontinue making regular payments into such a plan. It is simply a plea not to count on the plan as a source of security or opportunity during a depression. To cash in now, with the money as cheap as it is, would be to take a tremendous loss, compared to the value of the money you paid in during more stable times. Also, to discontinue paying into the plan may mean you will lose everything. Many workers are beginning to realize that there are fine-print restrictions that leave them out in the cold after decades of payments into union or other retirement plans with the sincere belief that no one would do this to them. Some labor union

plans are being taken to court on this issue, but most are winning the case and the worker is being left out, simply ripped off. Yes, stay with what you're doing in this field, and the chances are you'll get some pay-off, but do not smugly assume that it is going to make you rich or even secure during a depression. Do not, in general, increase your stake in these plans at this time. If the plan is a compulsory one, such as Social Security is, there is not much you can do about it, but if you had control of the money yourself, you could probably do better.

One thing to re-examine, though, is your insurance coverage. There has been such hot competition in this field that many people suffer from a form of "insurance-itis," scared into buying more insurance than they should be carrying, and accepting the salesmen's pitches that insurance is a good investment. Most insurance pays low interest as an investment. Insurance is strictly a gamble. In life insurance, you're betting you're going to die early and the insurance company is betting you aren't, with the statistics figured out in their favor on the gamble. There is little real difference among the companies. They either have to figure out what the odds are and charge accordingly, investing your money at a good profit, or they go broke.

Some people who insured heavily when they had many dependents have no need to carry so much insurance after their children have grown up and gone out on their own.

If you're deep in debt, but paying for more insurance than you need, you're mis-managing for the coming financial crisis. You are obviously worth more dead than alive, and that is a dismal situation. Re-examine your entire insurance plan. Hold on to all paid-up insurance, of course, but think twice about expanding your insurance holdings. Many scare promotions are now afoot to sell insurance against happenings that could, but are very unlikely to, occur. We are buying these policies just because we have extra money around, and think these are some sort of savings plan. The best insurance is still straight life, with no gimmicks about retirement, bonus deals, borrowing power, or other frills. Nothing in this field is free. In insurance, you are never going to buy immortality, as the ads seem to imply. You need to make sure that your needs are covered, but if your needs are endless, you may think insurance can make you rich some day. That is nonsense. You paid in enough that you would have been rich anyway!

You need insurance. You will need auto, home fire and theft, and life insurance, and probably some protection against expensive illness and hospitalization. However, you can take some of the

risk yourself and bet on yourself.

One couple set aside from their savings \$10,000, not to be spent except for hospitalization, and invested it in high interest Certificates of Deposit fifteen years ago. They were, in effect, being their own insurance company, and had a vested interest in keeping themselves healthy. Well-invested, the money fund has almost doubled, keeping up with inflation, and, if they can continue to stay as healthy and accident-free as any insurance company would also have wanted them to, they will be the beneficiaries of much more return than they would ever have been able to get from any company. You may suggest that their ailments could be more than they had saved and allowed to grow, but they would ask you where you would draw the line. Is it not possible that any of us could be stricken with a \$200,000 ailment? It is possible, but not very probable. Good preventative medical practice, and good health habits, are essential in coming out ahead in your plan to thrive in this depression, as will be pointed out later.

HAVE YOUR DEPRESSION RIGHT NOW!

Now that we have explored the implications of a depression, and the ways that money saved could be invested, it is time to get to the main point of this booklet, one that will be of most value to you if you are daring enough to try it. That is, to get the jump on the rest of the people and **have your "depression" while there is still a lot of money around.** This way, you will be gaining the money when it is cheap, and spending it when it is valuable, laying the source for more wealth. Any economist would agree, but would probably say that it is not practical, as it would run contrary to some vague notion they call "human nature." Hogwash! True human nature through thousands of years has been one of conservation and the self-discipline for survival. The natural state of the human is one of self-controlled realism in dealing with situations, or we would not have survived to this time of waste and unfulfilled pleasure-seeking.

It is true that most Americans may believe in the myth that waste is their "human nature," and therefore this may apply to the ordinary person today. But to the person who has a sense of adventure and is, therefore, extraordinary, it has no validity whatsoever. **Do you dare to be a bit different, if the reward will be enormous?** All you are doing is what they will all be doing sooner or later, and

you are doing it voluntarily, while many of them will be whining and moaning. Human nature in reality is the instinct for challenge of survival, adapting to realities in your surroundings, and utilizing your mind and body for the fullest enjoyment and appreciation of life itself! So much for the decrepid academicians who think we are a bunch of hot-house plants that must be protected from the zest test that is life in its fullest!

There are many suggestions in the part to follow, some of which may be either impossible for you or impractical. If you are married, you'd better involve your spouse in this game or face some compromises. Take what you want, and leave out the rest, but the more of these you can carry out, the more will be your savings. You may have to risk being called a tightwad or miser now, but later you can prove to be as generous as your soul would will. These sacrifices by you now can mean everything to those you may wish to help when they really need your help, but that's up to you. The image game of our national mythology cannot dominate you. Of course, you can relax and splurge a bit now and then, or even go along with your friends on an expensive night on the town, but only when you get into the continuing spirit of the game of austerity can you realize the comfort it will give you, the mental relaxation, and the sense of power that you are in control of your own affairs. Changing your life style will be one of the most creative adventures of your life! Do the thing you fear and the fear will disappear! You will be laughing later at things that seemed to you to be painful at first. All of these ideas have been tried out and worked, as will be explained later, but some of them may not be possible in your particular circumstances. Others will start your mind going and you'll add ideas we never even dreamed of here, so you may take it as far as you like, but please don't hurt yourself. What you lose in the material will be more than recovered in your spiritual self, the only thing you really possess, anyway. We'll start out the games with the budget game. With just a few exercises in this game you should reap 1,000 per cent profit from the purchase of this book!

THE BEATING-THE-BUDGET GAME

The rules of this game involve setting up a budget, and then beating it, putting all the savings into investments. It is based on only one salary per household, and if you have more than one person bringing home the bacon, all that extra money goes into investments, or elimination of debts. The budget presented is a mamby-pamby budget developed at Harvard University a number of years ago for those with typical "human nature," and is wildly liberal in some aspects. However, your own circumstances may cause you to have to make some adjustments on the budget you intend to beat. As an example, if you live away from your job some distance, you may need to allow more for the transportation item. However, if you add any percentage to one figure, you have to take it away from another figure, as 100 per cent is the absolute, and any more will throw you into the hole, the lowest level of hell in a depression. If you are careful, you can include fractions of per cents, but these are harder to figure. Remember, this budget is based only on your take-home pay. It's no fair to include automatic savings deduction plans, retirement plans, insurance plans or other payroll deductions except for taxes. It assumes that your income tax will all be included on payroll deduction, but you may have to arrange that if you have other sources of income beyond salaries, which we figure you will. Property taxes have to be included in housing; sales taxes must be included as part of expenditures they were charged for; entertainment taxes the same. Liquors and other alcohol come out of the food budget, rather than entertainment. Travel will be a mixture, but must be broken down into the right categories.

There should be some very simple rewards for beating the budget, such as a can or vase for mad money, which can represent no more than ten per cent of what you saved on any part of the budget. This mad money can be used as you wish and can be a cause for exotic planning and exciting indulgence.

On the other hand, there should be penalties for exceeding any item. These should be penalties which take from your self rather than from your funds, of course. Your creativity is your only limitation here, and they can be part of the fun. You might have to walk to work for three days because you blew the transportation budget. A vegetarian week may be the penalty for failure on the food budget. **Avoid any penalty that may be bad for health or cleanliness.** You may have to invent stiffer punishments as you go along, because you might find that walking or vegetarianism become no

penalties at all, but are so much fun they become part of the standard game.

Be sure to set up rewards and penalties. The game won't be exciting without them, and will probably peter out pretty soon. That's probably why many attempts at budgeting have failed: there was no involved consequence to the person on the line, only the abstraction of money.

So now it is time to sit down and work out the actual money figures on one of your pay checks, and see where you stand according to this "model" budget; how much you can spend each month, or accumulate, as in the case of medical or dental check-ups.

THE "MODEL" BUDGET

FOOD AND DRINK, 27 per cent. This includes all food purchased, whether for your own consumption, for parties, or for guests. It also includes all drinks, both alcoholic and non-alcoholic. In it should be seeds for gardening, if you plan to eat the produce of the garden, or any other expenditures used mainly to feed the body. Taxes you pay on these items must also come out of this budget item.

HOUSING, 20 per cent. Depending on where you live, this one might have to be adjusted, and the energy crunch may make this figure totally unrealistic. If so, the difference must be deducted from some other account. Include utility bills, rent, house payments, mortgage interest, taxes, insurance and general upkeep costs in this figure.

CLOTHING, 9 per cent. All clothing expenses, including dry cleaning and laundry charges outside the home should be figured here, along with the cost of new or used clothing purchased.

TRANSPORTATION, 9 per cent. Automobile expenses should include all upkeep and maintenance as well as insurance, gasoline and tires. Also in this account are bus, taxi, train and air fares, whether for business or pleasure or shopping.

MEDICAL AND DENTAL, 8 per cent. This includes regular checkups as well as all doctor and dentist costs and medicine not repaid by insurance or some other source. While there is a monthly allowance, you can't figure this one until the end of the year, in most cases. Some months would run high; others would have nothing. Staying in good health will really get you ahead on this one.

If you have very comprehensive health insurance coverage or some other complete care system, such as military service, you can redistribute most of this.

INSURANCE, 5 per cent. This would be insurance other than house or automobile, and beyond any plan already deducted from your salary. If you have a deduction plan operating, that may be adequate, and you can redistribute this one.

HOUSEHOLD, 4 per cent. This includes things needed in operating a household: cleaning supplies, dishware, flowers, garden supplies, snow removal, tools, etc.

FURNISHINGS, 3 per cent. Money for new furniture, appliances, payments on time purchases for these, repairs on furniture, and smaller items; you may share a little of this with Household, above. If you're really into the game, you can save a lot here.

RECREATION, 3 per cent. Sports events, general nightclubbing, plays, movies, gambling, sports equipment, some club memberships, cultural events, and such are included here. You may decide whether or not dining out should come out of Food and Drink or from this account.

CONTRIBUTIONS AND GIFTS, 2 per cent. Self-explanatory, and may depend on your philosophy here. If you tithe to your church, this may be 10 per cent, and sacrifice must be from other accounts. Does not real charity mean some sacrifice by the giver in order to be meaningful, anyway?

PERSONAL CARE, 2 per cent. Here you should include cosmetics, grooming, and little care items for the individuals in the family.

PERSONAL EXPENSES, 2 per cent. Tobacco, private spending money, hobby items and general pocket expenses may come under this item.

READING AND EDUCATION, 1 per cent. Books, lectures, extension and correspondence courses are included here. Any general college tuition will have to be set up as a separate account unless you have a savings fund for that purpose already established. Night school to improve skills and open new job opportunities may be the best use of this.

UNION OR PROFESSIONAL DUES, 1 per cent. Obviously, the union will have some say about this one, but this should be about right. Those who are in a number of professional associations may find this one difficult.

SAVINGS, 4 per cent. To repeat, this is savings over and above any pre-deducted savings plan, and is from take-home pay check.

This is the one which will grow as you successfully save on the other accounts, playing the Beat-the-Budget Game. Put this into a bank until it is large enough to invest in some other, more lucrative, investment, if you wish.

THE PAY-AS-YOU-GO GAME

This one is simple and self-explanatory. Nothing at all is to be bought from this time on unless paid for by cash available, and not from any other budget account. If you can't pay for it, you can't have it. Don't rationalize that something is on sale, or that the price will be going up. No cash, no merchandise. Cash and carry only. No compromises. You must have the money for a trip before you take it. A ritual ceremony to start this game is to burn all credit cards and enjoy the flame as a liberation and self-strengthening exercise. If there is a slip-up, the merchandise must be returned, and there will be no penalty. No reward here except the knowledge that what is yours is really yours and no one else has any claim on it. That's one clean feeling! When you think about it, the road to Hell is about the only one that you can take and only after you get there, pay for it.

THE FOOD GAME

This can be one of the most exciting games of all, complete with new recipes, fine financial analysis, new concepts of better nutrition, and exciting gourmet experiences, if you want to work at it that much. Some wives, playing this game and others in household management, have saved more money with time, patience, care and cleverness than they would have earned on some low-paying job. To do it best takes time and creativity, but any savings here can be most gratifying, and lead to the biggest wins of all in the Beat-the-Budget Sweepstakes.

You can become a master of this, but here are a few ideas to get you started:

Never go shopping without a shopping list, and then stay with the list. Make up the list at least 24 hours in advance of the shopping trip and cancel any items that are not essential, unless, due to special sales, they are at a very low price at this time.

Do your shopping after meals, not before. Never shop when you are hungry, as the body instincts will succumb to the multitude

of "eat me" lures on every supermarket shelf. Don't take any hungry members of your family with you shopping, either, so you won't get into hassles over this. Read the ads before you go and know the advertised specials, but don't assume they are the best buys just because they are advertised.

Rather than break your transportation budget traveling around from store to store, select one, or maybe two (if they are close together) highly competitive super markets for most of your grocery needs. In some communities, though, an independent grocer may have better buys than the chain stores. If possible, avoid stores with gimmicks such as premium stamps, bingo game cards, and other nonsense. Stores which deliver free or allow credit or credit card shopping are charging you in the price of your groceries for those services. Even free carryout service costs the store something. You are going to the grocery store for good food at a low price, not to play gambling games.

Warehouse and case-lot grocery outlets may be a good choice for some items, if you have the storage space and will need a lot of the commodity. However, check the prices carefully on these, as they are sometimes higher than you would pay in a regular store. They often handle only expensive brands, but good or better food may come in less pretentious labels at a lower price in the regular market.

Don't be taken in by discount coupons unless they really represent the lowest prices, after discount, on a given item you really need. This is rarely the case, if you stop and think about it. These coupons are usually on normally expensive items, and the cost is still higher than the less expensive items, even after the coupon deduction. Those who work in the industry will also assure you that the quality is not really that much better for fancy name brands; you're paying for a lot of advertising.

It really is a good service when the shelf list prices include the price per ounce, pound, pint, quart or other unit of measure, so that you can compare prices more easily. However, if this is not the case, take a bunch of scratch paper and a pencil with you and take the time to figure it out. Do not assume that because there is some tag saying "Best Buy" or "Special Sale" on an item, that it really is the best buy.

Generic "no brand name" foods, house brands (those with the name of the store or chain on them), and sometimes brands that are advertised as lowest throughout the store are often the best buys. These are usually the surplus foods from brand name packages that are canned and packaged in the same plants, under the

same conditions, and without the fancy name. Sometimes the crackers may be broken or the cookies cracked due to cheaper packaging, but that has to do with esthetics, not nourishment. Some people pay fifty per cent more for a pretty label or an impressive package, or simply to identify with some TV product pimp. However, careful comparison may show that, at least during some sales, these are not really the lowest cost per unit of measurement, so out comes the old pad again. Amazingly, you will on occasion find a leading brand at a lower per-unit cost than its generic counterpart. This will be more the case as the depression hits and stores are overstocked on the fancy labeled items.

Usually, large-sized packages are less expensive per weight unit than small packages, but that is not necessarily so. **Don't let them get away with anything; figure it out!**

Sometimes weight or volume is not the only judgement you should be making. The number of servings and the cost per meal are worth thinking about if you really want to bring this to a fine science. Should you compare by weight, for instance, something like mushrooms, in which you eat every bit, with bananas, which have a lot of peeling in the weight? Is a pound of meat the same as a pound of crackers in nutritional value?

During very good sales, buy in quantity. Check to see if there is a substantial saving on case lots of some foods, if it is on grub you will definitely use.

Remember at all times that when you walk into that store, there is a trap on every counter to part you with your money at a greater profit for them. You are at the bargaining table with every item, and your job is to get the most out of them for the lowest price while their job is to get the most money out of you for the least amount of food in either quantity or quality.

Consider having only one meat item per day, whichever meal you wish to have it. Forget the old wives' tales that meat is essential at every meal. Another idea is to have two meatless days per week. Still another idea to save money, if you manage nutrition with great care, would be to become vegetarian. The only danger here is the amount of crack-pot information in circulation which does not lead to a balanced diet. Substituting quantities of potato chips for a steak is neither good nutrition nor is it good economics. If you become vegetarian, be sure to study good nutritional guide books on this matter.

If you're dedicated to austerity, your meats will be mostly on the hamburger level, and some of the delicious ground meats that are

partly soy beans and such. Your creativity in the kitchen can do much to make this better than some steak dinners. A bend here and there may be allowed, but don't rationalize and don't feel sorry for yourself. Use your creativity to save money on meats. Try some of the less expensive meats. Have you ever had heart which has been marinated overnight in beer? If not, it's time to experiment. Go to the library and study over the recipes for new ideas in cookery. Some casserole dishes can make you the most popular host and hostess in town. All things being equal, saving on meats will probably be your best savings.

Powdered milk is less expensive per glass than fresh milk, and just as nutritional. You can mix it in the proportion you like. In any event, it is not necessary to use fresh milk for cooking.

Vitamin balance is very important, but sometimes vitamins in food can be more expensive than vitamin supplement pills and powders. For instance, Vitamin C is an essential of your diet. However, as many fruits containing this vitamin might be expensive at times, consider buying supplementary vitamins to help out on this item. In these cases, your vitamin pills come out of the Food, rather than Medical, budget.

Go to your public health office if you are not aware of the rules for a balanced diet. These offices, or farm extension offices, usually have a great many free brochures on this topic.

The most expensive items are often the worst for your health, so you can do a lot for the Health Game in the Food Game. Junk foods are expensive and unhealthy compared to their cost.

If you must have potato chips, you can make them at home cheaper and better than any you can buy. Candy bars can be outlawed by you at any time you so wish to start. Popcorn is a cheaper snack than most nuts and exotic prepared items.

The more fancy packaging and convenience you demand, the more you'll pay. Frozen dinners may beat eating out, but they can't beat, either in taste or cost, what you can do from a scratch. Exceptions to this may be when they are on promotional sales.

Sometimes it is cheaper to buy products than to make them yourself, so think this out. Home-made noodles take time and trouble, but are a taste treat that cannot be matched by any store product. Check the cost of flour and eggs to see whether they really are cheaper, though.

Buy nothing on impulse. Any impulse item, not on your list, is to be returned to the shelf before checking out. Common sense will provide exceptions to this rule, of course, as when a usually needed

item is on sale, a fact that you did not know about beforehand.

You may want to do some bartering with others for fresh garden or other produce. This is especially convenient if you live in rural areas.

If you are a hunter or fisherman, you can do much to help the food budget providing that you include all the costs for attaining the food and preserving it as a food expense. This may include the cost of the trip to the game area, but you might be one who would want to charge that to entertainment or recreation. Remember, renting freezing lockers, buying licenses and equipment for hunting and fishing are expenses, too, and those should be considered if you are hunting for food as your only reason. The game may also serve as a bartering item if you get more than you need; someone else might have apples in excess.

Sometimes it is cheaper to buy vegetables and fruits than to grow them yourself, but usually, returning to the fine arts of canning, freezing, drying and smoking, you can come out with big savings either by growing your food or buying it in quantity and doing your own preserving. Remember that there are many time-tested methods of preserving food, but be careful to do it right, or your medical budget will take a big, painful whack! Farm extension offices have literature available on proper methods of healthful food preservation.

Well-managed food buying cooperatives often bring real savings on staples, especially for large families. However, be very wary of promotional schemes of commercial operations that have you rent or buy a freezer and then contract to buy combinations of foods from them over which you have no choice, even if the average price for meats or vegetables sounds low. You may get more steaks at a lower price, but you wouldn't have bought that many steaks on your own volition, so you have lost control of the game.

Above all, exchange recipes for nutritional and delicious meals. You'll discover new taste treats and become a culinary artist in the tradition of great chefs, but with the advantage of the small kitchen that can produce things that never could be produced in quantity. Never, never throw away leftovers; experiment with fresh new dishes, such as delicious omelets, Chinese mixed dishes, casseroles, and soups. An inexpensive but different sauce can make an entirely new dish out of yesterday's leftovers.

As a basic rule of thumb, the more packaged and prepared the foods are when you buy them, the more they will cost; the more you are willing to do at home in meal preparation, the lower the cost and

the better the meal.

In dining out, you are paying a very high price for food as compared to eating at home, but a splurge now and then can be handled if you learn to make wise choices in this luxury.

Will you follow all of these rules all the time? Probably not, but if you set them as goals, you will find that you are winning the Food Game most of the time. You may be able to cut the food cost on your budget clear down to 15 per cent if you make the fullest plunge into this game. Remember, though, that your health comes first, and under no circumstances should you allow this game to cut into your sense of physical well-being.

Keep remembering, when the depression hits, the choice cuts of steak will be cheap, and you'll be "eating high on the hawg" so to speak. Cut back now and have the wisdom to help others who may panic at those days they call dark.

THE ENERGY GAME

Of all the factors likely to tip off the depression, energy shortage is the greatest. Of all the commodities the United States has wasted, this has been the greatest. How did we get into these habits of wearing sweaters in the summer so we could have the air conditioning cooler? Wanting to wear light clothing in the winter and turn the heat up higher? What sort of nuts are we, anyway, when, with five per cent of the world's population, we consume more than 30 per cent of the world's output of energy, and waste up to 60 per cent of that? Granted, by our very industrial processes, we cannot cut all of this waste, but the average person wastes 25 per cent of the energy he uses in everyday life, paying for that out of his earnings. He is, in essence, merely setting fire to one out of every four dollar bills he spends for energy, merely to enjoy the warmth and heat of the flame it produces.

Before you read on, look around you. Are there any lights burning that are not being used? Is the television going with no one watching it? Is the heat or air conditioning set to a greater temperature than is needed? If it is winter and you're in a cold area, do you have long underwear and sweaters on? If it is summer, are you dressed in your coolest clothing? What appliances are functioning without need? Do you have a big freezer going to keep a half-dozen items chilled? Are you losing heat because of lack of adequate insulation? If you can answer these questions to your honest satisfaction, you're already into the Energy Game. However, we'll bet there are some

more cuts you can make. In fact, there are enough tips in this field to fill an entire book.

Take the attitude that any energy produced must satisfy a specific need, either in comfort or necessity, or production; otherwise it is wasted. No light should burn unless needed. No heat should flow into rooms where there are no people. The automobile should not use one extra drop of gasoline than is necessary to move it.

Most energy suppliers have booklets on tips to save energy costs, and a growing number of energy conservation offices are springing up throughout the nation, with all sorts of useful publications.

Check your insulation to make sure you are not losing too much of the heat or air conditioning in your home. Close off any rooms you can for as much of the time as you can. In winter, use blankets to stay warm at night and turn the thermostat down. If you can afford to make the change, get a thermostat that goes down to 45° F. Dress appropriately to the weather conditions. Remember that direct heating of your body is what you are after; sometimes an electric space heater is all you need, rather than having the central heating system going full blast. Two members of the family can use the same bath water, as in the old days. A shower takes less heated water than a bath, if it is a brief shower. Soaking baths can be in half a tub of water rather than in a full tub. Do not use the washing machine unless you have a full load of wash to do.

If you live where lots of cheap wood is available, or if you can gather wood from the forests free of cost, consider switching to wood stoves. You warm yourself twice this way, chopping and sawing it up, and then burning it. Save all newspapers for rolling and burning, too.

Do not leave lighting or appliances going, even for a few minutes, unless they are being used.

Ride a bicycle or walk wherever you can. Keep your car in good repair. Turn off the motor if it will be idling for a minute or more. Drive at moderate speeds on the open road; for every five miles per hour you drive over fifty, you lose one mile per gallon of gasoline. Make up car-pools with co-workers. If you have more than one car, consider selling the second one if at all possible.

You can add dozens of ideas to these. Saving energy is the most patriotic thing you can do at this time, as well as one of the thriftiest. We doubt that the nation will be able to prevent a depression starting this late to conserve, so your plans are still safe, but you may be doing something to help keep the dollar on a little better status in the world market and prevent a war.

THE HOUSE-SWAPPING GAME

Take a good look at your living accommodations. Are they what you really need and want? Consider exchanging a big house for two smaller houses or a duplex and renting out one unit, if you are an owner. If you rent, will a less pretentious apartment serve your needs as well? Do you have any rooms you could rent out? Have the children grown up and left home, and you are just hanging on to the large house so they can come and visit? It would be cheaper to rent a motel room for them when they come, and they might like it better, especially if they have their own children. Do you have a garage which can be fixed up into a small rental house? Perhaps you could move out there and rent the main house. The less space you need, the more economy you'll have in most aspects of your life. Large places tend to acquire much un-needed junk. The very process of moving can be a profit to you if you thin down your possessions and play the Junk Selling Game in connection with this.

Again, remember, the dream home may be yours in a few years if you can take your drastic austerity action now. Some of these magnificent minor palaces will be repossessed by the creditors when the crash comes, and the creditors will be glad to get rid of them for whatever they can bring. However, very few people will have enough cash to buy anything. Some will go up for tax sale, too, and that is the time to buy!

THE TRANSPORTATION GAME

Some of the rules on this game are those mentioned in the Energy Game, such as car pooling and walking or biking. Another can be combined with the Food Game: unless you are buying for a big family, and except for bargain quantity purchases, walk to the store for your groceries. When you realize that you'll have to carry everything you bought home, you'll be more cautious in the store. Remember that all of this walking and biking is also a part of the Health Game.

As for distance travelling, do some careful figuring. For one person, the bus is probably cheaper than the mileage cost of driving a car. In some cases, flying is cheaper than other transportation, if it means hotel bills can be eliminated. However, watch out for taxi costs when you fly; they can be enormous. Almost every city has a commuter bus service to the terminal; ask before jumping into a taxi or airport limosine.

How about your car? Is it a gas guzzler? Does it have too many expensive frills? Do repairs cost too much? Can you trade it for a less expensive smaller car?

Don't buy any new car during your austerity program unless you are trading down, or it is the buy of the century, something unlikely at this point in the century. If you must have another car, then check the used car market for a car in good condition at the best price. Keep your pencil sharp with these dealers, and don't let them con you; you know what you are looking for and what you intend to use it for. Don't be swayed by clever sex symbols. Your power will be in the money you have, not in the neat appearance you can give. If you rarely need a car, consider renting a car when needed and free yourself from the bother and expense of ownership. It could be cheaper in the long run. Don't own a four-wheel drive vehicle for recreational use in areas where that is the "in" thing. If you do want such a vehicle, they are on the rental market for the one or two trips you'll use them, and that would be the cheaper way to handle the matter. Maybe a small truck would serve your needs better than a car, anyway. Think this one out in all directions.

If you live within two miles of wherever you are going, and can spare the time, walk. It will be a really great chance to think, to observe, and to enjoy life, and will be great for your health.

THE RECREATION GAME

Here is where some of your best victories will lie if you have a sense of adventure and discovery. The word recreation is literally re-creation, and new avenues of entertainment and culture lie before you in this challenge.

In athletics, consider those endeavors which require the least equipment, or the least expensive equipment. Jogging is now in, and a good pair of running shoes is all it takes. You don't need beautiful and expensive sweat suits except for style. Cross-country skiing is so much less expensive than downhill skiing, and in many ways so much more adventurous, that there is hardly a comparison. Cross country is the real skiing. Tennis requires only a racket and a ball, with free public courts available most places, as opposed to golf with its expensive fees and club memberships. Most places have very inexpensive swimming places, and swimming is one of the greatest body development sports of them all. Hiking can be a sport in cities as well as in the country. Most cities have "almost wilderness" areas available, but turning the city streets themselves into a hike can be an adventure. (We know about the dangers of this, but if you know where you're going, and carry little or no valuables, you are in better shape for this, and there is some risk in every sport.) A ball and a mitt and a park are one of the greatest enjoyment combinations.

If the TV set gives out, consider leaving it out. It is a phony substitute for entertainment in which you are involved. Watching athletics on TV does not make you an athlete. In the entertainment game, the less the television is on, the better. Unplug the TV and turn it to the wall, or put it in the closet, and get it out only when there is something you feel that you must watch, or when you can substitute a good movie, play, concert or opera on video for going out and spending money on those. The \$3.50 you spend to go to a movie (plus transportation and junk foods, maybe) can be saved by pulling the TV set from the closet just for that purpose, and almost every place has at least one good movie on video every night. Your new life doesn't allow time to sit around watching soap operas and silly contest shows. **Do not substitute excitement you can be having for that you can merely look at.**

Lucky are you if you live close to a college or university, where almost every night there is some free or inexpensive cultural happening: a good play, concert, recital, lecture, movie or other presentation. Keep up on what's happening on campus and you'll never be

bored, if you keep an open mind. Remember also that many of the minor sports attractions at collegiate institutions often do not charge fees for admission: soccer, rugby, la crosse, cricket, gymnastics, many swimming meets, and often tennis tournaments. In many cities, the local symphonic orchestras provide a number of free performances, and there are other like attractions which do not always attract such mobs of people as to ruin their appeal.

Rediscover books! Reading still has appeals that escape movies and television, because of the subtleties of thought the author can include. Novels are in such wide variety that you can dig into a good mystery, discover the depth of Tolstoy, or ride the contemporary streams of consciousness with today's latest best-selling minds. Read up on local history and you will enhance your conversation abilities manifold; almost everyone likes to hear about the stories of his current surroundings. Do not, however, invest money in any book unless it will make more money for you, during your austerity campaign. That includes this book, which should be giving you ideas to save and produce or it is not worth its cost and should be sent back for a refund! Writers may find certain research materials valuable to have on hand; certain cookbooks can save you money; a few basic references are useful and valuable. Otherwise, learn to use the public library and use it for every service it provides, including phonograph records. These institutions are blessings to those who are living in austerity.

Cancel all your magazine and newspaper subscriptions. Use the library to read these publications, or ask your friends to save theirs for you to read when they are finished. If you cannot do this, then at least set up a magazine exchange plan with friends; you do not all need to read and throw away the same material. If you subscribe to a newspaper, never discard it with the trash; save it to burn in the fire place, wrap the garbage, or, if it is not a fire hazard, newspaper can make a good insulation material. Newspapers can also be used for making papier mache for amateur sculptures, and have many other uses.

Part of your entertainment will be to cultivate yourself in the lost art of conversation. If you are going to live in an austere manner, **you will find yourself more interesting because of that very fact.** People who do not go along with the general myths of our society are called iconoclasts. Doing your own pursuit of truth in these chaotic times of faddish hangups will make you an iconoclast. Entertain more in your home, and try some stabs at conversation with your friends, and they will soon forget to pay attention to your

possessions as their judgement of you. **What you are speaks out much more clearly than what you have**, in the long run.

Entertaining more at home gives you some other advantages. For one thing, being your own bartender enables you and your guests to enjoy three times the amount of booze for the same price as you could in most bars. It is also the only way to prepare really great meals which restaurants could only try to compare themselves to in their ads. If you have a choice steak, broil it the right way in your own kitchen; you may make any number of variations of shapes for your home-made noodles, and even make green noodles or other variations; you can create cooked dishes that will never be on the menu in even the great restaurants; home made breads not sold anywhere. The fine art of entertaining may include creative decorations to carry out a theme, but inexpensively: bouquets made from weeds from the vacant lot, a beer bust in the basement, clearing out a room for Japanese dinners served Japanese style, creative costume parties allowing guests to buy nothing for their costumes, hard times parties, Friday the Thirteenth parties making fun of all bad luck symbols, flower festivals, candlelight fiestas from home-made candles, parties with classical music backgrounds on the phonograph, your own disco show and dance, special tricks for April Fools' Day, a Ground Hog Day celebration featuring ground hog (sausage), and such. Let your imagination swing! Down with the deadly sameness of the commercial joints! The fine art of entertaining at home must be revived when the economy slips, and you will be the pacemaker in this cultural revival. Don't overlook, also, the old games of bridge, chess and checkers, board games, and good old-fashioned poker. **Let's re-discover the art of participating instead of just watching.** Create your own bands, singing groups, and chamber orchestras.

If you go on camping trips, you might as well really camp instead of buying or renting fancy recreational vehicles in which you take the apartment living with you. Simple tents and bed rolls are still as usable now as they were 50 years ago and give you the real sense of camping out. If the weather is good enough, you may not even need a tent. Cooking over real wood fires, without all the fancy gas stoves, lamps and other accessories, is not only cheaper, but much more fun.

Have you explored the lure of airports, train stations, and other transportation centers? These are delightful adventures, especially if you have small children to lead in the exploration. Many industrial and business concerns in major cities have free tours of their

establishments. Have you investigated all of the commercial tours available in your area? Check with your local Chamber of Commerce, for starters, or even call directly to the business or factory and ask about a tour. Have you taken in all the museums, zoos, botanical gardens, and other public attractions in your region? Check out your community recreation programs, too.

If you are a church-goer, discover the delightful and wholesome entertainments your church has to offer. Not only will austerity give you more spiritual uplift and interest in religion, it will also help you in taking part with others in creative and constructive activities, including children's events, organizations for singles, married couples' clubs, pot-luck dinners (some of the finest dining out to be found anywhere), and picnic sojourns, all in a great atmosphere.

Parents may find an advantage in their entertainment pursuits by exchanging babysitting with other parents, thus saving a great deal in such costs and allowing more freedom for adventurous entertainment. Pet-sitting exchanges are a good way to beat the high costs of kennels when you travel.

Many communities have acting groups, bands, choral groups, and a myriad of other participation outlets available for would-be entertainers. Are you good with children? There are real needs for scout leaders, youth counselors, youth group sponsors, and church school teachers. You can also have a great time going to council meetings, school board meetings, and other meetings of elected groups. Attend regularly, take notes and sit in a visible regular spot and they'll get a bit nervous and wonder what you're up to. Some old-timers have a great time sitting in on court cases, and have been known to become expert in figuring out the winners before the lawyers can do so.

These are merely a few suggestions. You are limited only by your imagination when it comes to free and inexpensive entertainment.

Lastly, we must include the most exotic of all entertainment for adults, sex. Many married couples are discovering **new adventures in the art of sex**, and many delightful new books are available with details and suggestions to start you off on an entire world of greater love and passion than you dreamed was possible. It is the most popular and the most inexpensive of all entertainments, and should never be overlooked as a source of pleasure.

THE PATCH-IT-UP GAME

The essence of this entire game is contained in the good old New England saying,

*Patch it up and wear it out,
Make it do or do without.*

A depression will be the end of the waste and throw-away economy, so why wait? This is the time for creative home repairs, as long as they do not involve buying expensive equipment or materials. Good care may also involve sending some things out for repair, but don't let them talk you into buying a new item, "for just a little bit more." Libraries have good supplies of repair books, and, while your job may not be that of a professional, it can be done in such a way that the equipment will function well, in many cases. Granted, much of our material is too complex to understand without special training.

However, socks with holes can be darned. Other clothing can be patched up, usually with care enough not to destroy the appearance. Most broken dishes can be mended. Browse through the repair manuals at the library and you may find yourself with a whole new recreational program.

Don't buy new things unless they are absolutely necessary. Be like the famous Scotsman who, caught in a rainstorm, was looking at his hat, lamenting, "Oh, my new hat! This is the wettest it has gotten in seven years!"

Gone are the days when things could be discarded just because they were familiar sights, or out of boredom. Every time you see some exciting new product you want, take that long walk and think it over. We have developed a cultural habit of spending lots of money on new things, even automobiles, and finding them merely parts of the scene within a month, the short thrill, expensive as it was, having no lasting value to us. Can you remember all the things you got last Christmas?

THE GIFT-GIVING GAME

Granted, the merchandisers have brainwashed us into thinking we are Scrooges if we buy gifts long ahead of Christmas and save them for the event, but why? After Christmas sales, summer clearances, and other events in which the price is low are the best times for you to select the most meaningful Christmas and birthday gifts for friends and relatives. Then there is no rush, anxiety pressure or other confusions too often causing depression during what should be the joyous Christmas season.

As for Christmas, remember that the best thing you can give is part of yourself! In other cultures, gift giving is not done on Christmas Day, which is a holy celebration, but on the earlier St. Nicholas Day or the later Twelfth Night. Many of our children will grow up thinking Christ's birth is a "gimme" occasion rather than a loving commemoration. Be that as it may, being of good cheer at Christmas time is hard when you are pressured into slam-bang shopping experiences, pay premium prices, and resent what you are doing. What is wrong with picking up items you know someone you love would like when you see them at desirable prices, and saving them for giving at an appropriate time?

Some families have called a revolt to this mania at Yule season, and made rules that they will make their own gifts for Christmas giving. Each person can explore his own talents and work throughout the year with love to create a personal gift for each person on his list. Each bit of work done on it is an act of love for both the recipient and the giver, and it is unique in and of itself. Many things can be made with very little expenditure or none at all, except the love and care of your own self. This is especially great for children, who realize their creative abilities at the same time that they keep thinking with love of their friends and relatives over a longer period of time. Then, when Christmas comes around, we can turn to the festive and religious feelings without the depression of financial hassles.

Do not take part in any "Christmas Savings Clubs" promoted by banks; for the most part they pay no interest at all and simply presume you are an incompetent who cannot save for himself, while they use your money to make more for the bank. Do not go into debt for gift giving (watch those credit card buys) or you will lose some of the pleasure of the gift. An exception to this would be when you give a gift such as "six snow shoveling jobs" or "five bakings"

or "three loads of ironing" during the ensuing year, certificates giving yourself away, which are most appreciated and are a form of loving debt.

THE SALVATION ARMY STORE GAME

One of the most effective recycling efforts in America has been going on for a long time, and that is the repair and resale of good merchandise by the Salvation Army, Goodwill Industries, Morgan Memorial, Disabled American Veterans, church organizations, and others. Not only do they need donations of usable items, but they need customers to buy what are some of the best buys available anywhere. If your attitude has been one that caused you to scorn these emporiums of the revitalized, then give them a try. You will find some excellent merchandise, clean and usable in every way, and can develop a wardrobe of a rich person on a little outlay of money. Your expenditure will go to help people who need help and are willing to work for it. Very few institutions represent the American spirit of cooperative enterprise as well as these, and they are worthy of your support.

Some who have not had the enjoyment of shopping these stores do not realize the fine dishware, appliances, and other equipment also available at very low prices there. These items have been fixed up to work efficiently and, for those of you who long for the days when people took pride in their workmanship, these items are still available to you, having outlived the era of planned obsolescence and disposable merchandise. They will still be serving for some time to come; maybe the depression will lead to a massive re-discovery of good craftsmanship, pride in production, and the new economy will once more emphasize this.

One of the most impeccably dressed men I ever met confided to me that the excellent wool suit he was wearing cost \$2.50. He noted that such workmanship, and indeed, material, was simply not available in new merchandise, and that he did most of his shopping at the Goodwill Stores.

For children, these stores are a must. Many people buy new clothing and toys that are either outgrown soon, or hardly ever used, and they have many years of service ahead. When your children are no longer able to use or interested in them, give them back to the Salvation Army store or other such program, so that other children can still benefit.

THE JUNK SELLING GAME

How much of what you have is really junk, when you come right down to it? That is, it is junk to you, but a treasure to someone else. One good thing about moving is that people realize how much material they have acquired and what they are not using, or even forgot they owned. How fleeting are our material possessions! Why, then, do we become slaves to them? Out with them! **Let them serve us instead of owning us!**

This can become an obsession, once you start. It is a combination marketing operation: want-ads, garage and yard sales, bartering and flea markets.

Want-ads are inexpensive, and in some handout advertising newspapers, they are free to individuals. Garage and yard sales are really great social events. Flea markets charge for space for your sale, but you may reap a good profit by the attraction of these; people who go there are in a buying mood. The average family has about a thousand dollars worth of unneeded material around, and, carefully priced and sold in a variety of ways, that much can be realized and used for savings or to reduce the debt load.

Bartering has become a lost art since the last depression. Then, with so many people lacking cash, they would trade goods and services. Trading this way may upset many merchants, and it drives the tax collectors nuts, but it is still absolutely legal, and a very friendly and neighborly custom. If you have too many beans, you can trade some with someone having too many potatoes. In fact, you can both over-buy good purchases for trading, but do not fix prices or pay each other. Another good bartering item is yourself and your own talents. We already wrote of exchanging free babysitting, but what about your skills in fixing furniture and your neighbor's love of ironing clothes? This can lead to exchanging delicious dishes, trading off chores, and other congenial games.

In most cities and towns, there are also next-to-new shops or other used goods shops that will take your surplus goods on consignment, selling them and taking a commission for the service. These are very often the simplest way to take care of the matter of getting rid of the excess baggage that clutters your life.

THE HEALTH GAME

Above all the factors in this plan for austerity and your own early "depression" to build your fort against disaster, keep in mind that your greatest asset, both in money and in the meaning of life itself, is your physical and mental health. If all these games are going to hurt either one of those, you had better think things over carefully, because they will also be injured when the depression hits.

Good health means preventative health. Physically, it means that you get a good diet, balanced and regular, plenty of exercise, and adequate sleep and recreation. Study up on these, and make sure that your health is safe, no matter what else may be saved.

Exercise, of course, can be the type our forebears enjoyed, such as sawing, chopping, snow-shoveling, gardening and other wholesome outside work, rather than artificial exercise devices and health clubs. Walking or jogging to and from your job wins on the Transportation Game and the Energy Game as well as on the Health Game.

In the Food Game, be careful to maintain adequate and wholesome foods, and do not get so carried away as to endanger yourself in some sort of self-pitying poverty exercise.

Mental health is as important, and in some cases more so, than physical health. If you are going to get neurotic about all this, then don't try it. If you can create a spirit of adventure and a self pride, then the mental health will be better than average at this time. Keep a good philosophical approach at all times, and cheer up the others in the household with the spirit of challenge. Do not let the looming depression hurt your confidence; it should enhance it if you can meet it head-on. A sense of security through savings is, in itself, a good mental health factor. When you are bothered by the so-called sacrifices you think you are making, laugh, indulge in some momentary way, and start the games all over again.

THE TALENT GAME

The last of the games we are including in this booklet is the talent game, in which you discover your own talents for savings or for sale to earn a little extra while there is still money around. In the process you will be preparing yourself for the multitude of enriching opportunities you will see before you after the crash.

First, extend the Do-It-Yourself Game, if you can. Try out some of the home-barbering skills that have helped people save on this regular expense. Cultivate the culinary arts, cooking good meals, and see yourself as a chef rather than a cook. You can do many of your own services at home.

However, this is the time to try to grab a bit of extra money in your spare time, and you should think about your other talents.

We know of a man who did nothing except rub and polish interesting pieces of drift wood while he watched the TV at night. Then he would apply a coat of shellac to them, and his sense of the beautiful led to a salable art form, in demand at gift shops featuring local crafts. Another, a teen-ager, picked up water-rounded rocks from the river bank, and painted them into intricate designs, making very attractive and unique paper weights. Others have carved, sewn original designs, made wooden children's toys in the old fashion, lettered poems, written articles, typed letters at home for small businesses, helped prepare income tax forms for others on the basis of careful study and experience, served as school bus monitors, graded papers for busy teachers, typed term papers, gathered wood and sawed it up for sale to fireplace owners, cut and polished semiprecious stones into jewelry and bookends, made tooled leather creations, and other such crafts. One man bought a small, cheap, hand-operated printing press and learned to print small business cards and stationery which commercial printers did not want to bother with, and traded them for craft items for gifts.

What do you enjoy doing in your spare time? Does anyone in your area want that art, skill or service? You might as well enjoy this as well as profit by it. What new idea have you thought about as a need which has not been met in your area, and which requires little or no financial investment on your part? Have a brain-storming session at your home, and get your enthusiasm worked up.

Warnings must accompany these ideas, though. Do not get involved in any partnerships in these extra-time enterprises. Your partner probably won't be playing the games you are into, and there will be tendencies to over-extend, or dreams calling for investment

of your savings before the time is ripe, especially if you are successful.

Another warning: Don't invest much money in these at this time. It may pay off to buy a small piece of equipment, but do not go trying to build up a business of considerable magnitude before the crash.

A third warning: Beware of classified ads that promise you big money for doing something simple at home. If any of these promoters are asking you for any investment whatsoever, you are probably going to end up losing that investment. It is just a deceptive sales racket, in many cases.

A fourth warning: Do not let your extra-income activities interfere with your job, your household harmony, or your peace of mind, and especially not your health.

In the meantime, have a lot of fun!

AND NOW FOR THE CRASH!

We can't tell how soon the depression will hit (we hope we get this on the market in time to be of help to you). We also cannot tell how many last minute props the politicians will try to stick under the economy to kid us that all is well. They're already raiding the U. S. gold reserves to prop up the dollar overseas. However, the longer you can be on the austerity games before that time, the better, for the most part. **Even without depression, you're doing the best job around of beating inflation.** If you've even read this far and agreed with only a portion, you are in better shape to deal with either inflation or depression than 99 per cent of the American people.

Probably, the word "depression" will not be used. It will be disguised with bureaucratic doubletalk, and there will be continual promises that things will get better as they get worse and worse. What you have to do is feel for the bottom before you ease up on austerity, put your savings into the economy to help it out, and begin to make yourself rich. The best signs that the bottom has been reached are that many people are out of jobs and cannot get other jobs; others are taking drastic pay cuts in order to keep their jobs; towns and cities are making drastic cuts in workers in order to survive; and you begin to see quite a few businesses close up with no other businesses moving in.

Now is the time for cautious use of your funds. What will be needed most by people will be food, clothing, warmth, shelter, and, of course, sex interest never dies. These businesses and industries are most likely to weather the storm if they use their heads and don't price themselves too high. Investing in these would be your first priority.

Repairs will also be needed, and businesses engaging in these services tended to survive during the last depression period. As pointed out earlier, luxury items, vacation and recreation industries, automotive dealers, construction of new homes and buildings, and specialty stores all suffered, as they were the first cuts made in the available spending budgets of people.

What if you lose your job? You can now have some money to look around, re-evaluate your position, and ride a bit on your savings while others are in panic. This is the time to bet on yourself. Look at bankrupt businesses and cheap houses; being a landlord can keep you in business full time, at a greater comparative profit than ever before.

Be on the lookout for anyone who realizes you have some savings. **A loose lip can sink your ship.** It's dog eat dog to try to part you with that money any way possible, and the get-rich-quick schemers will abound, almost all of their ideas born of desperation and bound to lose. The best thing for you to do is to keep living modestly for awhile, and not let people know you are ahead with any sudden displays of wealth. Suddenly low prices could cause you to tip your position too soon, and make you even more of a target.

When your friends need help, for the most part, give them moral support and try to teach them austerity, rather than giving them any of your hard-earned dollars. You will not do anything to really help them or strengthen them by merely bailing them out for a temporary delay in their plights. To show them how to be austere in their life styles as you learned to be, and how to get on their feet again, will be most helpful.

You may, if you wish, give to the countless charities that will be needed, but consider the fact that if you make wise investments, you'll be able to give a lot more later, when it may be needed even more. This applies to churches, United Funds, and other worthy causes, which will find you like ants find a picnic. If you give the money to them, it will be spent; if you save it, you can invest it with them in mind as the ultimate goal. Risk being considered a Scrooge, but you will count for more when the chips are really down. Besides, all you saved could not begin to solve the many problems you will see immediately after the crash. Strong character is what people will need, and you will have that leadership for them.

In buying anything, from stocks to popcorn, you are now in the bargaining position. It will be a buyer's market for the first time in four decades. You will be one of the buyers who will help control that market. A new car paid for with cash will be so much in demand by the dealer that he will lower it to his barest profit to have some money to hold off his creditors. Bankruptcy courts will settle for as little as ten cents on the dollar of value, if that. This is the time to drive hard and bargain hard, if you're really going to reap the rewards of this toughening position you've followed. If you are going to make these sacrificial games you're playing now pay off, you have to get tough for everyone's real good later.

Of course, that is all up to you and your own philosophy. If you want to give all your savings away, and continue austerity indefinitely, that's your prerogative. **Just enjoy whatever course you take and you'll find depression and inflation don't bother you at all!**

By the time the economy begins to turn upward again, you should be in a position, understanding these patterns, to see your profits multiply. Lots has been written in inflationary times about borrowing to "establish credit," but, as Albert Schweitzer once noted, "The surest way to establish your credit is to work yourself into the position of not needing any." You will be in a position of getting leverage through credit if you want to make a big investment, but don't get yourself bound into a bad debtor's situation, and make sure the interest is low.

Some stocks should be purchased and held, and you may want to sell off some real estate when the price rises, but remember that you are involved in a gradual inflation now. Some people who bought stock for 30 cents a share in the Thirties had seen it rise to over \$100 a share within the next twenty years. Happy days will be here again! Meantime, remember those good values a depression brings, both material and spiritual. If the depression never hits, or by some miracle, it turns out to be only a recession, you are still in a great position to deal with the economy. **This isn't a matter of luck, it's a matter of thinking, imagining and planning!** That's why we won't wish you luck on this parting note; you are the creator of your own good luck and you deserve what you created.

ONE PERSONAL FINAL NOTE

None of the ideas presented here are impossible. They have been tried and tested and proven by the author and his wife. I have taught social sciences for nearly three decades on the college level, and gradually learned how to live the laws of economics for myself. We were able to get out of debt, beat inflation, put savings to work, and, finally, I took a leave from my teaching position, and got a job at minimum pay, to test the most severe austerity. This book is being written in a converted garage, and we are still saving enough money even though I have even quit that minimal job to write. We are still helping put our three children through college at this same time. It can be done, and it can be more fun than you could ever imagine. We are having a ball, and hope to have even more fun when the crash comes. We have become more creative and imaginative and learned new talents. We may even continue this pattern when we are able to put our savings into new and exciting investments after the crash. **It may seem radical, but it works, and it can work for you, too.**

TAKE INVENTORY NOW!

Just where do you stand as you prepare for a depression or try to fight off the inflation? On the form below, fill in the blanks as accurately as possible, using real cash value at this time, rather than hoped-for future value. If your liabilities are higher than your assets, you should go into a crash program right now to correct that. If your assets are higher, as they probably will be, then use the planning in this book to increase that balance as soon as possible.

Assets:

Real Estate: Current Sale Price	\$ _____
Automobiles: Current Trade-In Value	_____
Business: Actual Current Value	_____
Bank Savings:	_____
Stocks, Bonds, Etc.	_____
Insurance: Cash Trade-In Value	_____
Furniture, Appliances, Equipment:	_____
Art, Antiques, Rare Books, Etc.:	_____
Actual Sale Value	_____
Retirement Plan: Cash Trade-In Value	_____
Debts owed to you by others:	_____
Other material assets: Cash Value	_____
TOTAL ASSETS:	_____
Liabilities:	
Real Estate Debts:	_____
Automobile Debts:	_____
Appliance, Equipment, Furniture Debts:	_____
Other Personal Debts:	_____
TOTAL DEBTS:	_____

PLAN YOUR BUDGET HERE

Depending on your own needs, you may wish to adjust the figures on the suggested budget included in the "Beat the Budget Game." Below are those items and suggested percentages of your take-home pay so that you may figure out your own system:

Amount of your monthly paycheck:	\$ _____
Food and Drink (27%)	_____
Housing (20%)	_____
Clothing (9%)	_____
Transportation (9%)	_____
Medical and Dental (8%)	_____
Insurance (5%)	_____
Household (4%)	_____
Furnishings (3%)	_____
Recreation (3%)	_____
Contributions and Gifts (2%)	_____
Personal Care (2%)	_____
Personal Expenses (2%)	_____
Reading and Education (1%)	_____
Union or Professional Dues (1%)	_____
Savings (4%)	_____
TOTAL (Should be equal to Paycheck Amount)	_____

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