

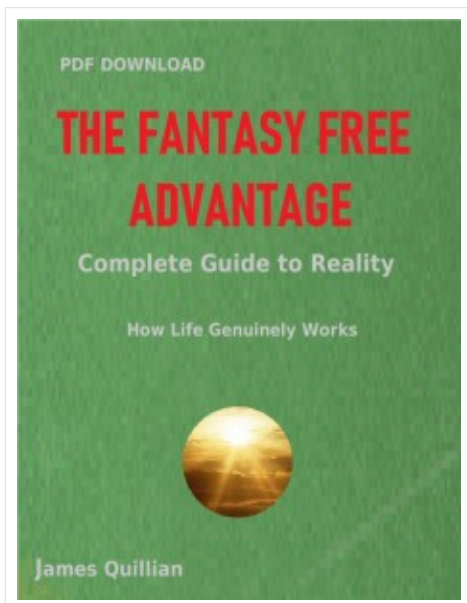
Fantasy Free Economics

Have Dignity Make Good Trades Own Your Own Tools

James Quillian Economist Teacher of Natural Law

New Dynamics Corporate America

Posted on [May 30, 2024](#) by [jamesq](#)



Early in life, most Americans remember the phrase, “the consumer is king.” This concept began to change in the 1950s. John Kenneth Galbraith, in his book *The Affluent Society*, coined the term “conventional wisdom”. He explained how what is perceived to be true continues to be deemed to be true long after it is no longer true. Conventional wisdom is that the consumer is king. The consumer is no longer king in the U.S. economy.

In the fifties, Galbraith noticed a change. Sophisticated advertising techniques developed. Demand for goods and services, which had previously sprung up in the hearts of buyers was taking a back seat. Corporations were then creating demand for their products and services by virtue of increasingly sophisticated advertising. The 1950s were only the beginning of the practice of manipulating the public mindset.

The benefits of managing the thoughts and behaviors of masses of people were established. Clever advertising was only the beginning.

Corporations learned that they could use congress as a tool. They could lobby to have bills passed enabling them to capture customers and force the population to buy their goods or services. Through regulation, they could limit customer choices so that they could only buy new windows, appliances, toilets and most other things.

Then in the eighties, the Reagan administration seriously invigorated economic stimulus programs. The public – private partnership concept began being popularized. QE followed. QE subsidized any and everyone who faced borrowing costs. QE also kept profit margins as much as permanently elevated. Home ownership has long been subsidized.

Is the American population safe enough? Projects, public and private, providing complete safety to everyone abound. Just mention a concern and efforts to assuage your fears are launched, at a high price of course. As time went on, the practice of creating crises and then selling the public protection emerged.... Covid.

Certainly, among corporations, the “consumer is king” model has been forgotten. It hasn’t been needed. That may or may not be a concern to ordinary people. However, it will be disastrous for corporate America. New ways to extract money by using government as a tool constitute economic planning. There is no such thing as a centrally – planned economy that doesn’t collapse. Debt built the economy. Both the inability to continue borrowing and the inability to pay it off and service itguarantee that our system – built by borrowing, is collapsing.... just as expected.

For many decades U.S. citizens have pretty much been told what to buy. None of it is anything they asked to be produced. Electric cars are the best example, Folk did not even come up with the idea of going mobile. Since the smartphone era began , life has become almost impossible to live without one.

The business community no longer knows how to accommodate consumer demand, given that it has been successfully artificially – created for them for so long. Market forces are present in all economies, including socialist. They never disappear. That is because masses of people doing what is best for themselves never disappear.

Consumers are no longer buying what they are told to buy. People are beginning to suffer. Suffering has only one benefit to society that comes to mind. It activates the thinking brain. All of the stimulus response methods that have been used over the years to generate spending are no longer working. For many, borrowing has gotten them everything they own. But, everything they own has not yet been paid for. They can no longer borrow to buy. They can only buy to survive..

Because of the failure of U.S. central economic planning, the “consumer is king” approach is beginning to apply again. The business community has forgotten how to make use of that concept. Their approach so far is to beat up on their customers for the sake of elevating each quarter’s earnings. A better approach would be to focus on staying in business, not just impressing stockholders in the present moment.

Part of our inflation problem comes from companies raising prices in the face of waning demand. That is suicide.