

Fantasy Free Economics

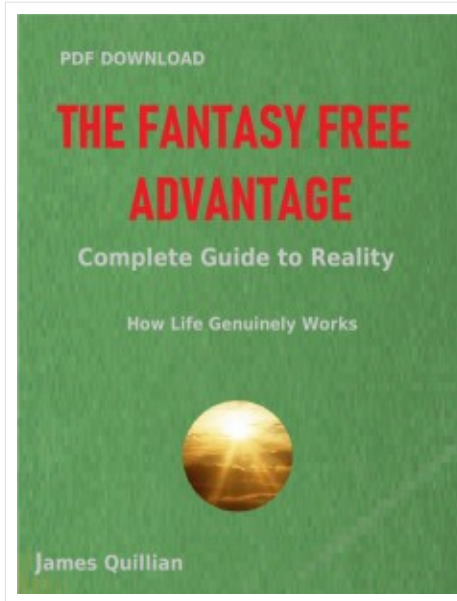
Have Dignity

Make Good Trades

Own Your Own Tools

Some Timely Questions

Posted on [January 8, 2025](#) by [jamesq](#)



How is the US economy growing when its national debt is increasing every year?

It works the same way it does when a family takes a cut in income but continues to expand its lifestyle by borrowing more and more money. That ends when they pass their credit card limits and start getting turned down for loans.

The difference is that the government has no such limit on how much it can borrow.

What steps can we take to address income inequality in the United States?

Free markets optimize income distribution. Anything else generates inequality.

When should governments provide funding to private

businesses?

Never, unless folks love inflation, lobbyists and buying things they don't want.

Is there any real solution to inflation?

The only reliable tool is a return to free markets. As long as governments create and manage currencies, inflation will always be with us.

Inflation is created politically and monetary policy follows political will.

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What are the main ways that governments intervene in a market economy and what is the purpose of their intervention?

Government intervenes in a market economy to accommodate the interests politically powerful entities which lobby to get the bills passed so as to give them a competitive advantage.

An ostensible reason is given. To date, there has never been an economic intervention that has not harmed markets and society.

Given that the national debt in the US has surpassed the \$36 trillion mark, what measures should be taken to tackle this situation?

The only way to deal with this is to reduce government spending. Citizens would have to determine that they are better off making decisions for themselves and manage most of the risks they face in life privately. As it is, our leaders spend money in order to accommodate their contributors interests at the detriment of the country as a whole.

Is the US GDP rigged?

Rigged is too gentle of a description. Need a better GDP number? Fine, just increase government spending. Need an even better one? Great, just print more money and give it to billionaires. Form more public private partnerships, then lavish them with Federal money etc.,,,,,, which

Always study the forces in nature which make the numbers what they are