

Fantasy Free Economics

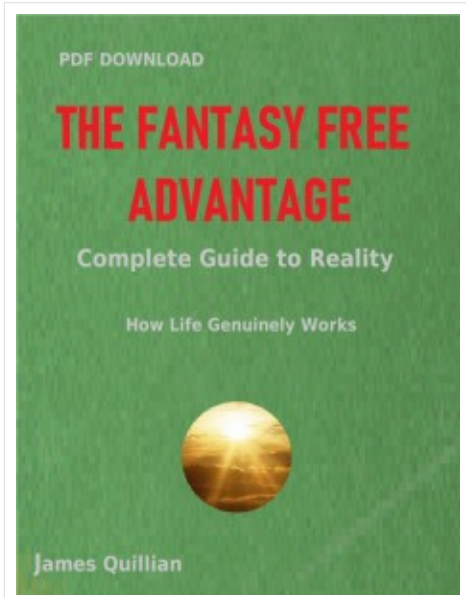
Have Dignity

Make Good Trades

Own Your Own Tools

Remember the Stock Market

Posted on [November 6, 2024](#) by [jamesq](#)



In May 2021, I published the following article.

[The Stock Market Is All There Is](#)

The essence is that when the stock market collapses, the economy is over. I am posting the link, because there is no point in my re-writing the article. The fact is that for the last 40+ years, the stock market has been driving the economy higher, rather than it being the other way around as would be normal. As long as asset prices move higher, GDP rises. Great idea, but unfortunately central planning always destroys, even if it takes years for the damage to accumulate. Well, the damage has accumulated beyond the point of no return. Keynes, commented to this kind of logic by stating that “in the long run we will all be dead”. Keynes is now dead as are his cohorts. Those of us who are still alive are experiencing the adverse effects of Keynes’s policies, of which his critics were

warning.

Today, we are witnessing last ditch efforts to turn the stock market up, and re-start the economy. Home ownership serves the country, by serving as a taxation cash cow. The higher asset prices go in general, the higher home prices rise, providing masses of money which provide the means by which state and local governments grow.

How long can the market be kept from crashing? I honestly don’t know. But, following the election, it is important that the outcome be deemed good for the stock market. Otherwise, nature will take its course and our system will collapse. That may happen immediately, soon, or later.... but it will happen.