

Re: USA has been in on continuous Recession since 1999 and good chance of falling into Depression

Source: <http://sci.tech-archive.net/Archive/sci.econ/2004-08/1316.html>

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Date: 08/23/04

Date: Mon, 23 Aug 2004 14:32:32 -0500

"Archimedes Plutonium" <a_plutonium@iw.net> wrote in message news:41278D87.73E21151@iw.net...

- > *It never ceases to amaze me how daffy most people are when it comes time*
- > *to look at the "news objectively". And not even the news reporters able*
- > *to see objective from subjective.*
- >
- > *Case in point is whether the USA is in Recession. Not even the*
- > *economists can see and understand that the USA has been in one*
- > *continuously long Recession that commenced in 1999.*

Hi,

That is because economists know what the word "recession" means. The US is not in a recession now, and since the GDP figures have recently been revised, they are questioning if the "recession of 2000 or 2001" ever actually happened.

At any rate, it is falling real GDP and not rising world oil price that defines a recession. And not as Trucker claims, the fact that a Republican is in the White House.

Some on this ng have claimed that "properly understood" civilization has been in a "recession" for the last 200 years. Others say it has been for the last 10,000 years.

- >.....*Virtually every*
- > *economist that I know of has claimed an Expansion having occurred during*
- > *1999 through 2004 and their claim is supported by the Fed.Res starting*
- > *to raise interest rates in 2004.*

??? Raising interest rates is an indication that not only is the economy recovering, it is in a greater danger of inflation than of recession. (in the opinion of the Fed)

>

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- > *I have said throughout this period of time that to know economics is to*
- > *know the price of oil. As oil fares, so does world economy and*
- > *especially USA economy.*

While oil prices do effect the economy, the price of oil does not DEFINE the state of the economy. And we can hope that in a decade or two, oil prices will have little effect on the US economy.

- >
- > *I have said throughout this period of time that news reports such as*
- > *Nightly Business Report on PBS is mostly off mark, off course and mostly*
- > *irrelevant tinker bobble. Because, starting January first of year 1999*
- > *if the Nightly Business REport had begun each program with just a*
- > *statement of the price of oil throughout those 6 years would have*
- > *accurately reported on the state of the USA economy. Every viewer could*
- > *have thence realized that we were starting a recession in 1999 because*
- > *oil was rising and would have stuck in a recession throughout those 6*
- > *years. And Mr. Greenspan, if he had paid more attention to oil than all*
- > *of those other silly numbers would also realize that we are still deep*
- > *in Recession and rather pointless to be raising interest rates.*

There is a better case to be made that the price of gold, rather than of oil, should be used by the Fed to determine whether to raise or lower interest rates. Had Greenspan keyed on the falling price of gold during the late 1990's instead of the many factors that he did, the last recession (if there actually was one ;-) could have been avoided.

.....

- >
- > *We also know that China and India have a demand on world oil due to*
- > *their expanding economies some of which is the outsourcing of USA jobs.*

Yes, the USA is a big factor in the prosperity in India and China. That is GOOD isn't it?

- >
- > *The decades of cheap oil perhaps are ended.*

Very likely.

- > *The last great Expansion was 1990–1999 and the cause of that expansion*
- > *was firstly-- cheap oil and secondly-- new technology. So it seems as*
- > *though to have a Expansion requires two things to take place. Cheap*
- > *energy along with a new technology. In the 1990s the new technology was*
- > *Internet.*

Cheap "energy" is more important than cheap "oil".

- >
- > *I do not see any new technology on the near future horizon.*

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??? Lots of potential for new technology, from GM crops (a new Green Revolution) to nuclear power, or even wind turbines or PV, and especially totally unexpected things.

>..I do see

> *Human Cloning on the intermediate term future horizon that will surpass what the Internet was in the 1990s as new technology.*

Yes, that too.

>

> *But new technology alone does not create a Expansion for it seems to require contributing support by energy costs.*

But some new technologies can reduce energy costs.

>....*Most of the people in the*

> *energy business in the USA had expected that Fusion would be the answer.*

> *They are miserably wrong because of the Fusion Barrier Principle.*

Fusion of hydrogen happens all the time in nature without any help from us. I can remember when I was a kid and the Sound Barrier was claimed to be "unbreakable".

>....*So the*

> *clear answer for the USA as to energy is more Fission Electric Power*

And I agree. And widespread use of that could reduce the influence of oil on our economy.

> *Plants such as France where over 60% is fission energy. Then there is*

> *the other option for the USA with its huge oilshale reserves that is*

> *larger than all of the liquid-oil of the world.*

That and the methane hydrates in the ocean. Both assuming that we don't care about Global Warming any more.

>

> *I would hazard to guess, for predictions are often murky, that the USA*

> *has a 50 to 50 chance of this 6 year long Recession of falling into a*

> *Depression. I say that because the current administration has no Energy*

> *Plan. It does not even understand the reality of our present situation.*

But does the likely replacements? Think Kerry would start a crash nuclear power plant building program?

> *It looks at band-aid fixes such as Alaska oil or more Fusion funding or*

> *more exploration. When it should have started to build more fission*

> *power plants in year 2002.*

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We should have started building them in the 1970's when our energy limitations became obvious.

- >.....*It should have initiated a OilShale Plan in*
- > *2002 and broken ground for a OilShale Electric Power Plant in Colorado*
- > *by 2004 with more to come.*

If we write off Kyoto and forget about CO2.

- >
- > *What also weighs in favor of a Depression is ongoing terrorism which is*
- > *very costly in terms of economics time and money.*

Yes.

- >
- > *And we must mention also the fact that the last Great Depression of the*
- > *1920s was favored to happen because of the inherent snags of the*
- > *economic systems in the world at that time-- German reparations to*
- > *France and the allies; no safety brakes in USA stockmarket or even a*
- > *social-security-net or a Fed Reserve oversight. The*
- > *economic-system-snags of 2004 comparable to the snags of 1920s is this*
- > *global-freetrade of job outsourcing to overpopulated countries and the*
- > *fact that much of the world oil is located in terrorist countries.*

Globalization and trade will help the US avoid a recession. As the rest of the world (India and China especially) become richer, they will both buy more US exports and provide us with more and cheaper imports.

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