

## The Criticism Game

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It's amazing how much so-called criticism really amounts to nothing. A clue that it's going nowhere is that while you anxiously await alternatives none are forthcoming unless it's something impossible to take seriously.

Andrew Ferguson in the 3/24/14 Weekly Standard (yeah – I include some crap-checking with my fact-checking) wrote on how inaccurate economists' projections have been during the economic crisis. In May 2010 the OECD projected US GDP for that year to be 3.2% - the actual 1.7%. How could they be so far off five months into the year under examination? In September 2008 a panel of Wall Street Journal experts predicted that the then 6.2% unemployment rate would be about the same in a year – actual 9.8%. They also said 4<sup>th</sup> quarter GDP would be +1.2% - actual -2.7%. Ferguson pretends to be nonplussed by the extreme inaccuracy, though he does note that the inaccuracy increased the more government control there was over an economy. Apparently the experts expected more intervention.

Clearly Ferguson must know that economists and their like are not expert in anything that that term can be reasonably applied. There are ideologists. They provide a smokescreen, or a light at the end of the tunnel, when the economy weakens in order to give time a chance to heal the damage. Then, once the illusion gains some traction, it all becomes “everything is coming up roses”. No one gives them marching orders. This is one place where the invisible hand of the market really works. It's like the LIBOR fraud during the worst of the depression. At first it was only Barclays bank, now we learn that many, many banks were involved in the fix. Recalling B. F. Skinner and his study of pigeons, we know that even creatures as low as economists and bankers can be trained to follow complex cues and perform as desired.

Then we have Ron Paul calling the regulatory actions of the Fed “Socialism”, and that it only causes distortions in the economy. Now if we just leave the economy to do its own thing - a totally free market economy - it will make the necessary adjustments.

Ron Paul is definitely not a stupid person. He is also more courageous than the typical political hack. He has called the US overthrow of countries a crime. He noted the hypocrisy of the US criticizing Russia over Crimea while we occupy Guantanamo. (After failing to buy Cuba from Spain as if it were the purchase of a gigantic feudal estate, the US provoked a war with Spain. Seized the country. Imposed an acceptable regime which granted a control of Guantanamo in perpetuity for a small annual sum. Recently other nations with similar perpetual territorial treaties decided to change them to 99 year treaties because it had become so shamefully obvious that no real sovereign regime would give away part of its country in perpetuity. The US refused to join them. Guantanamo has been criminally occupied by the US for 112 years and counting) Paul certainly knows that the Fed is controlled by the top banks of the country. It works in *their*

*interest only*. No one but a fool or a liar could seriously think the collective bankers of the US have socialistic inclinations. There is nothing close to a totally free market economy because it would be a disaster. It would cause so much disruption that it might endanger the continued existence of the system itself. Thus people regardless where they be on the political spectrum know that their aged and senile system now need perpetual care. It must be bathed and dressed, and even helped to use the toilet. Let people like Paul take their hands off and it's likely to flush itself along with its excrescences.

The most interesting reports of late is the slackening of housing. Just recently housing was going to be the driver that gets the economy going. Now it's dismissed as something of minor interest. Okay, housing is going nowhere, retail/consumer spending is going nowhere. Industrial output is doing a great job of building inventory not sales. Interesting that Yellen suggested an earlier date for letting interest rates rise. Here she is trying to tamper the irrational exuberance while at the same time denying its existence. Also interesting that the market volume jumped to over 8 billion on Friday. Apparently statements by some of the Fed Prezs ("QE was a gift to increase the wealth" of the already wealthy). But not to worry, the financial sector is still gaining altitude. Soon it may be able to locate the missing Malaysian jet.

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