

# Trump's Best Ever Economy Craters

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Global Research, April 19, 2020

Region: [USA](#)

Theme: [Global Economy](#)

*Time and again, Trump's hyperbole defies reality.*

*As US economic conditions peaked in mid-February and began declining sharply, he falsely claimed that "(o)ur economy (is) the greatest...we've had in the history of our country."*

His fantasy assessment was reminiscent of noted economist of his day Irving Fisher.

On October 17, 1929 (a week before Black Thursday), he claimed "stock prices had reached what looks like a permanently high plateau."

Crash and the Great Depression followed. Even John Maynard Keynes was wrong in 1927, saying:

"We will not have any more crashes in our time."

In the late 1920s, the US economy was a house of cards, the same thing true about most of the past decade in America, the chickens now coming home to roost, as the saying goes.

What'll unfold in the months ahead be best be understood in hindsight.

All vaccines, no exceptions, are harmful to human health. Rushing COVID-19 vaccine development could prove deadly for many.

Even establishment figures like Harvard Medical School Professor Dr. David S. Jones warned that "(t)he basic history lesson when it comes to vaccines and immunization is that there always has been a risk and there always will be a risk."

Australian vaccine expert Ian Frazer said at best vaccines can take years to develop. No successful ones were ever developed for coronaviruses, he explained, adding:

"One of the problems with corona vaccines in the past has been that when the immune response does cross over to where the virus-infected cells are it actually increases the pathology rather than reducing it."

The reality is when vaccine availability is announced, at best they may only work for a few months, at worst not at all — either way most likely to cause more harm than good.

Economist David Rosenberg believes economic recovery will be slower at best under optimum conditions.

Things won't return to "normal" until a COVID-19 vaccine is available, he said, the risk of mass immunization not considered.

He sees economic downturn bottoming in Q II, adding: "A lot of what I call economic detonation is not permanent."

Perhaps not for the economy as reflected by macro data ahead, things likely to be much different for most people in the US, West, and elsewhere as the future unfolds.

Rosenberg: "I think that the recovery is going to be very slow, and things will not generate significant, sustained momentum until we put this pandemic behind us and people's fears about going out and engaging with each other again resorts back to what it might have looked like previous to the mid-part of February."

He stressed that numbers of job losses in the West don't fully reflect the plunge in hours worked.

Based on that metric, unemployment is much higher. He sees no V-shaped recovery.

Shadowstats economist John Williams said "pending first quarter (US) GDP contraction should rival the depths of the Great Depression," adding:

Q II should be worse. April US unemployment will more than double anything seen" post-WW II.

March retail sales plunged a record 10.3%. March industrial production fell more than any time "since the post-World War II production shutdown."

Global economies and markets are experiencing "extraordinarily unstable circumstances."

"Financial market and political turmoil (has) likely just begun, despite ongoing massive systemic manipulations and interventions."

Williams sees US unemployment reaching 43%. US Q II GDP will "likely see the deepest drop in modern history."

Economist Joe Carson explained that exploding corporate debt "is the exact opposite of the practices that were employed in the past to help the economy escape recession."

"The payback will be weak growth (when recovery occurs) as firms struggle with record debt levels."

Excess easy money fueled the bubble economy, "and its fall deepens the recession and slows the recovery."

Economies function best when companies focus on productive investments and innovation.

Notably since the 2008-09 great recession, things in the US were polar opposite. Protracted easy money fueled corporate stock buybacks and unsustainable bubble markets.

Market manipulation propelled US and other equity prices higher this month. Market analyst Scott MinerD believes the S&P 500 may fall to around 1,200 from its April 17 2,875 level.

"How do we know when we have not reached the bottom," he asked? "When the talking heads on CNBC (and other financial channels) are buying."

Current gains are unsustainable, he stressed. “The market at this level based upon where earnings are doesn’t represent any kind of intrinsic value. It is being entirely propped up by liquidity.”

“It’s going to be a long haul to get back to the unemployment levels we saw prior to the downturn,.”

“That’s why I’m so concerned about a longer-term plan to encourage business to get people back to work.”

Billionaire investor Jeffrey Grundlack tweeted:

“ ‘A successful near-term retest of the March lows’ was such a consensus opinion no wonder we got a big, rapid rally instead.

“The new narrative: ‘thanks to the Fed there will be no retest’ will likely not come to pass either, leaving ‘a takeout of the March lows’ as the base case.”

Grundlach believes markets are “dysfunctional” and that projections of a quick economic recovery unrealistic.

Economist Chris Rupkey believes “(t)he worst is yet to come.” The worse things get, the longer the recovery.

Millions of jobs will be lost longterm as large numbers of mainly small and medium-sized businesses go bankrupt.

When the US and other economies reopen, many people may avoid large crowds for sometime to come.

Stores, restaurants, theaters, sports areas, airline and other transportation terminals, as well as other businesses may not return to normal for many months or years.

According to MIT researchers, reopening the US economy too soon could “lead to an exponential explosion in the infected case count, thus nullifying the role played by all measures implemented in the US since mid March 2020” — the same true for other nations with high infection rates.

Clearly what’s happening in many countries is unprecedented in modern times. The coast may not be clear for some time.

When public health and economic normality is likely to return is largely guesswork. The fullness of time will explain best.

As long as significant numbers of outbreaks continue, it’s better to be safe than sorry.

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