

# Mud Shaped Recovery

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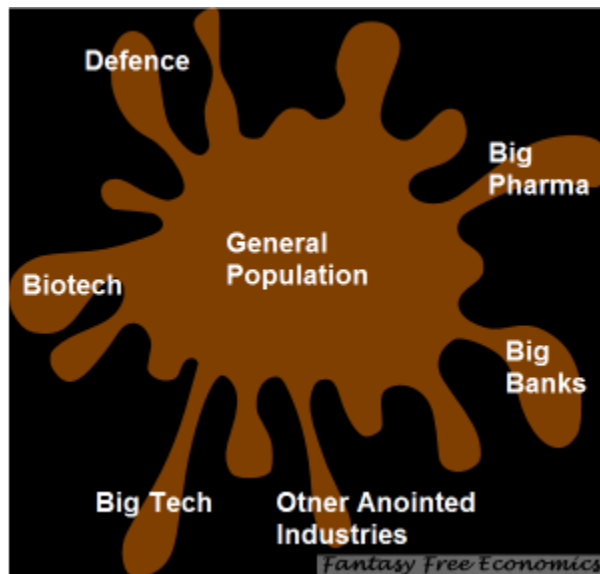


I am on record as repeatedly saying there will be no recovery. Chances are there will be something that is called a recovery but it will be mud shaped and not a V, L or W. So what will a mud shaped recovery look like?

The image below is to illustrate how a mud shaped recovery will look.

It will look like a splatter of mud flung up against a wall. The big splat in the middle represents the public which will be literally stuck in the mud, possibly for as long as most

will live. The finger like extrusions represent industries that are propelled outward towards the external perimeter of the mud splatter.



Economic systems get classified as capitalist, free market, socialist, communist and so on. All one need remember is that there are only two basic ways to allocate resources, by price or political power. In all command economies, resources are allocated in keeping with levels of political power.

In the United States, political power is overwhelmingly concentrated in the corporate sector. Within the corporate community, political power is concentrated in the hands of a small fraction

of all corporations. Those corporations are those represented on the image that make it to the outside of the mud splatter.

The national Corona Virus response is being carried out in ways that will enhance the profitability of corporations with enormous political power. Clearly, they had virus information before anyone else and managed to have government respond in ways most helpful to them. They will prosper, unless as I forecast, there is no recovery.

There may be good jobs numbers at some point. As central planning has replaced the free market as our primary economic engine, workers real wages have not improved and many have left the workforce. There is a chance we will have more people working for less and that will be presented as good progress. The public will remain stuck in the mud.

Remember the old Jimmy Dean song, Sixteen Tons? There is a line that says, "St. Peter don't call me cause I can't go. I owe my soul to the company store." Americans will be saying they owe their souls to Amazon.com. Facebook will continue herding the population, homogenizing them and engaging in agenda driven censorship. This practice greatly aids those in government as well as all anointed corporations. Big Pharma will continue providing the country's citizens with the most inelastic goods and services at the highest possible prices. They will also continue using their weight to make sure no effective but inexpensive cures and remedies ever get acknowledged or publicized.

In the case of a mud shaped recovery, which is the only possible recovery, our anointed corporations will do very well. The general population will be stuck in the mud indefinitely.

Americans will be confounded as to why the economy is recovering at such a fast pace while they can't even get their heads above water. Most are already used to that. More of the same can easily become the new new normal. At that point they won't mind.

So, what is the solution? Well, in theory, the mindset of Americans could change. What are the chances of that happening? There is not one free market initiative going on in the world today. Conservatives in the United States call our top down socialist system capitalist while shaking their fingers at Marxist liberals.

Define people and economies any way you wish, but the United States no longer has a free market economy, not even close. Economic growth has never occurred anywhere in the world when free market forces were not abundantly present. With that being the case, only a mud shaped recovery is possible, and that type of recovery only looks good on paper.