

Permanent Depression

James Quillian, Fantasy Free Economics

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I want to make sure I am on record in forecasting a permanent depression. This is while others are calling for a recession or a simple depression. Few have not heard the news that we have had two quarters of negative GDP growth. That by most is deemed to be a recession. Government statistics are always as positive as they possibly can be. Surely the real situation is much worse. Now, some are challenging this time honored definition of what constitutes a recession. Why call it a recession if we don't have to? Certainly we shouldn't want Americans to be discouraged.

I don't follow government statistics. Economic downturns have much to do with the mindset of the population and nothing to do with government policy itself, in the present moment. I think instead.

Thinking is not allowed in economics. I break that rule and that is why I don't have a job.

I have written many times that any economic recovery requires free market influences be in tact. The more which are in tact, the greater the recovery is. The United States economy does not have enough free market attributes to right itself. Central economic planning cannot right anything. It never has and it never will. As it, what the government does, controls the essence of the vast majority of Americans. A right wing Republican likely lives in a home that is financed with a subsidized interest rate. A left wing democrat gets the same benefit. Both may have subsidized or free solar panels on their roofs. There are many stealth subsidies that few are willing to do without.

What is it in a person's life that that is not controlled by a central authority? It is hard to think of much. Every time a decision is made to opt for government control in one's life, an equal amount of freedom must be surrendered in order to make it possible. As Americans have continued to opt for collective solutions, loss of freedom, voluntary as it might be, is lost. Folks are left with only the freedoms they deem meaningful to them. All can still move about freely and do things like walk down any street and seek out entertainment. Healthcare is managed. Government decides what folks can and cannot buy. Who personally decided that their gas needs ethanol in it? Who decides to buy wind generated energy instead of fossil fuels? Major spending decisions are made by government.

First Amendment rights are certainly under assault. To most this doesn't matter. Only those effected are concerned. There is a collectivist dark cloud of mentality that purveys society today. Given this, along with the disappearance of free market attributes, really does mean there will be no recovery.

No, the ingredients needed to launch an economic recovery are gone. The collectivist policies Americans opt for are present and growing. There is no movement to move back the free market approach.

You cannot go swimming when there is no water in the pool. You can't have prosperity in a country which has dismantled its free market system.