

'Cocaine' Economics: a rude awakening

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The pinnacle of absolute denial has been reached, I refer initially to the notion that Reserve Banks are able to actively intervene and restore today's delinquent stock markets. Laissez-faire capitalism has come of age, but we do not see a well-groomed, successful, balanced 'mature adult' free market, we see instead a spoilt infant crying out for daddy government to bail it out of trouble; an infant incapable of accepting the responsibility for its self-centred and self-serving behaviour.

It wasn't supposed to work like this, laissez-faire capitalism was touted as the final economic cure-all; governments could just sit back and watch the beautiful well-oiled machine of free-market capitalism run the nation and the world. The reality, however, is staring us in the face and it's far from pretty.

So horrid is the appearance of this man-made gorgon that free marketeers are aghast. They are behaving like a distraught and demented mother carrying a dead infant hoping beyond hope that it will come back to life. The pleas of the market for government intervention are no different to the pleas of that demented mother imploring a doctor to bring her child back to life. It can't be done - it's time to FACE REALITY! There is no avoiding the inevitable collapse.

It hadn't occurred to economists that unbridled avarice, indolence, corruption and plain dishonesty/criminality would scuttle their idealistic theories. It started with rampant out-sourcing; companies became so fragmented that no one knew what the fuck anyone else was doing! 'Harmless,' temporary fraud became a means to buffer idiocy and mishaps until things were put back 'on course' - though the navigator had lost the map to an out-sourced cartographer in outer Kookistan! Temporary cover-up fraud soon became entrenched as normal work practice and shared complicity created mutually reinforcing delusions built on delusion. Printing money was always an option and would disguise the dead baby for a while.

Today the USA has out-sourced most of its industrial base to other nations that now have huge savings, massive foreign reserves, functional infrastructures and everything else that goes with a working, productive economy. The USA is left with paper jugglers, thieves and liars who actually thought they could relinquish responsibility and maintain profit share - impossible! So the next best option was to fake it - grab everything YOU could in the short term and then run like hell before the balloon burst! Then someone invented revolving (circular) credit to keep the leaky boat afloat until they grabbed what they could and ran!

The economy was reduced to a grab and run gambit until one day a smart rodent decided to stop the hamster-wheel, unload the credit burden, liquidate and hold the fort. That started a panic cycle that resulted in some very large financial institutions too embarrassed to admit they have been left holding a dead baby! But the smell of rotting corpses promises to reveal all. Please Mr. Fed/Reserve a lifesaving injection or the nation is likely to go down with us - and I do not exaggerate!

The market's request is too demanding to ignore. So the government has decided to give the junkie another shot and hope it keeps its promise to clean up its act. Wrong decision as the money will only

allow a few pressured high-profile CEOs and directors to jump a sinking ship. There simply is not enough real money in any Reserve Bank to cure the problem. The original plan was that Federal Reserve coffers would be overflowing from wealth generated by free-market, laissez-faire capitalism – time for another line!

I omitted to mention the necessity of a completely compliant government and President; business could ill-afford critical eyes when it took the bit in its teeth and freed itself from the reins of accountability and sound managerial practices.

After installing Bush and the neo-cons in government and convincing them that the formula was right the USA has now become the largest national offender in the economic delusion stakes. The laboratory is of course Iraq, where out-sourcing has extended to the war itself but we haven't forgotten that out-sourcing is an impossible model to track. The war has become a bottomless pit devouring money faster than any Reserve can print it. Uncle Sam has also been forced to borrow heavily and is now in debt up to his star-spangled eyeballs. There is only one thin thread that keeps America from nosediving into a full-scale depression and that is the huge reserves of greenbacks other nations carry.

The junkie child has failed to kick the habit instead it has addicted its dad but the world seems unwilling to carry a basket case and looks like cutting its losses and dumping its dollar reserves for Euros.

America has actually been running on Cocaine Economics; laissez-faire got lost somewhere along the 'line.'

It's time to grab what you can and run for your economic life – it's over!

Cleaves Alternative News. <http://cleaves.lingama.net/news/story-811.html>