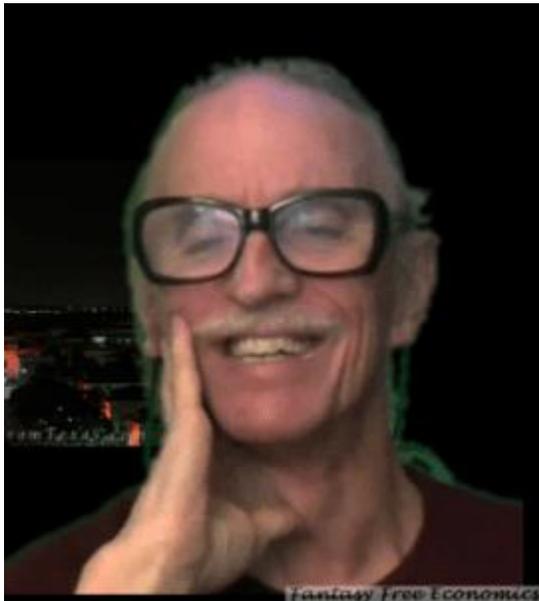


Stimulus The Political Tool Fantasy Free Economics, James Quillian



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Many times, I have written that whether it is monetary or fiscal that stimulus is a political tool. It has no honest application. It is and has been a big lie from day one.

Why is it impossible for stimulus to have a net positive effect on the economy? I can give all kinds of explanations as to why, both abstract and down to earth. That is nice and perhaps would be entertaining but it is not necessary. Human nature does not allow these programs to work.

Keynes, the father of stimulus, certainly argued that objectivity and non-bias were completely necessary. Keynes did not grasp that objectivity

and non-bias are not possible in government. Government cannot make economic decisions. Governments make only political decisions.

A kid with \$5 in a candy store makes an economic decision. Congress or the Federal Reserve make political decisions. That being the case, there never has been and never will be a case where an economic decision is made with respect to stimulus. It is a contradiction and impossible. Keynes called for non bias. But, there is no way to get a non biased decision where stimulus is concerned.

So what we have is stimulus applied one way or another every year. Leaders always find it necessary. Stimulus is very good for those who get it, but that is not you. To benefit from stimulus takes massive political power. I do mean massive and that amount of power is what it takes to dictate policy to government.

Lets see, who has massive political power? Is it the rich or the poor? Look at how the income distribution has changed since stimulus was virtually made mandatory with the Full Employment Act of 1978.

What percent of the nation's income went to the upper 1% in 1978? Find the answer online.

What percent of the nation's income went to the upper 1% in 2021? Find that answer online also.

Use 5% instead of 1% if that is easier.

What you will notice is a massive income increase for the upper 1 percent who have massive political power and an impoverishment at the bottom who just pay taxes.

The question students need ask their economics professors why it is deemed good to teach students theories when there is a genuine guarantee that they will never be used at the right time?