

Stimulus

How to Recharge a Nuclear Economy with a 9 Volt Battery

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The Gross Domestic Product is approximately 14 Trillion Dollars, the Federal Deficit is 14 Trillion Dollars, and the Secondary Market approximates 600 Trillion Dollars (of which an estimated 35-50 Trillion Dollars involves Mortgage Backed Securities). Did the Federal Reserve's introduction of a couple of Trillion Dollars aid recovery of the Primary Market? As evident in many articles and government reports, the bailout did not go directly to aid in Primary Market Recovery; the bailout apparently was used to hold the Secondary Market from collapse with hopes battery leakage would dribble down into the Primary Market. The dribbling recharge of the Primary Market has not occurred.

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QE-1, QE-2 and hints of QE-3, Quantitative Easing¹: *“Quantitative easing (QE) is an unconventional monetary policy tool used by some central banks to stimulate the national economy when conventional monetary policy has become ineffective. A central bank implements quantitative easing by purchasing financial assets from banks and other private sector businesses with new money that it creates electronically.”*

QE1, RMS Queen Elizabeth, launched on September 27, 1938. The QE-1 was refitted due to World War II and carried troops to many battlefields across the globe.

QE2, Queen Elizabeth 2, launched on September 20, 1967. In 1982, the QE2 ferried troops of the Fifth Infantry Brigade to the Falklands War after being refitted with 3 helicopter pads.

The QE-1 and QE-2, and hints of a QE-3 would be more of the Federal Reserve’s attempts to save the Titanic.

Titanic, launched May 31, 1911. The Titanic sank on April 15, 1912, after striking an iceberg in the middle of the Atlantic Ocean.

The Federal Reserve’s Trillion(s) Dollar QE attempts to financially recharge the United States economy is more of just relocating the iceberg. Postponing and attempting to conceal the severity of the financial collision by use of deception, lies, indecision and kicking the can will not change the facts: the financial ship is sinking. Strike up the law firms, bring on the lies and promises that the economy will recover may temporarily calm the nerves of those who have lost or are about to lose, but sinking is inevitable.

According to stories about the Titanic, some said the Titanic could not sink even while it was sinking. Herein we look at those who depend upon inflated electronic money to survive; this financial boat cannot sink.

Just like the night the Titanic died, this financial sinking will live in the annals of history. Future economic historians will now have two historical scenarios to review for applying Quantitative Easing to future economic financial crisis: 1933 & 2011.

Those attempting to repair today’s economy by referring to tools used in the 1930’s are using a 9 Volt Battery to replace a Nuclear Power Plant.

Yesterday was Yesterday, Today is Today

This country has leaders who appear to be in a different ocean from their constituents.

¹ http://en.wikipedia.org/wiki/Quantitative_easing