

# Acceptable Alternatives To The Truth

## Fantasy Free Economics, James Quillian

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In explaining economics and politics, I have a complete advantage over all others who are doing the same thing, simply because I do not believe lies. That is not an unfair advantage. Anyone else can do the same thing. In politics, although the truth is in everyone's tool box it is never used. Any politician who tells the truth is at an immediate disadvantage.

When talking about politics I start by knowing I am not hearing the truth regardless of its source. All communication in politics is focused on getting results or advancing an agenda. Others who believe they are hearing the truth, even out of their favorite supporters, are generally wrong in their assessments from the outset. That is in fact the case with mainstream economics. Study mainstream economics if you want to be highly adept at understanding a system that does not apply to or even exist in the real world.

John Kenneth Galbraith was a brilliant economist 20th century economist. Sure he was a liberal but he was an absolute master at observing what was going on in the world of economics that was out of the visual field of everyone else. His solutions were misguided but his observations were right on.

In his classic 1950's book, **The Affluent Society**, he introduced the term conventional wisdom. Today that term is used constantly but the gravity of its meaning has become lost. Conventional wisdom works out to be an alternative to the truth the vast majority of the time. Conventional wisdom is not what is true. It is a belief system the majority are comfortable with. Policy is always based on conventional wisdom rather than what is factual or even logical. Often it is a means of adopting a lie, hoping it works or for the best, because the truth is too troubling to look at.

What is today's conventional wisdom? Probably the biggest is the insistence by virtually everyone is that the stock market is in a bubble created by investors bidding stocks up. It is quite unsettling to entertain the idea that we don't have a bubble but a political agenda that provides affirmative action for stock prices. Bubbles burst. Political agendas fail but they don't bust. What are political agendas? Political agendas are what politically powerful people convince congress that government should do.

Somehow, I doubt that I am alone among economists as seeing QE and fiscal stimulus as not only unnecessary but completely destructive. The fact is that you cannot get paid as an economist unless you advance the conventional wisdom the modern discipline is based on. For that reason, the conventional wisdom that stimulus is needed and even that the Federal Reserve is an important necessary institution are standards that are hard to deviate from.

What conventional wisdom comes down to is a reasoning of choice that displaces the truth. The popular ideas that circulate in the echo chambers, both liberal and conservative, are bits and pieces of conventional wisdom that morph into sound bites. So, when does anything other than conventional wisdom enter the national dialog. That happens when suffering caused by policies based on yesterdays conventional wisdom begin failing.