

Mounting Debts, Bankruptcies, Inflation, Mass Unemployment: The Financial Establishment Promotes “Economic Nonsense” and Incoherent Analysis

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While the ordinary person knows that all is not well with the economy and society, the wealthy elite that run the Federal Reserve, which is a private entity, continue to make miscalculations and poor judgements about the economy and then nonchalantly plead ignorance when reality slaps them in the face.

Prices on dozens of products, including houses and gas, are soaring. So is debt of all kinds.

Thousands of capitalist firms at home and abroad are “zombie companies”—companies that generate revenue but have very little left over after paying off their debts. In other words, they don’t really make a profit. Millions have not returned to work.

The U.S. labor force participation rate remains flat and millions of people that do have jobs do not make much money at all. More than 1.5 million people are still losing jobs every month in the U.S. In addition, unemployment insurance for millions has ended or will be ending soon. Meanwhile income and wealth inequality have skyrocketed and generalized anxiety has increased throughout the globe. Worldwide, hundreds of millions of people have sunk into poverty as a result of the decisions and policies of the rich and their political and media representatives. Crisis never seems to end.

In remarks made on June 16, 2021, Jerome Powell, head of the U.S. Federal Reserve, admitted that, “the recovery is incomplete and risks to the economic outlook remain” (see [this](#)). Powell also said that, “the pace of improvement has been uneven” in the “labor market.”

He added that, “Employment in this [leisure & hospitality] sector and the economy as a whole remains well below [already-low] pre-pandemic levels” (emphasis added). Powell then repeated the nonsense that the economy would recover further as more people got

vaccinated, as if to imply that horrible economic conditions are the result of an inadequate number of vaccinated people. Besides the fact that millions are already vaccinated, vaccines and viruses have nothing to do with economic “booms and busts” under capitalism. They may function as extenuating circumstances but they are not the root cause of constant economic instability, insecurity, and chaos. Many economies around the world were in decline well before the “Covid Pandemic” started. Many will not “recover” for at least a decade.

After listing a few more indicators of a continually failing economy and finally backing away a little from overly-rosy economic forecasts, Powell, like his predecessors, throws his hands up in the air and casually asserts:

I will also say though, the last thing I’ll say is this is an *extraordinarily unusual* time. And we *really don’t have a template or, you know, any experience of a situation like this*. And so I think we have to be humble about our ability to understand the data. It’s not a time to try to reach hard conclusions about the labor market, about inflation, about the path of policy. We need to see more data. We need to be a little bit patient. And I do think though, that we’ll be seeing some things coming up in coming months that will inform our thinking. (emphasis added)

This is neither inspiring nor scientific. Such assertions leave no one feeling confident or like we are in good hands.

Right around the time of the Wall-Street-engineered economic collapse of 2008, many prominent economic “experts” and leaders of finance repeated the nonsense that they did not know how such a major economic collapse could have happened and that they could not have predicted such a calamity and that everything they thought they knew about the economy did not apply to the catastrophe that was unfolding. Everyone apparently was caught off guard and no one presumably could have predicted what would unfold, despite the fact that capitalism is defined by recurring crises. In other words, “leaders” and “experts” took zero responsibility for one of the most devastating economic collapses of the last 100 years.

Back in 2008, former Fed Chairman Alan Greenspan testified before Congress about the economic collapse. He casually stated that he was in a “state of shocked disbelief” over a so-called “once-in-a-century credit tsunami.” With no sense of irony he declared that, “We’re not smart enough as people, we can’t see events that far in advance. And it’s very difficult to say in retrospect why didn’t we catch something.”

He also said, “I still do not fully understand why it [the collapse] happened and obviously to the extent that I figure where it happened and why I will change my views. If the facts change I will change.” Even more embarrassing, he went on to declare that there was a “flaw in the model of how I perceived the world works.” Tens of millions continue to suffer from the “Great Recession” of 2008, and only 12 years later humanity finds itself besieged by the 2020 economic collapse.

For his part, Nobel Prize winning economist Eugene Fama openly and scandalously stated:

“We don’t know what causes recessions. I’m not a macroeconomist, so I don’t feel bad about that. We’ve never known. Debates go on to this day about what caused the Great Depression. Economics is not very good at explaining swings in economic activity... If I

could have predicted the crisis, I would have. I don't see it. I'd love to know more about what causes business cycles."

Sadly, Greenspan and Fama were not the only ones declaring Know-Nothingism and promoting incoherence. Many other prominent economists and capital-centered ideologues repeated in unison that they had no idea how or why such an economic collapse could occur. Each of them made it sound like years of education, numerous awards, and multiple credentials did not prepare them to foresee such an economic calamity. Such is the miserable bankruptcy of capital-centered economics.

Society does not need incompetent and retrogressive forces leading society or managing the economy. It needs a real public authority committed to building a balanced, self-reliant, diverse, consciously organized economy that drives modern nation-building and uses human-centered science to make economic decisions. So long as the wealthy elite are in charge, the economy and society will continue to lurch from one crisis to another.

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