

# Fantasy Free Economics

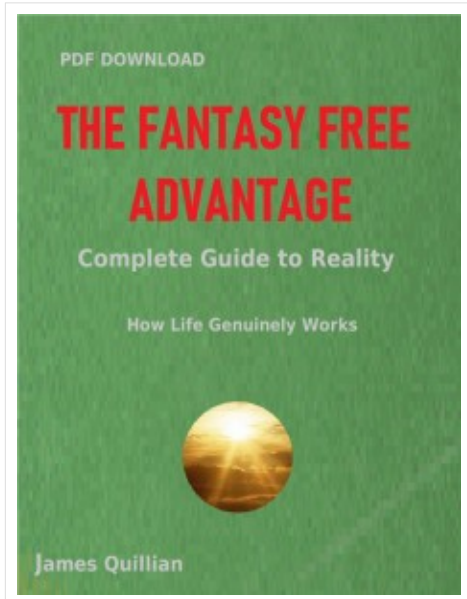
Have Dignity

Make Good Trades

Own Your Own Tools

## The Centrally Planned Stock Market

Posted on [October 19, 2018](#) by [jamesq](#)



Happiness is a fantasy based state of mind. There are many happy economists in the world today. I am not one of the happy ones. Give up fantasy and happiness disappears with it. That is not the end of the world. As you live without fantasy, peace takes its place so there is no net loss. It takes a while. Is it worth it? Who is to say?

What is a reality gap? A reality gap is the difference between fantasy based ideas, notions and what is actually true. Often a reality gap is based on believing what we would like to be true. Other times a belief can be based on an instinctive belief in something that in the past bolstered the species chances of survival. Eons ago, kings were defined as having divine rights. Royalty was assumed to be like a bridge between humans and God. Kings were assumed to have powers other people did not

have. In today's world, people act on the basis that world leaders, experts of all kinds and governments have magical powers. This is a reality gap. There are no special people. Still, citizens put child like faith in leaders. Leaders have their own agendas, completely separate and detached from those of their constituents. This is an instinctive thing.

People need to believe there are experts in charge who are there to protect them from danger and to solve problems for them with their superior knowledge. Federal Reserve policy lives off of this human weakness. The public imagines these economists have some degree of insight. They don't. The theories they rely on have no chance of producing a positive outcome. Why? The theories are fantasy based just as are the notions that cause the public to have confidence in them. Economists assume objectivity in government. They believe people are sentient beings in every aspect of their lives. They treat individuals as being independent minded and making independent decisions. They remove variables from their models if leaving a variable in it will keep it from working mathematically. In general, belief in the Keynes's idea of a straw man is a critical part of any aggregate economics theory. Nature provides no such entity as a straw man.

Putting economists in charge of the economy is like giving an army of blind men guns and sending them off the fight a battle.

By 2008, the Federal Reserve had all but destroyed the country. From then until now, the Federal Reserve has saved the country for a while by transferring wealth and income from the bottom of the

food chain to to the top. Markets, financial and all others have not been allowed to clear for decades. Stimulus is theft. It has never been anything else and it never will be.

Economic issues have only one solution, free markets. Free markets create optimums. A population is worse off to the degree a country deviates from a free market situation. Prosperity cannot survive without recessions because recessions are the mechanism by which waste is eliminated.

There are multitudes of reality gaps at any given time. The ones that matter now are those where experts are deemed competent arbitrarily and where leaders are deemed to be special people.

A number of fantasies are always in play. One of those is that human beings are freedom seekers by nature. Will a human opt for freedom given the choice? The answer is sometimes but almost never. It depends upon what the freedom costs. Freedom is handled like an asset and is bargained away as a means of enhancing chances of survival. The brain as an organ optimizes survival and reproduction.

Another big fantasy that is always relevant is the belief in the incentive to serve. People who are elected or who even work for government are deemed as motivated by wanting to serve others. There is no truth to that notion whatsoever. All people, politicians, "civil servants and those in the private sector are all guided by self interest. Lets not leave out the fantasy that government is benevolent.

As many as 100 years can pass without the indulgence in fantasy being of critical importance. From time to time life gets real serious. We are currently entering into one of time periods. People who live fantasy based lives are currently at a serious disadvantage.