

Hope Of A V Shaped Recovery

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I will explain very briefly why a V shaped recovery is not possible.

The economy that has collapsed is the product of 40+ years of aggressive central planning. That guarantees that the economy would collapse at some point. Central planning in the United States constitutes economics in retrograde. Central economic planning can be increased or decreased. Given the mindset of rejecting both free market and democratic principles, more central planning will undoubtedly be initiated.

Stimulus of some kind will be used. What is wrong with stimulus? **Aggregate economic theory has adopted Keynes's concept of a straw man.** By straw man, Keynes addressed the necessity of having a 100% objective, non-political, unbiased person implementing central economic planning. The straw man is only a product of the imagination. No such entity exists in the Universe.

To justify central economic planning efforts also requires the adoption of the incentive to serve on the part of all involved. In the entire world, there is no such thing as an incentive to serve at the aggregate level. There is in families and friendships but on the aggregate level that doesn't apply.

There needs to be a halfway accurate forecast. To date, economists are not capable of making halfway accurate forecasts. If they can, please provide some examples. But, one is not enough.

So, when the economic crisis is addressed by government, based on no reliable forecast, the efforts will be blind from the beginning, as they always have been.

What we will get is a plan that benefits those with enough political and economic power to central plan in ways that save and enrich them. This is the path that followed the 2008 crisis, This is the only path there is, so it will be used.

Americans do not know who their government is. As I say, an entity is the function it performs, not the name or definition it is given. Americans assume that the government they elect is what causes this, that or the other to occur according to the will of the electorate. However it is clear that the will of the majority never makes its way into political power. The government that really

determines what the formal government does are those with enough wealth and power to make it turn out to their benefits. So, the class that I refer to as the 100 richest are really your government. They own the media so you hear and see what is to their benefit for you to witness and not yours. **Your government really is the group that controls government policy, not what is in Washington.**

It is not hard to notice that the corporations with the most political influence came out very well with respect to the nation's Corona Virus, response. The stock market is rocketing and stocks of anointed corporations are skyrocketing.

Stock prices are completely orchestrated and managed and have been for many years. When such a small number of entities own such a large percentage of equities and other wealth instruments, it is much easier to get the stock market to do the "right" thing for those in charge of the country, than folks want to think or admit.

So, given our current situation, there will be no actual recovery at all. Only free markets can accomplish that. What we may end up getting are a few government statistics that show improvement. These, kind of statistics are always highly embellished, They just don't mean what they are deemed to mean. Any central planning solution will further transfer wealth from the bottom of the economy to the top.

How well will the elite of the world do? A lot of that depends upon the number and nature of the lies the public is duped into believing. However they will have their own headwinds. Many successful corporations today have no utility to society. That means their success will not be permanent of anything close. One constant to economics is that corporations constantly come and go. Where are Sears and Montgomery Ward today? In the 70's there was this saying. "As General Motors goes, so goes the country. Tastes and preferences change. What has no real utility finally disappears.

Anointed corporations will also find it difficult to sell their products and services when their customers have been destroyed.

There are good reasons for the ongoing demonstrations. Police brutality is a plenty good reason but there is general discontent in the streets not directly related to the initial incident. People respond to stress as it occurs. There will be other responses. It will be interesting to see what they are.