

## **Mercy: Just Let the Sick Dog Die**

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Two book reviews in the current issue of Barron's testify to the utter idiocy that our 'leading thinkers' dispense as expertise.

Barron's columnist Epstein reviews a book that uses a made-up-with-quotes debate between Ron Paul and Paul Krugman to make libertarianism seem like the most brilliant thing since the earth became round. Epstein is all on the side of these Friedman, Hayek types and says that Krugman, with his Keynesism, “gets things wrong at virtually every turn”, and further attacks Krugman for his “deep seated dishonesty”.

The review focuses on the issues following the burst of the dot.com bubble which are virtually identical to those following the more recent burst housing bubble. From the libertarian point of view, if you keep government out of the economy and let failed businesses, investors, etc., take the loss, that will more quickly revive the economy. (This is what happened before regulation when generalized economic collapse was called a “panic” – lots of people lost their shirts, but at least that served as a cleansing process and a faster recovery). Here Paul is quoted saying in 2002 that government should cease all its activities supporting housing – Freddie Mac, Fannie Mae, mortgage tax credit, etc. This in order to prevent a future housing bubble, but this is said while the economy is in the throes of the dot.com recession. Meanwhile, Krugman is pushing the Fed to create a housing bubble to replace the burst Nasdaq bubble.

The stupidity of Epstein, Paul and author Hammond is that they are either ignorant, or prefer to pretend ignorance, of what Krugman at least accepts – that capitalism is like a terminally sick dog that requires massive intervention in order to survive.

A popular variation after the last burst bubble is that of Roubini; a controlled partial collapse that wipes out as much debt is necessary in order to prevent a stagnant “recovery”, like Japan has experienced. Well, that is just what has happened – we are in the throes of stagnation, and Krugman is just thrilled with this, bragging in many columns how much better we've done coming out of the crisis – Well satisfied that at least the economy is still standing.

The second review is of Stockman's “The Great Transformation”. His view was that the last burst bubble was no big deal. Firms like AIG should have been allowed to collapse; that the problem was the government's fault – after all, it made the bubble. He would prevent this from happening again by eliminating the federal income tax; departments like Commerce, Labor Agriculture, Energy, Homeland Security, placing restrictions on banks.

What these libertarians fail to acknowledge (or really don't know) is that capitalism is well passed its sell-by date. If the supports are yanked away, the system will collapse and people will take measures in their own hands and create

a system that works for them. Libertarians like to present themselves as supporters of pure freedom, in fact, they are for maximum license to do as they please. They are really nothing more than old-time social darwinists who, like fascist, believe have a special superiority. But real freedom means liberation from such libertarian freeloaders.

David Stockman appears to be the best choice as the leader of a “New Order” because he also calls for a confiscatory tax on the super rich in order to retrieve \$14 trillions of ill-gotten gains from the last bubble. After all, the Nazis did call themselves “National Socialists”. There are his credentials – an “an anti-capitalist” smokescreen while the ruling class takes over with all encumbrances eliminated.

Are these people as ignorant as they seem? Do they really not understand that attempts to regulate the system were enacted because repeated failures brought rebellions that endangered its very existence? As convinced as one may be that they are really stupid, it is not safe to think that way. Best to regard them as people with a specific plan – A world run by a freebooter elite.

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